**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

**Form 10-Q**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2015**

**OR**

**o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Transition Period from to**

**Commission File Number: 001-34949**

**Arbutus Biopharma Corporation**
(Exact Name of Registrant as Specified in Its Charter)

| **British Columbia, Canada** | **980597776** |
|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |

**100-8900 Glenlyon Parkway, Burnaby, BC, Canada V5J 5J8**
(Address of Principal Executive Offices)

604-419-3200
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| Large accelerated filer [ ] | Accelerated filer [ x ] | Non-accelerated filer [ ] (Do not check if a smaller reporting company) | Smaller reporting company [ ] |
|---|---|---|---|

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [x]

As of July 31, 2015, the registrant had 54,328,414 common shares, no par value, outstanding.

**ARBUTUS BIOPHARMA CORP.**

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)**

**ARBUTUS BIOPHARMA CORPORATION**
(formerly Tekmira Pharmaceuticals Corporation)

**Condensed Consolidated Balance Sheets**
(Unaudited)
(Expressed in US Dollars and in thousands, except share and per share amounts)
(Prepared in accordance with US GAAP)

| | **June 30 2015** | December 31 2014 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | **$ 207,205** | $ 72,187 |
| Short-term investments (note 2) | **-** | 39,974 |
| Accounts receivable | **6,332** | 1,903 |
| Accrued revenue | **323** | 538 |
| Investment tax credits receivable | **55** | 86 |
| Prepaid expenses and other assets | **1,787** | 1,730 |
| Total current assets | **215,702** | 116,418 |
| | | |
| Long-term investments (note 2) | **10,012** | - |
| Property and equipment | **12,469** | 12,959 |
| Less accumulated depreciation | **(10,433)** | (11,199) |
| Property and equipment, net of accumulated depreciation | **2,036** | 1,760 |
| Intangible assets (note 3) | **390,017** | - |
| Goodwill (note 3) | **156,053** | - |
| **Total assets** | **$ 773,820** | 118,178 |
| | | |
| **Liabilities and stockholders' equity** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities (note 5) | **$ 6,920** | $ 9,328 |
| Deferred revenue (note 4) | **5,605** | 5,779 |
| Warrants (note 2) | **3,606** | 5,099 |
| Total current liabilities | **16,131** | 20,206 |
| Deferred revenue, net of current portion (note 4) | **8,045** | 9,937 |
| Contingent consideration (note 8) | **5,136** | - |
| Deferred tax liability (note 3) | **156,007** | - |
| **Total liabilities** | **185,319** | 30,143 |
| **Stockholders' equity:** | | |
| Common shares (note 3 and note 6) | | |
| Authorized - unlimited number with no par value | | |
| Issued and outstanding: | | |
| 54,303,402 (December 31, 2014 - 22,438,169) | **821,660** | 290,004 |
| Additional paid-in capital | **27,844** | 26,208 |
| Deficit | **(232,739)** | (205,864) |
| Accumulated other comprehensive loss | **(28,264)** | (22,313) |
| Total stockholders' equity | **588,501** | 88,035 |
| **Total liabilities and stockholders' equity** | **$ 773,820** | 118,178 |

Nature of business and future operations (note 1)
Contingencies and commitments (note 8)

See accompanying notes to the condensed consolidated financial statements.

**ARBUTUS BIOPHARMA CORPORATION**
(formerly Tekmira Pharmaceuticals Corporation)

**Condensed Consolidated Statements of Operations and Comprehensive Loss**
(Unaudited)
(Expressed in US Dollars and in thousands, except share and per share amounts)
(Prepared in accordance with US GAAP)

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| **Revenue (note 4)** | | | | |
| Collaborations and contracts | **$ 2,310** | $ 1,144 | **$ 5,830** | $ 4,833 |
| Licensing fees, milestone and royalty payments | **1,130** | 667 | **2,292** | 1,408 |
| **Total revenue** | **3,440** | 1,811 | **8,122** | 6,241 |
| | | | | |
| **Expenses** | | | | |
| Research, development, collaborations and contracts | **9,690** | 9,298 | **20,247** | 17,502 |
| General and administrative | **7,662** | 1,787 | **10,378** | 3,837 |
| Depreciation of property and equipment | **147** | 149 | **267** | 283 |
| Acquisition costs (note 3) | **361** | - | **9,656** | - |
| **Total expenses** | **17,860** | 11,234 | **40,548** | 21,622 |
| | | | | |
| **Loss from operations** | **(14,420)** | (9,423) | **(32,426)** | (15,381) |
| | | | | |
| **Other income (losses)** | | | | |
| Interest income | **81** | 257 | **283** | 404 |
| Foreign exchange gains (losses) | **(2,571)** | (2,728) | **4,467** | (1,285) |
| (Increase) decrease in fair value of warrant liability (note 2) | **2,024** | 5,813 | **801** | (7,803) |
| | | | | |
| **Net loss** | **$ (14,886)** | $ (6,081) | **$ (26,875)** | $ (24,065) |
| | | | | |
| Loss per common share | | | | |
| Basic and diluted | **$ (0.27)** | $ (0.28) | **$ (0.64)** | $ (1.15) |
| | | | | |
| Weighted average number of common shares | | | | |
| Basic and diluted | **54,255,804** | 22,063,438 | **42,297,517** | 20,938,503 |
| | | | | |
| **Comprehensive loss** | | | | |
| Cumulative translation adjustment | **3,223** | 3,774 | **(5,951)** | 1,616 |
| **Comprehensive loss** | **$ (11,663)** | $ (2,307) | **$ (32,826)** | $ (22,449) |

See accompanying notes to the condensed consolidated financial statements.

**ARBUTUS BIOPHARMA CORPORATION**
(formerly Tekmira Pharmaceuticals Corporation)

**Condensed Consolidated Statement of Stockholders' Equity**
(Unaudited)
(Expressed in US Dollars and in thousands, except share and per share amounts)
(Prepared in accordance with US GAAP)

| | Number of shares | Share capital | Additional paid-in capital | Deficit | Accumulated other comprehensive loss | Total stockholders' equity |
|---|---|---|---|---|---|---|
| **Balance, December 31, 2014** | **22,438,169** | **$ 290,004** | **$ 26,208** | **$ (205,864)** | **$ (22,313)** | **$ 88,035** |
| Stock-based compensation | - | 5,324 | 1,906 | - | - | 7,230 |
| Issuance of common shares pursuant to exercise of options | 373,168 | 2,956 | (1,397) | - | - | 1,559 |
| Issuance of common shares pursuant to exercise of warrants | 18,750 | 384 | - | - | - | 384 |
| Issuance of common shares in conjunction with the private offering, net of issuance costs of $9,700,000 | 7,500,000 | 142,177 | - | - | - | 142,177 |
| Issuance of equity instruments in conjunction with the acquisition of Arbutus Inc. (note 3) | 23,973,315 | 380,815 | 1,127 | - | - | 381,942 |
| Currency translation adjustment | - | - | - | - | (5,951) | (5,951) |
| Net loss | - | - | - | (26,875) | - | (26,875) |
| **Balance, June 30, 2015** | **54,303,402** | **$ 821,660** | **$ 27,844** | **$ (232,739)** | **$ (28,264)** | **$ 588,501** |

See accompanying notes to the condensed consolidated financial statements.

**ARBUTUS BIOPHARMA CORPORATION**
(formerly Tekmira Pharmaceuticals Corporation)

**Condensed Consolidated Statements of Cash Flow**
(Unaudited)
(Expressed in US Dollars and in thousands)
(Prepared in accordance with US GAAP)

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| **OPERATING ACTIVITIES** | | | | |
| Net loss for the period | **$ (14,886)** | $ (6,081) | **$ (26,875)** | $ (24,065) |
| Items not involving cash: | | | | |
| Depreciation of property and equipment | **147** | 149 | **267** | 283 |
| Stock-based compensation - research, development, collaborations and contract expenses | **1,377** | 792 | **2,705** | 1,640 |
| Stock-based compensation - general and administrative expenses | **4,046** | 289 | **4,525** | 629 |
| Unrealized foreign exchange (gains) losses | **2,639** | 1,391 | **(4,418)** | 1,332 |
| Change in fair value of warrant liability | **(2,024)** | (5,813) | **(801)** | 7,803 |
| Net change in non-cash operating items: | | | | |
| Accounts receivable | **(1,738)** | 1,231 | **(4,624)** | (178) |
| Accrued revenue | **1,304** | 220 | **178** | 12 |
| Deferred expenses | **-** | 57 | **-** | 112 |
| Prepaid expenses and other assets | **(519)** | 243 | **(298)** | 725 |
| Accounts payable and accrued liabilities | **(7,351)** | (943) | **(5,343)** | 108 |
| Deferred revenue | **334** | 455 | **(957)** | 12,744 |
| **Net cash provided by (used in) operating activities** | **(16,671)** | (8,010) | **(35,641)** | 1,145 |
| **INVESTING ACTIVITIES** | | | | |
| Disposition (acquisition) of short and long-term investments | **(9,944)** | (42,992) | **27,419** | (42,992) |
| Cash acquired through acquisition (note 3) | **-** | - | **324** | - |
| Acquisition of property and equipment | **(383)** | (246) | **(524)** | (581) |
| **Net cash provided by (used) in investing activities** | **(10,327)** | (43,238) | **27,219** | (43,573) |
| **FINANCING ACTIVITIES** | | | | |
| Proceeds from issuance of common shares, net of issuance costs | **2** | - | **142,177** | 56,477 |
| Issuance of common shares pursuant to exercise of options | **939** | 148 | **1,559** | 2,072 |
| Issuance of common shares pursuant to exercise of warrants | **19** | 86 | **44** | 974 |
| **Net cash provided by financing activities** | **960** | 234 | **143,780** | 59,523 |
| Effect of foreign exchange rate changes on cash and cash equivalents | **967** | 1,924 | **(340)** | (545) |
| **Increase in cash and cash equivalents** | **(25,071)** | (49,090) | **135,018** | 16,550 |
| Cash and cash equivalents, beginning of period | **232,276** | 134,357 | **72,187** | 68,717 |
| **Cash and cash equivalents, end of period** | **$ 207,205** | $ 85,267 | **$ 207,205** | $ 85,267 |
| **Supplemental cash flow information** | | | | |
| Non-cash transactions: | | | | |
| Fair value of warrants exercised on a cashless basis | **$ -** | $ (116) | **$ -** | $ (116) |
| Investment tax credits received | **$ 25** | $ - | **$ 25** | $ - |
| Acquisition of Arbutus Inc. excluding cash acquired | **$ -** | $ - | **$ 381,618** | $ - |

See accompanying notes to the condensed consolidated financial statements.

## 1. Nature of business and future operations

Arbutus Biopharma Corporation (the "Company" or "Arbutus") is a Canadian biopharmaceutical business dedicated to discovering, developing, and commercializing a cure for patients suffering from chronic hepatitis B infection ("HBV"), a disease of the liver caused by hepatitis B virus ("HBV"). The Company is also developing a pipeline focused on advancing novel RNA interference therapeutics (RNAi) leveraging the Company's expertise in Lipid Nanoparticle ("LNP") technology.

Effective July 31, 2015, the corporate name changed from Tekmira Pharmaceuticals Corporation ("Tekmira") to Arbutus Biopharma Corporation. Also effective July 31, 2015, the corporate name of the wholly-owned subsidiary, OnCore Biopharma, Inc. ("OnCore") changed to Arbutus Biopharma Inc. ("Arbutus Inc."). Including Arbutus Inc., the Company has five wholly-owned subsidiaries: Protiva Biotherapeutics Inc. ("Protiva"), Protiva Biotherapeutics (USA) Inc. ("Protiva USA"), Protiva Agricultural Development Company Inc. ("PADCo"), and Enantigen Therapeutics, Inc. ("Enantigen").

The success of the Company is dependent on obtaining the necessary regulatory approvals to bring its products to market and achieve profitable operations. The continuation of the research and development activities and the commercialization of its products are dependent on the Company's ability to successfully complete these activities and to obtain adequate financing through a combination of financing activities and operations. It is not possible to predict either the outcome of future research and development programs or the Company's ability to fund these programs in the future.

## 2. Significant accounting policies

***Basis of presentation***

These unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles of the United States of America ("U.S. GAAP") for interim financial statements and accordingly, do not include all disclosures required for annual financial statements. These statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2014 and included in the Company's 2014 annual report on Form 10-K. The unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments and reclassifications necessary to present fairly the financial position, results of operations and cash flows at June 30, 2015 and for all periods presented. The results of operations for the three and six months ended June 30, 2015 and June 30, 2014 are not necessarily indicative of the results for the full year. These condensed consolidated financial statements follow the same significant accounting policies as those described in the notes to the audited consolidated financial statements of the Company for the year ended December 31, 2014, except as described below.

***Principles of Consolidation***

These condensed consolidated financial statements include the accounts of the Company and four of its wholly-owned subsidiaries, Arbutus Inc., Protiva, Protiva USA, and Enantigen. All intercompany transactions and balances have been eliminated on consolidation.

The Company records its investment in PADCo using the equity method. The Company has determined that PADCo is a variable interest entity ("VIE") of which it is not the primary beneficiary. The Company is not the primary beneficiary as it does not have the power to make decisions that most significantly affect the economic performance of the VIE nor does not have the right to receive benefits or the obligation to absorb losses that in either case could potentially be significant to the VIE. PADCo is described further in note 4(b).

***Replacement awards***

Replacement awards are share-based payment awards exchanged for awards held by employees of Arbutus Inc. As part of the Company's acquisition of Arbutus Inc. (formerly OnCore), Arbutus (formerly Tekmira) shares were exchanged for Arbutus Inc.'s shares subject to repurchase rights held by Arbutus Inc.'s employees – see note 3.

As at the date of acquisition of Arbutus Inc., the Company determined the total fair value of replacement awards and attributed a portion of the replacement awards to pre-combination service as part of the total acquisition consideration, and a portion to post-combination service, which is recognized as compensation expense over the expiry period of repurchase provision rights subsequent to the acquisition date.

The replacement awards consist of common shares that were issued at acquisition. Accordingly, as stock compensation expense related to these awards is recognized, share capital is increased by a corresponding amount.

***Goodwill and intangible assets***

The costs incurred in establishing and maintaining patents for intellectual property developed internally are expensed in the period incurred.

Intangible assets consist of in-process research and development arising from the Company's acquisition of Arbutus Inc. – see note 3. In-process research and development (IPR&D) intangible assets are classified as indefinite-lived and are not amortized. IPR&D becomes definite-lived upon the completion or abandonment of the associated research and development efforts. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, which are the respective patent terms. Amortization begins when intangible assets with finite lives are put into use. If there is a major event indicating that the carrying value of intangible assets may be impaired, then management will perform an impairment test and if the recoverable value, based on undiscounted future cash flows, exceeds the carrying value, then such assets are written down to their fair values.

Goodwill represents the excess of purchase price over the value assigned to the net tangible and identifiable intangible assets of Arbutus Inc. – see note 3. Goodwill has an indefinite accounting life and is therefore not amortized. Instead, goodwill is subject to a two-step impairment test on an annual basis, unless the Company identifies impairment indicators that would require earlier testing. The first step compares the fair value of the reporting unit to its carrying amount, which includes the goodwill. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired, and the second step of the impairment test is unnecessary. If the carrying amount exceeds the implied fair value of the goodwill, the second step measures the amount of the impairment loss. If the carrying amount exceeds the fair value of the goodwill, an impairment loss is recognized equal to that excess.

***Income or loss per share***

Income or loss per share is calculated based on the weighted average number of common shares outstanding. Diluted loss per share does not differ from basic loss per share since the effect of the Company's stock options and warrants is anti-dilutive. Diluted income per share is calculated using the treasury stock method which uses the weighted average number of common shares outstanding during the period and also includes the dilutive effect of potentially issuable common shares from outstanding, in-the-money stock options and warrants. During the six months ended June 30, 2015, potential common shares of 2,774,398 (June 30, 2014 – 2,558,925) were excluded from the calculation of income per common share because their inclusion would be anti-dilutive.

***Fair value of financial instruments***

The Company measures certain financial instruments and other items at fair value.

To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

- Level 1 inputs are quoted market prices for identical instruments available in active markets.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. If the asset or liability has a contractual term, the input must be observable for substantially the full term. An example includes quoted market prices for similar assets or liabilities in active markets.

- Level 3 inputs are unobservable inputs for the asset or liability and will reflect management's assumptions about market assumptions that would be used to price the asset or liability.

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis, in thousands, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value:

| | Level 1 | Level 2 | Level 3 | June 30, 2015 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 207,205 | - | - | $ 207,205 |
| Term deposit | 10,012 | - | - | 10,012 |
| Total | $ 217,217 | | | $ 217,217 |
| | | | | |
| **Liabilities** | | | | |
| Warrants | - | - | $ 3,606 | $ 3,606 |
| Contingent consideration | - | - | $ 5,136 | $ 5,136 |
| Financial instrument | - | - | - | - |
| Total | - | - | $ 8,742 | $ 8,742 |

| | Level 1 | Level 2 | Level 3 | December 31, 2014 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 72,187 | - | - | $ 72,187 |
| Guaranteed investment certificates | 39,974 | - | - | 39,974 |
| Total | $ 112,161 | - | - | $ 112,161 |
| | | | | |
| **Liabilities** | | | | |
| Warrants | - | - | $ 5,099 | $ 5,099 |
| Financial instrument | - | - | - | - |
| Total | - | - | $ 5,099 | $ 5,099 |

The Company acquired a term deposit in May 2015 with an original maturity of 24-months and it has been classified as a long-term investment on the balance sheet. For the period ended June 30, 2015, the fair value of the term deposit is $10,012,000 which includes the principal and accrued interest earned as at the balance sheet date.

The Company used a discounted cash flow model to determine the fair value of the financial instrument, related to Monsanto's call option to acquire the equity or all of the assets of PADCo, as described in note 4(b). The fair value was determined at the date of recognition, and at each reporting date. The initial fair value of the financial liability was nil, and there has been no change to its fair value as at June 30, 2015.

Contingent consideration is a liability assumed by the Company from its acquisition of Arbutus Inc. – see notes 3 and 8. The Company used a discounted cash flow model to determine the fair value of the contingent consideration as at the acquisition date, and at each subsequent reporting date. The Company's preliminary estimate of the contingent consideration was $4,736,000 for the reporting date of March 31, 2015. As at June 30, 2015, the Company has reassessed the preliminary initial fair value of the contingent consideration to be $5,136,000.

The following table presents the changes in fair value of the Company's warrants, in thousands:

| | Liability at beginning of the period | Opening liability of warrants issued in the period | Fair value of warrants exercised in the period | Increase (decrease) in fair value of warrants | Foreign exchange (gain) loss | Liability at end of the period |
|---|---|---|---|---|---|---|
| Six months ended June 30, 2014 | $ 5,379 | - | $ (6,607) | $ 7,803 | $ 15 | $ 6,590 |
| Six months ended June 30, 2015 | $ 5,099 | - | $ (341) | $ (801) | $ (351) | $ 3,606 |

The change in fair value of warrant liability for the six months ended June 30, 2015 is recorded in the statement of operations and comprehensive loss.

The weighted average Black-Scholes option-pricing assumptions and the resultant fair values, in thousands, for warrants outstanding at June 30, 2015 and at December 31, 2014 are as follows:

| | **June 30, 2015** | December 31, 2014 |
|---|---|---|
| Dividend yield | **0.00%** | 0.00% |
| Expected volatility | **69.32%** | 85.22% |
| Risk-free interest rate | **0.59%** | 1.00% |
| Expected average term (years) | **0.4** | 0.5 |
| Fair value of warrants outstanding | **$ 9.50** | $ 12.80 |
| Aggregate fair value of warrants outstanding | **$ 3,606** | $ 5,099 |
| Number of warrants outstanding | **379,500** | 398,250 |

***Foreign currency translation and reporting currency***

**Functional currency**

The functional currency of the Company and its integrated subsidiaries (Protiva and Protiva USA) is the Canadian dollar. Foreign currency monetary assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates. The previous month's average rate of exchange is used to translate revenue and expense transactions. Exchange gains and losses are included in income or loss for the period.

The local currency of Arbutus Inc. (including its subsidiary, Enantigen) is the United States dollars which has been determined to be its functional currency, as it is the currency of the primary economic environment in which Arbutus Inc. operates and expends cash. Foreign currency monetary assets and liabilities are translated into United States dollars at the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates. The previous month's average rate of exchange is used to translate revenue and expense transactions. Exchange gains and losses are included in income or loss for the period.

**Reporting currency**

The Company is using United States dollars as its reporting currency. All assets and liabilities are translated using the exchange rate at the balance sheet date. Revenues, expenses and other income (losses) are translated using the average rate for the period, except for large transactions, for which the exchange rate on the date of the transaction is used. Equity accounts are translated using the historical rate. The translation differences from the Company's functional currency to the Company's reporting currency of U.S. dollars are unrealized gains and losses; therefore, the differences are recorded in other comprehensive income (loss), and do not impact the calculation of Income or Loss per Share.

***Recent accounting pronouncements***

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (ASC 606). The standard is intended to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS by creating a new Topic 606, Revenue from Contracts with Customers. This guidance supersedes the revenue recognition requirements in ASC 605, Revenue Recognition, and supersedes some cost guidance included in Subtopic 605-35, Revenue Recognition – Construction-Type and Production-Type Contracts. The core principle of the accounting standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. The amendments should be applied by either (1) retrospectively to each prior reporting period presented; or (2) retrospectively with the cumulative effect of initially applying this ASU recognized at the date of initial application. In April 2015, the FASB voted to propose a deferral of the effective date of the ASU by one year. The new guidance would be effective for fiscal years beginning after December 15, 2017 instead of December 15, 2016, which for the Company means January 1, 2018. Entities are permitted to adopt in accordance with the original effective date if they choose. The Company has not yet determined the extent of the impact of adoption.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The update is intended to provide guidance in GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Under amendments to GAAP, the assessment period is within one year after the date that the financial statements are issued (or available to be issued). The amendments are effective for the annual period ending after December 15, 2016, which for the Company means January 1, 2017, and for annual periods and interim periods thereafter. Early application is permitted. The Company does not plan to early adopt this update. The extent on the impact of this adoption has not yet been determined.

## 3. Merger with Arbutus Biopharma Inc. (formerly OnCore BioPharma, Inc.)

On January 11, 2015, the Company entered into a Merger Agreement to acquire 100% of the outstanding shares of Arbutus Inc. and its wholly-owned subsidiary, Enantigen (see note 8). Arbutus Inc. was a privately owned U.S. company focused on discovery, development and commercialization of an all-oral cure regimen for patients with HBV. The merger was approved by the Company's shareholders on March 3, 2015 and consummated on March 4, 2015. Arbutus Inc.'s results of operations and fair value of assets acquired and liabilities assumed are included in the Company's consolidated financial statements from the date of acquisition.

The transaction has been accounted for using the acquisition method based on ASC 805, Business Combinations, on the basis that Arbutus (formerly Tekmira) is the acquirer, based on managements' analysis and evaluation of the form of the acquisition, the relative contribution and rights of the predecessor groups post-closing, and the relative number of shares issued by the Company on acquisition of Arbutus Inc.. Under the acquisition method, the consideration transferred is measured at the market price as at the acquisition date. The excess of the purchase price over the preliminary value assigned to the net assets acquired has been recorded as goodwill. Acquisition costs are expensed as incurred. The company recorded $9,656,000 of acquisition costs for the six-months ended June 30, 2015.

The Company issued a total of 23,973,315 common shares with a total value of $381,942,000 as consideration, which is comprised of 20,347,906 common shares issued without subjects and 3,625,412 common shares issued to Arbutus Inc.'s founding executives and subject to repurchase provision. The fair value of the common shares issued without subjects has been determined to be the Company's NASDAQ closing price of $18.26 on the date prior to the acquisition's consummation, March 4, 2015. The total fair value of the common shares issued subject to repurchase provision has been determined to be $66,196,000, using the Black-Scholes pricing model with assumed risk-free interest rate of 0.74%, volatility of 81%, a zero dividend yield and an expected life of 4 years. Of the total fair value, $9,262,000 has been attributed as pre-combination service and included as part of the total acquisition consideration. The post-combination attribution of $56,934,000 will be recognized as compensation expense over the period of expiry of repurchase provision rights through to August 2018. The Company has included $5,324,000 compensation expense related to the expiration of repurchase provision rights from the acquisition date through to June 30, 2015. In July 2015, in conjunction with amendments to the the employment contracts of Arbutus Inc.'s founding executives, the Company amended the repurchase provision rights period of expiry from August 2018 to August 2017. This amendment results in an acceleration of compensation expense recognized in each subsequent period by approximately $1,893,000 per quarter, effective Q3 2015.

As at June 30, 2015, 3,625,412 shares were issued and outstanding which are subject to repurchase provision. Subsequent to the acquisition date, the repurchase rights expire at a rate of 453,177 shares every 3 months commencing on November 30, 2015.

The Company has further reserved 184,332 shares for the future exercise of Arbutus Inc. stock options. The total fair value of Arbutus Inc. stock options has been determined to be $3,287,000, using the Black-Scholes pricing model with the same assumption inputs used by the Company to determine the fair value of Arbutus options. Of the total fair value, $1,127,000 has been attributed as pre-combination service and included as part of the total acquisition consideration. The post-combination attribution of $2,160,000 will be recognized as compensation expense over the vesting period of the stock options through to December 2018. The Company has included $190,000 compensation expense related to the vesting of Arbutus Inc. stock options from the acquisition date through to June 30, 2015.

The aggregate fair value of consideration transferred to acquire Arbutus Inc.'s outstanding shares has been determined to be $381,942,000, and has been attributed to preliminary fair values of assets acquired and liabilities assumed as summarized in the following table, in thousands:

| | |
|---|---|
| Consideration paid: | |
| Common shares issued without subjects | $ 371,553 |
| Common shares issued subject to repurchase provision | 9,262 |
| Common shares issuable for Arbutus Inc. stock options | 1,127 |
| | $ 381,942 |
| | |
| Identifiable assets acquired and liabilities assumed: | |
| Cash | $ 324 |
| Prepaid expenses and other assets | 116 |
| Accounts receivable | 8 |
| Property and equipment | 147 |
| Acquired intangible assets | 390,017 |
| Goodwill | 156,053 |
| Accounts payable and accrued liabilities | (3,580) |
| Other noncurrent liabilities (note 8) | (5,136) |
| Deferred income tax liability | (156,017) |
| Total purchase price allocation | $ 381,942 |

The preliminary fair value of intangible assets is estimated to be $390,017,000 using the income approach. The income approach uses valuation techniques to discount future economic benefits attributed to the subject intangible asset to a present value. Present value is based on current market expectations about those future amounts and includes management's estimates of risk-adjusted future incremental earnings that may be achieved upon regulatory approval, promotion, and distribution associated with the rights and includes estimated cash flows of approximately 20 years and a discount rate of approximately 13.8%. The identifiable intangible assets acquired consist of in-process research and development (IPR&D) HBV assets, as summarized in the table below:

| | $ |
|---|---|
| IPR&D – Cyclophilins | 35,124 |
| IPR&D – Immune Modulator | 189,182 |
| IPR&D – Antigen Inhibitors | 35,520 |
| IPR&D – cccDNA | 130,191 |
| **Total IPR&D** | **$ 390,017** |

All IPR&D acquired are currently classified as indefinite-lived and so is not currently being amortized. IRP&D becomes definite-lived upon the completion or abandonment of the associated research and development efforts, and will be amortized from that time over an estimated useful life based on respective patent terms. The fair value of each IPR&D asset will continue to be evaluated on a quarterly basis for indicators of impairment.

Based on the preliminary fair values above, an amount of $156,053,000 has been allocated to goodwill, which represents the excess of the purchase price over the final value assigned to the net assets acquired. Goodwill is attributable to synergies expected to arise after the Company's acquisition of Arbutus Inc. The full amount of the goodwill has been assigned to Arbutus, which is the reporting unit management has determined the goodwill to be associated with. The goodwill is not deductible for tax purposes, and is not amortized, but will be evaluated for impairment on an annual basis.

The amount of net loss of Arbutus Inc. included in the consolidated statements of operations from the acquisition date, through the period ended June 30, 2015 was $4,072,000. Arbutus Inc. did not earn any revenues from the acquisition date through the period ended June 30, 2015.

The following table presents the unaudited pro forma results for the three and six months ended June 30, 2015 and 2014. The pro forma financial information combines the results of operations of Arbutus, Arbutus Inc., Protiva, Protiva USA, and Enantigen as though the businesses had been combined as of the beginning of fiscal 2014. The pro forma financial information is presented for informational purposes only, and is not indicative of the results of operations that would have been achieved if the merger had taken place at the beginning of fiscal 2014. The pro forma financial information presented includes acquisition costs, amortization charges for acquired tangible assets, but does not include amortization charges for acquired intangible assets as these assets have not yet been put in use.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| **Pro forma information** | | | | |
| Gross Revenue | **$ 3,440** | $ 1,811 | **$ 8,122** | $ 6,241 |
| Loss from operations | **(14,420)** | (13,844) | **(39,491)** | (24,278) |
| Net loss | **(14,886)** | (10,479) | **(33,940)** | (32,962) |
| Basic and diluted loss per share | **(0.27)** | (0.23) | **(0.67)** | (0.73) |

## 4. Collaborations, contracts and licensing agreements

The following tables set forth revenue recognized under collaborations, contracts and licensing agreements, in thousands:

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| **Collaborations and contracts** | | | | |
| DoD (a) | **$ 1,862** | $ 861 | **$ 4,907** | $ 4,101 |
| Monsanto (b) | **269** | 283 | **517** | 526 |
| BMS (d) | **-** | - | **-** | 206 |
| Dicerna (e) | **179** | - | **406** | - |
| Total research and development collaborations and contracts | **2,310** | 1,144 | **5,830** | 4,833 |
| | | | | |
| **Licensing fees, milestone and royalty payments** | | | | |
| Monsanto licensing fees and milestone payments (b) | **805** | 626 | **1,647** | 1,171 |
| Acuitas milestone payments (c) | **-** | - | **-** | 150 |
| Dicerna licensing fee (e) | **263** | - | **526** | - |
| Spectrum royalty payments (f) | **62** | 41 | **119** | 87 |
| Total licensing fees, milestone and royalty payments | **1,130** | 667 | **2,292** | 1,408 |
| **Total revenue** | **$ 3,440** | $ 1,811 | **$ 8,122** | $ 6,241 |

(Expressed in US dollars – tabular amounts in thousands)

The following table sets forth deferred collaborations and contracts revenue:

| | | **June 30, 2015** | | December 31, 2014 |
|---|---|---|---|---|
| DoD (a) | **$** | **563** | $ | 313 |
| Monsanto current portion (b) | | **3,746** | | 4,245 |
| Dicerna current portion (e) | | **1,296** | | 1,221 |
| Deferred revenue, current portion | | **5,605** | | 5,785 |
| Monsanto long-term portion (b) | | **7,336** | | 8,666 |
| Dicerna long-term portion (e) | | **709** | | 1,271 |
| **Total deferred revenue** | **$** | **13,650** | $ | 15,722 |

**(a) Contract with United States Government's Department of Defense ("DoD") to develop TKM-Ebola**

On July 14, 2010, the Company signed a contract with the DoD to advance TKM-Ebola, an RNAi therapeutic utilizing the Company's lipid nanoparticle technology to treat Ebola virus infection.

In the initial phase of the contract, funded as part of the Transformational Medical Technologies program, the Company was eligible to receive up to $34,700,000. This initial funding is for the development of TKM-Ebola including completion of preclinical development, filing an Investigational New Drug application with the United States Food and Drug Administration ("FDA") and completing a Phase 1 human safety clinical trial. On May 8, 2013, the Company announced that the contract had been modified to support development plans that integrate recent advancements in lipid nanoparticle ("LNP") formulation and manufacturing technologies. The contract modification increased the stage one targeted funding by an additional $6,970,000. On April 22, 2014, the Company and the DoD signed a contract modification to further increase the stage one targeted funding by $2,100,000 to $43,819,000. The additional funding is to compensate the Company for unrecovered overheads related to the temporary stop-work period that occurred in 2012 and to provide additional overhead funding should it be required. In May 2015, the Company and the DoD signed a contract modification to further increase stage one funding by up to $1,000,000.

The DoD has the option of extending the contract beyond the initial funding period to support the advancement of TKM-Ebola through to the completion of clinical development and FDA approval. Based on the contract's budget this would provide the Company with up to $140,000,000 in funding for the entire program. In October 2014, the Company and the DoD exercised an option to add $7,000,000 for the manufacture of TKM-Ebola-Guinea (the "Ebola-Guinea Amendment"), developed by the Company, targeting the Ebola-Guinea strain responsible for the current outbreak in West Africa.

In March 2015, the Company and the DoD signed a contract modification to provide up to $2,250,000 to fund the Company for TKM-Ebola-Guinea IND submission expenses.

Under the contract, the Company is reimbursed for costs incurred, including an allocation of overhead costs, and is paid an incentive fee. At the beginning of the fiscal year the Company estimates its labour and overhead rates for the year ahead. At the end of the year the actual labour and overhead rates are calculated and revenue is adjusted accordingly. The Company's actual labour and overhead rates will differ from its estimated rates based on actual costs incurred and the proportion of the Company's efforts on contracts and internal products versus indirect activities. Within minimum and maximum collars, the amount of incentive fee the Company can earn under the contract varies based on costs incurred versus budgeted costs. During the contractual period, incentive fee revenue and total costs are impacted by management's estimate and judgments which are continuously reviewed and adjusted as necessary using the cumulative catch-up method. At June 30, 2015, the Company believes it can reliably estimate the final contract costs so has recognized the portion of expected incentive fee which has been earned to date.

On July 20, 2015, the Company announced given the unclear development path for TKM-Ebola, development activities will be suspended and a joint re-evaluation of the development contract with the DoD is underway.

**(b) Option and Services Agreements with Monsanto Company ("Monsanto")**

On January 13, 2014, the Company and Monsanto signed an Option Agreement and a Services Agreement (together, the "Agreements"). Under the Agreements, Monsanto has an option to obtain a license to use the Company's proprietary delivery technology and related intellectual property for use in agriculture. Over the option period, which is expected to be approximately four years, the Company will provide lipid formulations for Monsanto's research and development activities, and Monsanto will make certain payments to the Company to maintain its option rights. The maximum potential value of the transaction, following the successful completion of milestones, is $86,200,000.

In May 2015, the arrangement was amended to extend the option period by approximately five months, with payments up to $2,000,000 for the extension period. From inception of the contract to June 30, 2015, the Company had received $18,550,000 from MonsantoThe amounts received relate to research services and use of the Company's technology over the option period, and are recognized as revenue on a straight-line basis over the extended option period.

Under the Agreements, the Company has established a wholly-owned subsidiary, PADCo. The Company has determined that PADCo is a variable interest entity ("VIE"); however, Monsanto is the primary beneficiary of the arrangement. PADCo was established to perform research and development activities, which have been funded by Monsanto in return for a call option to acquire the equity or all of the assets of PADCo. At any time during the option period, Monsanto may choose to exercise its option, in which case Monsanto would pay the Company an option exercise fee and would receive a worldwide, exclusive right to use the Company's proprietary delivery technology in the field of agriculture. Monsanto may elect to terminate this option at their discretion. The Company retains all rights to therapeutics uses of all current intellectual property and intellectual property developed under the Agreements. The Company's initial investment is not significant, and has no implied or unfunded commitments and the maximum exposure to loss is limited to the amount of investment in the entity. The Company has included its investment in PADco in Other Assets. There were no significant assets or liabilities for PADCo as at June 30, 2015. There was no equity income or loss with respect to PADCo recorded for the six months ended June 30, 2015.

**(c) License and collaboration with Alnylam Pharmaceuticals, Inc. ("Alnylam") and Acuitas Therapeutics Inc. ("Acuitas", formerly AlCana Technologies Inc.)**

**Milestone receipts and payments**

In the six months ended June 30, 2014, the Company earned a $150,000 milestone from Acuitas, subsequent to Acuitas receiving a milestone payment from Alnylam with respect to Alnylam initiating a Phase III trial for ALN-TTR02.

**Arbitration with Alnylam and Ascletis Pharmaceuticals (Hangzhou) Co. Ltd. ("Ascletis")**

On June 21, 2013, the Company transferred manufacturing process technology to Ascletis to enable them to produce ALN-VSP, a product candidate licensed to them by Alnylam. The Company believes that under the new licensing agreement with Alnylam, the technology transfer to Ascletis triggers a $5,000,000 milestone obligation from Alnylam to the Company. However, Alnylam has demanded a declaration that the Company has not yet met its milestone obligations. The Company disputes Alnylam's position. To remedy this dispute, the Company and Alnylam have commenced arbitration proceedings as provided for under the agreement. The hearing date for this arbitration took place in May 2015, and a decision of the arbitrator is pending. The Company has not recorded any revenue in respect of this milestone.

**(d) Bristol-Myers Squibb ("BMS") collaboration**

On May 10, 2010 the Company announced the expansion of its research collaboration with BMS. Under the new agreement, BMS uses small interfering RNA ("siRNA") molecules formulated by the Company in LNP technology to silence target genes of interest. BMS is conducting the preclinical work to validate the function of certain genes and share the data with the Company. The Company could use the preclinical data to develop RNAi therapeutic drugs against the therapeutic targets of interest. The Company received $3,000,000 from BMS concurrent with the signing of the agreement and recorded the amount as deferred revenue. The Company was required to provide a pre-determined number of LNP batches over the four-year agreement. BMS had a first right to negotiate a licensing agreement on certain RNAi products developed by the Company that evolve from BMS validated gene targets.

Revenue from the May 10, 2010 agreement with BMS was being recognized as the Company produces the related LNP batches.

The revenue earned for the six months ended June 30, 2014 was related to BMS batches shipped during the period. In August 2014, the agreement expired and both companies' obligations under the agreement ended.

**(e) License and Development and Supply Agreement with Dicerna Pharmaceuticals, Inc. ("Dicerna")**

On November 16, 2014, the Company signed a License Agreement and a Development and Supply Agreement (together, the "Agreements") with Dicerna to develop, manufacture, and commercialize products directed to the treatment of Primary Hyperoxaluria 1 ("PH1"). In consideration for the rights granted under the Agreements, Dicerna paid the Company an upfront cash payment of $2,500,000. The Company is also entitled to receive payments from Dicerna on manufacturing and services provided, as well as further payments with the achievement of development and regulatory milestones of up to $22,000,000, in aggregate, and potential commercial royalties. Further, under the Agreements, a joint development committee has been established to provide guidance and direction on the progression of the collaboration.

The Company determined the deliverables under the Agreements included the rights granted, participation in the joint development committee, materials manufactured and other services provided, as directed under the joint development committee. The Company has determined that manufacturing services and other services provided have standalone value, as a separate statement of work is executed and invoiced for each manufacturing or service work order. The relative fair values are determined as a batch price or fee is estimated upon the execution of each work order, with actual expenditures charged at comparable market rates with embedded margins on each work order. Manufacturing work orders are invoiced at the time of execution of the work order, at the initiation of manufacture, and at the release of materials. Revenue from service work orders is recognized as the services are performed. The license and participation in the joint development committee have been determined by the Company to not have standalone value due to the uniqueness of the subject matter under the Agreements. Therefore, these deliverables are treated as one unit of accounting and recognized as revenue over the performance period, which the Company has estimated to be approximately 28 months.

The Company believes the development and regulatory milestones are substantive, due to the existence of substantive uncertainty upon the execution of the arrangement, and that the achievement of the development and regulatory events are based, in part, on the Company's performance and the occurrence of a specific outcome resulting from performance. The Company has not received any milestone payments to date.

**(f) Agreements with Spectrum Pharmaceuticals, Inc. ("Spectrum")**

On May 6, 2006, the Company signed a number of agreements with Talon Therapeutics, Inc. ("Talon", formerly Hana Biosciences, Inc.) including the grant of worldwide licenses (the "Talon License Agreement") for three of the Company's chemotherapy products, Marqibo®, Alocrest™ (Optisomal Vinorelbine) and Brakiva™ (Optisomal Topotecan).

On August 9, 2012, the Company announced that Talon had received accelerated approval for Marqibo from the FDA for the treatment of adult patients with Philadelphia chromosome negative acute lymphoblastic leukemia in second or greater relapse or whose disease has progressed following two or more anti-leukemia therapies. Marqibo is a liposomal formulation of the chemotherapy drug vincristine. There are no further milestones related to Marqibo but the Company is eligible to receive total milestone payments of up to $18,000,000 on Alocrest and Brakiva.

Talon was acquired by Spectrum in July 2013. The acquisition does not affect the terms of the license between Talon and the Company. On September 3, 2013, Spectrum announced that they had shipped the first commercial orders of Marqibo. For the three and six months ended June 30, 2015, the Company recorded $62,000 and $119,000 in Marqibo royalty revenue (three and six months ended June 30, 2014 - $41,000 and $87,000 respectively). For the six months ended June 30, 2015, the Company accrued 2.5% in royalties due to TPC in respect of the Marqibo royalty earned by the Company – see note 8, contingencies and commitments.

## 5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities is comprised of the following, in thousands:

| | | **June 30, 2015** | | December 31, 2014 |
|---|---|---|---|---|
| Trade accounts payable | **$** | **2,802** | $ | 2,044 |
| Research and development accruals | | **1,914** | | 2,391 |
| License fee accruals | | **-** | | 250 |
| Professional fee accruals | | **604** | | 1,294 |
| Deferred lease inducements | | **364** | | 250 |
| Payroll accruals | | **491** | | 2,873 |
| Other accrued liabilities | | **745** | | 226 |
| | **$** | **6,920** | $ | 9,328 |

## 6. Financing

On March 25, 2015, the Company announced that it had completed an underwritten public offering of 7,500,000 common shares, at a price of $20.25 per share, representing gross proceeds of $151,875,000. The Company also granted the underwriters a 30-day option to purchase an additional 1,125,000 shares for an additional $22,781,000 to cover any over-allotments. The underwriters did not exercise the option. The cost of financing, including commissions and professional fees, was $9,700,000, resulting in net proceeds of $142,177,000.

## 7. Concentrations of credit risk

Credit risk is defined by the Company as an unexpected loss in cash and earnings if a collaborative partner is unable to pay its obligations in due time. The Company's main source of credit risk is related to its accounts receivable balance which principally represents temporary financing provided to collaborative partners in the normal course of operations.

The Company does not currently maintain a provision for bad debts as the majority of accounts receivable are from collaborative partners or government agencies and are considered low risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at June 30, 2015 was the accounts receivable balance of $6,332,000 (December 31, 2014 - $1,903,000).

All accounts receivable balances were current as at June 30, 2015 and at December 31, 2014.

## 8. Contingencies and commitments

**Product development partnership with the Canadian Government**

The Company entered into a Technology Partnerships Canada ("TPC") agreement with the Canadian Federal Government on November 12, 1999. Under this agreement, TPC agreed to fund 27% of the costs incurred by the Company, prior to March 31, 2004, in the development of certain oligonucleotide product candidates up to a maximum contribution from TPC of $7,179,000 (C$9,323,000). As at June 30, 2015, a cumulative contribution of $2,965,000 (C$3,702,000) has been received and the Company does not expect any further funding under this agreement. In return for the funding provided by TPC, the Company agreed to pay royalties on the share of future licensing and product revenue, if any, that is received by the Company on certain non-siRNA oligonucleotide product candidates covered by the funding under the agreement. These royalties are payable until a certain cumulative payment amount is achieved or until a pre-specified date. In addition, until a cumulative amount equal to the funding actually received under the agreement has been paid to TPC, the Company agreed to pay 2.5% royalties on any royalties the Company receives for Marqibo. For the three and six months ended June 30, 2015, the Company earned royalties on Marqibo sales in the amount of $62,000 and $119,000 respectively (three and six months ended June 30, 2014 – $41,000 and $87,000 respectively) (see note 4(f)), resulting in $3,000 being recorded by the Company as royalty payable to TPC (June 30, 2014 - $2,000). The cumulative amount paid or accrued up to June 30, 2015 was $9,000, resulting in the contingent amount due to TPC being $2,956,000 (C$3,692,000).

**License agreement with Marina Biotech, Inc. ("Marina")**

On November 29, 2012 the Company announced a worldwide, non-exclusive license to a novel RNAi payload technology called Unlocked Nucleobase Analog ("UNA") from Marina for the development of RNAi therapeutics.

UNA technology can be used in the development of RNAi therapeutics, which treats disease by silencing specific disease causing genes. UNAs can be incorporated into RNAi drugs and have the potential to improve them by increasing their stability and reducing off-target effects.

Under the license agreement the Company paid Marina an upfront fee of $300,000 during the year ended December 31, 2012. A further license payment of $200,000 was paid in 2013 and the Company will make milestone payments of up to $3,250,000 and royalties on each product developed by the Company that uses Marina's UNA technology. The payments to Marina are expensed to research, development, collaborations and contracts expense.

Effective August 9, 2013, Marina's UNA technology was acquired by Arcturus Therapeutics, Inc. ("Arcturus") and the UNA license agreement between the Company and Marina was assigned to Arcturus. The terms of the license are otherwise unchanged. On December 22, 2014, the Company received clearance from Health Canada to conduct a Phase I Clinical Study with TKM-HBV, which utilizes Arcturus' UNA technology. This triggered the accrual of $250,000 as at December 31, 2014 related to the milestone payable to Arcturus upon the dosing of first subject in a Phase I clinical trial of TKM-HBV, which occurred and was paid by the Company in January 2015.

**Arbitration with the University of British Columbia ("UBC")**

Certain early work on lipid nanoparticle delivery systems and related inventions was undertaken at UBC. These inventions are licensed to the Company by UBC under a license agreement, initially entered in 1998 as amended in 2001, 2006 and 2007. The Company has granted sublicenses under the UBC license to Alnylam as well as to Spectrum. Alnylam has in turn sublicensed back to the Company under the licensed UBC patents for discovery, development and commercialization of RNAi products. In 2009, the Company entered into a supplemental agreement with UBC, Alnylam and Acuitas, in relation to a separate research collaboration to be conducted among UBC, Alnylam and Acuitas to which the Company has license rights. The settlement agreement signed in late 2012 to resolve the litigation among the Company, Alnylam, and Acuitas, provided for the effective termination of all obligations under such supplemental agreement as between and among all litigants.

On November 10, 2014, UBC filed a notice of arbitration against the Company and on January 16, 2015, filed a Statement of Claim, which alleges entitlement to $3,500,000 in allegedly unpaid royalties based on publicly available information, and an unspecified amount based on non-public information. UBC also seeks interest and costs, including legal fees. The Company is currently disputing UBC's allegations, and no dates have been scheduled for this arbitration. The Company has not recorded an estimate of the possible loss associated with this arbitration, due to the uncertainties related to both the likelihood and amount of any possible loss or range of loss. Costs related to the arbitration have been recorded by the Company as incurred.

**Contingent consideration from Arbutus Inc. acquisition of Enantigen and License Agreements between Enantigen and Blumberg and Drexel**

In October 2014, Arbutus Inc. acquired all of the outstanding shares of Enantigen pursuant to a stock purchase agreement. Through this transaction, Arbutus Inc. acquired a HBV surface antigen secretion inhibitor program and a capsid assembly inhibitor program, each of which are now assets of Arbutus, following the Company's merger with Arbutus Inc. – see note 3.

Under the stock purchase agreement, Arbutus Inc. agreed to pay up to a total of $21,000,000 to Enantigen's selling stockholders upon the achievement of certain triggering events related to Enantigen's two programs in pre-clinical development related to HBV therapies. The first triggering event is the enrollment of first patient in Phase 1b clinical trial in HBV patients, which the Company does not expect to occur in the next twelve-month period.

The regulatory milestone payments have an estimated fair value of approximately $5,136,000 and have been treated as contingent consideration payable in the preliminary purchase price allocation (note 3), based on information available at the date of acquisition, using a probability weighted assessment of the likelihood the milestones would be met and the estimated timing of such payments, and then the potential contingent payments were discounted to their present value using a probability adjusted discount rate that reflects the early stage nature of the development program, time to complete the program development, and overall biotech indices.

The Company is currently undertaking valuation assessments of assets acquired and liabilities assumed from Arbutus Inc., which includes a valuation assessment of the contingent consideration.

**Drexel and Blumberg:**

In February 2014, Arbutus Inc. entered into a license agreement with Blumberg and Drexel that granted an exclusive, worldwide, sub-licensable license to three different compound series: cccDNA inhibitors, capsid assembly inhibitors and HCC inhibitors.

In partial consideration for this license, Arbutus Inc. paid a license initiation fee of $150,000 and issued warrants to Blumberg and Drexel. Under this license agreement, Arbutus Inc. also agreed to pay up to $3,500,000 in development and regulatory milestones per licensed compound series, up to $92,500,000 in sales performance milestones per licensed product, and royalties in the mid-single digits based upon the proportionate net sales of licensed products in any commercialized combination. The Company is obligated to pay Blumberg and Drexel a double digit percentage of all amounts received from the sub-licensees, subject to customary exclusions.

In November 2014, Arbutus Inc. entered into an additional license agreement with Blumberg and Drexel pursuant to which it received an exclusive, worldwide, sub-licensable license under specified patents and know-how controlled by Blumberg and Drexel covering epigenetic modifiers of cccDNA and STING agonists. In consideration for these exclusive licenses, Arbutus Inc. made an upfront payment of $50,000. Under this agreement, the Company will be required to pay up to $1,000,000 for each licensed product upon the achievement of a specified regulatory milestone and a low single digit royalty, based upon the proportionate net sales of compounds covered by this intellectual property in any commercialized combination. The Company is also obligated to pay Blumberg and Drexel a double digit percentage of all amounts received from its sub-licensees, subject to exclusions.

**Research Collaboration and Funding Agreement with Blumberg**

In October 2014, Arbutus Inc. entered into a research collaboration and funding agreement with Blumberg under which the Company will provide $1,000,000 per year of research funding for three years, renewable at the Company's option for an additional three years, for Blumberg to conduct research projects in HBV and liver cancer pursuant to a research plan to be agreed upon by the parties. Blumberg has exclusivity obligations to Arbutus with respect to HBV research funded under the agreement. In addition, the Company has the right to match any third party offer to fund HBV research that falls outside the scope of the research being funded under the agreement. Blumberg has granted the Company the right to obtain an exclusive, royalty bearing, worldwide license to any intellectual property generated by any funded research project. If the Company elects to exercise its right to obtain such a license, the Company will have a specified period of time to negotiate and enter into a mutually agreeable license agreement with Blumberg. This license agreement will include the following pre negotiated upfront, milestone and royalty payments: an upfront payment in the amount of $100,000; up to $8,100,000 upon the achievement of specified development and regulatory milestones; up to $92,500,000 upon the achievement of specified commercialization milestones; and royalties at a low single to mid-single digit rates based upon the proportionate net sales of licensed products from any commercialized combination.

**NeuroVive Pharmaceutical AB ("NeuroVive")**

In September 2014, Arbutus Inc. entered into a license agreement with NeuroVive that granted them an exclusive, worldwide, sub-licensable license to develop, manufacture and commercialize, for the treatment of HBV, oral dosage form sanglifehrin based cyclophilin inhibitors (including OCB-030). Under this license agreement, the Company has been granted a non-exclusive, royalty free right and license and right of reference to NeuroVive's relevant regulatory approvals and filings for the sole purpose of developing, manufacturing and commercializing licensed products for the treatment of HBV. Under this license agreement, the Company has (1) an option to expand its exclusive license to include treatment of viral diseases other than HBV and (2) an option, exercisable upon specified conditions, to expand its exclusive license to include development, manufacture and commercialization of non-oral variations of licensed products for treatment of viral diseases other than HBV. NeuroVive retains all rights with respect to development, manufacture and commercialization of licensed products and non-oral variations of licensed products for all indications (other than HBV) for which the Company has not exercised its option.

In partial consideration for this license, Arbutus Inc. paid NeuroVive a license fee of $1,000,000. The Company is also obligated to pay up to $47,000,000 in clinical development and regulatory milestones per indication and up to $102,500,000 in sales performance milestones per licensed product and indication. If the Company is acquired by a third party in a transaction that meets certain criteria, then the Company or its acquiror will be obligated to pay all remaining development, regulatory and sales milestone payments, regardless of whether the applicable milestone events have been achieved, for each licensed product that entered clinical development before such acquisition. As describe in note 3, the acquisition of Arbutus Inc. by the Company was completed by way of a Merger Agreement, which does not trigger any of the aforementioned milestone payments. The Company has agreed to pay NeuroVive tiered royalties in the mid-single to low-double digit range based upon the proportionate gross sales of patented licensed products from any commercialized combination. If the Company terminates this license agreement in its entirety for convenience prior to the first commercial sale of any licensed product, the Company will be obligated to pay NeuroVive a termination fee of $2,000,000.

**Cytos Biotechnology Ltd ("Cytos")**

On December 30, 2014, Arbutus Inc. entered into an exclusive, worldwide, sub-licensable (subject to certain restrictions with respect to licensed viral infections other than hepatitis) license to six different series of compounds. The licensed compounds are Qbeta-derived virus-like particles that encapsulate TLR9, TLR7 or RIG-I agonists and may or may not be conjugated with antigens from the hepatitis virus or other licensed viruses. The Company has an option to expand this license to include additional viral infections other than influenza and Cytos will retain all rights for influenza, all non-viral infections, and all viral infections (other than hepatitis) for which it has not exercised its option.

In partial consideration for this license, the Company is obligated to pay Cytos up to a total of $67,000,000 for each of the six licensed compound series upon the achievement of specified development and regulatory milestones; for hepatitis and each additional licensed viral infection, up to a total of $110,000,000 upon the achievement of specified sales performance milestones; and tiered royalty payments in the high-single to low-double digits, based upon the proportionate net sales of licensed products in any commercialized combination.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis by our management of our financial position and results of operations in conjunction with our audited consolidated financial statements and related notes thereto included as part of our Annual Report on Form 10-K for the year ended December 31, 2014 and our unaudited condensed consolidated financial statements for the three and six month periods ended June 30, 2015. Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and are presented in U.S. dollars.*

### FORWARD-LOOKING STATEMENTS

*The information in this report contains forward-looking information and forward-looking statements (collectively, forward-looking statements) within the meaning of applicable securities laws. Forward-looking statements in this report include statements about our strategy, future operations, clinical trials, prospects and the plans of management; the discovery, development and commercialization of a cure for HBV; the formation of a discrete business unit to manage, develop and maximize the value (both short-term and long term) of our non-HBV assets (including new product development and partnering opportunities); our beliefs and development path and strategy to achieve a cure for HBV; our intention to conduct a rolling Phase II clinical program for HBV (using an iterative process of combination drug candidates), the use of results from this program to design additional treatment regimens for next cohorts and to conduct a Phase III clinical trial intended to ultimately support regulatory filings for marketing approval; our intention to continue expanding our HBV pipeline through internal development, acquisitions and in-licenses; the research benefits of the collaboration with The Baruch S. Blumberg Institute, including expansion of our HBV pipeline through internal development, acquisitions and in-licenses; expected results from our TKM-HBV Phase I clinical trial in the second half of 2015; our plans to modify the clinical program for TKM-PLK1 to study the effect on viral parameters in chronic HBV patients enrolled in the HCC trial; the completion of our OCB-030 studies in order to file an IND, or equivalent, by year end 2015; the direct progression of CYT-003 into patients; expectations of filing an IND, or equivalent, and initial Phase I studies with one of two core protein inhibitors as oral therapeutics for the treatment of chronic HBV infection in 2016; expectations of filing an IND, or equivalent, for our HBV surface antigen secretion inhibitors in 2016; expectations of filing an IND, or equivalent, for cccDNA formation inhibitors in 2016; our belief in the significant value of our non-HBV assets and the maximization of these asset values; our expanded Phase I/II clinical trial with TKM-PLK1 and expected reporting of final data in the second half of 2015; Fast Track designation from the US FDA for the development of TKM-Ebola; the partial clinical hold on TKM-Ebola by the FDA, our response to the partial clinical hold and expectations of resolving the matter; the joint re-evaluation of our Ebola related DoD development contract; partnering or external funding opportunities to maximize TKM-Ebola-Guinea, TKM-Marburg, TKM-HTG, TKM-ALDH; the effects of our products on the treatment of chronic Hepatitis B infection, cancer, infectious disease, alcohol use disorder, and other diseases; the potential of RNAi to generate a new class of therapies; our RNAi pipeline and the advancement thereof with a focus on realizing the value of these assets; new product development and partnering opportunities in LNP technology; the expected efficacy of our various HBV therapies; our continued commitment to our non-HBV assets, both clinical and preclinical, and realization of value for these non-HBV assets; the quantum and triggering of payments to our partners, including payments to Dicerna, Cytos, Blumberg, Drexel, Enantigen's selling stockholders and NeuroVive; future changes in the fair value of our warrant liability; the expected return from strategic alliances, licensing agreements, and research collaborations, such as the potential value of a transaction with the DoD, Monsanto Company and a grant from the U.S. National Institutes of Health; our intent to retain earnings, if any, to finance the growth and development of their business and not to pay dividends or to make any other distributions in the near future; arbitration proceedings with Alnylam Pharmaceuticals, Inc. in connection with ALN-VSP; arbitration proceedings with the University of British Columbia in connection with alleged unpaid royalties; anticipated royalty receipts; statements with respect to revenue and expense fluctuation and guidance; and the quantum and timing of potential funding.*

*With respect to the forward-looking statements contained in this report, we have made numerous assumptions regarding, among other things: LNP's status as a leading RNAi delivery technology; our research and development capabilities and resources; the effectiveness of our products as a treatment for chronic Hepatitis B infection, cancer, infectious disease, alcohol use disorder, or other diseases; the timing and quantum of payments to be received under contracts with our partners including Alnylam, Spectrum, Dicema, Monsanto and the DoD; assumptions related to our share price volatility, expected lives of warrants and warrant issuances and/or exercises; and our financial position and our ability to execute our business strategy. While we consider these assumptions to be reasonable, these assumptions are inherently subject to significant business, economic, competitive, market and social uncertainties and contingencies.*

*Our actual results could differ materially from those discussed in the forward-looking statements as a result of a number of important factors, including the risk factors discussed in this report and the risk factors discussed in our Annual Report on Form 10-K under the heading "Risk Factors," and the risks discussed in our other filings with the Securities and Exchange Commission and Canadian Securities Regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis, judgment, belief or expectation only as of the date hereof. We explicitly disclaim any obligation to update these forward-looking statements to reflect events or circumstances that arise after the date hereof, except as required by law.*

### OVERVIEW

Arbutus Biopharma Corporation ("Arbutus", "we", "us", and "our") is a publicly traded industry-leading therapeutic solutions company focused on discovering, developing and commercializing a cure for patients suffering from chronic hepatitis B (HBV) infection, a disease of the liver caused by hepatitis B. Effective July 31st, 2015, our corporate name changed from Tekmira Pharmaceuticals Corporation to Arbutus Biopharma Corporation. Also effective July 31st, 2015, the corporate name of our wholly owned subsidiary, OnCore Biopharma, Inc. changed to Arbutus Biopharma Inc. ("Arbutus Inc."). Including Arbutus Inc., we have five wholly owned subsidiaries: Protiva Biotherapeutics Inc. ("Protiva"), Protiva Agricultural Development Company Inc. ("PADCo"), Protiva Biotherapeutics (USA) Inc. ("Protiva USA") and Enantigen Therapeutics, Inc. ("Enantigen"). Unless stated otherwise or the context otherwise requires, references herein to "Arbutus", "we", "us" and "our" refer to Arbutus Biopharma Corporation, and, unless the context requires otherwise, one or more subsidiaries through which we conduct business.

In March of 2015, we completed a merger whereby Arbutus Inc. became our wholly owned subsidiary. The transaction was approved by 99.5% of votes cast by our shareholders voting at a Special Meeting held on Tuesday, March 3, 2015, and representing 51.2% of our common shareholders. In connection with the transaction, we issued 23,973,315 common shares to the shareholders of Arbutus Inc. in exchange for their Arbutus Inc. securities, and Arbutus Inc. became our wholly-owned subsidiary.

Together with our subsidiaries, we have an industry leading pipeline focused on finding a cure for chronic HBV infection. This HBV pipeline consists of multiple drug candidates, with complementary mechanisms of action. Our unique strategy is to target the three pillars we believe are necessary to deliver an HBV cure, including: (i) suppressing HBV viral replication, (ii) restoring host response by suppressing HBV surface antigen (HBsAg) or activating/stimulating the host immune system directed at HBV, and (iii) eliminating covalently closed circular DNA (cccDNA), the reservoir of viral genomic material.

We believe our chances for success in HBV are increased and risk is mitigated by having a portfolio of assets targeting these three strategies. More importantly, we believe combination therapies are the key to HBV treatment and a potential cure, and clinical development can be accelerated when multiple components of a combination therapy regimen are controlled by the same company. This is why, together with our subsidiaries, we have retained exclusive worldwide development and commercialization rights to all of our drug candidates and programs in HBV.

Arbutus is also recognized as a world leader in RNA interference (RNAi) delivery technology. We have focused on advancing novel RNAi-based therapeutics. RNA interference is considered one of the most important discoveries in the field of biomedical science in the last decade. RNAi has the potential to generate a new class of therapies that take advantage of the body's own natural processes to silence genes and, by extension, treat serious human diseases that often rely on the production of certain proteins at the genetic level. With this ability to eliminate disease-causing proteins from cells, RNAi therapies represent opportunities for therapeutic intervention that have not been achievable with conventional therapeutics.

In addition to our HBV pipeline, we also have an RNAi product pipeline which is focused on anti-virals, oncology and metabolic product platforms, in areas where there is a significant medical need and commercial opportunity. Our proprietary LNP Delivery Platform allows for the delivery of RNAi drugs. By encapsulating the RNAi trigger molecules in lipid nanoparticles (LNP) our LNP technology enables efficient delivery and uptake into target cells. Our LNP technology represents the most widely adopted delivery method in RNAi. To date, it has enabled nine clinical trials and has been administered to more than 250 patients.

We have formed a discrete business unit to manage, develop and maximize the value of our non-HBV assets. This business unit will be independently financed through current and potential collaborations and partnerships, and includes preclinical RNAi product candidates, intellectual property and related know how of the LNP delivery technology platform and strategic partnerships exploiting the LNP technology. Because LNP can enable a wide variety of nucleic acid triggers, including mRNA, we continue to seek new product development and partnering opportunities based on what we believe is our industry-leading delivery expertise.

We remain committed to continuing to support the work of our product development partners and intellectual property licensees with the goal of realizing the short-term and long term financial potential of these partnerships.

***Voluntary Delisting from the Toronto Stock Exchange (TSX)***

Our common shares were voluntarily delisted from the Toronto Stock Exchange ("TSX") as of the close of business on Tuesday, March 3, 2015. Prior to the voluntary delisting, our common shares traded on the TSX under the symbol "TKM". We continue to be listed on the NASDAQ. In conjunction with our name change to Arbutus Biopharma Corporation our ticker symbol was changed to "ABUS".

***Public Offering of Common Shares***

On March 25, 2015, we completed an underwritten public offering of 7.5 million common shares at a price of US$20.25 per share for aggregate gross proceeds of US$151.9 million before deducting underwriting discounts and commissions and other offering expenses. We also granted the underwriters a 30-day option to purchase up to an additional 1.125 million common shares, which, if exercised, would have resulted in additional gross proceeds of US$22.8 million. The 30-day option was not exercised and is no longer available.

**Our Product Candidates**

We have what we believe is an industry-leading pipeline focused on curing HBV. Our belief is that to achieve an HBV cure, a combination of products that affect the main drivers of HBV need to be utilized. Specifically, this means that to be successful, we believe we need to have products that address HBV persistence — in antiviral replication, immune reactivation and the presence of cccDNA.

Once multiple compounds within the portfolio with sufficient anti-HBV activity have been identified, we intend, subject to discussions with regulatory authorities, to conduct a rolling Phase II clinical program. These studies will likely evaluate combinations of two or more drug candidates in small cohorts of patients with chronic HBV infection to identify active combinations and those that do not have sufficient antiviral activity. We also plan to evaluate different treatment durations to determine the optimal duration for a finite duration therapy. We expect to use these results to design additional treatment regimens for the next cohorts. We plan to continue this iterative process until we select combination therapy regimens and treatment durations to conduct Phase III clinical trials intended to ultimately support regulatory filings for marketing approval.

We intend to continue to expand our HBV pipeline through internal development, acquisitions and in-licenses. We believe that a major engine for internal innovation is our collaboration with The Baruch S. Blumberg Institute ("Blumberg"**)**, one of the leading non-profit research institutes in the world focused on HBV. We believe that this collaboration will provide us with access to cutting-edge research in new target identification, assay development, mechanism of action studies and lead generation efforts focused on hepatitis B virus. This relationship also provides us with access to research that we believe is equal to, or surpasses that of other biotechnology or pharmaceutical companies, and can add value to our current and future R&D efforts in HBV.

**HBV Product Pipeline**

**TKM-HBV**

HBV causes the most common serious liver infection in the world. The World Health Organization (WHO) estimates that 350 million people worldwide are chronically infected with the virus, and other estimates suggest this could include up to 1.4 million people in the United States. Individuals chronically infected with HBV are at an increased risk of developing significant liver disease, including cirrhosis, or permanent scarring of the liver, as well as liver failure and hepatocellular carcinoma (HCC) or liver cancer. According to the Hepatitis B Foundation, HBV is the cause of up to 80% of liver cancers. Individuals with liver cancer typically have a five-year survival rate of about 15%. The WHO estimates that more than 780,000 people die every year due to the consequences of hepatitis B infection.

Our extensive experience in antiviral drug development has been applied to our TKM-HBV program to develop an RNAi therapeutic for chronic hepatitis B infection. Small molecule nucleotide therapy has been the standard of care for chronic HBV infected patients. However, many of these patients continue to express a viral protein called HBV surface antigen (HBsAg). This protein causes inflammation in the liver leading to cirrhosis and, in some cases, HCC and death.

TKM-HBV is designed to address an unmet medical need and reduce HBsAg expression in patients chronically infected with HBV. Reducing HBsAg is thought to be a key prerequisite to enable a patient's immune system to raise an adequate antibody response against the virus. The ability of TKM-HBV to inhibit numerous viral elements in addition to HBsAg increases the likelihood of successfully controlling the viral infection.

TKM-HBV is being developed as a multi-component RNAi therapeutic that simultaneously targets three sites on the HBV genome. Targeting three distinct and highly conserved sites on the HBV genome is intended to facilitate potent knockdown of all viral messenger RNA (mRNA) transcripts and viral antigens across a broad range of HBV genotypes and reduce the risk of developing antiviral resistance.

We presented results from our preclinical studies at the 10th Annual Meeting of the Oligonucleotide Therapeutics Society Meeting held in San Diego, California, on October 15, 2014. Among the results reported was the potent and rapid reduction in HBsAg demonstrated by TKM-HBV in several well-validated models. In these models, TKM-HBV treatment resulted in reductions in both intrahepatic and serum HBsAg, as well as reductions in HBV DNA, covalently closed circular DNA (cccDNA), Hepatitis B e antigen (HBeAg) and HBcAg (Hepatitis B c antigen). A rapid 1 log reduction in serum HBsAg was achieved with a single 1 mg/kg dose of TKM-HBV in the humanized mouse model, which closely mimics chronic human hepatitis B infection. 1-2 log viral reductions from similar single-dose LNP treatments in two other true-infection animal models were also demonstrated.

Preclinical studies conducted on infected primary human hepatocytes showed that TKM-HBV had robust and consistent activity against different viral strains representing the major clinical genotypes A, B, C and D. Our data shows that inclusion of three RNAi triggers results in a more broadly effective knockdown of hepatitis B viral elements than a single trigger alone. The mode of action of TKM-HBV complements standard of care nucleoside/nucleotide (NUC) therapy, and lack of drug antagonism has been demonstrated with entecavir, lamivudine and tenofovir on infected primary human hepatocytes, making combination therapy a viable option.

Our data supports the utility of TKM-HBV as a potential new therapeutic option for treating patients with chronic HBV infection. In early 2015, we advanced two TKM-HBV product candidates into a Phase I trial. Both product candidates employ the same unique combination of three RNAi trigger molecules. However, they differ in their LNP composition. One formulation employs a third generation LNP, and the other employs a new, fourth generation LNP, which incorporates novel lipid chemistry and demonstrates improved potency. The multi-component RNAi therapeutic is expected to result in broad and effective inhibition of HBV.

The TKM-HBV Phase I clinical trial is a randomized, single-blind, placebo-controlled study, involving single ascending doses of TKM-HBV. The study will assess the safety, tolerability and pharmacokinetics of intravenous administration of two formulations of TKM-HBV in healthy adult subjects. For each formulation, there are five planned cohorts for a total of 20 subjects (40 in total for both formulations). Four subjects will be enrolled per cohort with three subjects receiving TKM-HBV, and one receiving placebo. We expect the results from the Phase I clinical trial in healthy human volunteers to determine which product formulation will advance into chronically infected patients in a multi-dosing trial in the second half of 2015.

***TKM-PLK1***

Our oncology product platform, TKM-PLK1, targets polo-like kinase 1 (PLK1), a protein involved in tumor cell proliferation and a validated oncology target. Inhibition of PLK1 expression prevents the tumor cell from completing cell division, resulting in cell cycle arrest and death of the cancer cell. We are currently evaluating our oncology product candidate, TKM-PLK1, in clinical trials with patients who have Gastrointestinal Neuroendocrine Tumors (GI-NET), Adrenocortical Carcinoma (ACC) and Hepatocellular Carcinoma (HCC). Based on a hypothesis that inhibition of PLK-1 could have utility in treating HBV, we have modified the clinical program for TKM-PLK1 to study the effect of PLK1 on viral parameters in chronic HBV patients enrolled in the HCC trial.

***Cyclophilin Inhibitor — OCB-030***

Cyclophilins are proteins that have been shown to play a role in several biological processes, including viral infection. By inhibiting cyclophilin, we believe the ability of HBV to replicate can be impaired and the host immune response toward HBV may be enhanced. We have licensed from NeuroVive Pharmaceutical AB, or ("NeuroVive"), the exclusive rights to develop and commercialize cyclophilin inhibitor drug candidates, including OCB-030, for the treatment of hepatitis B. We are engaged in pre-clinical studies which we expect to be completed in order to file an IND, or an equivalent filing with foreign regulatory authorities, by year end 2015.

***TLR9 Agonist (CYT-003)***

Pharmaceutical activation of toll-like receptors (TLRs) is a novel and attractive approach for the treatment of chronic HBV because agonism of these receptors triggers innate immune responses and also stimulates adaptive immunity. It is hoped that immune stimulation by TLR agonists can overcome the multiple immunologic blocks that allows chronic HBV infection, including direct activation of the host's innate antiviral response, to overcome the functional weakness in HBV-specific immune cell responses.

Licensed from Cytos Biotechnology Ltd., ("Cytos"), CYT003 is a biological carrier which is filled with the immunostimulatory oligonucleotide called G10. G10 a toll-like receptor-9 (TLR-9) agonist. CYT-003 has been shown to directly activate B cells and stimulates human (plasmacytoid dendritic cells) pDC to secrete Interferon alpha. CYT-003 also activates other antigen presenting cells indirectly and promotes the development of TH1 type cytokine response. This is thought to be potentially beneficial in promoting anti-HBV T cell immunity. CYT-003 has previously been utilised in human trials in other indications and therefore could move quickly into the clinic in HBV infected patients. We initiated preclinical studies to demonstrate proof of concept first half of 2015. If the preclinical studies show utility in HBV, we will progress straight into patients given the existing safety database and the open INDs.

***Core Protein/ Capsid Assembly Inhibitors***

We are developing two core protein inhibitors (also known as capsid assembly inhibitors) as oral therapeutics for the treatment of chronic HBV infection. By inhibiting assembly of the viral capsid, the ability of hepatitis B virus to replicate is impaired, which subsequently reduces the amount of new virus produced, and which may have an effect on cccDNA. We acquired exclusive, worldwide rights to these drug candidates through an in-license from Blumberg and Drexel University, or ("Drexel"), and through Arbutus Inc.'s recent acquisition of Enantigen Therapeutics, Inc., or ("Enantigen"). We expect to file an IND with the FDA, or an equivalent filing with foreign regulatory authorities, and initiate Phase 1 studies with one of these compounds in 2016.

***Surface Antigen Secretion Inhibitors***

We are developing multiple small molecule orally bioavailable HBV surface antigen secretion inhibitors. By inhibiting the secretion of HBV surface antigen from infected cells, we expect that the immune response of patients treated with this therapy can re-engage and thereby mount a more robust response to a hepatitis B virus infection. We acquired these drug candidates from Enantigen. We expect to file an IND, or its equivalent in another territory, for a lead compound in 2016.

***STING Agonists***

We are developing STING (stimulator of interferon genes) agonists. By activating interferon genes, we anticipate that the body can produce additional interferon alpha and beta, which have antiviral properties. Our development program, which is currently in the discovery research stage, is based on proof of concept data in mice generated by Blumberg which showed that STING agonists can elicit an antiviral response and inhibit HBV replication in mouse liver cells. In collaboration with Blumberg, our plan is to identify potent, orally active small molecule human STING agonists that possess the desired characteristics to progress into human clinical studies.

***cccDNA Formation Inhibitors***

We are developing multiple series of cccDNA formation inhibitors. The inhibition of cccDNA formation would reduce the amount of cccDNA in the infected liver cell and could ultimately eliminate the reservoir of HBV genomic material required for continued viral replication. We acquired the exclusive, worldwide rights to this program through an in-license from Blumberg. This program is currently in early optimization and we anticipate filing an IND with the FDA, or its equivalent in another territory, in 2016.

***cccDNA Epigenetic Modifiers***

In addition to cccDNA formation inhibitors, we are developing cccDNA epigenetic modifiers. By controlling cccDNA transcription, we anticipate that we may be able to inhibit the formation of new virus and sub viral particles from cccDNA. This development program, which is currently in the discovery research stage, is based on proof of concept data generated by Blumberg using known inhibitors of enzymes involved in DNA information processing.

**Non-HBV Assets Clinical Programs TKM-PLK1, TKM-Ebola, TKM-Ebola-Guinea *(LNP Enabled)***

We believe there is significant value in our non-HBV assets and we remain committed to maximizing this value. We intend to continue our clinical programs to the appropriate stage to support this objective. We also remain interested in advancing our ongoing metabolic and rare disease preclinical programs to maximize their value, and in continuing to leverage our knowledge and expertise in LNP technology, where applicable.

**TKM-PLK1**

Our oncology product platform, TKM-PLK1, targets PLK1, a protein involved in tumor cell proliferation and a validated oncology target. Inhibition of PLK1 expression prevents the tumor cell from completing cell division, resulting in cell cycle arrest and death of the cancer cell. Evidence that patients with elevated levels of PLK1 in their tumors exhibit poorer prognosis and survival rates has been documented in the medical literature. TKM-PLK1 is being evaluated in the following oncology indications where there are limited or ineffective therapies available: Gastrointestinal Neuroendocrine Tumors (GI-NET), Adrenocortical Carcinoma (ACC) and Hepatocellular Carcinoma (HCC).

***GI-NET and ACC***

GI-NET is the gastrointestinal subset of neuroendocrine tumors. According to a paper by Yao et al., (2008), a historical analysis of the U.S. National Cancer Institute, SEER database reveals the incidence of neuroendocrine tumors has increased faster in the last few decades than any other neoplasm, with a growth rate of greater than 3% expected to continue in the near term. The prevalence of GI-NET in the U.S. is estimated to be approximately 55,000 individuals. Prognosis for advanced or metastatic GI-NET, the target population for TKM-PLK1, is poor with 25-54% of patients surviving less than one year.

ACC is an ultra-rare form of cancer that develops in the adrenal gland. Data from the U.S. National Cancer Institute indicates there are approximately 500 patients in the U.S. with ACC. Survival prognosis for patients with ACC is poor. A large percentage of patients are not good surgical candidates and there is a lack of effective systemic therapies.

We presented updated Phase I TKM-PLK1 data at the 6th Annual NET Conference hosted by the North American Neuroendocrine Tumor Society (NA-NETS) in Charleston, South Carolina on October 4, 2013. This data set included a total of 36 patients in a population of advanced cancer patients with solid tumors. Doses ranged from 0.15 mg/kg to 0.90 mg/kg during the dose escalation portion of the trial, with the maximum tolerated dose (MTD) of 0.75 mg/kg. Serious adverse events (SAEs) were experienced by four subjects in this heavily pre-treated, advanced cancer patient population, with three of four subjects continuing on study. Forty percent (6 out of 15) of patients evaluable for response, treated at a dose equal to or greater than 0.6 mg/kg, showed clinical benefit. Three out of the four ACC patients (75%) treated with TKM-PLK1 achieved stable disease, including one patient who saw a 19.3% reduction in target tumor size after two cycles of treatment. This subject is still in the study receiving TKM-PLK1. Of the two GI-NET patients enrolled, both experienced clinical benefit: one patient had a partial response based on Response Evaluation Criteria in Solid Tumors **(**RECIST) criteria, and the other GI-NET patient achieved stable disease and showed a greater than 50% reduction in Chromogranin-A (CgA) levels, a key biomarker used to predict clinical outcome and tumor response.

Based on encouraging results from the dose escalation portion and expansion cohort from our Phase I TKM-PLK1 clinical trial, we expanded into a Phase I/II clinical trial with TKM-PLK1, which is specifically enrolling patients within the two therapeutic indications: advanced GI-NET or ACC. This multi-center, single arm, open label study is designed to measure efficacy using RECIST criteria for GI-NET patients and ACC patients as well as evaluate the safety, tolerability and pharmacokinetics of TKM-PLK1. TKM-PLK1 is administered weekly with each four-week cycle consisting of three once-weekly doses followed by a rest week. In the fall of 2014, we achieved our enrollment target of patients with advanced GI-NET or ACC tumors. These patients will continue treatment and be followed to determine if TKM-PLK1 produces a meaningful clinical benefit.

We provided an update on this Phase I/II clinical study in December 2014. To date, 55 patients, in both the Phase I and Phase I/II studies have been treated at doses of ≥ 0.6 mg/kg, which is considered to be in the efficacious dose range based on preclinical studies. Of these, 31 patients comprise the target population of GI-NET or ACC patients.

While we are still awaiting maturation of data, we continue to see evidence of anti-tumor activity in some treated subjects, including one ACC patient with an almost complete resolution of their disease. We expect to report final data from these studies in the second half of 2015.

***HCC***

HCC is one of the most common cancers, one of the most deadly and a common outcome of chronic HBV infection, with over 650,000 deaths each year worldwide according to the Globocan 2012 database. US incidence is estimated at 27,000 individuals with annual growth rates greater than 2%. HCC is an aggressive, hard-to-treat disease with one-year survival rates of less than 50% and five-year rates as low as 4% (National Cancer Institute). To date, Nexavar (sorafenib) is the only agent approved to treat HCC with an improvement in overall survival of just two to three months.

In May 2014, we initiated another Phase I/II clinical trial with TKM-PLK1, enrolling patients with advanced HCC. Patient dosing has commenced and we have completed the first treatment in cohorts one and two with HCC. This Phase I/II clinical trial is a multi-center, single arm, open label dose escalation study designed to evaluate the safety, tolerability and pharmacokinetics of TKM-PLK1 as well as determine the maximum tolerated dose in patients with advanced HCC. It will also include a preliminary assessment of the anti-tumor activity of TKM-PLK1 in this patient population. It is expected that approximately 38 patients with advanced HCC tumors will be enrolled in this Phase I/II clinical trial. Based on a hypothesis that inhibition of PLK-1 could have utility in treating HBV, we are planning to modify the clinical program for TKM-PLK1 to study the effect of PLK1 on viral parameters in chronic HBV patients enrolled in the HCC trial.

**TKM-Ebola**

TKM-Ebola, an anti-Ebola RNAi therapeutic, is being developed under a $140 million contract, signed in July 2010, with the U.S. Department of Defense (DoD) Joint Project Manager Medical Countermeasure Systems BioDefense Therapeutics (JPM-MCS-BDTX). Preclinical studies published in the medical journal *The Lancet* in 2010 demonstrated that when RNAi triggers targeting the Ebola virus and delivered by our LNP technology were used to treat previously infected non-human primates, the result was 100 percent protection from an otherwise lethal dose of Zaire Ebola virus (Geisbert et al., *The Lancet*, Vol. 375, May 29, 2010).

In May 2013, our collaboration with the JPM-MCS-BDTX was modified and expanded to include advances in LNP formulation technology. The contract modification increased the first stage of funding from $34.7 million to $41.7 million. In April 2014, we signed a second contract modification to increase this funding by $2.1 million to a total of $43.8 million to compensate Arbutus for unrecovered costs that occurred in 2012 and to provide additional funding should it be required. In May 2015 a further $1.0 million of funding was made available for stage one of the contract.

TKM-Ebola is being developed under specific U.S. Food and Drug Administration (FDA) regulatory guidelines called the “Animal Rule.” This allows, in circumstances where it is unethical or not feasible to conduct human efficacy studies, marketing approval to be granted based on adequate and well-controlled animal studies when the results of those studies establish that the drug is reasonably likely to produce clinical benefit in humans. Demonstration of the product’s safety in humans is still required.

We were granted Fast Track designation from the FDA for the development of TKM-Ebola in March 2014. The FDA’s Fast Track is a process designed to facilitate the development and expedite the review of drugs in order to get important new therapies to the patient earlier.

In May 2014, we successfully completed the single ascending dose portion of the TKM-Ebola Phase I clinical trial in healthy human volunteers. Results demonstrated that administration of the TKM-Ebola therapeutic, in the absence of any steroid containing pre-medication, was well-tolerated at a dose level of 0.3 mg/kg, determined to be the maximum tolerated dose.

In July 2014, we received notice from the FDA placing the IND for TKM-Ebola on clinical hold until additional information is supplied, and the multiple ascending dose portion of the trial protocol is modified to ensure the safety of healthy volunteers. The clinical hold was subsequently modified to a partial clinical hold to permit the administration of TKM-Ebola to patients with a suspected or confirmed Ebola virus infection. Under the FDA's expanded access program, several patients with a confirmed or suspected Ebola virus infection were treated with TKM-Ebola. Data are being collected and will be provided to the FDA under our IND. Health Canada also established a similar framework for the potential use of TKM-Ebola in the same group of patients.

In December 2014, the U.S. Congress amended the Rare and Tropical Disease list to include Ebola as a candidate for a potential Accelerated Review Voucher.

In April 2015, the FDA notified us that the partial clinical hold had been modified to permit repeat dosing of healthy volunteers at a dose of 0.24 mg/kg/day. However, the IND remains on partial clinical hold with regard to doses above 0.24 mg/kg/day in healthy volunteers. Given the unclear development path for TKM-Ebola, development activities have been suspended and a joint re-evaluation of the development contract with the U.S. DoD is underway.

**TKM-Ebola-Guinea, an Anti-Ebola RNAi Therapeutic Targeting Ebola-Guinea Strain of Ebola Virus**

In September 2014, we joined an international consortium led by the International Severe Acute Respiratory and Emerging Infection Consortium (ISARIC) at the University of Oxford, UK, to potentially provide an RNAi based investigational therapeutic for expedited clinical studies in West Africa.

In October 2014, the genomic sequence of the virus responsible for the recent outbreak in West Africa was determined from several viral isolates and the strain was called Ebola-Guinea. The results of this work were published in the New England Journal of Medicine (Baize S., et al. Emergence of Zaire Ebola Virus Disease in Guinea; *New England Journal of Medicine* , October 9, 2014, vol. 371 No. 15). In November 2014, the nomenclature for the strain was further refined and is now known as Ebola-Makona. (Kuhn, JH., et al. Nomenclature- and Database-Compatible Names for the Two Ebola Virus Variants that Emerged in Guinea and the Democratic Republic of the Congo in 2014; *Viruses* , Nov 24, 2014, 6, 4760-4799). We rapidly developed a modified RNAi therapeutic to target the strain responsible for the epidemic in West Africa. The new product, TKM-Ebola-Guinea, is designed to exactly match the genomic sequence of the Makona strain with two RNAi molecule triggers.

In December 2014, we entered into a Manufacturing and Clinical Trial Agreement with the University of Oxford to provide the new TKM-Ebola-Guinea therapeutic product for clinical studies in West Africa. GMP manufacture of TKM-Ebola-Guinea has been completed and up to 100 treatment courses are available. In March 2015, a Phase II single arm trial called RAPIDE (Rapid Assessment of Potential Interventions & Drugs for Ebola), was initiated in Sierra Leone, with TKM-Ebola-Guinea. The study was led by ISARIC with funding from the Wellcome Trust. In June 2015 we announced closing of the enrollment for the trial as it reached a futility boundary, which was a predefined statistical endpoint. Data analysis is ongoing and the full results are pending.

The U.S. Department of Defense JPM-MCS-BDTX has also exercised an option, valued at $7.0 million, in our current contract to manufacture TKM-Ebola-Guinea. We have been awarded the option for scale-up and GMP manufacture of the product for approximately 500 treatment courses. This development activity together with other DoD funded Ebola related activities has been suspended and a joint re-evaluation of the development contract is underway.

In March 2015, we signed a contract modification to provide up to $2,250,000 to fund TKM-Ebola-Guinea IND submission expenses.

In April 2015, we, along with our collaborators at the University of Texas Medical Branch (UTMB) at Galveston, USA, published positive Ebola treatment data in the journal Nature (Thi EP., et al . Lipid Nanoparticle siRNA Treatment of Ebola-Virus-Makona-Infected Nonhuman Primates; *Nature*, April 22, 2015). Data demonstrated 100% survival of nonhuman primates previously infected with the West African Makona strain of Ebola virus even when treatment did not begin until three days after viral exposure a time point at which animals were five to six days away from death. These efficacy results are comparable to those obtained with TKM-Ebola, which also demonstrated up to 100% protection from an otherwise lethal dose of the virus.

We are exploring partnering or external funding opportunities to maximize the value of our Ebola related assets.

**Non-HBV Preclinical Candidates *(LNP enabled)***

We are currently evaluating several additional preclinical candidates with potential in diverse therapeutic areas. Given the extremely high efficiency of delivery for third and fourth generation liver-centric LNP formulations, we are focused on rare diseases where the molecular target is found in the liver, early clinical proof-of-concept can be achieved and development opportunities may be accelerated. Our research team intends to continue to generate preclinical data to support the advancement of the most promising of these targets.

**TKM-Marburg**

Like Ebola, Marburg is a member of the filovirus family of hemorrhagic fever viruses. Natural outbreaks with the Marburg-Angola strain have resulted in mortality in approximately 90% of infected individuals. Currently, there are no approved therapeutics for the treatment of Marburg infection.

In 2010, along with UTMB, we were awarded a National Institutes of Health (NIH) grant to support research to develop RNAi therapeutics to treat Ebola and Marburg hemorrhagic fever viral infections. In November 2013, we announced data showing 100% survival in non-human primates infected with the Angola strain of the Marburg virus in two separate studies. These results build upon a study published earlier in the Journal of Infectious Disease showing 100% protection in guinea pig models of infection with Angola, Ci67 and Ravn strains of the Marburg virus using a broad spectrum RNAi therapeutic enabled by Arbutus' LNP.

In February 2014, along with UTMB, and other collaborators, we were awarded additional funding from the NIH in support of this research. Data was published demonstrating complete protection of non-human primates against lethal Marburg-Angola strain, (*Science Translational Medicine*. Thi EP., et al. Marburg Virus Infection in Nonhuman Primates: Therapeutic Treatment by Lipid-Encapsulated siRNA. 2014 Aug 20; 6 (250))

We are exploring partnering or external funding opportunities to maximize the value of this asset.

**TKM-HTG**

The most advanced program in our metabolic product platform is TKM-HTG targeted towards the rapid and sustained reductions of triglycerides to address the limitations of existing Hypertriglyceridemia (HTG) treatments. Hypertriglyceridemia is a type of dyslipidemia where there are high blood levels of triglycerides. Patients with severe HTG, (classified as triglyceride levels greater than 1000 mg/dL) are at risk of acute pancreatitis as well as the risk of cardiovascular disease. Approximately one million adults in the U.S. and 18 million worldwide suffer from severe HTG. *(National Health and Nutrition Examination Survey, Centre for Disease Control*, NHANES 2003-2004 data). High triglyceride levels are medically linked to an increased risk of cardiovascular disease, fatty liver disease, insulin resistance and pancreatitis.

Currently in preclinical studies, TKM-HTG is a dual component RNAi investigational therapeutic that simultaneously targets two important genes - Apolipoprotein C3 (ApoC3) and Angiopoietin like protein 3 (ANGPTL3) – which are expressed in the liver and are known to play a significant and complementary role in triglyceride metabolism. The most important findings obtained in our pre-clinical studies are the super-additive effects on plasma triglycerides by silencing ApoC3 and ANGPTL3 genes in a well validated model of HTG. We presented this and related data at the Keystone Symposia Conference: Liver Metabolism and Nonalcoholic Fatty Liver Diseases, in Whistler, Canada, March 22-27, 2015.

In our preclinical studies, we employed two well validated models of HTG including a human ApoC3 transgenic (Tg) mouse model and a high-fat containing diet fed mouse model. In the human ApoC3-Tg mouse model, silencing of ApoC3 gene was accomplished, which resulted in rapid, potent and sustained plasma triglyceride (TG) lowering, with the lowest effective dose at 0.03 mg/kg. Duration of gene silencing and TG lowering effects from a single administration of the ApoC3 RNAi trigger lasted for more than two weeks. In addition, beneficial cholesterol profile changes and significant glucose lowering effects were also observed. In the high-fat containing diet fed mouse model, silencing of both the ApoC3 and ANGPTL3 genes, resulted in super-additive plasma triglycerides lowering effects. Doses of 0.125 mg/kg + 0.125 mg/kg in combination were superior to either 0.25 mg/kg or 0.5 mg/kg for the individual RNAi-triggers.

We are exploring partnering or external funding opportunities to maximize the value of this asset.

**TKM-ALDH**

TKM-ALDH is designed to knockdown or silence aldehyde dehydrogenase (ALDH) to induce long term acute sensitivity to ethanol, for use in severe alcohol use disorder. Aldehyde dehydrogenase is a key enzyme in ethanol metabolism. Inhibition of ALDH activity, through the silencing of ALDH results in the build-up of acetaldehyde leading to adverse physiological effects. Human proof of concept for ALDH inhibition already exists in the form of the approved drug disulfiram. However, disulfiram's efficacy is compromised by poor compliance because it has to be taken daily. We believe TKM-ALDH will induce prolonged ethanol sensitivity that will enable it to overcome the compliance limitations associated with daily dosing.

We are exploring partnering or external funding opportunities to maximize the value of this asset.

***Ongoing Advancements in LNP Technology***

We plan to continue to develop our proprietary LNP delivery technology and receive clinical validation from LNP-based products currently in clinical trials. The most advanced LNP-enabled therapeutic, which is being developed by Alnylam Pharmaceuticals, Inc., has entered a Phase III clinical trial. Our LNP technology remains an important element of our business development activities moving forward. We recently announced the latest (fourth) generation of the platform which comprises a rational re-design of the lipid architecture, as well as formulation and process advances. These attributes can be utilized in programs entering the clinic and are expected to yield significant increases in potency and therapeutic index.

Because LNP can enable a wide variety of nucleic acid triggers, including messenger RNA (mRNA), we continue to see new product development and partnering opportunities based on what we believe is our industry-leading delivery expertise. In February 2014, we presented new preclinical data at the AsiaTIDES scientific symposium in Tokyo, Japan demonstrating that mRNA can be effectively delivered to target proteins expressed.

**Technology, Product Development and Licensing Agreements**

In the field of RNAi therapeutics, we have licensed our LNP delivery technology to Alnylam, and to Merck & Co., Inc. (which has since been acquired by Alnylam). Alnylam has provided royalty bearing access of our LNP delivery technology to some of its partners. We have a licensing and collaboration agreement with Dicerna Pharmaceuticals, Inc. In addition, we have ongoing research relationships with Monsanto, U.S. government grants and contracts and other undisclosed pharmaceutical and biotechnology companies. Outside the field of RNAi, we have a legacy licensing agreement with Spectrum Pharmaceuticals, Inc.

We have rights under the RNAi intellectual property of Alnylam to develop 13 RNAi therapeutic products. In addition, we have a broad non-exclusive license to use Unlocked Nucleobase Analogs (UNAs) from Arcturus Therapeutics, Inc., for the development of RNAi therapeutic products directed to any target in any therapeutic indication.

**Strategic Alliances**

**Alnylam Pharmaceuticals, Inc. (“Alnylam”)**

Alnylam has a license to use our Intellectual Property (IP) to develop and commercialize products and may only grant access to our LNP technology to its partners if it is part of a product sublicense. Alnylam’s license rights are limited to patents that we have filed, or that claim priority to a patent that was filed, before April 15, 2010. Alnylam does not have rights to our patents filed after April 15, 2010 unless they claim priority to a patent filed before that date. Alnylam will pay low single digit royalties as Alnylam’s LNP-enabled products are commercialized. Alnylam currently has three LNP-based products in clinical development: ALN-TTR02 (patisiran), ALN-VSP, and ALN-PCS02.

In November 2013, Alnylam presented positive results from its Phase II clinical trial with patisiran (ALN-TTR02), an RNAi therapeutic targeting transthyretin (TTR) for the treatment of TTR-mediated amyloidosis (ATTR), which is enabled by our LNP technology. Alnylam also announced the initiation of the APOLLO Phase III trial of patisiran, with the study now open for enrollment to evaluate efficacy and safety of patisiran in ATTR patients with Familial Amyloidotic Polyneuropathy (FAP).

In December 2013, we received a $5 million milestone from Alnylam, triggered by the initiation of the APOLLO Phase III trial of patisiran. We have entered an arbitration proceeding with Alnylam, as provided for under our licensing agreement, to resolve a matter related to a disputed $5 million milestone payment to us by Alnylam for its ALN-VSP product. We have not recorded any revenue in respect of this milestone.

In April 2014, Alnylam presented positive new data from its Phase II clinical trial with patisiran. These results provide support for Alnylam's Phase III APOLLO trial in which patisiran is being evaluated for its potential efficacy and safety in ATTR patients with FAP. Alnylam has disclosed that it continues to enroll patients in its APOLLO Phase III trial, with over 20 sites in nine countries, which are now open and active. The Phase III trial is intended to demonstrate the efficacy and safety of patisiran in support of marketing authorization in countries around the world.

In October 2014, Alnylam reported positive clinical data for the ongoing patisiran Phase II Open Label Extension (OLE) study in patients with FAP, which is also enabled by our LNP technology. The results demonstrated sustained knockdown of serum TTR of up to 90% and a favorable tolerability profile out to one year of treatment.

In April 2015, Alnylam announced positive data from the ongoing open-label study with patisiran which demonstrated continued evidence for possible halting of neuropathy progression after the first 12 months of treatment. In addition, patisiran treatment showed robust mean knockdown of serum TTR of up to 88%. Alnylam's ongoing OLE study is an open-label, multi-center trial designed to evaluate the long-term safety and tolerability of patisiran administration in FAP patients that were previously enrolled in a Phase 2 study.

In July 2015, Alnylam announced initiation of a Phase III open label OLE study with patisiran (“APOLLO-OLE”) to evaluate the long-term safety and tolerability of patisiran in ATTR amyloidosis patients with FAP who were previously enrolled in the APOLLO Phase III study.

The patisiran program represents the most clinically advanced application of our LNP delivery technology. Furthermore, Alnylam’s results demonstrate that multi-dosing with our LNP has been well-tolerated with treatments out to 17 months.

Our licensing agreement with Alnylam grants us IP rights for the development and commercialization of RNAi therapeutics for specified targets. In consideration for these three exclusive and 10 non-exclusive licenses, we have agreed to pay single-digit royalties to Alnylam on product sales, with milestone obligations of up to $8.5 million on the non-exclusive licenses and no milestone obligations on the three exclusive licenses.

**Acuitas Therapeutics Inc. (“Acuitas”)**

Consistent with the terms of the settlement agreement signed in November 2012, we finalized and entered a cross-license agreement with Acuitas (formerly AlCana Technologies, Inc.) in December 2013. The terms of the cross-license agreement provide Acuitas with access to certain of our earlier IP generated prior to April 2010. At the same time, the terms provide us with certain access to Acuitas’ technology and licenses in the RNAi field, along with a percentage of each milestone and royalty payment with respect to certain products. Acuitas has agreed that it will not compete in the RNAi field for a period of five years, ending in November 2017.

**Spectrum Pharmaceuticals, Inc. (“Spectrum”)**

In September 2013, we announced that our licensee, Spectrum, had launched Marqibo® through its existing hematology sales force in the United States. Since then commercial sales have occurred. Arbutus is entitled to mid-single digit royalty payments based on Marqibo®’s commercial sales. Marqibo®, which is a novel sphingomyelin/cholesterol liposome-encapsulated formulation of the FDA-approved anticancer drug vincristine, was originally developed by Arbutus. We out-licensed the product to Talon Therapeutics in 2006, and in July 2013, Talon was acquired by Spectrum. Marqibo®’s approved indication is for the treatment of adult patients with Philadelphia chromosome-negative acute lymphoblastic leukemia (Ph-ALL) in second or greater relapse or whose disease has progressed following two or more lines of anti-leukemia therapy. Spectrum has ongoing trials evaluating Marqibo® in three additional indications, which are: first line use in patients with Ph-ALL, Pediatric ALL and Non-Hodgkin’s lymphoma.

**Monsanto Company (“Monsanto”)**

In January 2014, we signed an Option Agreement and a Service Agreement with Monsanto, and granted Monsanto an option to obtain a license to use our proprietary LNP delivery technology. The transaction supports the application of LNP technology and related IP for use in agriculture. The potential value of the transaction could reach $86.2 million following the successful completion of milestones. In January 2014, we received $14.5 million of the $17.5 million in near term payments. We received additional payments of $1.5 million each in June 2014 and October 2014 following the achievement of specific program objectives, and $1.05 million in May 2015.

**Marina Biotech, Inc. (“Marina”) / Arcturus Therapeutics, Inc. (“Arcturus”)**

In November 2012, we disclosed that we had obtained a worldwide, non-exclusive license to a novel RNAi trigger technology called Unlocked Nucleobase Analog (UNA) from Marina for the development of RNAi therapeutics. UNAs can be incorporated into RNAi drugs and have the potential to improve them by increasing their stability and reducing off-target effects. In August 2013, Marina assigned its UNA technology to Arcturus and the UNA license agreement was then assigned to Arcturus. The terms of the license are otherwise unchanged.

To date, we have paid Marina $0.5 million in license fees and there are milestones of up to $3.2 million plus royalties for each product that we develop using UNA technology licensed from Marina. We announced on January 21, 2015, that we had initiated a Phase I clinical trial with TKM-HBV. As TKM-HBV utilizes UNA technology in-licensed from Arcturus, the initiation of the trial triggered a single milestone payment of $250,000 paid by us to Arcturus.

**Merck & Co., Inc. ("Merck") and Alnylam license agreement**

As a result of the settlement between Protiva and Merck in 2008, we acquired a non-exclusive royalty-bearing world-wide license agreement with Merck. Under the license, Merck will pay up to $17 million in milestones for each product they develop covered by our IP, except for the first product for which Merck will pay up to $15 million in milestones, and will pay royalties on product sales. Merck’s license rights are limited to patents that Protiva filed, or that claim priority to one of Protiva’s patents that was filed, before October 9, 2008. Merck does not have rights to Protiva patents filed after October 9, 2008 unless they claim priority to a patent filed before that date. On March 6, 2014, Alnylam announced that they acquired all assets and licenses from Merck, which included our license agreement.

**Bristol-Myers Squibb Company (“BMS”)**

In May 2010, we announced a research collaboration with BMS. Under this agreement, BMS conducted preclinical work to validate the function of certain genes and shared the data with us to potentially develop RNAi therapeutic drugs against therapeutic targets of interest. We formulated the required RNAi trigger molecules enabled by our LNP technology to silence target genes of interest. BMS paid us $3.0 million concurrent with the signing of the agreement. We provided a predetermined number of LNP batches over the four-year agreement. In May 2011, we announced a further expansion of the collaboration to include broader applications of our LNP technology and additional target validation work. In May 2014, the collaboration expired and all parties’ obligations ended.

**U.S. National Institutes of Health (“NIH”)**

On October 13, 2010 we announced that together with collaborators at UTMB, we were awarded a new NIH grant, worth $2.4 million, to support research to develop RNAi therapeutics to treat Ebola and Marburg hemorrhagic fever viral infections using our LNP delivery technology. In February 2014, we along with UTMB and other collaborators were awarded additional funding of $3.4 million over five years from the NIH in support of this research.

**Halo-Bio RNAi Therapeutics, Inc. ("Halo-Bio")**

In August 2011, Protiva entered into a license and collaboration agreement with Halo-Bio. Under the agreement, Halo-Bio granted to Protiva an exclusive license to its multivalent ribonucleic acid MV-RNA technology. The agreement was amended on August 8, 2012 to adjust future license fees and other contingent payments. To date, we have recorded $0.5 million in fees under the Protiva license from Halo-Bio. Protiva terminated the agreement with Halo-Bio in July 2013. There are no further payments due or contingently payable to Halo-Bio.

**Dicerna Pharmaceuticals, Inc. (“Dicerna”)**

In November 2014, we signed a licensing agreement and a development and supply agreement with Dicerna to license our LNP delivery technology for exclusive use in Dicerna's primary hyperoxaluria type 1 (PH1) development program. Dicerna will use our third generation LNP technology for delivery of DCR-PH1, Dicerna's product incorporating its Dicer substrate RNA (DsiRNA) molecule, for the treatment of PH1, a rare, inherited liver disorder that often results in kidney failure and for which there are no approved therapies. Under the agreements, Dicerna paid a $2.5 million upfront and will potentially make payments of $22 million in aggregate development milestones, plus tiered mid-single-digit royalty payments on future PH1 sales. This partnership also includes a supply agreement under which we will provide clinical drug supply and regulatory support for the rapid advancement of this product candidate.

**Cytos Biotechnology Ltd (“Cytos”)**

On December 30, 2014, Arbutus Inc., our wholly owned subsidiary, entered into an exclusive, worldwide, sub-licensable (subject to certain restrictions with respect to licensed viral infections other than hepatitis) license to six different series of compounds. The licensed compounds are Qbeta-derived virus-like particles that encapsulate TLR9, TLR7 or RIG-I agonists and may or may not be conjugated with antigens from the hepatitis virus or other licensed viruses. We have an option to expand this license to include additional viral infections other than influenza and Cytos will retain all rights for influenza, all non-viral infections, and all viral infections (other than hepatitis) for which we have not exercised an option.

In partial consideration for this license, we will be obligated to pay Cytos up to a total of $67 million for each of the six licensed compound series upon the achievement of specified development and regulatory milestones; for hepatitis and each additional licensed viral infection, up to a total of $110 million upon the achievement of specified sales performance milestones; and tiered royalty payments in the high-single to low-double digits, based upon the proportionate net sales of licensed products in any commercialized combination.

**The Baruch S. Blumberg Institute (“Blumberg”) and Drexel University (“Drexel”)**

In February 2014, Arbutus Inc., our wholly owned subsidiary, entered into a license agreement with Blumberg and Drexel that granted an exclusive (except as to certain know-how and subject to retained non-commercial research rights), worldwide, sub-licensable license to three different compound series: cccDNA inhibitors, capsid assembly inhibitors and HCC inhibitors.

In partial consideration for this license, Arbutus Inc. paid a license initiation fee of $150,000 and issued warrants to Blumberg and Drexel. No warrants were outstanding as at the date Arbutus merged with Arbutus Inc. Under this license agreement, Arbutus Inc. also agreed to pay up to $3.5 million in development and regulatory milestones per licensed compound series, up to $92.5 million in sales performance milestones per licensed product, and royalties in the mid-single digits based upon the proportionate net sales of licensed products in any commercialized combination. We are obligated to pay Blumberg and Drexel a double digit percentage of all amounts received from the sub-licensees, subject to customary exclusions.

In November 2014, Arbutus Inc. entered into an additional license agreement with Blumberg and Drexel pursuant to which it received an exclusive (subject to retained non-commercial research rights), worldwide, sub-licensable license under specified patents and know-how controlled by Blumberg and Drexel covering epigenetic modifiers of cccDNA and STING agonists. In consideration for these exclusive licenses, Arbutus Inc. made an upfront payment of $50,000. Under this agreement, we will be required to pay up to $1.0 million for each licensed product upon the achievement of a specified regulatory milestone and a low single digit royalty, based upon the proportionate net sales of compounds covered by this intellectual property in any commercialized combination. We are also obligated to pay Blumberg and Drexel a double digit percentage of all amounts received from its sub-licensees, subject to exclusions.

**License Agreements between Enantigen (“Enantigen”) and Blumberg and Drexel**

In October 2014, Arbutus Inc., our wholly owned subsidiary, acquired all of the outstanding shares of Enantigen pursuant to a stock purchase agreement. Through this transaction, Arbutus Inc. acquired a HBV surface antigen secretion inhibitor program and a capsid assembly inhibitor program, each of which are now assets of Arbutus, following our merger with Arbutus Inc.

Under the stock purchase agreement, we agreed to pay up to a total of $21.0 million to Enantigen’s selling stockholders upon the achievement of specified development and regulatory milestones, for the first two products that contain either a capsid compound, or a HBV surface antigen compound that is covered by a patent acquired under this agreement; or a capsid compound from an agreed upon list of compounds. The amount paid could be up to a total of $101.5 million in sales performance milestones in connection with the sale of the first commercialized product by us for the treatment of HBV, regardless of whether such product is based upon assets acquired under this agreement; and low single digit royalty on net sales of such first commercialized HBV product, up to a maximum royalty payment of $1.0 million that, if paid, would be offset against our milestone payment obligations.

Under the stock purchase agreement, we also agreed that Enantigen would fulfill its obligations as they relate to the three patent license agreements with Blumberg and Drexel. Pursuant to each patent license agreement, Enantigen is obligated to pay Blumberg and Drexel up to approximately $500,000 in development and regulatory milestones per licensed product, royalties in the low single digits, and a percentage of revenue it receives from its sub-licensees.

**Research Collaboration and Funding Agreement with Blumberg**

In October 2014, Arbutus Inc., our wholly owned subsidiary, entered into a research collaboration and funding agreement with Blumberg under which we will provide $1.0 million per year of research funding for three years, renewable at our option for an additional three years, for Blumberg to conduct research projects in HBV and liver cancer pursuant to a research plan to be agreed upon by the parties. Blumberg has exclusivity obligations to Arbutus with respect to HBV research funded under the agreement. In addition, we have the right to match any third party offer to fund HBV research that falls outside the scope of the research being funded under the agreement. Blumberg has granted us the right to obtain an exclusive, royalty bearing, worldwide license to any intellectual property generated by any funded research project. If we elect to exercise our right to obtain such a license, we will have a specified period of time to negotiate and enter into a mutually agreeable license agreement with Blumberg. This license agreement will include the following pre negotiated upfront, milestone and royalty payments: an upfront payment in the amount of $100,000; up to $8.1 million upon the achievement of specified development and regulatory milestones; up to $92.5 million upon the achievement of specified commercialization milestones; and royalties at a low single to mid-single digit rates based upon the proportionate net sales of licensed products from any commercialized combination.

**NeuroVive Pharmaceutical AB (“NeuroVive”)**

In September 2014, Arbutus Inc., our wholly owned subsidiary, entered into a license agreement with NeuroVive that granted us an exclusive, worldwide, sub-licensable license to develop, manufacture and commercialize, for the treatment of HBV, oral dosage form sanglifehrin based cyclophilin inhibitors (including OCB-030). Under this license agreement we have been granted a non-exclusive, royalty free right and license and right of reference to NeuroVive’s relevant regulatory approvals and filings for the sole purpose of developing, manufacturing and commercializing licensed products for the treatment of HBV. Under this license agreement, we have (1) an option to expand our exclusive license to include treatment of viral diseases other than HBV and (2) an option, exercisable upon specified conditions, to expand our exclusive license to include development, manufacture and commercialization of non-oral variations of licensed products for treatment of viral diseases other than HBV. NeuroVive retains all rights with respect to development, manufacture and commercialization of licensed products and non-oral variations of licensed products for all indications (other than HBV) for which we have not exercised our option.

In partial consideration for this license, Arbutus Inc. paid NeuroVive a license fee of $1 million. We are also obligated to pay up to $47.0 million in clinical development and regulatory milestones per indication and up to $102.5 million in sales performance milestones per licensed product and indication. If we are acquired by a third party in a transaction that meets certain criteria, then we or our acquirer will be obligated to pay all remaining development, regulatory and sales milestone payments, regardless of whether the applicable milestone events have been achieved, for each licensed product that entered clinical development before such acquisition. As described in “Overview”, Arbutus Inc. became our wholly owned subsidiary by way of a Merger Agreement, which does not trigger any of the aforementioned milestone payment We agreed to pay NeuroVive tiered royalties in the mid-single to low-double digit range based upon the proportionate gross sales of patented licensed products from any commercialized combination. If we terminate this license agreement in its entirety for convenience prior to the first commercial sale of any licensed product, we will be obligated to pay NeuroVive a termination fee of $2 million.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

**Share purchase warrant valuation** / The valuation of share purchase warrants is a critical accounting estimate due to the value of liabilities recorded and the many assumptions that are required to calculate the liability, resulting in the classification of our warrant liability as a level 3 financial instrument.

We classify warrants in our consolidated balance sheet as liabilities and revalue them at each balance sheet date. Any change in valuation is recorded in our statement of operations. We use the Black-Scholes pricing model to value the warrants. Determining the appropriate fair-value model and calculating the fair value of registered warrants requires considerable judgment. A small change in the estimates used may cause a relatively large change in the estimated valuation. Due to ongoing changes in our business and general stock market conditions, we continuously assess our warrant fair value assumptions. We adjust the estimated expected life as appropriate, based on the pattern of exercises of our warrants. As at December 31, 2014, for the purpose of calculating the fair value, the expected life of outstanding warrants was three months for warrants expiring in June 2016, and nine months for warrants expiring in February 2017. Based on the pattern of decreasing exercises of warrants, we have increased the expected life to nine months and twelve nine months for outstanding warrants expiring in June 2016 and February 2017, respectively, effective January 1, 2015. The remaining expected life is three months and six months for outstanding warrants expiring in June 2016 and February 2017, respectively, as at June 30, 2015. For the three and six month period ended June 30, 2015, we recorded a gain to earnings due to the decrease in fair value of warrant liability of $2,024,000 and $801,000 respectively.

**Business combination** / The purchase price allocation is a critical accounting estimates due to the many assumptions that are required to calculate the fair value of assets acquired and liabilities assumed during a business combination.

We account for our business combination using the acquisition method. Under this method, estimates we make to determine the fair values of assets acquired and liabilities assumed include judgments in our determinations of acquired intangible assets and assessment of the fair value of existing property and equipment. Assumed liabilities can include other contingency reserves existing at the time of acquisition. Goodwill is recognized as of the acquisition date as the excess of the purchase price over the estimated fair values of net identifiable assets acquired and liabilities assumed at their acquisition date. Acquisition related expenses are separately recognized from business combination and are expensed as incurred.

When establishing fair values, we make significant estimates and assumptions, especially with respect to intangible assets. Intangible assets acquired and recorded by us may include patents, intellectual property, and in-process research and development. Estimates include, but are not limited to the forecasting of future cash flows and discount rates. Our estimates for the fair values of assets acquired and liabilities assumed are preliminary for the period ended June 30, 2015. We are currently undertaking a valuation assessment by engaging a third-party firm to assist us to determine the fair values. Our preliminary estimates of fair values are based upon assumptions that we believe to be reasonable, but which are inherently uncertain and unpredictable; therefore, actual results may differ from estimates impacting our earnings.

There are no other changes to our critical accounting policies and estimates from those disclosed in our annual MD&A contained in our 2014 Annual Report filed on Form 10-K.

**RECENT ACCOUNTING PRONOUNCEMENTS**

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) or other standard setting bodies that we adopt as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (ASC 606). The standard is intended to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS by creating a new Topic 606, Revenue from Contracts with Customers. This guidance supersedes the revenue recognition requirements in ASC 605, Revenue Recognition, and supersedes some cost guidance included in Subtopic 605-35, Revenue Recognition – Construction-Type and Production-Type Contracts. The core principle of the accounting standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. The amendments should be applied by either (1) retrospectively to each prior reporting period presented; or (2) retrospectively with the cumulative effect of initially applying this ASU recognized at the date of initial application. In April 2015, the FASB voted to propose a deferral of the effective date of the ASU by one year. The new guidance would be effective for fiscal years beginning after December 15, 2017 instead of December 15, 2016, which for the Company means January 1, 2018. Entities are permitted to adopt in accordance with the original effective date if they choose. We have not yet determined the extent of the impact of adoption.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The update is intended to provide guidance in GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Under amendments to GAAP, the assessment period is within one year after the date that the financial statements are issued (or available to be issued). The amendments are effective for the annual period ending after December 15, 2016, which for the Company means January 1, 2017, and for annual periods and interim periods thereafter. Early application is permitted. We do not plan to early adopt this update. The extent of the impact of this adoption has not yet been determined.

**SUMMARY OF QUARTERLY RESULTS**

The following table presents our unaudited quarterly results of operations for each of our last eight quarters. These data have been derived from our unaudited condensed consolidated financial statements, which were prepared on the same basis as our annual audited financial statements and, in our opinion, include all adjustments necessary, consisting solely of normal recurring adjustments, for the fair presentation of such information.

(in millions $ except per share data) – unaudited

| | Q2 2015 | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 | Q3 2013 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Collaborations and contracts: | | | | | | | | |
| DoD | $ 1.8 | $ 3.0 | $ 2.8 | $ 1.5 | $ 0.9 | $ 3.2 | $ 2.6 | $ 2.8 |
| Monsanto | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 | - | - |
| Dicerna | 0.2 | 0.2 | 0.3 | 0.2 | - | - | - | - |
| Other | - | - | - | 1.6 | - | 0.2 | (0.1) | 0.1 |
| | 2.3 | 3.5 | 3.4 | 3.6 | 1.1 | 3.7 | 2.6 | 2.9 |
| Alnylam milestone payments | - | - | - | - | - | 0.2 | 5.0 | - |
| Monsanto licensing fees and milestone payments | 0.8 | 0.8 | 0.9 | 0.7 | 0.6 | 0.5 | - | - |
| Dicerna licensing fee | 0.3 | 0.3 | - | - | - | - | - | - |
| Spectrum milestone and royalty payments | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | - |
| **Total revenue** | **3.4** | **4.7** | **4.4** | **4.4** | **1.8** | **4.4** | **7.6** | **2.9** |
| Expenses | (17.9) | (22.7) | (15.1) | (11.2) | (11.2) | (10.4) | (9.9) | (6.6) |
| Other income (losses) | (0.5) | 6.0 | 4.5 | (1.8) | 3.3 | (12.0) | (0.2) | (2.2) |
| **Net loss** | **(14.9)** | **(12.0)** | **(6.2)** | **(8.6)** | **(6.1)** | **(18.0)** | **(2.6)** | **(5.9)** |
| **Basic and diluted net loss per share** | **$ (0.27)** | **$ (0.40)** | **$ (0.27)** | **$ (0.39)** | **$ (0.28)** | **$ (0.91)** | **$ (0.15)** | **$ (0.41)** |

**Quarterly Trends**

**Revenue** / Our revenue is derived from research and development collaborations and contracts, licensing fees, milestone and royalty payments. Over the past two years, our principal source of ongoing revenue has been our contract with the DoD to advance TKM-Ebola which began in July 2010. We expect revenue to continue to fluctuate particularly due to the development stage of the TKM-Ebola contract and the irregular nature of licensing and milestone receipts.

In Q3 2010 we signed a contract with the DoD to develop TKM-Ebola and have since incurred significant program costs related to equipment, materials and preclinical and clinical studies. These costs are included in our research, development, collaborations and contracts expenses. These costs are fully reimbursed by the DoD, and this reimbursement amount is recorded as revenue. DoD revenue from the TKM-Ebola program also compensates us for labor and overheads and provides an incentive fee. As described in our critical accounting policies in our Annual Report, we estimate the labor and overhead rates to be charged under our TKM-Ebola contract and update these rate estimates throughout the year. In April 2014, we signed a contract modification to increase the stage one targeted funding by $2.1 million to $43.8 million. The additional funding is to compensate us for unrecovered costs related to the temporary stop-work period that occurred in 2012 and to provide additional overhead funding should it be required. In Q1 2014, we earned $3.2 million in DoD revenue, due partially to an increase in activity as we moved into a Phase I Clinical Trial. In Q2 2014, we earned $0.9 million in DoD revenue due to lower contract activity as our clinical trial data was with the FDA for review. DoD revenue increased in Q3 2014 with an increase in activity as we prepared a response to the FDA's partial clinical hold on our Phase I Clinical Trial. In October 2014, the DoD exercised a contract option adding $7.0 million to the contract for the scale-up and manufacture of TKM-Ebola-Guinea, our product targeting the Ebola-Makona (formerly known as Ebola-Guinea) strain responsible for the current outbreak in West Africa. DoD revenue increased in Q4 2014 and Q1 2015 as we purchased materials and manufactured TKM-Ebola-Guinea. In Q2 2015, material purchases and subcontract work related to TKM-Ebola-Guinea were less significant. In July 2015, we announced that activities have been suspended while a joint re-evaluation of the development contract is conducted.

In January 2014, we signed an Option Agreement and a Services Agreement with Monsanto for the use of our proprietary delivery technology and related intellectual property in agriculture. Over the option period, which is expected to be approximately four years, Monsanto will make payments to us to maintain their option rights. In Q1 2014, we received $14.5 million of the $17.5 million near term payments, of which $4.5 million relates to research services and $10.0 million for the use of our technology. In June 2014 and October 2014, we received further payments of $1.5 million each, following the completion of specified program developments. In May 2015, we received an additional $1.05 million related to research services. The payments are being recognized as revenue on a straight-line basis over the option period.

In November 2014, we signed a License Agreement and a Development and Supply Agreement with Dicerna for the use of our proprietary delivery technology and related technology intended to develop, manufacture, and commercialize products related to treatment of PH1. In Q4 2014, we received an upfront payment of $2.5 million, which is being recognized over the period over which we provide services to Dicerna, estimated to complete in Q1 2017. We recognized collaboration revenue of $0.2 million in each of Q1 and Q2 2015 which relates to materials and services provided to Dicerna.

In Q4 2013 we earned a $5.0 million milestone from Alnylam following their initiation of a Phase III trial enabled by our LNP technology.

In Q4 2013, we began to earn royalties from Spectrum with respect to the commercial sales of Marqibo.

Included in "other collaborations and contract revenue" is revenue from a BMS batch formulation agreement. In Q4 2013, we offered to extend the BMS agreement end date from May 2014 to December 2014. Extending the agreement would have given BMS more time to order LNP batches. Revenue recognized in 2013 has been reduced and the balance of deferred revenue as at December 31, 2013 has been increased to account for BMS potentially ordering more batches under the agreement.

This agreement is reflected in the $0.1 million of negative “other revenue” in Q4 2013 when the offer was made to extend the agreement and a cumulative revenue adjustment was recorded. In August 2014, we received notification from BMS that the extension would not occur. As such, the collaboration expired and both parties’ obligations under the agreement ended. Revenue recognized in Q3 2014 relates to the release of the deferred revenue balance of $1.6 million.

**Expenses /** Expenses consist primarily of clinical and pre-clinical trial expenses, personnel expenses, consulting and third party expenses, reimbursable collaboration expenses, consumables and materials, patent filing expenses, facilities, stock-based compensation and general corporate costs.

Our expenses have increased in the past eight quarters due to an increase in our research and development activities as we seek to move more products into the clinic. In Q3 2013, we initiated a Phase I/II Clinical Trial for TKM-PLK1 in patients with GI-NET or ACC. In Q1 2014, we dosed the first subject in human clinical trials of TKM-Ebola. In Q2 2014, we initiated a Phase I/II Clinical Trial for TKM-PLK1 in patients with HCC. In Q4 2014, we filed a Canadian Clinical Trial Application (CTA) for TKM-HBV and received clearance to conduct a Phase I Clinical Trial, as well as initiated manufacturing of TKM-Ebola-Guinea for emergency use in West Africa – see overview. In Q1 2015, we initiated a Phase I Clinical Trial for TKM-HBV and incurred significant material costs related to the TKM-Ebola-Guinea contract with the DoD. In addition, we incurred $9.3 million in costs for professional fees related to completing the merger with Arbutus Inc. (formerly OnCore) In Q2 2015, we incurred an incremental $2.9 million R&D expenses related to our HBV programs acquired through the merger with Arbutus Inc. (formerly OnCore).

**Other income (losses) /** Other income (losses) consist primarily of changes in the fair value of our warrant liability and foreign exchange differences. Other losses increased in Q3 2013, Q1 2014, and Q3 2014 due primarily to the increase in fair value of our warrant liability. Increases in our share price from the previous reporting date result in an increase in the fair value of our warrant liability, and vice versa. We expect to see future changes in the fair value of our warrant liability and these changes will largely depend on the change in the Company's share price, any change in our assumed rate of share price volatility, our assumptions for the expected lives of the warrants and warrant exercises.

In Q2 2015, we recorded $2.6 million foreign exchange loss, due to the depreciation of U.S. dollar against Canadian dollar from the previous period. This is offset by a $2.0 million decrease in the fair value of warrant liability for the period.

**Net (loss) income /** Fluctuations in our net loss are explained by changes in revenue, expenses and other income (losses) as discussed above.

**RESULTS OF OPERATIONS**

The following summarizes the results of our operations for the periods shown, in thousands:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| Total revenue | **$ 3,440** | $ 1,811 | **$ 8,122** | $ 6,241 |
| Operating expenses | **17,860** | 11,234 | **40,548** | 21,622 |
| Loss from operations | **(14,420)** | (9,423) | **(32,426)** | (15,381) |
| Net loss | **$ (14,886)** | $ (6,081) | **$ (26,875)** | $ (24,065) |
| Basic and diluted loss per share | **(0.27)** | (0.28) | **(0.64)** | (1.15) |

**Revenue** / Revenue is summarized in the following table, in thousands:

| | Three months ended June 30, | | | |
|---|---|---|---|---|
| | **2015** | **% of Total** | 2014 | % of Total |
| DoD | $ **1,862** | **54%** | $ 861 | 47% |
| Monsanto | **269** | **8%** | 283 | 16% |
| BMS | **-** | **0%** | - | 0% |
| Dicerna | **179** | **5%** | - | 0% |
| **Total collaborations and contracts revenue** | **2,310** | **67%** | 1,144 | 63% |
| | | | | |
| Monsanto licensing fee and milestone payments | **805** | **23%** | 626 | 35% |
| Acuitas milestone payment | **-** | **0%** | - | 0% |
| Dicerna licensing fee | **263** | **8%** | - | 0% |
| Spectrum milestone and royalty payments | **62** | **2%** | 41 | 2% |
| | | | | |
| **Total revenue** | **$ 3,440** | | $ 1,811 | |

| | Six months ended June 30, | | | |
|---|---|---|---|---|
| | **2015** | **% of Total** | 2014 | % of Total |
| DoD | $ **4,907** | **60%** | $ 4,101 | 66% |
| Monsanto | **517** | **6%** | 526 | 9% |
| BMS | **-** | **0%** | 206 | 3% |
| Dicerna | **406** | **5%** | - | 0% |
| **Total collaborations and contracts revenue** | **5,830** | **72%** | 4,833 | 78% |
| | | | | |
| Monsanto licensing fee and milestone payments | **1,647** | **20%** | 1,171 | 19% |
| Acuitas milestone payment | **-** | **0%** | 150 | 2% |
| Dicerna licensing fee | **526** | **6%** | - | 0% |
| Spectrum milestone and royalty payments | **119** | **1%** | 87 | 1% |
| | | | | |
| **Total revenue** | **$ 8,122** | | $ 6,241 | |

***Revenue contracts are covered in more detail in the overview section of this discussion.***

***DoD revenue***

DoD revenues and related contract expenses were higher in Q2 2015 as compared to Q2 2014 largely due to low contract activity in Q2 2014 as we had completed a Phase I clinical trial and were awaiting FDA review of our data. DoD revenues and related contract expenses were higher in first half of 2015 as compared to 2014 as we incurred costs and recorded revenue for the manufacture of TKM-Ebola-Guinea.

In July 2015, we announced that activities have been suspended while a joint re-evaluation of the DoD development contract is conducted.

***Monsanto revenue***

In January 2014, we received $14.5 million, of which $4.5 million relates to research services and $10.0 million for the use of our technology. In June and October 2014, we received payments of $1.5 million each, following the completion of specified program developments. In May 2015, we received $1.05 million for research services. We are recognizing these payments on a straight-line basis over the option period. In Q2 2015 and the first half of 2015, we recorded an aggregate of $1.1 million and $2.2 million respectively in revenue for the use of our technology and for research activities.

***Dicerna revenue***

In November 2014, we signed a License Agreement and a Development and Supply Agreement with Dicerna for the use of our proprietary delivery technology and related technology intended to develop, manufacture, and commercialize products related to treatment of PH1. In Q4 2014, we received an upfront payment of $2.5 million, which is being recognized over the period we provide services to Dicerna, estimated to complete in Q1 2017. We recognized collaboration revenue of $0.2 million and $0.4 million respectively for the three and six months ended June 30, 2015 earned on materials manufactured and services provided to Dicerna.

***Alnylam revenue***

In Q1 2014, we recognized $0.15 million in milestone revenue from Acuitas following their receipt of a milestone from Alnylam with the initiation of a Phase III trial enabled by our LNP technology.

***BMS revenue***

In May 2010 we signed a formulation agreement with BMS under which BMS paid us $3.0 million to make a certain number of LNP formulations over the following four year period. The contract expired in 2014 with no further obligation for either party. Revenue recognized in Q1 2014 relates to the batches shipped to BMS during the period.

***Spectrum revenue***

In September 2013, Spectrum announced that they had shipped the first commercial orders of Marqibo. We continue to earn royalties on the sales of Marqibo, which uses a license to our technology.

**Expenses** / Expenses are summarized in the following table, in thousands:

| | Three months ended June 30, | | | |
|---|---|---|---|---|
| | **2015** | **% of Total** | 2014 | % of Total |
| Research, development, collaborations and contracts | **$ 9,690** | **68%** | $ 9,298 | 83% |
| General and administrative | **7,662** | **29%** | 1,787 | 16% |
| Depreciation | **147** | **1%** | 149 | 1% |
| Acquisition costs | **361** | **2%** | - | 0% |
| **Total operating expenses** | **$ 17,860** | | $ 11,234 | |

| | Six months ended June 30, | | | |
|---|---|---|---|---|
| | **2015** | **% of Total** | 2014 | % of Total |
| Research, development, collaborations and contracts | **$ 20,247** | **56%** | $ 17,502 | 81% |
| General and administrative | **10,378** | **19%** | 3,837 | 18% |
| Depreciation | **267** | **1%** | 283 | 1% |
| Acquisition costs | **9,656** | **24%** | - | 0% |
| **Total operating expenses** | **$ 40,548** | | $ 21,622 | |

***Research, development, collaborations and contracts***

Research, development, collaborations and contracts expenses consist primarily of clinical and pre-clinical trial expenses, personnel expenses, consulting and third party expenses, consumables and materials, as well as a portion of stock-based compensation and general corporate costs.

In the first half of 2015, we increased our spending on TKM-HBV as we initiated a Phase I clinical trial. In addition, we incurred costs for the manufacture of TKM-Ebola-Guinea under our DoD contract – see overview. In Q2 2015, we incurred incremental costs related to increase in activities for our HBV programs subsequent to the merger with Arbutus Inc., as well as incremental costs related to our collaboration programs with Monsanto and Dicerna.

R&D compensation expense increased in Q2 and in the first half of 2015 as compared to Q2 and in the first half of 2014 due to an increase in the number of employees in support of our expanded portfolio of product candidates, as well as from our merger with Arbutus Inc. In addition, in the first half of 2015 we incurred a total of $5.3 million of incremental non-cash compensation expense related to the expiry of repurchase rights on shares issued as part of the consideration paid for the merger with Arbutus Inc. (refer to notes to the financial statements), of which $1.3 million has been included as part of research, development, collaborations and contracts expense, and $4.0 million included as part of general and administrative expense.

A significant portion of our research, development, collaborations and contracts expenses are not tracked by project as they benefit multiple projects or our technology platform and because our most-advanced programs are not yet in late-stage clinical development. However, our collaboration agreements contain cost-sharing arrangements pursuant to which certain costs incurred under the project are reimbursed. Costs reimbursed under collaborations typically include certain direct external costs and hourly or full-time equivalent labor rates for the actual time worked on the project. In addition, we have been reimbursed under government contracts for certain allowable costs including direct internal and external costs. As a result, although a significant portion of our research, development, collaborations and contracts expenses are not tracked on a project-by-project basis, we do, however, track direct external costs attributable to, and the actual time our employees worked on, our collaborations and government contracts.

***General and administrative***

General and administrative expenses were higher in Q2 and in the first half of 2015 compared to Q2 and in the first half of 2014 due largely to an increase in compensation expense linked to our increase in employee base and incremental corporate expenses to support the growth of the Company following the completion of our merger with Arbutus Inc. This includes an incremental non-cash compensation expense we incurred related to the expiry of repurchase rights on shares issued as part of consideration paid for the merger with Arbutus Inc. (see above). Expenses were also higher in Q2 2015 and in the first half of 2015 due to legal costs incurred in relation to the May 2015 arbitration hearing against Alnylam.

***Depreciation of property and equipment***

Most of our recent property and equipment additions were related to our TKM-Ebola program and are not recorded as Company assets. As such, a large portion of our property and equipment is reaching full amortization. In 2015, we spent $0.5 million on property and equipment mostly related to lab equipment and information technology improvements to support integration following our merger with Arbutus Inc.

***Acquisition costs***

In 2015, we incurred $9.7 million in costs for professional fees related to completing the merger with Arbutus Inc. – see overview. This is a one-time cost specific to the merger with Arbutus Inc., and we do not expect to incur recurring acquisition costs.

**Other income (losses) /** Other income (losses) are summarized in the following table, in thousands:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| Interest income | **$ 81** | $ 257 | **$ 283** | $ 404 |
| Foreign exchange gains (losses) | **(2,571)** | (2,728) | **4,467** | (1,285) |
| (Increase) decrease in fair value of warrant liability | **2,024** | 5,813 | **801** | (7,803) |
| **Total other income (losses)** | **$ (466)** | $ 3,342 | **$ 5,551** | $ (8,684) |

***Foreign exchange gains***

For the three months ended June 30, 2015, we recorded a foreign exchange loss of $2.6 million , which is primarily an unrealized loss related to a depreciation in the value of our U.S. dollar funds from the previous period, when converted to our functional currency of Canadian dollars. In the first half of 2015, we recorded foreign exchange gains of $4.5 million as the U.S. dollar strengthened by 8% against the Canadian dollar in that period. Cumulative translation adjustments, which result from converting from our functional currency of Canadian dollars to our reporting currency of U.S. dollars, do not impact our net loss calculation and are not included in foreign exchange gains (losses).

***Increase in fair value of warrant liability***

In conjunction with equity and debt financing transactions in 2011 and an equity private placement that closed on February 29, 2012, we issued warrants to purchase our common share. We are accounting for the warrants under the authoritative guidance on accounting for derivative financial instruments indexed to, and potentially settled in, a company's own stock, on the understanding that in compliance with applicable securities laws, the registered warrants require the issuance of registered securities upon exercise and do not sufficiently preclude an implied right to net cash settlement. At each balance sheet date the warrants are revalued using the Black-Scholes model and the change in value is recorded in the consolidated statement of operations and comprehensive income (loss).

Generally, a decrease in our share price from the previous reporting date results in a decrease in the fair value of our warrant liability and vice versa.

We expect to see future changes in the fair value of our warrant liability and these changes will largely depend on the change in the Company's share price, any change in our assumed rate of share price volatility, our assumptions for the expected lives of the warrants and warrant issuances or exercises.

**LIQUIDITY AND CAPITAL RESOURCES**

The following table summarizes our cash flow activities for the periods indicated, in thousands:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| Net loss for the period | **$ (14,886)** | $ (6,081) | **$ (26,875)** | $ (24,065) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities | **6,185** | (3,192) | **2,278** | 11,687 |
| Changes in operating assets and liabilities | **(7,970)** | 1,263 | **(11,044)** | 13,523 |
| Net cash provided by (used in) operating activities | **(16,671)** | (8,010) | **(35,641)** | 1,145 |
| Net cash provided by (used in) investing activities | **(10,327)** | (43,238) | **27,219** | (43,573) |
| Net cash provided by financing activities | **960** | 234 | **143,780** | 59,523 |
| Effect of foreign exchange rate changes on cash & cash equivalents | **967** | 1,924 | **(340)** | (545) |
| Net increase (decrease) in cash and cash equivalents | **(25,071)** | (49,090) | **135,018** | 16,550 |
| Cash and cash equivalents, beginning of period | **232,276** | 134,357 | **72,187** | 68,717 |
| **Cash and cash equivalents, end of period** | **207,205** | 85,267 | **207,205** | 85,267 |

Since our incorporation, we have financed our operations through the sales of shares, units, debt, revenues from research and development collaborations and licenses with corporate partners, interest income on funds available for investment, and government contracts, grants and tax credits.

At June 30, 2015, we had an aggregate of approximately $217.2 million in cash and cash equivalents and long-term investments as compared to an aggregate of $112.2 million in cash and cash equivalents and short-term investments at December 31, 2014.

For the six months ended June 30, 215, operating activities used $35.6 million in cash as compared to $1.1 million of cash provided in the six months ended June 30, 2014. The increase in cash used from operating activities is primarily related to the significant costs incurred related to the acquisition of Arbutus Inc. in March 2015, as well as cash received from Monsanto in January 2014.

For the six months ended June 30, 2015, investing activities provided $27.2 million in cash as we sold the guaranteed investment certificates we acquired in 2014. In May 2015, we acquired a $10.0 million term deposit.

On March 25, 2015, we completed an underwritten public offering of 7,500,000 common shares, at a price of $20.25 per share, representing gross proceeds of $151.9 million. The cost of financing, including commissions and professional fees, was approximately $9.7 million, which gave us net proceeds of $142.2 million. We plan to use these proceeds to develop and advance product candidates through clinical trials, as well as for working capital and general corporate purposes.

**Cash requirements /** At December 31, 2014 we held $72.2 million in cash and cash equivalents, $40.0 in short-term investments, totaling $112.2 million. On March 25, 2015, we raised net proceeds of $142.2 million from a public offering. Our aggregate cash and long-term investment balance as at June 30, 2015 was $217.2 million. We believe we have sufficient cash resources for at least the next 12 months. In the future, substantial additional funds will be required to continue with the active development of our pipeline products and technologies. In particular, our funding needs may vary depending on a number of factors including:

- the need for additional capital to fund future business development programs;
- revenues earned form our current collaborative partnership and licensing agreements with Monsanto and Dicerna;
- revenues earned from our DoD contract to develop TKM-Ebola and TKM-Ebola-Guinea;
- revenues earned from our legacy collaborative partnerships and licensing agreements, including milestone payments from Alnylam and royalties from sales of Marqibo from Spectrum;
- the extent to which we continue the development of our product candidates, add new product candidates to our pipeline, or form collaborative relationships to advance our products;
- our decisions to in-license or acquire additional products or technology for development, in particular for our HBV and RNAi therapeutics programs;
- our ability to attract and retain corporate partners, and their effectiveness in carrying out the development and ultimate commercialization of our product candidates;
- whether batches of drugs that we manufacture fail to meet specifications resulting in delays and investigational and remanufacturing costs;
- the decisions, and the timing of decisions, made by health regulatory agencies regarding our technology and products;
- competing technological and market developments; and
- costs associated with prosecuting and enforcing our patent claims and other intellectual property rights, including litigation and arbitration arising in the course of our business activities.

We will seek to obtain funding to maintain and advance our business from a variety of sources including public or private equity or debt financing, collaborative arrangements with pharmaceutical companies and government grants and contracts. There can be no assurance that funding will be available at all or on acceptable terms to permit further development of our products.

If adequate funding is not available, we may be required to delay, reduce or eliminate one or more of our research or development programs or reduce expenses associated with non-core activities. We may need to obtain funds through arrangements with collaborators or others that may require us to relinquish most or all of our rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise seek if we were better funded. Insufficient financing may also mean failing to prosecute our patents or relinquishing rights to some of our technologies that we would otherwise develop or commercialize.

**Material commitments for capital expenditures** / As at the date of this discussion we do not have any material commitments for capital expenditure.

**OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

**CONTRACTUAL OBLIGATIONS**

Other than as disclosed elsewhere in this MD&A, there have not been any material changes to our contractual obligations from those disclosed in our Form 10-K for the year ended December 31, 2014.

**IMPACT OF INFLATION**

Inflation has not had a material impact on our operations.

**RELATED PARTY TRANSACTIONS**

We have not entered into any related party transactions in the periods covered by this discussion.

**OUTSTANDING SHARE DATA**

At July 31, 2015, we had 54,328,414 common shares issued and outstanding, outstanding options to purchase an additional 2,369,898 common shares and outstanding warrants to purchase an additional 379,500 common shares.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes in our quantitative and qualitative disclosures about market risk from those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

**ITEM 4. CONTROLS AND PROCEDURES**

As of June 30, 2015, an evaluation of the effectiveness of our “disclosure controls and procedures” (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) was carried out by our management, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The scope of the effectiveness of disclosure controls and procedures do not include any disclosure controls and procedures of Arbutus Inc., which was acquired on March 4, 2015, that are also part of Arbutus Inc.’s internal control over financial reporting. This exclusion is in accordance with SEC’s guidance that a recently acquired business may be omitted from the scope of the assessment in the year of acquisition. Based upon this evaluation, the CEO and CFO have concluded that as of June 30, 2015, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission (the “Commission”) rules and forms and (ii) accumulated and communicated to the management of the registrant, including the CEO and CFO, to allow timely decisions regarding required disclosure.

It should be noted that while the CEO and CFO believe that our disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

No change in our internal control over financial reporting (as defined in Rules 13a–15(f) and 15d–15(f) under the Exchange Act) occurred during the three months ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are involved with various legal matters arising in the ordinary course of business. We make provisions for liabilities when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Such provisions are reviewed at least quarterly and adjusted to reflect the impact of any settlement negotiations, judicial and administrative rulings, advice of legal counsel, and other information and events pertaining to a particular case. Litigation is inherently unpredictable. Although the ultimate resolution of these various matters cannot be determined at this time, we do not believe that such matters, individually or in the aggregate, will have a material adverse effect on our consolidated results of operations, cash flows, or financial condition.

**Alnylam Pharmaceuticals Inc. ("Alnylam")**

On June 21, 2013, we transferred manufacturing process technology to Ascletis Pharmaceuticals (Hangzhou) Co., Ltd. ("Ascletis") to enable them to produce ALN-VSP, a product candidate licensed to them by Alnylam. We believe that under a licensing agreement with Alnylam, the technology transfer to Ascletis triggers a $5 million milestone obligation from Alnylam to Arbutus. However, Alnylam has demanded a declaration that we have not yet met our milestone obligations. We dispute Alnylam's position. To remedy this dispute, the parties have commenced arbitration proceedings, as provided for under the agreement. In addition to seeking a declaration that we have met our obligations under the agreement, we have also stated a claim for breach of contract, breach of the implied covenant of good faith and fair dealing, and fraud. The hearing for this arbitration took place in May, 2015 and a decision is expected in Q3.

**University of British Columbia ("UBC")**

Certain early work on lipid nanoparticle delivery systems and related inventions was undertaken at the University of British Columbia (UBC). These inventions are licensed to us by UBC under a license agreement, initially entered in 1998 as amended in 2001, 2006 and 2007. We have granted sublicenses under the UBC license to Alnylam as well as to Talon. Alnylam has in turn sublicensed back to us under the licensed UBC patents for discovery, development and commercialization of RNAi products. In mid-2009, we and our subsidiary Protiva entered into a supplemental agreement with UBC, Alnylam and AlCana Technologies, Inc., in relation to a separate research collaboration to be conducted among UBC, Alnylam and AlCana to which we have license rights. The settlement agreement signed in late 2012 to resolve the litigation among Alnylam, AlCana, Arbutus and Protiva provided for the effective termination of all obligations under such supplemental agreement as between and among all litigants.

On November 10, 2014, the University of British Columbia filed a demand for arbitration against Arbutus Biopharma Corp., BCICAC File No.: DCA-1623. We received UBC's Statement of Claims on January 16, 2015. In its Statement of Claims, UBC alleges that it is entitled to $3.5 million in allegedly unpaid royalties based on publicly available information, and an unspecified amount based on non-public information. UBC also seeks interest and costs, including legal fees. We dispute UBC's allegation. No dates have been scheduled for this arbitration.

### ITEM 1A. RISK FACTORS

Other than as described below, there have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

*The FDA may place holds on our clinical trial programs which may prevent or delay us from completing our clinical trial programs or lead to the imposition of further clinical holds or the failure of our product candidates to obtain marketing approval.*

In July 2014, we received notice from the FDA that the TKM-Ebola IND had been placed on clinical hold. The FDA is seeking data to elucidate the mechanism of potential cytokine release and a modification to the protocol for the multiple ascending dose portion of the trial to ensure the safety of healthy volunteers. In August 2014, the FDA modified its clinical hold to a "partial clinical hold," allowing for the potential use of TKM-Ebola in individuals who have confirmed or suspected Ebola infection. In April 2015, the FDA notified us that the partial clinical hold had been modified to permit repeat dosing of healthy volunteers at a dose of 0.24 mg/kg/day. However, the IND for TKM-Ebola remains on partial clinical hold with regard to doses above 0.24 mg/kg/day in healthy volunteers.

There can be no assurance that the FDA will lift the partial hold with regard to doses above 0.24mg/kg on the TKM-Ebola IND on a timely basis, or at all. Additionally, the FDA could impose additional requirements that may significantly increase the time and expense of obtaining FDA approval, which could delay or prevent marketing of the therapeutic.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

On July 31, 2015, we changed our name from Tekmira Pharmaceuticals Corporation to Arbutus Biopharma Corporation and in order to reflect the name change, we amended our Articles.

Effective as of May 29, 2015, we entered into an Agreement to Serve as Chief Development Officer with William T. Symonds, who was already serving in such role for our company. The Agreement provides that Mr. Symonds will serve as our Chief Development Officer, will receive a salary of $190,000 per year, and will be reimbursed for certain expenses incurred in performing services for our company. Mr. Symonds' employment under the Agreement is "at-will" employment and may be terminated at any time with or without cause or notice.

The Symonds Agreement also provides that during the term of his employment, Mr. Symonds will not work or consult, whether directly or indirectly, on the research, development or commercialization of any treatment for hepatitis B virus infection in humans with any entity other than our company. During the term of his employment, Mr. Symonds may also not solicit for employment, interfere with or attempt to entice away from our company or any of our subsidiaries, any individual who either (x) is employed by us or any of our subsidiaries at the time of such solicitation, interference or enticement, or (y) has been so employed within three (3) months prior to such solicitation, interference or enticement, or (ii) solicit, divert, call on, induce or otherwise harm our relationship, or attempt to solicit, divert, call on, induce, or otherwise harm our relationship, with any person who has had at any time during the term of the Agreement a business relationship with us or its affiliates, including without limitation, a sales representative, supplier, lender, borrower, guarantor, landlord, tenant, lessor, lessee, but excluding employees.

Effective as of August 4, 2015, we entered into the following executive employment agreements:

(a) an Agreement with Bruce Cousins to serve as Executive Vice President and Chief Financial Officer, who was already serving in such role for our company. The Agreement provides that Mr. Cousins will serve as our Executive Vice President and Chief Financial Officer, will receive a base salary of $350,000 per year, and will be reimbursed for certain expenses incurred in performing services for our company. In addition, Mr. Cousins is eligible to be considered for an annual discretionary bonus of up to 40 percent of base salary; which will be subject to the terms of the bonus plan and approval of the our Board of Directors, in their sole discretion, on an annual basis.

(b) an Agreement with Michael Abrams Ph.D to serve as Managing Director. The Agreement provides that Dr. Abrams will serve as our Managing Director, will receive a base salary of $347,000 per year, and will be reimbursed for certain expenses incurred in performing services for our company. In addition, Dr. Abrams is eligible to be considered for an annual discretionary bonus of up to 40 percent of base salary; which will be subject to the terms of the bonus plan and approval of the our Board of Directors, in their sole discretion, on an annual basis.

(c) an Agreement with Dr. Mark Kowalski to serve as Chief Medical Officer. The Agreement provides that Dr. Kowalski will serve as our Chief Medical Officer, will receive a base salary of $365,000 per year, and will be reimbursed for certain expenses incurred in performing services for our company. In addition, Dr. Kowalski is eligible to be considered for an annual discretionary bonus of up to 40 percent of base salary; which will be subject to the terms of the bonus plan and approval of the our Board of Directors, in their sole discretion, on an annual basis.

(d) an Agreement with Peter Lutwyche Ph.D to serve as Chief Technical Operations Officer. The Agreement provides that Dr. Lutwyche will serve as our Chief Technical Operations Officer, will receive a base salary of $300,000 per year, and will be reimbursed for certain expenses incurred in performing services for our company. In addition, Dr. Lutwyche is eligible to be considered for an annual discretionary bonus of up to 40 percent of base salary; which will be subject to the terms of the bonus plan and approval of the our Board of Directors, in their sole discretion, on an annual basis.

Each of the foregoing executive employment agreements also provides that during the term of employment, each of the above will not, for the term of employment and any restricted period thereafter without the written and informed consent of the company: (i) canvass or solicit the business of (or procure or assist the canvassing or soliciting of the business of) any "contact" (as defined in the agreement), or otherwise solicit, induce or encourage any contact to curtail or cease its relationship with the company, for any purpose which is competitive with our business; (ii) accept (or procure or assist the acceptance of) any business from any contact which business is competitive with our business; (iii) be employed by or supply (or procure or assist the supply of) any goods or services to any contact for any purpose which is competitive with our business and (iv) employ, engage, offer employment or engagement to or solicit the employment or engagement of or otherwise entice away from or solicit, induce or encourage to leave the employment or engagement of the company, any individual who is employed or engaged by us whether or not such individual would commit any breach of such executive's contract or terms of employment or engagement by leaving the employ or the engagement of the company, provided that such executive shall be permitted, solely in a personal capacity, to provide letters of reference for individuals who are employed by us.

If the employment of any of the named executives above is terminated for any reason, other than for death or disability, we shall pay or provide to such executive (or to their authorized representative or estate) on or before the time required by law, but in no event more than 30 days after the date of termination: (i) unpaid expense reimbursements; (ii) accrued but unused vacation to the extent payment is required by law or Company policy; (iii) any vested benefits such executive may have under any employee benefit plan of the Company; (iv) any earned but unpaid base salary and (v) any earned but unpaid annual bonus for the prior fiscal year.

If the employment of any of the named executives above is terminated without cause, then we shall pay to such executive their accrued benefits as of the date of termination. In addition, subject to any change of control requirements and such executive providing the Company with a fully effective general release of claims in a form and manner satisfactory to the Company that includes but is not limited to the terms set forth in Exhibit B to the executive employment agreements for each of the above within the 60-day period following the date of termination, we shall pay to such executive an amount calculated as follows: (i) an amount equal to eighteen (18) months' base salary, less withholding; plus (ii) a bonus payment equal to the average of the actual bonus payments, if any, made to such executive from the previous three (3) calendar years preceding the date of termination, pro-rated for the then current calendar year up to and including the date of termination; plus (iii) provided that such executive is enrolled in the our insurance benefits plans, for continuation of coverage under our insurance benefits plans that such executives and their dependents are eligible to receive for the earlier of: (A) a period of up to 24 months from the date of termination, or (B) until such executives become eligible to receive health insurance benefits under any other employer's group health plan, or reimburse such executives for premiums paid, if any, for continuation of coverage under equivalent private coverage.

We shall pay the severance amount within 60 days after the date of termination, provided that if that 60-day period extends over two calendar years, we shall make the payment in the second calendar year, and further provided that we, in our sole discretion, in the circumstances, may pay the severance amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The severance amount is inclusive of any entitlement to minimum standard severance under the British Columbia Employment Standards Act.

Each of the executives above are eligible for certain payments upon their termination or resignation in connection with a change of control of the Company.

**ITEM 6. EXHIBITS**

See the Exhibit Index hereto.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on August 6, 2015.

**ARBUTUS BIOPHARMA CORPORATION**

By: /s/ Mark Murray
Mark Murray
President and Chief Executive Officer

**EXHIBIT INDEX**

| Exhibit Number | Description |
|---|---|
| 3.1* | Articles of the Registrant, as amended. |
| 10.1††* | First Amendment to Protiva-Monsanto Services Agreement by and among Protiva Biotherapeutics, Inc., Protiva Agricultural Development Company Inc. and Monsanto Company, dated as of May 22, 2015. |
| 10.2††* | Third Amendment to Option Agreement by and among Monsanto Canada, Inc., Tekmira Pharmaceuticals Corporation, Protiva Biotherapeutics, Inc. and Protiva Agricultural Development Company Inc., dated as of May 22, 2105. |
| 10.3††* | Modification Contract P00035, dated May 1, 2015, to Award Contract previously filed as Exhibit 4.16 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 filed with the SEC on June 3, 2011. |
| 10.4††* | Modification Contract P00036, dated May 13, 2015, to Award Contract previously filed as Exhibit 4.16 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 filed with the SEC on June 3, 2011. |
| 10.5††* | Modification Contract P00037, dated May 13, 2015, to Award Contract previously filed as Exhibit 4.16 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 filed with the SEC on June 3, 2011. |
| 10.6*± | Executive Employment Agreement, dated effective as of July 11, 2015, between OnCore Biopharma, Inc. and Patrick T. Higgins. |
| 10.7*± | Share Repurchase Agreement, dated effective as of July 11, 2015, between Tekmira Pharmaceuticals Corporation and Patrick T. Higgins. |
| 10.8*± | Executive Employment Agreement, dated effective as of July 11, 2015, between OnCore Biopharma, Inc. and Michael J. Sofia. |
| 10.9*± | Share Repurchase Agreement, dated effective as of July 11, 2015, between Tekmira Pharmaceuticals Corporation and Michael J. Sofia. |
| 10.10*± | Agreement to Serve as Chief Development Officer, dated as of May 29, 2015, between Tekmira Pharmaceuticals Corporation and William T. Symonds. |
| 10.11*± | Executive Employment Agreement, dated as of August 4, 2015, between Arbutus Biopharma Corporation and Bruce Cousins. |
| 10.12*± | Executive Employment Agreement, dated as of August 4, 2015, between Arbutus Biopharma Corporation and Michael Abrams. |
| 10.13*± | Executive Employment Agreement, dated as of August 4, 2015, between Arbutus Biopharma Corporation and Mark Kowalski. |
| 10.14*± | Executive Employment Agreement, dated as of August 4, 2015, between Arbutus Biopharma Corporation and Peter Lutwyche. |
| 31.1* | Certification of Chief Executive Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2* | Certification of Chief Financial Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1* | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2* | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | Interactive Data Files |

* Filed herewith.
†† Confidential treatment has been requested as to portions of this exhibit.
± Indicates a management contract or compensatory plan arrangement.

BRITISH COLUMBIA

Number: BC0736983

# CERTIFICATE
# OF
# CHANGE OF NAME

*BUSINESS CORPORATIONS ACT*

I Hereby Certify that TEKMIRA PHARMACEUTICALS CORPORATION changed its name to ARBUTUS BIOPHARMA CORPORATION on July 31, 2015 at 12:00 AM Pacific Time.

*Issued under my hand at Victoria, British Columbia*
*On July 31, 2015*

**CAROL PREST**
*Registrar of Companies*
Province of British Columbia
Canada

ELECTRONIC CERTIFICATE

*BUSINESS CORPORATIONS ACT*

**ARTICLES OF**
**ARBUTUS BIOPHARMA CORPORATION**
(the "Company") **TABLE OF CONTENTS**



**Articles adopted by special resolution deposited at the records office on April 25, 2007 and Notice of Alteration attaching the share rights to the Preferred shares was filed with the BC Registrar of Companies on April 25, 2007.**

**Section 13.9 added to the Articles by ordinary resolution deposited at the records office on May 14, 2013.**

**Part 18.2, Part 27 and Part 28 added to Articles by ordinary resolution deposited at the records office on March 4, 2015.**

**Section 11.3 of the Articles was deleted and replaced with section 11.3 by ordinary resolution deposited at the records office on July 10, 2015.**

**Change of name of the Company effective at 12:00 a.m. on July 31, 2015 by Notice of Alteration filed with the BC Registrar of Companies.**

*BUSINESS CORPORATIONS ACT*

**ARTICLES OF**
**ARBUTUS BIOPHARMA CORPORATION**
(the "Company")

Number: BC0736983

**PART l INTERPRETATION**

**Definitions**

1.1 In these Articles, unless the context otherwise requires:

(a) "**board of directors**", "**directors**" and "**board**" mean the directors or sole director of the Company for the time being;

(b) "**Act**" means the Business Corporations Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(c) "**Interpretation Act**" means the Interpretation Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(d) "**legal personal representative**" means the personal or other legal representative of the shareholder;

(e) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;

(f) "**seal**" means the seal of the Company, if any;

(g) "**share**" means a share in the share structure of the Company; and

(h) "**special majority**" means the majority of votes described in §11.2 which is required to pass a special resolution.

**Act and Interpretation Act Definitions Applicable**

1.2 The definitions in the Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and except as the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Act will prevail. If there is a conflict or inconsistency between these Articles and the Act, the Act will prevail.

**Section References**

1.3 The symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph, subparagraph, clause or subclause of these Articles so designated.

## PART 2
## SHARES AND SHARE CERTIFICATES

**Authorized Share Structure**

2.1 The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

**Form of Share Certificate**

2.2 Each share certificate issued by the Company must comply with, and be signed as required by, the Act.

**Shareholder Entitled to Certificate or Acknowledgment**

2.3 Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or
(b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

**Delivery by Mail**

2.4 Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

**Replacement of Worn Out or Defaced Certificate or Acknowledgement**

2.5 If a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, the Company must, on production of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as are deemed fit:

(a) cancel the share certificate or acknowledgment; and

(b) issue a replacement share certificate or acknowledgment.

**Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

2.6 If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, the Company must issue a replacement share certificate or acknowledgment, as the case may be, to the person entitled to that share certificate or acknowledgment, if it receives:

(a) proof satisfactory to it of the loss, theft or destruction; and

(b) any indemnity the directors consider adequate.

**Splitting Share Certificates**

2.7 If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

**Certificate Fee**

2.8 There must be paid to the Company, in relation to the issue of any share certificate under §2.5, §2.6 or §2.7, the amount, if any, not exceeding the amount prescribed under the Act, determined by the directors.

**Recognition of Trusts**

2.9 Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

## PART 3
## ISSUE OF SHARES

**Directors Authorized**

3.1 Subject to the Act and the rights, if any, of the holders of issued shares of the Company, the Company may allot, issue, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the consideration (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

**Commissions and Discounts**

3.2 The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person's purchase or agreement to purchase shares of the Company from the Company or any other person's procurement or agreement to procure purchasers for shares of the Company.

**Brokerage**

3.3 The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

**Share Purchase Warrants and Rights**

3.4 Subject to the Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## PART 4
## SHARE REGISTERS

**Central Securities Register**

4.1 As required by and subject to the Act, the Company must maintain in British Columbia a central securities register and may appoint an agent to maintain such register. The directors may appoint one or more agents, including the agent appointed to keep the central securities register, as transfer agent for shares or any class or series of shares and the same or another agent as registrar for shares or such class or series of shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

**PART 5**
**SHARE TRANSFERS**

**Registering Transfers**

5.1 A transfer of a share must not be registered unless the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:

(a) except as exempted by the Act, a duly signed proper instrument of transfer in respect of the share;

(b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;

(c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and

(d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

**Form of Instrument of Transfer**

5.2 The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates of that class or series or in some other form that may be approved by the directors.

**Transferor Remains Shareholder**

5.3 Except to the extent that the Act otherwise provides, the transferor of a share is deemed to remain the holder of it until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

**Signing of Instrument of Transfer**

5.4 If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

**Enquiry as to Title Not Required**

5.5 Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares transferred, of any interest in such shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

**Transfer Fee**

5.6 There must be paid to the Company, in relation to the registration of a transfer, the amount, if any, determined by the directors.

## PART 6
## TRANSMISSION OF SHARES

**Legal Personal Representative Recognized on Death**

6.1 In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

**Rights of Legal Personal Representative**

6.2 The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Act and the directors have been deposited with the Company. This §6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the name of the shareholder and the name of another person in joint tenancy.

## PART 7
## PURCHASE OF SHARES

**Company Authorized to Purchase Shares**

7.1 Subject to §7.2, to the special rights and restrictions attached to the shares of any class or series and to the Act, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

**Purchase When Insolvent**

7.2 The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

**Sale and Voting of Purchased Shares**

7.3 If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

**(c)** must not make any other distribution in respect of the share. **Company Entitled to Purchase or Redeem Share Fractions**

7.4 The Company may, without prior notice to the holders, purchase or redeem for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. Upon the Company delivering the purchase funds and confirmation of purchase or redemption of the share fractions to the holders' registered or last known address, or if the Company has a transfer agent then to such agent for the benefit of and forwarding to such holders, the Company will thereupon amend its central securities register to reflect the purchase or redemption of such share fractions and if the Company has a transfer agent, will direct the transfer agent to amend the central securities register accordingly. Any holder of a share fraction, who upon receipt of the funds and confirmation of purchase or redemption of same, disputes the fair value paid for the fraction, will have the right to apply to the court to request that it set the price and terms of payment and make consequential orders and give directions the court considers appropriate, as if the Company were the "acquiring person" as contemplated by Division 6, Compulsory Acquisitions, under the Act and the holder were an "offeree" subject to the provisions contained in such Division, *mutatis mutandis.*

## PART 8

## BORROWING POWERS

8.1 The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 The powers conferred under this Part 8 will be deemed to include the powers conferred on a company by Division VII of the *Special Corporations Powers Act* being chapter P-16 of the Revised Statutes of Quebec, 1988, and every statutory provision that may be substituted therefor or for any provision therein.

## PART 9 ALTERATIONS

**Alteration of Authorized Share Structure**

9.1 Subject to §9.2 and the Act, the Company may by ordinary resolution (or a resolution of the directors in the case of §9.l(c) or §9.l(f)):

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(d) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(f) alter the identifying name of any of its shares; or

(g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act where it does not specify by a special resolution;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

**Special Rights and Restrictions**

9.2 Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by ordinary resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued,

and alter its Notice of Articles and Articles accordingly.

**Change of Name**

9.3 The Company may by resolution of the directors authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

**Other Alterations**

9.4 If the Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

## PART 10

## MEETINGS OF SHAREHOLDERS

**Annual General Meetings**

10.1 Unless an annual general meeting is deferred or waived in accordance with the Act, the Company must hold an annual general meeting at least once in each calendar year and not more than 15 months after its last annual general meeting.

**Calling of Meetings of Shareholders**

10.2 The directors may, at any time, call a meeting of shareholders.

**Notice for Meetings of Shareholders**

10.3 The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least 21 days before the meeting.

**Record Date for Notice**

10.4 The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than 21 days. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**Record Date for Voting**

10.5 The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**Failure to Give Notice and Waiver of Notice**

10.6 The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**Notice of Special Business at Meetings of Shareholders**

10.7 If a meeting of shareholders is to consider special business within the meaning of §11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

**Place of Meetings**

10.8 In addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia approved by a resolution of the directors.

**PART 11**

**PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

**Special Business**

11.1 At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting; and

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and

(ix) any other business which, under these Articles or the Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

Special Majority

11.2 The majority of votes required to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

Quorum

11.3 Subject to the special rights and restrictions attached to the shares of any class or series of shares, and to §11.4, the quorum for the transaction of business at a meeting of shareholders is at least two people who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least five percent (5%) of the issued shares entitled to be voted at the meeting.

One Shareholder May Constitute Quorum

11.4 If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder; and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

Persons Entitled to Attend Meeting

11.5 In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if

any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Requirement of Quorum

11.6 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

Lack of Quorum

11.7 If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved; and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

Lack of Quorum at Succeeding Meeting

11.8 If, at the meeting to which the meeting referred to in §11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting will be deemed to constitute a quorum.

Chair

11.9 The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

Selection of Alternate Chair

11.10 If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the

president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present may choose either one of their number or the solicitor of the Company to be chair of the meeting. If all of the directors present decline to take the chair or fail to so choose or if no director is present or the solicitor of the Company declines to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

Adjournments

11.11 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of Adjourned Meeting

11.12 It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

Decisions by Show of Hands or Poll

11.13 Subject to the Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

Declaration of Result

11.14 The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under §11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Motion Need Not be Seconded

11.15 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

Casting Vote

11.16 In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

Manner of Taking Poll

11.17 Subject to §11.18, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it. Demand for Poll on Adjournment

11.18 A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

Chair Must Resolve Dispute

11.19 In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

Casting of Votes

11.20 On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

No Demand for Poll on Election of Chair

11.21 No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

Demand for Poll Not to Prevent Continuance of Meeting

11.22 The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Retention of Ballots and Proxies

11.23 The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

**PART 12**

**VOTESOF SHAREHOLDERS**

Number of Votes by Shareholder or by Shares

12.1 Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under §12.3:

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

Votes of Persons in Representative Capacity

12.2 A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

Votes by Joint Holders

12.3 If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

Legal Personal Representatives as Joint Shareholders

12.4 Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of §12.3, deemed to be joint shareholders registered in respect of that share.

Representative of a Corporate Shareholder

12.5 If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must be received:

(i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting; and

(b) if a representative is appointed under this §12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

Proxy Provisions Do Not Apply to All Companies

12.6 If and for so long as the Company is a public company, then §12.7 to §12.15 are not mandatory, however the directors of the Company are authorized to apply all or part of such

sections or to adopt alternative procedures for proxy form, deposit and revocation procedures to the extent that the directors deem necessary in order to comply with securities laws applicable to the Company.

Appointment of Proxy Holders

12.7 Every shareholder of the Company entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than two) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Alternate Proxy Holders

12.8 A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

Proxy Holder Need Not Be Shareholder

12.9 A proxy holder need not be a shareholder of the Company.

Deposit of Proxy

12.10 A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number
of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(b) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet voting or by email if permitted by the notice calling the meeting or the information circular for the meeting.

Validity of Proxy Vote

12.11 A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Form of Proxy

12.12 A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that
meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the undersigned):_____

Signed [month, day, year]

_____

[Signature of shareholder]

_____

[Name of shareholder-printed]

Revocation of Proxy

12.13 Subject to §12.14, every proxy may be revoked by an instrument in writing that is received:

(a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Revocation of Proxy Must Be Signed

12.14 An instrument referred to in §12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under §12.5.

Production of Evidence of Authority to Vote

12.15 The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

**PART 13**

**DIRECTORS**

Number of Directors

13.1 The number of directors, excluding additional directors appointed under §14.8, is set at the greater of three and the most recently set of:

(a) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and

(b) the number of directors in office pursuant to §14.4. Change in Number of Directors

13.2 If the number of directors is set under §13.l(a):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or

(b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to §14.8, may appoint directors to fill those vacancies.

Directors' Acts Valid Despite Vacancy

13.3 An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

Qualifications of Directors

13.4 A director is not required to hold a share as qualification for his or her office but must be qualified as required by the Act to become, act or continue to act as a director.

Remuneration of Directors

13.S The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine.

Reimbursement of Expenses of Directors

13.6 The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

Special Remuneration for Directors

13.7 If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive.

Gratuity, Pension or Allowance on Retirement of Director

13.8 Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

**PART 14**

**ELECTION AND REMOVAL OF DIRECTORS**

Election at Annual General Meeting

14.1 At every annual general meeting:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect a board of directors consisting of the number of directors for the time being set under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under §(a), but are eligible for re-election or re-appointment.

Consent to be a Director

14.2 No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the Act; or

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

Failure to Elect or Appoint Directors

14.3 If:

(a) the Company fails to hold an annual general meeting on or before the date by which the annual general meeting is required to be held under the Act; or

(b) the shareholders fail, at the annual general meeting to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of the time when:

(c) his or her successor is elected or appointed; and

(d) he or she otherwise ceases to hold office under the Act or these Articles.

Places of Retiring Directors Not Filled

14.4 If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles but their term of office will expire when new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

Directors May Fill Casual Vacancies

14.5 Any casual vacancy occurring in the board of directors may be filled by the directors.

Remaining Directors Power to Act

14.6 The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that

number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Act, for any other purpose.

Shareholders May Fill Vacancies

14.7 If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

Additional Directors

14.8 Notwithstanding §13.1 and §13.2, between annual general meetings, the directors may appoint one or more additional directors, but the number of additional directors appointed under this §14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this §14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under §14.l(a), but is eligible for re-election or re-appointment.

Ceasing to be a Director

14.9 A director ceases to be a director when:

(a) the term of office of the director expires;
(b ) the director dies;
(c) the director resigns as a director by notice in writing provided to the Company;
(d) or the director is removed from office pursuant to §14.I 0 or §14.11.

Removal of Director by Shareholders

14.10 The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

Removal of Director by Directors

14.11 The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

**PART 15**

**ALTERNATE DIRECTORS**

Appointment of Alternate Director

15.1 Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

Notice of Meetings

15.2 Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

Alternate for More than One Director Attending Meetings

15.3 A person may be appointed as an alternate director by more than one director, and an alternate director:

(a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a directors, once more in that capacity; and

(d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

Consent Resolutions

15.4 Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

Alternate Director an Agent

15.5 Every alternate director is deemed to be the agent of his or her appointor. Revocation or Amendment of Appointment of Alternate Director
15.6 An appointor may at any time, by notice in writing received by the Company, revoke or amend the terms of the appointment of an alternate director appointed by him or her.

Ceasing to be an Alternate Director

15.7 The appointment of an alternate director ceases when:

(a) his or her appointor ceases to be a director and is not promptly re-elected or re- appointed;

(b) the alternate director dies;

(c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(d) the alternate director ceases to be qualified to act as a director; or

(e) the term of his appointment expires, or his or her appointor revokes the appointment of the alternate directors.

Remuneration and Expenses of Alternate Director

15.8 The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

**PART 16**

**POWERS AND DUTIES OF DIRECTORS**

Powers of Management

16.I The directors must, subject to the Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the shareholders of the Company. Notwithstanding the generality of the foregoing, the directors may set the remuneration of the auditor of the Company.

Appointment of Attorney of Company

16.2 The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

**PART 17**

**INTERESTS OF DIRECTORS AND OFFICERS**

Obligation to Account for Profits

17.1 A director or senior officer who holds a disclosable interest (as that term is used in the Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Act.

Restrictions on Voting by Reason of Interest

17.2 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

Interested Director Counted in Quorum

17.3 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

Disclosure of Conflict of Interest or Property

17.4 A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Act.

Director Holding Other Office in the Company

17.5 A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

No Disqualification

17.6 No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

Professional Services by Director or Officer

17.7 Subject to the Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

Director or Officer in Other Corporations

17.8 A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## PART 18

## PROCEEDINGS OF DIRECTORS

Meetings of Directors

18.1 The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

Voting at Meetings

18.2 Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote.

Chair of Meetings

18.3 The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, ifa director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

Meetings by Telephone or Other Communications Medium

18.4 A director may participate in a meeting of the directors or of any committee of the directors:

(a) In person;

(b) by telephone; or

(c) with the consent of all the directors who wish to participate in the meeting by other communications medium;

if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting ina manner contemplated by this §18.4 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

Calling of Meetings

18.5 A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

Notice of Meetings

18.6 Other than for meetings held at regular intervals as determined by the directors pursuant to §18.1, 48 hours' notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in §24.1 or orally or by telephone.

When Notice Not Required

18.7 It is not necessary to give notice of a meeting of the directors to a director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director has waived notice of the meeting.

Meeting Valid Despite Failure to Give Notice

18.8 The accidental omission to give notice of any meeting of directors to, or the non- receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

Waiver of Notice of Meetings

18.9 Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Quorum

18.10 The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be a majority of the directors.

Validity of Acts Where Appointment Defective

18.11 Subject to the Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

Consent Resolutions in Writing

18.12 A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Part 18 may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this §18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

**PART 19**

**EXECUTIVE AND OTHER COMMITTEES**

Appointment and Powers of Executive Committee

19.1 The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

Appointment and Powers of Other Committees

19.2 In addition to any executive committee, the directors may, by resolution:

(a) appoint one or more committees consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under §(a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(iv) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation referred to in §(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

Obligations of Committees

19.3 Any committee appointed under §19.1 or §19.2, in the exercise of the powers delegated to it, must:

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers at such times as the directors may require.

Powers of Board

19.4
or §19.2:
The directors may, at any time, with respect to a committee appointed under §19.1

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

Committee Meetings

19.5 Subject to §19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under §19.1 or §19.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

**PART 20**

**OFFICERS**

Directors May Appoint Officers

20.l The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

Functions, Duties and Powers of Officers

20.2 The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

Qualifications

20.3 No person may be appointed as an officer unless that person is qualified in accordance with the Act. One person may hold more than one position as an officer of the Company. An officer will not be a director, except that a person appointed the chair of the board or as a managing director must be a director.

Remuneration and Terms of Appointment

20.4 All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

**PART 21**

**INDEMNIFICATION**

Definitions

21.1 In this Part 21:

(a) "eligible party" means an individual who:

(i) is or was a director or officer of the Company;

(ii) is or was a director or officer of another corporation

(A) at a time when the corporation is or was an affiliate of the Company, or

(B) at the request of the Company; or

(iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity;

(b) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(c) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director of the Company or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

and will include any other proceeding or action contemplated by the Act; and

(d) "expenses" has the meaning set out in the Act and includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding.

Mandatory Indemnification of Eligible Parties

21.2 Subject to the Act, the Company must indemnify each eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each

eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in this §21.2.

Indemnification of Other Persons

21.3 Subject to any restrictions in the Act, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

Authority to Advance Expenses

21.4 The Company may advance expenses to an eligible party to the extent permitted by and in accordance with the Act.

Non-Compliance with Act

21.5 Subject to the Act, the failure of an eligible party of the Company to comply with the Act or these Articles or, if applicable, any former *Companies Act* or former Articles does not, of itself, invalidate any indemnity to which he or she is entitled under this Part 21.

Company May Purchase Insurance

21.6 The Company may purchase and maintain insurance for the benefit of any eligible party person (or his or her heirs or legal personal representatives) against any liability incurred
by him or her as such director, officer or person who holds or held such equivalent position.

**PART 22**

**DIVIDENDS**

Payment of Dividends Subject to Special Rights

22.l The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

Declaration of Dividends

22.2 Subject to the Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

Record Date

22.3 The directors must set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months.

Manner of Paying Dividend

22.4 A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

Settlement of Difficulties

22.5If any difficulty arises in regard to a distribution under §22.4, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend. When Dividend Payable

22.6 Any dividend may be made payable on such date as is fixed by the directors. Dividends to be Paid in Accordance with Number of Shares

22.7 All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

Receipt by Joint Shareholders

22.8 If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

Dividend Bears No Interest

22.9 No dividend bears interest against the Company. Fractional Dividends

22.10 If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

Payment of Dividends

22.11 Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the

registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

Capitalization of Retained Earnings or Surplus

22.12 Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

**PART 23**

**ACCOUNTING RECORDS AND AUDITORS**

Recording of Financial Affairs

23. I The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Act.

Inspection of Accounting Records

23.2 Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

Remuneration of Auditor

23.3 The directors may set the remuneration of the auditor of the Company.

**PART 24**

**NOTICES**

Method of Giving Notice

24.1 Unless the Act or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the Act or these Articles to be sent by or to a person may be sent by:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class; and

(e) physical delivery to the intended recipient.

Deemed Receipt of Mailing

24.2A notice, statement, report or other record that is:

(a) mailed to a person by ordinary mail to the applicable address for that person referred to in §24.1 i is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;

(b) faxed to a person to the fax number provided by that person referred to in §24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(c) emailed to a person to the e-mail address provided by that person referred to in §24.l is deemed to be received by the person to whom it was e-mailed on the day that it was emailed.

Certificate of Sending

24.3A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with §24.1 is conclusive evidence of that fact.

Notice to Joint Shareholders

24.4 A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

Notice to Legal Personal Representatives and Trustees

24.5 A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in §(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

Undelivered Notices

24.6 If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to §24.1 and on each of those occasions any such record is returned because the shareholder cannot be located , the Company will not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

**PART 25**

**SEAL**

Who May Attest Seal

25.1 Except as provided in §25.2 and §25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or persons as may be determined by the directors.

Sealing Copies

25.2 For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite §25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

Mechanical Reproduction of Seal

25.3 The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under §25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

**PART 26**

**SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO PREFERRED SHARES**

Attachment of Special Rights and Restrictions

26.1 There are attached to the Preferred Shares as a class the following special rights and restrictions:

(a) the board may at any time and from time to time issue Preferred Shares in one or more series, each series to consist of such number of shares as is determined by the board before the issue of any thereof;

(b) a holder of a Preferred Share will as such be entitled to receive notice of, attend, speak and vote at a general meeting of the members of the Company, except as otherwise provided in the special rights and restrictions attached to the share by the board;

(c) holders of Preferred Shares will be entitled to:

(i) preference with respect to payment of dividends on such shares over the payment of dividends on the Common Shares and on any other shares ranking junior to the Preferred Shares with respect to the payment of dividends; and

(ii) in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of the assets of the Company among its members for the purpose of winding up its affairs, preference on a distribution of assets:

(A) in repayment of capital, over any distribution to holders of Common Shares or to holders of other shares not ranking with respect to such distribution equally with or in priority to the repayment of capital on the Preferred Shares; and

(B) on account of undeclared accumulated dividends, over any distribution to holders of Common Shares or any distribution to holders of other shares not ranking with respect to such distribution equally with or in priority to the payment of dividends on the Preferred Shares;

(d) the Company will not without, but may from time to time with, the approval by a separate class resolution of the holders of the Preferred Shares given in accordance with §26.3:

(i) increase the authorized number of Preferred Shares;

(ii) attach special rights and restrictions to, or alter or vary the special rights and restrictions attached to, shares of any other class whereby such shares rank equally with or in priority to the Preferred Shares with respect to the declaration

or payment of dividends or the distribution of the assets of the Company among its members for any reason;

(iii) create or increase the authorized number of shares of any class ranking equally with or in priority to the Preferred Shares with respect to the declaration or payment of dividends or the distribution of the assets of the Company among its members for any reason; and

(iv) alter, vary or abrogate the special rights or restrictions attaching to the Preferred Shares as a class.

26.2 The board will, before the first issue of Preferred Shares of any series, alter the Memorandum or Articles of the Company or both to fix the number of Preferred Shares in, and to determine the designation of and the special rights and restrictions to be attached to, the Preferred Shares of that series.

Separate Class Resolution

26.3 Approval by separate class resolution of the holders of Preferred Shares must be by a separate resolution:

(a) consented to in writing by all holders of Preferred Shares; or

(b) presented at a meeting of holders of Preferred Shares, called for such purpose in accordance with these Articles, at which one or more persons are present representing in person or by proxy at least 33 1/3% of the issued and outstanding Preferred Shares, and passed by the affirmative vote of at least 66 2/3% of the votes cast.”.

*RECEIVED FOR DEPOSIT AT THE RECORDS OFFICE ON MAY 14, 2013.*

TEKMIRA PHARMACEAUTICALS CORPORATION
(the "Company")

ORDINARY RESOLUTION PASSED BY THE SHAREHOLDERS OF THE CO:MPANY AT THE ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS CO:MPANY HELD ON MAY 14, 2013

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Articles of the Company be altered by adding the text substantially in the form attached as Exhibit "B" to the Information Circular of Tekmira Pharmaceuticals Corporation dated March 27, 2013 as and at Section 13.9 of the Articles of the Company; and

2. any one or more of the directors or officers of the Company be authorized to take all such actions, do such things and execute and deliver, whether under the common seal of the Company or otherwise, all such agreements, instruments, statements, forms and other documents as they may be advised by counsel so to do in connection with this alteration of the Articles."

CERTIFIED A TRUE COPY as of the 14th day of May, 2013.

/s/ Hector MacKay-Dunn
Hector MacKay-Dunn
Title: Corporate Secretary

Nominations of Directors

13.9 Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors of the Company may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the board, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or

(c) by any person (a “Nominating Shareholder”): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Section 13.9 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Section 13.9.

In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with this Section 13.9) and in proper written form (in accordance with this Section 13.9) to the Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder’s notice to the Secretary of the Company must be made:

(a) in the case of an annual general meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date (the ‘‘Notice Date”) on which the first public announcement of the date of the annual general meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder’s notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders,

and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person, and the principal occupation or employment of the person for the past 5 years; (C) the citizenship of such person; (D) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Section 13.9; provided, however, that nothing in this Section 13.9 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of this Section 13.9:

(a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com; and

(b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral

instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

Notwithstanding any other provision of this Section 13.9 and the Articles, notice given to the Secretary of the Company pursuant to this Section 13.9 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary of the Company at the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Section 13.9.

RECEIVED FOR DEPOSIT AT THE RECORDS OFFICE ON MARCH 4, 2015.

TEKMIRA PHARMACEUTICALS CORPORATION
("Tekmira")

ORDINARY RESOLUTION PASSED BY THE SHAREHOLDERS OF TEKMIRA AT THE SPECIAL MEETING OF THE SHAREHOLDERS HELD ON MARCH 3, 2015 CALLED TO CONSIDER AND APPROVE AN AGREEMENT AND PLAN OF MERGER, DATED JANUARY 11, 2015 (THE "MERGER AGREEMENT"), BY AND AMONG TEKMIRA, TKM ACQUISITION CORPORATION, A WHOLLY OWNED SUBSIDIARY OF TEKMIRA, AND ONCORE BIOPHARMA, INC. ALL AS MORE PARTICULARLY DESCRIBED IN THE NOTICE OF MEETING DATED FEBRUARY 4, 2015 AND THE PROXY STATEMENT/INFORMATION CIRCULAR ATTACHED THERETO, AND AN AMENDMENT TO THE ARTICLES OF TEKMIRA AS SET OUT IN ANNEX C TO THE NOTICE OF MEETING, A COPY OF WHICH IS ATTACHED TO AND FORMS PART OF THIS CERTIFIED RESOLUTION

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT, UPON THE MERGER BECOMING EFFECTIVE AS CONTEMPLATED IN THE MERGER AGREEMENT:

1. the Articles of Tekmira be altered by adding the text substantially in the form attached as Annex C to this proxy statement/information circular;

2. the Articles of Tekmira be altered by removing the right of the chair to a second or casting vote at a meeting of the board of directors of Tekmira; and

3. any one or more of the directors or officers of Tekmira be authorized to take all such actions, do such things and execute and deliver, whether under the common seal of Tekmira or otherwise, all such agreements, instruments, forms and other documents as they may be advised by counsel so to do in connection with this alteration of the Articles."

CERTIFIED A TRUE COPY as of the 4th day of March, 2015

/s/ Hector MacKay-Dunn
Hector MacKay-Dunn
Title: Corporate Secretary

Questions arising at any meeting of directors are to be decided by a majority of votes (subject to Part 27), and, in the case of an equality of votes, the chair of the meeting shall not have a second (or casting) vote.

Part 27 – Transitional Governance Matters

Notwithstanding any other provision of the Articles, for a period commencing upon the effective date of the merger (the "Merger") between TKM Acquisition Corporation, a wholly-owned subsidiary of the Company, and OnCore Biopharma, Inc., a Delaware corporation, undertaken pursuant to an Agreement and Plan of Merger and Reorganization dated January 11, 2015, and ending upon the earlier of (i) thirty six (36) months following the effective date of the Merger and (ii) when RS no longer has a right to nominate one or more directors under Section 1 of this Part 28, the following provisions shall apply:

Supermajority Matters

l. Any one of the following matters shall require the approval of at least seventy percent (70%) of the number of directors then in office, whether such approval is given by way of a vote at a meeting of directors or by written consent:

(a) the removal or replacement of the chair of the board of directors of the Company;

(b) the removal or replacement of the chief executive officer of the Company,

(c) subject to Part 28, the nomination of a director for election to the board of directors of the Company;

(d) subject to Part 28, the appointment of a director to the board of directors of the Company to fill a vacancy created by the resignation or death of a director;

(e) subject to Part 28, the appointment of an additional director to the board of directors of the Company;

(f) any take-over bid, issuer bid, amalgamation, plan of arrangement, business combination, merger, tender offer, exchange offer, consolidation, recapitalization, reorganization, liquidation, dissolution or winding-up in respect of, or involving, the Company or any subsidiary of the Company;

(g) any sale or issuance of shares of the Company or other equity interests in the Company (or rights, interests or securities convertible into or exercisable for such shares or other equity interests), in one or more connected transactions, which would be greater than 5% of the outstanding shares of stock of the company, other than the grant or issuance of such equity interests in connection with any stock-based compensation plan or plans approved by the board of directors of the Company;

(h) any sale of assets (or any strategic alliance, joint venture, license or other arrangement having the same economic effect as a sale) of the Company or any subsidiary of the Company representing a transaction value and/or payments greater than $10 million;

(i) ceasing or abandoning any research, development or commercialization efforts that were publicly disclosed by the Company as having been underway as at the effective date of the

Merger, or declining to advance the development or commercialization of such programs, whether by failing to continue to fund such programs or otherwise;

(j) incurring any indebtedness or third party guarantees in excess of $5,000,000 individually or $10,000,000 in the aggregate; or

(k) any amendment or proposed amendment to the Articles or Notice of Articles of the Company, (collectively referred to as "Supermajority Matters").

Inconsistencies

2. In the event of an inconsistency between a provision of this Part 27 and any other provision of these Articles, the provision of this Part 27 shall prevail.

Alterations of Part 27 and Section 18.2

3. This Part 27 and Section 18.2 may only be amended by special resolution.

Part 28- Director Election Matters

In this Part, the following terms shall have the meaning assigned to them below:

"Calculated on an Undiluted Basis" means calculated before giving effect to the exercise, conversion or exchange of any securities exercisable for, convertible into, or exchangeable for, Company Shares;

"Company Shares" means the common shares in the capital of the Company as constituted on the date hereof;

"Record Date Notice" means the date of the letter filed on SEDAR by the Company's registrar and transfer agent giving notice of the record date for determination of the shareholders entitled to notice of and to vote at any Shareholder Meeting; and ·

"Shareholder Meeting" means an annual general meeting of shareholders or special meeting of shareholders of the Company called for the purpose of electing directors to the board of directors of the Company.

Election of Directors

1. For so long as Roivant Sciences Ltd. ((the "Nominating Shareholder" or "RS") has "beneficial ownership" (as defined pursuant Rule 13d-3 under·the United States, Securities Exchange Act of 1934, as amended) ("Beneficial Ownership'') owns or exercises control or direction over not less than:

(a) twenty- percent (20%) of the issued and outstanding Company Shares Calculated on an Undiluted Basis as at the Record Date Notice, RS has the right to nominate two (2) individuals for election to the board of directors at the Company at each Shareholder Meeting; and

(b ) ten percent (10%) of the issued and outstanding Company Shares Calculated on an Undiluted Basis as at the Record Date Notice, RS has the right to nominate one (1) individual for election to the board of directors of the Company at each Shareholder Meeting,

(where such designee directors are referred to as the "RS Nominated Directors").

2. Upon the Nominating Shareholder having Beneficial Ownership or exercising control or direction over less than ten percent (10%) of the outstanding Company Shares Calculated on an Undiluted Basis as at the Record Date Notice, the nomination rights provided under Section 1 will be of no further force and effect.

Number of Directors

3. For so long a. the Nominating Shareholder has the right to nominate one or more directors under Section 1 of this Part 28, the number of directors of the Company shall not exceed seven (7) directors without the prior written consent of the Nominating Shareholder.

Nomination Procedure

4. For so long as the Nominating Shareholder has a right to nominate one or more directors under Section I of this Part 28:

(a) No earlier than ninety (90) days and no later than sixty (60) days prior to the date of each Shareholder Meeting, the Company shall notify RS in writing of the date of the Shareholder Meeting (the "Company Notice"). The Company Notice shall specify the total number of Company Shares issued and outstanding Calculated on an Undiluted Basis as at the Record Date Notice.

(b) RS shall have the right and option, exercisable within fifteen (15) days from receipt of the Company Notice (the "Nomination Right Notice Period") by written notice to the Company (the "Nomination Notice") to exercise the Nomination Right. If RS wishes to exercise the Nomination Right, RS must specify in the Nomination Notice (i) the number of Company Shares beneficially owned by the Nominating Shareholder as at the date of the Nomination Notice, (ii) the name of the individual(s) RS wishes to nominate for election to the board of directors of the Company, and (iii) confirm that the nominee(s) are eligible to act as director(s) under the Act or, if the Company is otherwise governed by another statue or regime, that the nominee(s) arc eligible to act as a director under such statute or regime. As soon as reasonably possible after the request by the Company, duly completed forms and only other information in respect of the RS Nominated Directors, as required by the relevant stock exchange, shall be provided by the RS Nominated Directors.

(c) If RS fails to deliver a Nomination Notice in response to a Company Notice within the Nomination Right Notice Period, then the Company will not be required to nominate individuals identified by RS for election to the board of directors of the Company at the Shareholder Meeting with respect to which RS failed to deliver the Nomination Notice,and RS shall have the right to nominate person(s) for election to the board of directors of the Company at the next Shareholder Meeting in accordance with this Part 28.

(d) If RS delivers a Nomination Notice in response to a Company Notice within the Nomination Right Notice Period then, subject only to the nominee(s) identified in the Nomination Notice being eligible to act as director(s) of the Company, the Company shall (i) nominate the RS nominee(s) to stand for election to the board of directors of the Company at the Shareholder Meeting, and (ii) solicit proxies from the holders of Company Shares in respect thereof which will be satisfied by delivery of a form of proxy to the holders of Company Shares following standard procedures consistent with past practice. For greater certainty, the Company (x) shall not be required to retain a third party solicitation agent, and (y) shall include the name of the RS nominee(s) to stand for election to the board of directors of the Company in the proxy to be delivered to each holder of Company Shares in respect of the Shareholder Meeting. The Nominating Shareholder shall also provide to the Company such other information regarding the RS nominee(s) as may be reasonably requested by the Company so as to comply with applicable proxy disclosure requirements under applicable securities laws, together with such other information, including a biography of the RS Nominated Directors, that is consistent with the information the Company intends to publish about management nominees as directors of the Company in the information circular to be prepared by the Company in connection with the election of directors at a Shareholder Meeting.

Casual Vacancies

5. In the event that an RS Nominated Director resigns, dies, becomes incapacitated or otherwise ceases to be a director prior to the expiration of his or her term as a director, such vacancy on the board of directors shall be filled by the remaining directors with the nominee identified by RS promptly. The Company shall use all commercially reasonable steps, promptly upon receipt by it of a written notice from RS to fill such vacancy, as are necessary to call (no later than five (5) days following notice of such identified nominee by RS) a meeting of the board of directors to vote on the appointment of such Shareholder Designee to fill such vacancy (or to obtain a vote of the directors by way of unanimous written resolution) and take all such other steps as are required by the Act with respect to such appointment.

Transitional Period

6. This Part 28 shall remain in effect until the date that is the earlier of (i) thirty-six (36) months following the effective date of the Merger and (ii) when RS no longer has a right to nominate one or more directors under Section 1 of this Part 28.

Inconsistencies

7. In the event of an inconsistency between a provision of this Part 28 and any other provision of these Articles, the provision of this Part 28 shall prevail.

*RECEIVED FOR DEPOSIT AT THE RECORDS OFFICE ON JULY 1O, 2015*

TEKMIRA PHARMACEUTICALS CORPORATION
(the "Company")

ORDINARY RESOLUTION PASSED BY THE SHAREHOLDERS OF THE COMPANY AT THE ANNUAL MEETING OF THE SHAREHOLDERS COMPANY HELD ON .JU LY 9, 2015

"Section 1 1.3 of the Articles of Tekmira be deleted and replaced in entirety with the following:

I 1 .3 Subject to the special rights and restrictions attached to the shares of any class or series of shares, and to §I 1 .4, the quorum for the transaction of business at a meeting of shareholders is at least two people who arc, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least five percent (5%) of the issued shares entitled to be voted at the meeting: provided, however, that for so long as any class or series of shares is listed for trading on NASDAQ. then:

(a) the quorum for the transaction of business at a meeting of shareholders of the Company is at least two people who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least thirty three and one-third percent (33 1/3%) of the issued shares entitled to be voted at the meeting (the "NASDAQ Quorum'"), and all references in the Articles to a ''quorum" in Part 1 1 shall be deemed to refer to the NASDAQ Quorum:

(b) where a separate vote by class or series or classes or series of shares is required at a meeting of shareholders of the Company. the presence. in person or by proxy, of the holders of at least the NASDAQ Quorum of the issued and outstanding shares of each such class or series shall also be required to constitute a NASDAQ Quorum:

(c) if a NASDAQ Quorum is present at an original meeting. a NASDAQ Quorum need not be present at an adjourned session of that meeting: and

(d) Neither §l l.7(b) nor §1 1.8 shall have any force or effect."

CERTIFIED A TRUE COPY as of the 10th day of July, 2015.

/s/ Hector MacKay-Dunn
Hector MacKay-Dunn
Title: Corporate Secretary

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

EXECUTION VERSION

**FIRST AMENDMENT TO PROTIVA-MONSANTO SERVICES AGREEMENT**

This FIRST AMENDMENT TO PROTIVA-MONSANTO SERVICES AGREEMENT (this "**First Amendment**"), dated as of May 22, 2015, is by and among **Protiva Biotherapeutics, Inc.**, a British Columbia corporation and a wholly-owned subsidiary of Tekmira Pharmaceuticals Corporation, a British Columbia corporation, ("**Protiva**"), **Protiva Agricultural Development Company Inc. ("PadCo")**, a British Columbia corporation and a wholly-owned subsidiary of Protiva (the "**Company**"), and **Monsanto Company**, a Delaware corporation ("**Monsanto**"). Protiva, the Company and Monsanto are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, the Parties are parties to that certain Protiva-Monsanto Services Agreement, dated as of January 12, 2014 (the "**Services Agreement**") pursuant to which Monsanto agreed to provide Services relating to the evaluation of Compounds and/or Formulations according to the Research Plan in in exchange for payment for such Services from Protiva; and

WHEREAS, concurrent with the execution of this First Amendment, the Parties are entering into an amendment of that certain Option Agreement dated as of January 12, 2014 (the "**Third Amendment to Option Agreement**").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and subject to the conditions set forth herein, the Parties agree as follows:

1. **Amendment to Article 3**.

(a) Section 3.1(a) of the Services Agreement is hereby amended by restating such Section to read in its entirety as follows:

" (a) Protiva will make the following payments to Monsanto:

(i) [***] in research funding during Phase A of the Services as described in the Research Plan, such amount to be paid by Protiva in four equal installments, with the first such installment due within fifteen (15) days of the Effective Date, and the remaining three installments payable within fifteen (15) days of the end of the third, sixth, and ninth full month, respectively, immediately following the Effective Date, an additional [***] in research funding during either the Phase A Extension Election Period or the Phase A Extension Period (in each case, as defined in the Third Amendment to Option Agreement) of the Services as described in the Amended Research Plan, such amount to be paid by Protiva within fifteen (15) Business Days of the receipt of an invoice for such amount;

(ii) [***] in research funding during Phase B as described in the Research Plan, if Phase B is initiated pursuant to Section 2(e)(iii) of the Option Agreement, such amount to be paid by Protiva in four equal installments, with the first such installment due within fifteen (15) days of Monsanto's payment to Protiva of the Option Phase B Initiation Payment, and the remaining three installments payable within fifteen (15) days of the end of the third, sixth, and ninth full month, respectively, immediately following the date of such Option Phase B Initiation Payment; and

(iii) [***] in research funding during Phase C as described in the Research Plan, if Phase C is initiated pursuant to Section 2(e)(iv) of the Option Agreement, such amount to be paid by Protiva in four equal installments, with the first such installment due within fifteen (15) days of Monsanto's payment to Protiva of the Option Phase C Initiation Payment, and the remaining three installments payable within fifteen (15) days of the end of the third, sixth, and ninth full month, respectively, immediately following the date of such Option Phase C Initiation Payment."

**2. Amendment to Exhibit C**.

(a) EXHIBIT C – MATERIALS TRANSFER TRANSMITTAL attached to the Services Agreement is hereby amended, restated and replaced by EXHIBIT C – MATERIALS TRANSFER TRANSMITTAL attached to this First Amendment.

**3. Miscellaneous**

(a) Definitions. For all purposes of this First Amendment, all capitalized terms not otherwise defined herein shall have the meanings given to them in the Services Agreement.

(b) No Other Amendments. Except as set forth in this First Amendment, the Services Agreement, as modified by this First Amendment, remains in full force and effect.

(c) Interpretation. When a reference is made in this First Amendment to an Exhibit or Section, such reference shall be to an Exhibit attached to or a Section included in the Services Agreement unless otherwise indicated. The headings contained in this First Amendment are for reference purposes only and shall not affect in any way the meaning or interpretation of this First Amendment.

(d) Counterparts. This First Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Parties. Delivery of an executed counterpart of this First Amendment by facsimile or other electronic image scan transmission shall be effective as delivery of an original counterpart hereof.

(e) Severability. If any one or more of the provisions contained in this First Amendment or the application of any such provision to any person or circumstance is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties will in such an instance use their reasonable best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this First Amendment.

(f) Amendments and Waivers. Except as otherwise set forth in this First Amendment, this First Amendment may not be modified, amended or rescinded, in whole or part, except by a written instrument signed by the Parties. No delay or omission by any Party hereto in exercising any right or power occurring upon any noncompliance or default by any other Party with respect to any of the terms of this First Amendment will impair any such right or power or be construed to be a waiver thereof. A waiver by any of the Parties of any of the covenants, conditions or agreements to be performed by the other will not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition or agreement herein contained.

(g) Applicable Law; Jurisdiction. This First Amendment shall be governed and interpreted in accordance with the substantive laws of the State of New York, excluding its conflicts of laws principles. In the event any action shall be brought to enforce or interpret the terms of this First Amendment, the Parties agree that such action will be brought in the State or Federal courts located in New York, New York. Each of the Parties hereby irrevocably submits with regard to any action or proceeding for itself and in respect to its property, generally and unconditionally, to the nonexclusive jurisdiction of the aforesaid courts. Each of the Parties hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this First Amendment, (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to lawfully serve process, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (c) to the fullest extent permitted by Applicable Law, that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper, and (iii) this First Amendment, or the subject matter hereof, may not be enforced in or by such courts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF,** the Parties hereto by their duly authorized representatives have caused this First Amendment to be executed and delivered as of the date first shown above.

**PROTIVA Biotherapeutics, Inc.**

By: _____
Name:
Title:

**PROTIVA AGRICULTURAL DEVELOPMENT COMPANY, INC.**

By: _____
Name:
Title:

**MONSANTO COMPANY**

By: _____
Name: Robert M. McCarroll, Ph. D.
Title: Vice President, Chemistry Technology

[*Signature Page to First Amendment to Services Agreement*]

**EXHIBIT C – MATERIALS TRANSFER TRANSMITTAL**

**[Attached]**

**MATERIALS TRANSFER TRANSMITTAL**

[_____] [__], 20[__]

Providing Party:
[Name]
[Address 1]
[Address 2]

Receiving Party:
[Name]
[Address 1]
[Address 2]

1.1 The following list of materials (the "Materials") and a description of each is herewith provided by the Providing Party (named below) to the Receiving Party (named below) along with this Materials Transfer Transmittal (this "Transmittal"). These materials are being provided pursuant to the Protiva-Monsanto Services Agreement (the "Agreement"), dated as of [____], 2013, by and among Protiva Biotherapeutics, Inc., a Delaware corporation and a wholly-owned subsidiary of [Tekmira], a Canadian corporation, ("Protiva"), [AGNEW-CO], a Canadian [___] and a wholly-owned subsidiary of Protiva ("Company"), and Monsanto Company, a Delaware corporation ("Monsanto"). The Receiving Party acknowledges and agrees that the materials described herein shall be used solely in connection with the performance of the Services contemplated by the Agreement and the PadCo-Protiva Services Agreement and the licenses for such use provided by one party to the other. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Agreement.

*[List here the materials and a brief description of each, including a marking that materials are believed by Providing Party to be confidential information of the providing party or a third party or any combination thereof, or otherwise. Attach additional pages if needed.* ]

1.2 The Receiving Party acknowledges receipt of the Materials. The Receiving Party may refuse to accept the Materials from a Providing Party by promptly returning all applicable Materials to the Providing Party without any use thereof being made and providing written notice of such return to the Providing Party.

1.3 This Transmittal shall become effective upon the date first written above and shall continue in full force and effect thereafter and be co-extensive and subject to the Agreement.

1.4 This Transmittal may only be terminated in accordance with the provisions of the Agreement. In the event that the Agreement and this Transmittal are terminated, the Receiving Party will give the Providing Party an inventory of the Materials in the Receiving Party's possession and at the time of such termination and such remaining Materials shall be treated as specified in the Agreement.

*[Note: The materials shipment should be addressed to, and receipt acknowledged by, the Receiving Party's designee by initialing or executing either (i) duplicate originals of this Transmittal or (ii) a scanned copy of this Transmittal in "PDF" or similar digital format, in either case, with a copy returned to the Providing Party to the attention of the undersigned designee of the Providing Party]*

Providing Party:
[**NAME]**

By: _____
Name:
Title:
Address:

Receiving Party:
[**NAME]**

By: _____
Name:
Title:
Address:

EXECUTION VERSION

**THIRD AMENDMENT TO OPTION AGREEMENT**

This THIRD AMENDMENT TO OPTION AGREEMENT (this "**Third Amendment**"), dated as of May 22, 2015, is by and among **Monsanto Canada, Inc.**, a Canadian corporation ("**Monsanto Canada**"), **Tekmira Pharmaceuticals Corporation**, a British Columbia corporation ("**Tekmira**"), **Protiva Biotherapeutics Inc.**, a British Columbia corporation ("**Protiva**"), and **Protiva Agricultural Development Company Inc.**, a British Columbia corporation (the "**Company**").

WHEREAS, Monsanto Canada, Tekmira, Protiva and the Company (each a "**Party**" and collectively, the "**Parties**") are parties to that certain Option Agreement, dated as of January 12, 2014 (the "**Option Agreement**") pursuant to which Protiva granted to Monsanto Canada an option for Monsanto Canada to acquire all of the outstanding capital stock of the Company from Protiva, and also provided that at the request of Monsanto Canada at the time of giving notice of exercise of that option, Monsanto Canada may instead elect to be assigned the PadCo-Protiva License and Services Agreement, the Protiva License, the Company Owned Intellectual Property and the other Company Licensed Intellectual Property, if any, in the manner described in the Option Agreement;

WHEREAS, in connection with the signing of the Option Agreement, the Parties attached an exhibit titled "Exhibit A, Research Plan" (the "**Original Research Plan**") to the Option Agreement;

WHEREAS, the Parties desire to amend, restate and replace the Original Research Plan as hereinafter set forth with a revised research plan attached hereto as Annex A (the "**Amended and Restated Research Plan**");

WHEREAS, the Parties desire to extend the period during which Phase A of the Original Research Plan **is to** be completed and to adjust the time at which certain payments are to be made under the Option Agreement, in each case, as set forth in this Third Amendment;

WHEREAS, concurrent with the execution of this Third Amendment, the Parties are entering into an amendment of that certain Protiva-Monsanto Services Agreement dated as of January 12, 2014.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and subject to the conditions set forth herein, the Parties agree as follows:

**1.** **Amendment and Restatement of Exhibit A**. The Amended and Restated Research Plan attached as Annex A to this Third Amendment hereby amends, restates and replaces the Original Research Plan in its entirety.

**2. Amendment to Section 1.**

(a) Section 1 of the Option Agreement is hereby amended by inserting the following text on the line immediately before the defined term "Board":

""**Amendment Effective Date**" means May 22, 2015."

(b) Section 1 of the Option Agreement is hereby amended by restating the defined term "Initiation Payment" to read in its entirety as follows:

""**Initiation Payment**" means the Option Phase A Initiation Payment, the Option Phase A-1 Initiation Payment, the Option Phase A-2 Initiation Payment, the Option Phase B Initiation Payment and the Option Phase C Initiation Payment."

**3. Amendment to Section 2(e).**

(a) Section 2(e)(ii) of the Option Agreement is hereby amended by inserting the following text after the final sentence of such Section:

"No later than five (5) Business Days following the Amendment Effective Date, Monsanto Canada shall pay to Protiva [***] (the "**Option Phase A-1 Initiation Payment**") by electronic wire as arranged with Protiva to continue Phase A of the Research Program. No later than five (5) Business Days following [***] Monsanto Canada shall pay to Protiva [***] (the "**Option Phase A-2 Initiation Payment**") by electronic wire as arranged with Protiva to continue Phase A of the Research Program. The Parties hereby agree that the Research Plan, as amended as of the Amendment Effective Date, provides (i) an option for Monsanto Canada to extend the date by which Phase A was to have been completed (originally, [***]) by up to an additional [***] from the Amendment Effective Date (the "**Phase A Extension Election Period**"), and (ii) if Monsanto Canada so elects, an extension of an additional [***] commencing from the end of the Phase A Extension Election Period in which to complete Phase A (the "**Phase A Extension Period**")."

(b) Section 2(e)(iii) of the Option Agreement is hereby amended by inserting the following text after the final sentence of such Section:

"The Parties agree that the Research Plan, as amended as of the Amendment Effective Date, provides for an extension of the date by which Phase A is to be completed and as a result also provides for a corresponding adjustment for the date by which Phase B is to be completed."

(c) Section 2(e)(iv) of the Option Agreement is hereby amended by inserting the following text after the final sentence of such Section:

"The Parties agree that the Research Plan, as amended as of the Amendment Effective Date, provides for an extension of the date by which Phase A is to be completed and as a result also provides for a corresponding adjustment for the date by which Phase C is to be completed."

**4. Amendment to Section 3(b).**

(a) Section 3(b)(v) of the Option Agreement is hereby amended by restating such Section to read in its entirety as follows:

"Monsanto Canada shall pay to Protiva, within thirty (30) days after receipt of a Milestone Achievement Notice with respect to the Option Plant Milestone A, [***] (the "**Option Plant Milestone A Payment**") by electronic wire as arranged with Protiva; provided, that upon the payment of the Option Phase A-1 Initiation Payment, the Option Plant Milestone A Payment shall be reduced to [***]."

(b) Section 3(b)(vi) of the Option Agreement is hereby amended by restating such Section to read in its entirety as follows:

"Monsanto Canada shall pay to Protiva, within thirty (30) days after receipt of a Milestone Achievement Notice with respect to the Option Insect Milestone A, [***] (the "**Option Insect Milestone A Payment**") by electronic wire as arranged with Protiva; provided, that upon the payment of the Option Phase A-1 Initiation Payment, the Option Insect Milestone A Payment shall be reduced to [***]."

**5. Miscellaneous**

(a) Definitions. For all purposes of this Third Amendment, all capitalized terms not otherwise defined herein shall have the meanings given to them in the Option Agreement.

(b) No Other Amendments. Except as set forth in this Third Amendment, the Option Agreement, as modified by this Third Amendment, remains in full force and effect.

(c) Interpretation. When a reference is made in this Third Amendment to an Exhibit or Section, such reference shall be to an Exhibit attached to or a Section included in the Option Agreement unless otherwise indicated. The headings contained in this Third Amendment are for reference purposes only and shall not affect in any way the meaning or interpretation of this Third Amendment.

(d) Counterparts. This Third Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Parties. Delivery of an executed counterpart of this Third Amendment by facsimile or other electronic image scan transmission shall be effective as delivery of an original counterpart hereof.

(e) Severability. If any one or more of the provisions contained in this Third Amendment or the application of any such provision to any person or circumstance is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties will in such an instance use their reasonable best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Third Amendment.

(f) Amendments and Waivers. Except as otherwise set forth in this Third Amendment, this Third Amendment may not be modified, amended or rescinded, in whole or part, except by a written instrument signed by the Parties. No delay or omission by any Party hereto in exercising any right or power occurring upon any noncompliance or default by any other Party with respect to any of the terms of this Third Amendment will impair any such right or power or be construed to be a waiver thereof. A waiver by any of the Parties of any of the covenants, conditions or agreements to be performed by the other will not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition or agreement herein contained.

(g) Applicable Law; Jurisdiction. This Third Amendment shall be governed and interpreted in accordance with the substantive laws of the State of New York, excluding its conflicts of laws principles. In the event any action shall be brought to enforce or interpret the terms of this Third Amendment, the Parties agree that such action will be brought in the State or Federal courts located in New York, New York. Each of the Parties hereby irrevocably submits with regard to any action or proceeding for itself and in respect to its property, generally and unconditionally, to the nonexclusive jurisdiction of the aforesaid courts. Each of the Parties hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Third Amendment, (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to lawfully serve process, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (c) to the fullest extent permitted by Applicable Law, that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper, and (iii) this Third Amendment, or the subject matter hereof, may not be enforced in or by such courts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Parties have caused this Third Amendment to be duly executed under seal as of the date first above written.

**PROTIVA BIOTHERAPEUTICS INC.**

By: _____
Name:
Title:
Address:

**PROTIVA AGRICULTURAL DEVELOPMENT COMPANY, INC.**

By: _____
Name:
Title:
Address:

**TEKMIRA PHARMACEUTICALS CORPORATION**

By: _____
Name:
Title:
Address:

**MONSANTO CANADA, INC.**

By: _____
Name: Robert M. McCarroll, Ph. D.
Title: Authorized Signatory
Address:

[*Signature Page to Third Amendment to Option Agreement*]

**ANNEX A**

**AMENDED AND RESTATED RESEARCH PLAN**

(See Attached)

**EXHIBIT A**

**AMENDED AND RESTATED RESEARCH PLAN**

[***]

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

# AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

| 1. CONTRACT ID CODE | PAGE OF PAGES |
|---|---|
| V | 1 3 |

| 2. AMENDMENT/MODIFICATION NO | 3. EFFECTIVE DATE | 4. REQUISITION/PURCHASE REQ. NO. | 5. PROJECT NO. (If applicable) |
|---|---|---|---|
| | 01-May-2015 | SEE SCHEDULE | |

| 6. ISSUED BY | CODE | 7. ADMINISTERED BY (If other than item 6) | CODE |
|---|---|---|---|
| W6QK ACC-APG NATICK<br>CONTRACTING DIVISION BLDG 1KANSAS STREET<br>NATICK MA01760-5011 | W911QY | W6QK ACC-APG NATICK<br>110 THOMAS JOHNSON DR SUITE#240<br>FREDERICK MD 21702 | W911QY |

| 8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) | | |
|---|---|---|
| TEKMIRA PHARMACEUTICALS CORPORATION<br>8900 GLENLYON PKY SUITE 100<br>BURNABY V5J 5J8 | | 9A. AMENDMENT OF SOLICITATION NO. |
| | | 9B. DATED (SEE ITEM 11) |
| | X | 10A. MOD. OF CONTRACT/ORDER NO.<br>W9113M-10-C-0057 |
| | X | 10B. DATED (SEE ITEM 13)<br>14 Jul 2010 |
| CODE L8144 | | FACILITY CODE |

## 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer o is extended o is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:

(a) By completing Items 8 and 15, and returning. copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

**See Schedule**

## 13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

| | |
|---|---|
| | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. |
| | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriate date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103.B. |
| X | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:<br>Mutual Agreement by Both Parties |
| | D. OTHER (Specify type of modification and authority) |

E. IMPORTANT: Contractor o is not, ☒ is required to sign this document and return ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Modification Control Number: mmitchel151777

The purpose of this modification is to extend the delivery date of CLIN 0001 to 31 December 2015 at an additional cost and fee of $183,500, as shown in the attached summary of changes.

Proposal dated 08 April 2015 is hereby incorporated in its entirety by reference.

All other terms and conditions remain the same and in full force and effect.

Except as provided herein, all terms and conditions ofthe document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

| 15A. NAME AND TITLE OF SIGNER (Type or print) | | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)<br>TEL: EMAIL: | |
|---|---|---|---|
| 15B. CONTRACTOR/OFFEROR<br>(Signature of person authorized to sign) | 15C. DATE SIGNED | 16B. UNITED STATES OF AMERICA<br>BY<br>(Signature of Contracting Officer) | 16C. DATE SIGNED |

EXCEPTION TO SF 30
APPROVED BY OIRM 11-84

30-105-04

STANDARD FORM 30 (Rev. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

**SUMMARY OF CHANGES**

SECTION A - SOLICITATION/CONTRACT FORM

The total cost of this contract was increased by $183,500.00 from $121,363,697.24 to $121,547,197.24.

SECTION B - SUPPLIES OR SERVICES AND PRICES

CLIN 0001

The target cost has increased by $[***] from $[***] to $[***]. The target profit/fee has increased by $[***] from $[***] to $[***].
The total cost of this line item has increased by $183,500.00 from $[***] to $[***].

SUBCLIN 000107 is added as follows:

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---|---|---|---|---|---|
| 000107 | | | Job | | $0.00 |
| | Funding for CLIN 0001 FFP<br>FOB: Destination<br>PURCHASE REQUEST NUMBER: 0010618769-0001 | | | | |
| | | | | NET AMT | $0.00 |
| | ACRN AJ<br>CIN: GFEBS001061876900002 | | | | $183,500.00 |

SECTION E - INSPECTION AND ACCEPTANCE

| INSPECT AT | INSPECT BY | ACCEPT AT | ACCEPT BY |
|---|---|---|---|
| N/A | N/A | N/A | Government |

The following Acceptance/Inspection Schedule was added for SUBCLIN 000107:

SECTION F - DELIVERIES OR PERFORMANCE

The following Delivery Schedule item for CLIN 0001 has been changed from:

| DELIVERY DATE | QUANTITY | SHIP TO ADDRESS | UIC |
|---|---|---|---|
| 30-APR-2015 | | N/A<br>FOB: Destination | |

To:

| DELIVERY DATE | QUANTITY | SHIP TO ADDRESS | UIC |
|---|---|---|---|
| 31-DEC-2015 | | N/A<br>FOB: Destination | |

SECTION G - CONTRACT ADMINISTRATION DATA

Accounting and Appropriation

Summary for the Payment Office

As a result of this modification, the total funded amount for this document was increased by $183,500.00 from $53,069,126.24 to $53,252,626.24.

SUBCLIN 000107:
Funding on SUBCLIN 000107 is initiated as follows:

| | | |
|---|---|---|
| ACRN: AJ | | |
| CIN: GFEBS001061876900002 | | |
| Acctng Data: 097201520160400000265Y0550506255 | A.0011315.4.1.3.1 | 6100.9000021001 |
| Increase: $183,500.00 | | |
| Total: $183,500.00 | | |
| Cost Code: A5XAH | | |

(End of Summary of Changes)

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

## AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

| 1. CONTRACT ID CODE | PAGE OF PAGES |
|---|---|
| | 1 3 |

| 2. AMENDMENT/MODIFICATION NO | 3. EFFECTIVE DATE | 4. REQUISITION/PURCHASE REQ. NO. | 5. PROJECT NO. (If applicable) |
|---|---|---|---|
| P00036 | 13-May-2015 | SEE SCHEDULE | |

| 6. ISSUED BY | CODE | 7. ADMINISTERED BY (If other than item 6) | CODE |
|---|---|---|---|
| W3QKACC-APG NATICK<br>CONTRACTING DIVISION BLDG 1KANSAS STREET<br>NATICK MA 01760-5011 | W911QY | W6QKACC-APG NATICK<br>110 THOMAS JOHNSON DR SUITE #240<br>FREDERICK MD 21702 | W9 11QY |

| 8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) | | |
|---|---|---|
| TEKMIRA PHARMACEUTICALS CORPORATION<br>8900 GLENLYON PKY SUITE 100<br>BURNABY V5J 5J8 | | 9A. AMENDMENT OF SOLICITATION NO. |
| | | 9B. DATED (SEE ITEM 11) |
| | X | 10A. MOD. OF CONTRACT/ORDER NO.<br>W191 13M-1O-C-0057 |
| | X | 10B. DATED (SEE ITEM 13)<br>14-Jul-2010 |
| CODE L8144 | FACILITY CODE | |

### 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer o is extended o is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:

(a) By completing Items 8 and 15, and returning. copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
See Schedule

### 13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

| | |
|---|---|
| | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. |
| | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriate date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B). |
| | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: |
| X | D. OTHER (Specify type of modification and authority)<br>FAR52-232-22, Limitation of Funds |

E. IMPORTANT: Contractor x is not, o is required to sign this document and return ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
Modification Control Number: soconnel151958

See attached summary of changes for incremental funding for tasks 6.1, 6.2, 6.3, and 6.4 of the Statement of Work (SOW), dated 20 Mar 2015, for CLIN0002.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

| 15A. NAME AND TITLE OF SIGNER (Type or print) | | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)<br>SANDRA OCONNELL/ CONTRACT SPECIALIST /GRANTS 0<br>TEL: 301.619.21195 EMAIL: sandra.ocomell@usarmy.mil | |
|---|---|---|---|
| 15B. CONTRACTOR/OFFEROR<br>(Signature of person authorized to sign) | 15C. DATE SIGNED | 16B. UNITED STATES OF AMERICA<br>BY /s/ Sandra O'Connell<br>(Signature of Contracting Officer) | 16C. DATE SIGNED<br>13-May-2015 |

EXCEPTION TO SF 30
APPROVED BY OIRM 11-84

30-105-04

STANDARD FORM 30 (Rev. 10-83)
Prescribed by GSA
FAR (48 CFR) 53_243

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

**SUMMARY OF CHANGES**

SECTION B - SUPPLIES OR SERVICES AND PRICES

SUBCLIN 000202 is added as follows:

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---|---|---|---|---|---|
| 000202 | | | Job | | $[***] |
| | Funding for CLIN 0002 CPIF<br>FOB: Destination | | | | |
| | PURCHASE REQUEST NUMBER: 0010618769-0002 | | | | |
| | | | | TARGET COST | $[***] |
| | | | | TARGET FEE | $[***] |
| | | | | TOTAL TGT COST + FEE | $[***] |
| | | | | MINIMUM FEE | $[***] |
| | | | | MAXIMUM FEE | $[***] |
| | | | | SHARE RATIO ABOVE TARGET | |
| | | | | SHARE RATIO BELOW TARGET | |
| | ACRN AJ<br>CIN: GFEBS001061876900003 | | | | $14,988,769.00 |

SECTION E - INSPECTION AND ACCEPTANCE

The following Acceptance/Inspection Schedule was added for SUBCLIN 000202:

| INSPECT AT | INSPECT BY | ACCEPT AT | ACCEPT BY |
|---|---|---|---|
| N/A | N/A | N/A | Government |

SECTION G - CONTRACT ADMINISTRATION DATA

Accounting and Appropriation

Summary for the Payment Office

As a result of this modification, the total funded amount for this document was increased by $14,988,769.00 from $53,252,626.24 to $68,241,395.24.

SUBCLIN 000202:
Funding on SUBCLIN 000202 is initiated as follows:

ACRN: AJ

CIN: GFEBS001061876900003
Acctng Data: 09720152016040000026 5Y0550506255 A.0011315.4.1.3.1 6100.9000021001
Increase: $14,988,769.00
Total: $14,988,769.00
Cost Code: A5XAH

(End of Summary of Changes)

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

# AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

| 1. CONTRACT ID CODE | PAGE OF PAGES |
|---|---|
| | 1 3 |

| 2. AMENDMENT/MODIFICATION NO | 3. EFFECTIVE DATE | 4. REQUISITION/PURCHASE REQ. NO. | 5. PROJECT NO. (If applicable) |
|---|---|---|---|
| P00037 | 22-May-2015 | SEE SCHEDULE | |

| 6. ISSUED BY | CODE | 7. ADMINISTERED BY (If other than item 6) | CODE |
|---|---|---|---|
| WQKACC-APG NATICK<br>CONTRACTING DIVISION BLDG 1KANSAS STREET<br>NATICK MA01760-5011 | W911QY | W6QKACC-APG NATICK<br>110 THOMAS JOHNSON DR SUITE #240<br>FREDERICK MD 21702 | W9 11QY |

| 8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) | | |
|---|---|---|
| TEKMIRA PHARMACEUTICALS CORPORATION<br>8900 GLENLYON PKY SUITE 100<br>BURNABY V5J 5J8 | | 9A. AMENDMENT OF SOLICITATION NO. |
| | X | 10A. MOD. OF CONTRACT/ORDER NO.<br>V\19113M-1O-C-0057 |
| | X | 10B. DATED (SEE ITEM 13)<br>14-Jul-2010 |
| CODE L8144 | | FACILITY CODE |

## 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer o is extended o is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:

(a) By completing Items 8 and 15, and returning. Copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
See Schedule

## 13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

| | |
|---|---|
| X | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. |
| | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriate date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103.B. |
| | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: |
| | D. OTHER (Specify type of modification and authority) |

E. IMPORTANT: Contractor x is not, o is required to sign this document and return ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
Modification Control Number: soconnel151958

See attached summary of changes for this change order.

Except as provided herein, all terms and conditions ofthe document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

| 15A. NAME AND TITLE OF SIGNER (Type or print) | | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)<br>SANDRA OCONNELL/ CONTRACT SPECIALIST /GRANTS 0<br>TEL: 301 619.21!15 EMAIL: sandra.ocomell@usarmy.mil | |
|---|---|---|---|
| 15B. CONTRACTOR/OFFEROR<br>(Signature of person authorized to sign) | 15C. DATE SIGNED | 16B. UNITED STATES OF AMERICA<br>BY<br>(Signature of Contracting Officer) | 16C. DATE SIGNED<br>26-May-2015 |

EXCEPTION TO SF 30
APPROVED BY OIRM 11-84

30-105-04

STANDARD FORM 30 (Rev. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

**SUMMARY OF CHANGES**

SECTION SF 30 - BLOCK 14 CONTINUATION PAGE

The following have been added by full text:

P00037

A. The purpose of this change order is to direct the Contractor to execute and accomplish the remaining activities related to resolution of the partial clinical hold imposed by the FDA under CLIN 0001. Prior to receipt and negotiation of a proposed equitable adjustment resulting from this change order, Tekmira shall not be allowed to incur costs exceeding $[***].

B. All other terms and conditions of this contract remain the same and in full force and effect.

SECTION B - SUPPLIES OR SERVICES AND PRICES

SUBCLIN 000108 is added as follows:

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---|---|---|---|---|---|
| 000108 | | | | | $0.00 |
| | Funding for CLIN 0001 FFP<br>FOB: Destination | | | | |
| | | | | NET AMT | $0.00<br>$1,000,000.00 |
| | ACRN AK<br>CIN: 00000000000000000000000000000000 | | | | |

SECTION E - INSPECTION AND ACCEPTANCE

The following Acceptance/Inspection Schedule was added for SUBCLIN 000108:

| INSPECT AT | INSPECT BY | ACCEPT AT | ACCEPT BY |
|---|---|---|---|
| N/A | N/A | N/A | Government |

SECTION G - CONTRACT ADMINISTRATION DATA

Accounting and Appropriation

Summary for the Payment Office

As a result of this modification, the total funded amount for this document was increased by $1,690,592.00 from $68,241,395.24 to $69,931,987.24.

SUBCLIN 000108:
Funding on SUBCLIN 000108 is initiated as follows:

ACRN: AK

CIN: 00000000000000000000000000000000

Acctng Data: 097201520160400000265Y0550506255 A.0011315.4.1.3.4 6100.9000021001

Increase: $1,000,000.00

Total: $1,000,000.00

Cost Code: A5XAH

SUBCLIN 000201:

AK: 097201520160400000265Y0550506255 A.0011315.4.1.3.4 6100.9000021001 A5XAH (CIN GFEBS001066272300001) was increased by $[***] from $[***] to $[***]

SUBCLIN 000202:

AJ: 097201520160400000265Y0550506255 A.0011315.4.1.3.1 6100.9000021001 A5XAH (CIN GFEBS001061876900003) was decreased by $[***] from $[***] to $[***]

(End of Summary of Changes)

**Exhibit 10.6**

**EXECUTIVE EMPLOYMENT AGREEMENT**

This Executive Employment Agreement ("**Agreement**") is made effective as of July 11, 2015 (the "**Effective Date**") by and between OnCore Biopharma, Inc. (the "**Company**"), and Patrick T. Higgins (the "**Executive**") (together the "**Parties**").

RECITALS

A. As of the Effective Date, the Company and the Executive have agreed to terminate any and all existing employment agreements (including any amendments thereto) between the Executive and the Company and set forth their mutual rights and obligations in this Agreement; and

B. In connection with and as a condition to the execution of this Agreement, Tekmira Pharmaceuticals Corporation, the parent of the Company ("**Tekmira**"), and the Executive have also agreed to the terms of that certain Share Repurchase Agreement, dated as of the date hereof (the "**Share Repurchase Agreement**"), whereby certain common shares of Tekmira owned by the Executive are subject to a repurchase right of Tekmira, pursuant to the terms and conditions thereof.

THEREFORE, the Parties agree as follows:

Section 1. Position and Duties. The Executive will serve as Chief Business & Commercial Operations Officer (& US Site Head) of the Company, and will have powers and duties consistent with such position as may from time to time be prescribed by the Chief Executive Officer of the Company. As Chief Business & Commercial Operations Officer (& US Site Head) of the Company, the Executive shall devote his full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may manage his personal investments or engage charitable or other community activities.

Section 2. Compensation and Related Matters.(a)

(a) Base Salary. The Executive's base salary will be US$360,000 per year. The Executive's base salary will be reviewed annually by the Chief Executive Officer of the Company and is subject to increase but not decrease except for an across-the-board salary reduction affecting all senior executives of the Company. The base salary in effect at any given time is referred to as "**Base Salary**" and this Agreement need not be modified to reflect a change in Base Salary. Notwithstanding the foregoing, for the purposes of determining the "Base Salary" for a termination by the Executive for "Good Reason" solely under Section 4(d)(iv), the Base Salary shall be the amount set forth in the first sentence of this Section 2(a). The Base Salary is subject to withholding and payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Bonus. The Executive is eligible to be considered for an annual discretionary bonus of up to 40% of Base Salary (such bonus, the "**Target Bonus**"); however, notwithstanding the foregoing, for the purposes of determining the "Target Bonus" for a termination by the Executive for "Good Reason" solely under Section 4(d)(iv), the Target Bonus shall be 40% of Base Salary). The Target Bonus shall be subject to the terms of the bonus plan and the approval of the Company's Board of Directors (the "**Board**"), in its sole discretion, on an annual basis.

(c) Expenses. The Executive is entitled to receive prompt reimbursement for all reasonable expenses incurred by him in performing services under this Agreement, in accordance with the policies and procedures then in effect and established by the Company for its senior executives.

(d) Other Benefits. The Executive is entitled to participate in or receive benefits under the Company's employee benefit plans as they may be adopted and amended from time to time, subject to the terms and conditions of those employee benefit plans.

(e) Equity Compensation. Subject to the discretionary approval of the Company's Board of Directors, and in accordance with the Company's annual performance and compensation review process, the Executive shall be eligible to receive equity awards under the Tekmira Pharmaceuticals Corporation Share Incentive Plan and or any other similar equity incentive plan to the same extent as other executives of the Company.

(f) Vacations. The Executive is entitled to paid holidays and vacation days each year, in an amount determined in accordance with and subject to the Company's applicable policies in effect, and as may be amended from time to time. Unless a different number is established by the Board in its sole discretion, the Executive will be entitled to 20 days of vacation per calendar year, which will be pro-rated for any year in which the Executive is only employed with the Company for a portion of the year or for any period in which the Executive is not a full-time employee. Carry-over of vacation days will be according to Company policy, and any accrued but unused vacation days will be paid out upon termination.

Section 3. Non-Competition and Non-Solicitation

(a) The Executive acknowledges that the Company's industry is highly competitive and employees leaving the employ of the Company have the ability to cause significant damage to the Company's interests if they join a competing business immediately upon leaving the Company.

(b) Definitions:

(i) "Affiliate" means any person or entity directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest.

(ii) "Business" or "Business of the Company" means (a) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans or (b) any other treatment area in which the Company has an active research and development program on the date this Agreement terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(iii) "Competing Business" means any endeavor, activity or business which is competitive in any material way with the Business of the Company worldwide.

(iv) "Contact" means any person, firm, corporation or other entity that was a client, customer, supplier, principal, shareholder, investor, collaborator, strategic partner, licensee, contact or prospect of the Company (or of its partners, funders or Affiliates) with whom the Executive dealt or otherwise became aware of during the term of his employment in any capacity with the Company.

(v) "Restricted Period" means: (a) with respect to Section 3(d) the eighteen (18) month period commencing immediately after the Executive's employment terminates and (b) with respect to Section 3(f), the twelve (12) month period commencing immediately after the Executive's employment terminates.

(c) Reasonableness. The Executive hereby acknowledges and agrees that:

(i) both before and since the Effective Date the Company has operated and competed and will operate and compete worldwide, with respect to the Business of the Company;

(ii) competitors of the Company and the Business are located worldwide;

(iii) in order to protect the Company adequately, any enjoinder of competition would have to apply to any country in which the Company, during the term of the Executive's employment, had material business relationships;

(iv) during the course of the Executive's employment with the Company, on behalf of the Company, the Executive will acquire knowledge of, and will come into contact with, initiate and establish relationships with, both existing and new clients, customers, suppliers, principals, contacts and prospects of the Company, and that in some circumstances the Executive may become the senior or sole representative of the Company dealing with such persons; and

(v) in light of the foregoing, the provisions of this Section 3 are reasonable and necessary for the proper protection of the Business of the Company.

(d) Restrictive Covenant. During the term of the Executive's employment and for the Restricted Period after the termination thereof, the Executive shall not, without the advance written consent of the Board, such consent to be granted or withheld in the Board's sole discretion, within the geographic scope of any country in which the Company, during the term of the Executive's employment, had material business relationships, carry on or be employed by or engaged in or have any financial or other interest in or be otherwise commercially involved in a Competing Business, directly or indirectly, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever.

(e) Exception. The Executive shall not be in default of Section 3(d) by virtue of the Executive:

(i) following the termination of employment, holding, strictly for portfolio purposes and as a passive investor, no more than five percent (5%) of the issued and outstanding shares of, or any other interest in, any corporation or other entity that is a Competing Business; or

(ii) during the term of his employment, holding, strictly for portfolio purposes and as a passive investor, issued and outstanding shares of, or any other interest in, any corporation or other entity, the business of which corporation or other entity is in the same Business as the Company provided such corporation is not a Competing Business, and provided further that the Executive first obtains the Company's written consent, which consent will not be unreasonably withheld.

If the Executive holds issued and outstanding shares or any other interest in a corporation or other entity pursuant to Section 3(e)(ii) above, and following the acquisition of such shares or other interest the business of the corporation or other entity becomes a Competing Business, the Executive will promptly dispose of the Executive's shares or other interest in such corporation or other entity.

(f) Non-Solicitation. The Executive shall not, during the term of his employment and for the Restricted Period after the termination thereof for any reason, whether legal or illegal, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever, without the prior written and informed consent of the Company, directly or indirectly:

(i) solicit, induce or encourage any Contact to curtail or cease its relationship with the Company, for any purpose which is competitive with the Business; or

(ii) accept (or procure or assist the acceptance of) any business from any Contact if such business is competitive with the Business; or

(iii) be employed by or supply (or procure or assist the supply of) any goods or services to any Contact for any purpose which the Executive knows or has reason to know is competitive with the Business; or

(iv) employ, engage, offer employment or engagement to or solicit the employment or engagement of or otherwise entice away from or solicit, induce or encourage to leave the employment or engagement of the Company, any individual who is employed or engaged by the Company at the time of any such offer, solicitation or enticement whether or not such individual would commit any breach of his contract or terms of employment or engagement by leaving the employ or the engagement of the Company, provided that the Executive shall be permitted, solely in a personal capacity, to provide letters of reference for individuals who are employed by the Company.

(g) Validity. The Executive expressly recognizes and acknowledges that it is the intent of the parties that the Executive's activities following the termination of the Executive's employment with the Company be restricted in the manner described in this Section 3, and acknowledges that good, valuable, and sufficient consideration has been provided in exchange for such restrictions. The Executive acknowledges and agrees that, simultaneous with and as a condition to this Agreement, Tekmira and the Executive have agreed to enter into the Share Repurchase Agreement, in order to accelerate the termination of certain of Tekmira's rights to repurchase common shares of Tekmira owned by the Executive, and that such Agreement shall be considered as a portion of the consideration received by the Executive on account of the Executive's obligations under this Section 3. The Executive agrees that should any of the restrictions contained in this Section 3 be found to be unreasonable to any extent by a court of competent jurisdiction adjudicating upon the validity of the restriction, whether as to the scope of the restriction, the area of the restriction or the duration of the restriction, then such restriction shall be reduced to that which is in fact declared reasonable by such court, or a subsequent court of competent jurisdiction, requested to make such a declaration, in order to ensure that the intention of the parties is given the greatest possible effect.

Section 4. Termination. The Executive's employment by the Company may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder terminates upon his death.

(b) Disability. The Company may terminate the Executive's employment if he is disabled (as determined by the Chief Executive Officer) in a manner that renders the Executive unable to perform the essential functions of his then existing position or positions under this Agreement with or without reasonable accommodation for a period of six months or more. Nothing in this Section 4(b) is to be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 et seq., and the Americans with Disabilities Act, 42 U.S.C. §12101 et seq.

(c) Termination by Company for Cause. For purposes of this Agreement, "For Cause" shall mean: (i) Employee is charged with a felony (excluding a DUI) or any violation of state or federal securities laws; (ii) Employee willfully engages in conduct that is in bad faith and materially injurious to the Company, including but not limited to, misappropriation of trade secrets, fraud or embezzlement; (iii) Employee commits a material breach of this Agreement; (iv) Employee willfully refuses to implement or follow a lawful policy or directive of the Company; or (v) Employee engages in misfeasance or malfeasance demonstrated by a pattern of failure to perform job duties diligently and professionally. The Company may terminate Employee's employment For Cause at any time, without any advance notice. The Company shall pay Employee all compensation to which Employee is entitled up through the date of termination, subject to any other rights or remedies of the Company under law; and thereafter all obligations of the Company under this Agreement shall cease.

(d) Termination by the Company Without Cause or by the Executive for Good Reason. The Company may terminate the Executive's employment under this Agreement at any time without Cause and the Executive may terminate his employment with Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following events without the Executive's prior written consent: (i) the failure of the Executive to be appointed to the position set forth in Section 1, if not promptly cured after written notice; (ii) a reduction by the Company of the Executive's Base Salary or Target Bonus percentage, except for an across-the-board salary reduction affecting all senior executives of the Company; (iii) a relocation of Employee's principal place of employment by more than fifty (50) miles; (iv) a termination of the Executive's employment by the Company or the Executive with OnCore for any reason during the period from April 1, 2016 until April 30, 2016 and (v) a substantial and adverse change to the Executive's duties and responsibilities. For purposes of this Agreement, termination for Good Reason requires Executive to comply with the "Good Reason Process," which means that (i) the Executive reasonably determines in good faith that a Good Reason condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following that notice (the "**Cure Period**") to remedy the condition; (iv) notwithstanding the Company's efforts, the Good Reason condition continues to exist; and (v) the Executive terminates his employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason is deemed not to have occurred.

Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 4(c) and does not result from the death or disability of the Executive under Section 4(a) or (b) is a termination without Cause.

(e) Termination by the Executive. Executive may terminate employment with the Company without Good Reason at any time for any reason or no reason at all, upon thirty (30) days' advance written notice. The Company shall have the option, in its sole discretion, to make Executive's termination effective or to direct the Executive to perform no work and/or remain off premises at any time prior to the end of such notice period as long as the Company pays Executive all compensation to which Executive is entitled up through the last day of the 30 day notice period.

(f) Notice of Termination. Except for termination as specified in Section 4(a), any termination of the Executive's employment by the Company or any termination of his employment by the Executive must be communicated by written Notice of Termination to the other party. For purposes of this Agreement, a "**Notice of Termination**" means a notice that indicates the specific termination provision in this Agreement that the termination is based upon.

(g) Date of Termination. "**Date of Termination**" means: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 4(b) or by the Company for Cause under Section 4(c), or by the Company without Cause under Section 4(d) on the date the Notice of Termination is given; (iii) if the Executive terminates his employment under Section 4(e) without Good Reason, on the date specified by the Executive in the notice (which shall be at least thirty (30) days after the date of the Notice of Termination) and, if no such date is specified, 30 days after the date of the Notice of Termination; and (iv) if the Executive terminates his employment under Section 4(e) with Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, if the Executive gives a Notice of Termination to the Company that takes effect at a future date, the Company may unilaterally accelerate the Date of Termination and that acceleration will not be deemed a termination by the Company for purposes of this Agreement.

Section 5. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate), (i) unpaid expense reimbursements; (ii) accrued but unused vacation to the extent payment is required by law or Company policy; (iii) any vested benefits the Executive may have under any employee benefit plan of the Company; (iv) any earned but unpaid base salary and (v) any earned but unpaid annual bonus for the prior fiscal year (collectively the "**Accrued Benefit**") on or before the time required by law, but in no event more than 30 days after the Executive's Date of Termination. The Executive shall not be entitled to any other salary, compensation, bonus (or pro rata share thereof) or benefits from the Company thereafter, except as otherwise specifically provided hereunder, under the Company's employee benefit plans or as expressly required by applicable law.

(b) Termination by the Company Without Cause or by the Executive for Good Reason. If the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, then the Company shall pay the Executive his Accrued Benefit as of the Date of Termination. In addition, subject to the Executive providing the Company with a fully effective general release of claims in a form and manner satisfactory to the Company that includes but is not limited to the terms set forth in the attached Exhibit A (the "**Release**") within the 60-day period following the Date of Termination, the Company shall pay the Executive (i) severance pay in a lump sum in cash in an amount equal to (y) in the event of a termination during the period of April 1, 2016 until April 30, 2016, the Executive's Base Salary multiplied by 2.0, less withholding or (z) in the event of a termination at any other time other than as set forth in clause (y) above, one and one-half times the Executive's Base Salary, less withholding (as applicable, "**Severance Amount**"), payable within 60 days after the Date of Termination, but if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, (ii) a bonus payment equal to (y) if the termination occurs on or before March 31, 2018, the Target Bonus pro-rated for the portion of the year the Executive was employed by the Company prior to the termination or (z) if the termination occurs on or after April 1, 2018, the average of the bonus payments, if any, made to the Executive with respect to the previous three (3) calendar years preceding the date of termination of employment, pro-rated for the portion of the year that Executive is employed, and (iii) provided that the Executive timely elects COBRA coverage, reimburse the Executive for the COBRA premiums paid by the Executive, if any, for the continuation of coverage under the Executive's then-existing group company health plan that the Executive and his dependents are eligible to receive for the earlier of (x) a period of up to 24 months from the date of the Executive's termination of employment, or (y) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan.

Section 6. Change in Control Provisions. The provisions of this Section 6 set forth the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any Change in Control. The provisions of this Section 6 apply in addition to, and/or modify, the provisions of Section 5(b) regarding severance pay and benefits upon a termination of employment, if applicable, if the termination of employment occurs within 12 months after the occurrence of a Change in Control. These provisions are subject to the Executive providing (and not revoking) the Company with a fully effective Release. These provisions terminate and are of no further force or effect beginning 12 months after the occurrence of such a Change in Control.

(a) Severance. If within 12 months following a Change of Control (i) the Company terminates the Executive's employment with the Company other than for Cause, or (ii) the Executive resigns from his employment with the Company for Good Reason, within the 60-day period following the Date of Termination, then, in lieu of paying the Executive the Severance Amount and in addition to paying the Accrued Benefit, Company shall: (i) pay the Executive severance pay in a lump sum in cash (less applicable withholdings) in an amount equal to the Executive's Base Salary multiplied by 2.0 ("**Change in Control Severance Amount**"), payable within 60 days after the Date of Termination, but if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year; (ii) pay the Executive a bonus payment equal to the Target Bonus pro-rated for that portion of the year that Executive is employed, (iii) provided that the Executive timely elects COBRA coverage, reimburse the Executive for the COBRA premiums paid by the Executive, if any, for the continuation of coverage under the Executive's then-existing group company health plan that the Executive and his dependents are eligible to receive for the earlier of (x) a period of up to 24 months from the date of the Executive's termination of employment, or (y) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan; and (iv) cause all stock options and other stock-based awards granted after the Effective Date and held by the Executive to immediately accelerate, vest, and become fully exercisable or nonforfeitable.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, if the amount of any compensation, payment, acceleration, benefit, or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**") and the applicable regulations thereunder (the "**Severance Payments**"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Severance Payments will be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments does not exceed the Threshold Amount (defined below), but if the after-tax amount the Executive would receive if there were no reduction pursuant to this section (including any federal, state, and local taxes) exceeds the after-tax amount the Executive would receive if the Severance Payments were reduced below the Threshold Amount, the Severance Payments will no longer be so reduced. If Severance Payments are required to be reduced, the Severance Payments will be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits.

(ii) For the purposes of this Section 6(c), "**Threshold Amount**" means three times the Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar ($1.00).

(iii) The determinations under this Section 6(c) will be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which must provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive.

(c) Change in Control Definition. For purposes of this Section 6, "**Change in Control**" means the consummation of any of the following:

(i) the sale of all or substantially all of the assets of the Company or the Parent to an unrelated person or entity;

(ii) a merger, reorganization, or consolidation involving the Company or the Parent in which the shares of voting stock outstanding immediately prior to the transaction represent or are converted into or exchanged for securities of the surviving or resulting entity that, immediately upon completion of the transaction, represent less than 50% of the outstanding voting power of the surviving or resulting entity;

(iii) the acquisition of all or a majority of the outstanding voting stock of the Company or the Parent in a single transaction or a series of related transactions by a person or group of persons; or

(iv) any other acquisition of the business of the Company or the Parent, as determined by the Board;

but the Company's initial public offering, any subsequent public offering, or another capital raising event, or a merger effected solely to change the Company's domicile does not constitute a Change in Control.

Section 7. Section 409A Compliance. The following rules shall apply, to the extent necessary, with respect to distribution of the payments and benefits, if any, to be provided to the Executive under this Agreement. Subject to the provisions in this Section, the severance payments pursuant to this Agreement shall begin only upon the date of the Executive's "separation from service" (determined as set forth below) which occurs on or after the date of the Executive's termination of employment.

(a) This Agreement is intended to comply with Code Section 409A (to the extent applicable) and the parties hereto agree to interpret, apply and administer this Agreement in the least restrictive manner necessary to comply therewith and without resulting in any increase in the amounts owed hereunder by the Company.

(b) It is intended that each installment of the severance payments and benefits provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409 A of the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A"). Neither the Executive nor the Company shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(c) If, as of the date of the Executive's "separation from service" from the Company, the Executive is not a "specified employee" (within the meaning of Section 409 A), then each installment of the severance payments and benefits shall be made on the dates and terms set forth in this Agreement.

(d) If, as of the date of the Executive's "separation from service" from the Company, the Executive is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under this Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the separation from service occurs, be paid within the short-term deferral period (as defined in Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-l(b)(4) to the maximum extent permissible under Section 409A; and

(ii) Each installment of the severance payments and benefits due under this Agreement that is not described in Section 7(d)(i) above and that would, absent this subsection, be paid within the six-month period following the Executive's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Executive's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of severance payments and benefits if and to the maximum extent that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1 (b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-l(b)(9)(iii) must be paid no later than the last day of the second taxable year following the taxable year in which the separation from service occurs.

(e) The determination of whether and when the Executive's separation from service from the Company has occurred shall be made in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-l(h). Solely for purposes of this Section, "Company" shall include all persons with whom the Company would be considered a single employer as determined under Treasury Regulation Section 1.409A-l(h)(3).

(f) All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

(g) Notwithstanding anything herein to the contrary, the Company shall have no liability to the Executive or to any other person if the payments and benefits provided in this Agreement that are intended to be exempt from or compliant with Section 409A are not so exempt or compliant.

Section 8. Confidential Information. Employee agrees to enter into the Company's standard Employee Confidentiality and Proprietary Rights Agreement (the "Confidential Information Agreement"). Employee's receipt of any benefits in connection with or following Employee's termination will be subject to Employee continuing to comply with the terms of Confidential Information Agreement.

Section 9. Cooperation; Other Documents; Non-Disclosure.

(a) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall reasonably cooperate with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that took place while the Executive was employed by the Company. The Executive's reasonable cooperation in connection with such claims or actions includes, but is not limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall reasonably cooperate with the Company in connection with any investigation or review of any federal, state, or local regulatory authority as any such investigation or review relates to events or occurrences that took place while the Executive was employed by the Company. The Company shall compensate Executive for his time spent, and reimburse the Executive for any reasonable out-of-pocket expenses incurred, in connection with the Executive's performance of obligations pursuant to this Section 9(a). Non-Disclosure. The Executive shall use his reasonable efforts to maintain the confidentiality of the terms of this Agreement to the extent permitted by law, but the Executive may disclose the terms to his immediate family members and to his legal, tax, and other advisors.

Section 10. Arbitration of Disputes.

(b) Scope of Arbitration Requirement. The Executive hereby waives his right to a trial before a judge or jury and agrees to arbitrate before a neutral arbitrator skilled in hearing similar disputes any and all claims or disputes arising out of this Agreement and any and all claims arising from or relating to his employment, including but not limited to claims against any current or former employee, director, or agent of the Company, claims of wrongful termination, retaliation, discrimination, harassment, breach of contract (including but not limited to disputes pertaining to the formation, validity, interpretation or effect of this Agreement), breach of the covenant of good faith and fair dealing, defamation, invasion of privacy, fraud, misrepresentation, constructive discharge or failure to provide a leave of absence, or claims regarding commissions, stock options or bonuses, infliction of emotional distress, or unfair business practices (each an "**Arbitrable Dispute**"). Arbitration is the exclusive remedy for any Arbitrable Dispute, instead of any court or administrative action, unless the waiver of a certain court or administrative action is prohibited by law.

(c) Procedure. Any arbitration will be administered by the American Arbitration Association ("**AAA**") and the neutral arbitrator will be selected in a manner consistent with AAA's National Rules For The Resolution of Employment Disputes ("**Applicable Arbitration Rules**"). Any arbitration under this Agreement must be conducted in the Commonwealth of Pennsylvania, and the arbitrator must administer and conduct the arbitration in accordance with the Applicable Arbitration Rules, except that (i) the arbitrator must allow for the discovery authorized by the Pennsylvania Rules of Civil Procedure or the discovery that the arbitrator decides is necessary for the Parties to vindicate their respective claims or defenses, and (ii) presentation of evidence will be governed by the Pennsylvania Rules of Evidence. Within a reasonable time after the conclusion the arbitration proceedings, the arbitrator shall issue a written decision and must include the findings of fact and law that support that decision. The arbitrator has the power to award any remedies available under applicable law, and the arbitrator's decision is final and binding on both Parties, except to the extent applicable law allows for judicial review of arbitration awards.

(d) Costs. The Company shall bear all the costs of arbitration, except that the Executive shall pay the first $125.00 of any filing fees associated with any arbitration the Executive initiates. Both Parties are responsible for their own attorneys' fees, and the arbitrator may not award attorneys' fees unless a statute or contract at issue specifically authorizes such an award.

(e) Applicability. This Section 10, does not apply to (i) workers' compensation or unemployment insurance claims or (ii) claims concerning ownership, validity, infringement, misappropriation, disclosure, misuse, or enforceability of any confidential information, patent right, copyright, mask work, trademark, or any other trade secret or intellectual property held or sought by either the Executive or the Company.

(f) Remedy. Should any party institute any legal action or administrative proceeding against the other with respect to any claim waived by this Agreement or pursue any Arbitrable Dispute by any method other than as set forth above, except to enforce the arbitration provisions and as expressly provided for in this Section 9, the responding party is entitled to recover from the initiating party all damages, costs, expenses, and attorneys' fees incurred as a result of that action.

Section 11. Consent to Jurisdiction. To the extent that any court action is initiated to enforce Section 10 of this Agreement, the Parties hereby consent to the jurisdiction of any state court in the Commonwealth of Pennsylvania and any U.S. District Court sitting in the Commonwealth of Pennsylvania. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

Section 12. Integration. This Agreement, together with the Share Repurchase Agreement and the Confidential Information Agreement executed concurrently herewith, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements between the Parties concerning such subject matter, but any indemnification agreement between the Parties, and all plans and agreements related to stock options and other stock-based awards held by the Executive remain in full force and effect except to the extent specifically modified by this Agreement. Without limiting the foregoing, the parties agree that any employment agreement, other than this Agreement, existing between the Parties as of the date hereof is hereby terminated and shall be of no force of effect.

Section 13. Withholding. All payments made by the Company to the Executive under this Agreement will be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement is to be construed to obligate the Company to design or implement any compensation arrangement in a way that minimizes tax consequences for the Executive.

Section 14. Successor to the Executive. This Agreement inures to the benefit of and is enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees, and legatees. If the Executive dies after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue the payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such a designation).

Section 15. Enforceability. If any portion or provision of this Agreement is declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of that portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected by that declaration, and each portion and provision of this Agreement will continue to be valid and enforceable to the fullest extent permitted by law.

Section 16. Survival. The provisions of this Agreement survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the intent of the Parties as expressed in this Agreement.

Section 17. Waiver. No waiver of any provision of this Agreement is effective unless made in writing and signed by the waiving party, and, in the case of the Company only after the waiver has been specifically approved by the Board. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, will not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

Section 18. Notices. Any notices, requests, demands, and other communications provided for by this Agreement are sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention to the Corporate Secretary.

Section 19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

Section 20. Governing Law. This is a Pennsylvania contract and is to be construed under and be governed in all respects by the laws of the Commonwealth of Pennsylvania without giving effect to the conflict of laws principles of that state.

Section 21. Counterparts. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which counterparts, when so executed and delivered is to be taken to be an original; but those counterparts together constitute one and the same document. PDF, facsimile, scanned, and electronic signatures have the same legal effect as original ink signatures.

Section 22. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession is a material breach of this Agreement.

Section 23. Voluntary Nature of Agreement. The Executive acknowledges and agrees that he is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. The Executive further acknowledges and agrees that he has carefully read this Agreement and that he has asked any questions needed for him to fully understand the terms, consequences, and binding effect of this Agreement. The Executive agrees that he has been provided an opportunity to seek the advice of an attorney of his choice before signing this Agreement.

[Signature Page Follows]

The Parties are executing this Executive Agreement as of the date set forth in the introductory paragraph.

**ONCORE BIOPHARMA, INC.**

By: /s/ Mark Murray

Printed Name: Mark Murray

Title: Chief Executive Officer

**EXECUTIVE**

/s/ Patrick T. Higgins
Printed Name: Patrick T. Higgins

[Signature Page to Executive Employment Agreement]

**EXHIBIT A**

**GENERAL RELEASE LANGUAGE**

The Executive agrees, for himself, his spouse, heirs, executor or administrator, assigns, insurers, attorneys, and other persons or entities acting or purporting to act on his behalf (the "**Executive's Parties**"), to irrevocably and unconditionally release, acquit, and forever discharge the Company, its affiliates, subsidiaries, directors, officers, employees, shareholders, partners, agents, representatives, predecessors, successors, assigns, insurers, attorneys, benefit plans sponsored by the Company, and said plans' fiduciaries, agents and trustees (the "**Company's Parties**"), from any and all actions, causes of action, suits, claims, obligations, liabilities, debts, demands, contentions, damages, judgments, levies, and executions of any kind, whether in law or in equity, known or unknown, which the Executive's Parties have, have had, or may in the future claim to have against the Company's Parties by reason of, arising out of, related to, or resulting from the Executive's employment with the Company or the termination of that employment. This release specifically includes without limitation any claims arising in tort or contract, any claim based on wrongful discharge, any claim based on breach of contract, any claim arising under federal, state or local law prohibiting race, sex, age, religion, national origin, handicap, disability, or other forms of discrimination, any claim arising under federal, state, or local law concerning employment practices, and any claim relating to compensation or benefits. This specifically includes, without limitation, any claim that the Executive has or has had under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, as amended, the Americans with Disabilities Act, as amended, and the Employee Retirement Income Security Act of 1974, as amended. It is understood and agreed that the waiver of benefits and claims contained in this section does not include a waiver of the right to payment of any vested, nonforfeitable benefits to which the Executive or a beneficiary of the Executive may be entitled under the terms and provisions of any employee benefit plan of the company which have accrued as of the Date of Termination, and does not include a waiver of the right to benefits and payment of consideration to which the Executive may be entitled under this Agreement or any of the agreements contemplated by this Agreement (including the indemnification agreement and the stock option agreement). The Executive acknowledges that he is entitled to only the severance benefits and compensation set forth in this Agreement, and that all other claims for any other benefits or compensation are hereby waived, except those expressly stated in the preceding sentence.

The Executive hereby acknowledges his understanding that under this Agreement he is releasing any known or unknown claims he may have.

The Executive expressly waives and relinquishes all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to his release of claims.

**Exhibit 10.7**

**SHARE REPURCHASE AGREEMENT**

This Share Repurchase Agreement ("**Agreement**") is made effective as of July 11, 2015 (the "**Effective Date**") between Tekmira Pharmaceuticals Corporation (the "**Company**"), and Patrick T. Higgins ("**Executive**") (together the "**Parties**").

RECITALS

A. As of the Effective Date, OnCore Biopharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("**OnCore**") and Executive have agreed to terminate any and all existing employment agreements (including any amendments thereto) and set forth their mutual rights and obligations in that certain Executive Employment Agreement dated as of the date hereof, whereby Executive will serve as the Chief Business & Commercial Operations Officer (& US Site Head) of OnCore (the "**Employment Agreement**"); and

B. This Agreement is being entered into by and between the Parties in connection with and as a condition to the execution of the Employment Agreement.

THEREFORE, the Parties agree as follows:

Section 1. Right of Repurchase. Executive and/or his affiliates own 1,764,815 Common Shares of the Company (the "**Shares**"). 906,355 of the Shares (the "**Buyback Shares**") will be subject to repurchase by the Company under the circumstances and at the prices described below (collectively, the "**Repurchase Right**").

(a) Termination of Employment. Except as otherwise set forth herein, in the event that OnCore terminates the Executive's employment with OnCore for Cause (as defined in the Employment Agreement) or the Executive terminates his employment other than for Good Reason (as defined in the Employment Agreement), the Company may, during the 60-day period following such termination, repurchase any or all of the Buyback Shares that have not previously been released from the Repurchase Right (pursuant to Section 2 hereof) as of the date of termination of Executive's employment, at a purchase price of $0.001 per share.

(b) Notice of Repurchase. In the event that the Company elects to exercise its Repurchase Right pursuant to this Section 1, it shall provide the Executive with written notice of such election within the 60-day period following the termination date. The closing shall occur within ten (10) business days following delivery of the written notice, at which time the Company shall deliver to the Executive an amount equal to the purchase price, by cash, check or wire transfer, and the Executive shall deliver to the Company the stock certificate(s) evidencing the Buyback Shares that are the subject of the repurchase, together with executed stock powers. Failure by the Executive to deliver the stock certificates shall not affect the transfer of ownership of the Buyback Shares to the Company. Upon payment of the purchase price, the stock ledger of the Company shall reflect the Company as the owner of the Buyback Shares and the Executive will have no rights whatsoever in the Buyback Shares.

Section 2. Termination of Repurchase Right. The Company's Repurchase Right shall terminate as set forth below. The schedule of termination of the Repurchase Right described in Section 2(a) is shown graphically in Exhibit A attached hereto.

(a) Termination Schedule. For the period commencing as of Effective Date and ending August 31, 2017, the right of the Company to purchase the Buyback Shares shall terminate:

(i) as to 113,294 of the Buyback Shares, subject to adjustment to reflect stock splits, reverse stock splits or combinations, on each of (i) November 30, 2015, (ii) February 29, 2016, (iii) May 31, 2016, (iv) August 31, 2016 and (v) November 30, 2016; and

(ii) as to 113,295 of the Buyback Shares, subject to adjustment to reflect stock splits, reverse stock splits or combinations, on each of (i) February 28, 2017, (ii) May 31, 2017 and (iii) August 31, 2017.

(b) Other Termination Events. The right of the Company to repurchase Buyback Shares shall terminate with respect to all Buyback Shares which have not previously been released (pursuant to Section 2 hereof) from the right of repurchase if:

(i) the Executive's employment with OnCore terminates as a result of a termination without Cause (as defined in the Employment Agreement), by the Executive for Good Reason (as defined in the Employment Agreement), or as a result of the death or Disability (as defined in the Employment Agreement) of the Executive; or

(ii) during the period from April 1, 2016 until April 30, 2016, the Executive's employment with OnCore is terminated for any reason.

Notwithstanding the foregoing, the Parties agree that Executive waives any right to claim a "Good Reason" under this Section 2(b) for any event, change or other circumstance which exists, has occurred, or is otherwise disclosed to Executive prior to the Effective Date. The Parties further agree that Executive hereby waives and releases any rights to terminate OnCore's right to repurchase Buyback Shares of OnCore or the Company under any agreement entered into prior to the date hereof.

Section 3. Enforceability. If any portion or provision of this Agreement is declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of that portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected by that declaration, and each portion and provision of this Agreement will continue to be valid and enforceable to the fullest extent permitted by law.

Section 4. Survival. The provisions of this Agreement survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the intent of the Parties as expressed in this Agreement.

Section 5. Waiver. No waiver of any provision of this Agreement is effective unless made in writing and signed by the waiving party, and, in the case of the Company only after the waiver has been specifically approved by the Board. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, will not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

Section 6. Notices. Any notices, requests, demands, and other communications provided for by this Agreement are sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention to the Corporate Secretary.

Section 7. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

Section 8. Governing Law. This is a Delaware contract and is to be construed under and be governed in all respects by the laws of the State of Delaware without giving effect to the conflict of laws principles of that state.

Section 9. Counterparts. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which counterparts, when so executed and delivered is to be taken to be an original; but those counterparts together constitute one and the same document. PDF, facsimile, scanned, and electronic signatures have the same legal effect as original ink signatures.

Section 10. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession is a material breach of this Agreement.

Section 11. Voluntary Nature of Agreement. Executive acknowledges and agrees that he is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Executive further acknowledges and agrees that he has carefully read this Agreement and that he has asked any questions needed for him to fully understand the terms, consequences, and binding effect of this Agreement. Executive agrees that he has been provided an opportunity to seek the advice of an attorney of his choice before signing this Agreement.

The Parties are executing this Executive Agreement as of the date set forth in the introductory paragraph.

**TEKMIRA PHARMACEUTICALS CORPORATION**

By: /s/ Mark Murray

Printed Name: Mark Murray

Title: Chief Executive Officer

**EXECUTIVE**

/s/ Patrick T. Higgins
Printed Name: Patrick T. Higgins

**EXHIBIT A**

*Termination of Repurchase Rights*

| Repurchase Right Termination Date | Number of Common Shares | Shares Subject to Repurchase |
|---|---|---|
| Effective Date | N/A | 906,355 |
| November 30, 2015 | 113,294 | 793,061 |
| February 29, 2016 | 113,294 | 679,767 |
| May 31, 2016 | 113,294 | 566,473 |
| August 31, 2016 | 113,294 | 453,179 |
| November 30, 2016 | 113,294 | 339,885 |
| February 28, 2017 | 113,295 | 226,590 |
| May 31, 2017 | 113,295 | 113,295 |
| August 31, 2017 | 113,295 | 0 |

**Exhibit 10.8**

**EXECUTIVE EMPLOYMENT AGREEMENT**

This Executive Employment Agreement ("**Agreement**") is made effective as of July 11, 2015 (the "**Effective Date**") by and between OnCore Biopharma, Inc. (the "**Company**"), and Michael J. Sofia (the "**Executive**") (together the "**Parties**").

RECITALS

A. As of the Effective Date, the Company and the Executive have agreed to terminate any and all existing employment agreements (including any amendments thereto) between the Executive and the Company and set forth their mutual rights and obligations in this Agreement; and

B. In connection with and as a condition to the execution of this Agreement, Tekmira Pharmaceuticals Corporation, the parent of the Company ("**Tekmira**"), and the Executive have also agreed to the terms of that certain Share Repurchase Agreement, dated as of the date hereof (the "**Share Repurchase Agreement**"), whereby certain common shares of Tekmira owned by the Executive are subject to a repurchase right of Tekmira, pursuant to the terms and conditions thereof.

THEREFORE, the Parties agree as follows:

Section 1. Position and Duties. The Executive will serve as Chief Scientific Officer of the Company, and will have powers and duties consistent with such position as may from time to time be prescribed by the Chief Executive Officer of the Company. As Chief Scientific Officer of the Company, the Executive shall devote his full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may manage his personal investments or engage charitable or other community activities and may engage in the publishing of scientific articles, speaking engagements and scientific advisory panels except as restricted or prohibited by the terms of a confidentiality agreement between the Executive and the Company and as long as those engagements, services and activities, individually or in the aggregate, do not interfere with the Executive's performance of his duties to the Company.

Section 2. Compensation and Related Matters.(a)

(a) Base Salary. The Executive's base salary will be US$350,000 per year. The Executive's base salary will be reviewed annually by the Chief Executive Officer of the Company and is subject to increase but not decrease except for an across-the-board salary reduction affecting all senior executives of the Company. The base salary in effect at any given time is referred to as "**Base Salary**" and this Agreement need not be modified to reflect a change in Base Salary. Notwithstanding the foregoing, for the purposes of determining the "Base Salary" for a termination by the Executive for "Good Reason" solely under Section 4(d)(iv), the Base Salary shall be the amount set forth in the first sentence of this Section 2(a). The Base Salary is subject to withholding and payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Bonus. The Executive is eligible to be considered for an annual discretionary bonus of up to 40% of Base Salary (such bonus, the "**Target Bonus**"); however, notwithstanding the foregoing, for the purposes of determining the "Target Bonus" for a termination by the Executive for "Good Reason" solely under Section 4(d)(iv), the Target Bonus shall be 40% of Base Salary). The Target Bonus shall be subject to the terms of the bonus plan and the approval of the Company's Board of Directors (the "**Board**"), in its sole discretion, on an annual basis.

(c) Expenses. The Executive is entitled to receive prompt reimbursement for all reasonable expenses incurred by him in performing services under this Agreement, in accordance with the policies and procedures then in effect and established by the Company for its senior executives.

(d) Other Benefits. The Executive is entitled to participate in or receive benefits under the Company's employee benefit plans as they may be adopted and amended from time to time, subject to the terms and conditions of those employee benefit plans.

(e) Equity Compensation. Subject to the discretionary approval of the Company's Board of Directors, and in accordance with the Company's annual performance and compensation review process, the Executive shall be eligible to receive equity awards under the Tekmira Pharmaceuticals Corporation Share Incentive Plan and or any other similar equity incentive plan to the same extent as other executives of the Company.

(f) Vacations. The Executive is entitled to paid holidays and vacation days each year, in an amount determined in accordance with and subject to the Company's applicable policies in effect, and as may be amended from time to time. Unless a different number is established by the Board in its sole discretion, the Executive will be entitled to 20 days of vacation per calendar year, which will be pro-rated for any year in which the Executive is only employed with the Company for a portion of the year or for any period in which the Executive is not a full-time employee. Carry-over of vacation days will be according to Company policy, and any accrued but unused vacation days will be paid out upon termination.

Section 3. Non-Competition and Non-Solicitation

(a) The Executive acknowledges that the Company's industry is highly competitive and employees leaving the employ of the Company have the ability to cause significant damage to the Company's interests if they join a competing business immediately upon leaving the Company.

(b) Definitions:

(i) "Affiliate" means any person or entity directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest.

(ii) "Business" or "Business of the Company" means (a) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans or (b) any other treatment area in which the Company has an active research and development program on the date this Agreement terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(iii) "Competing Business" means any endeavor, activity or business which is competitive in any material way with the Business of the Company worldwide.

(iv) "Contact" means any person, firm, corporation or other entity that was a client, customer, supplier, principal, shareholder, investor, collaborator, strategic partner, licensee, contact or prospect of the Company (or of its partners, funders or Affiliates) with whom the Executive dealt or otherwise became aware of during the term of his employment in any capacity with the Company.

(v) "Restricted Period" means: (a) with respect to Section 3(d) the eighteen (18) month period commencing immediately after the Executive's employment terminates and (b) with respect to Section 3(f), the twelve (12) month period commencing immediately after the Executive's employment terminates.

(c) Reasonableness. The Executive hereby acknowledges and agrees that:

(i) both before and since the Effective Date the Company has operated and competed and will operate and compete worldwide, with respect to the Business of the Company;

(ii) competitors of the Company and the Business are located worldwide;

(iii) in order to protect the Company adequately, any enjoinder of competition would have to apply to any country in which the Company, during the term of the Executive's employment, had material business relationships;

(iv) during the course of the Executive's employment with the Company, on behalf of the Company, the Executive will acquire knowledge of, and will come into contact with, initiate and establish relationships with, both existing and new clients, customers, suppliers, principals, contacts and prospects of the Company, and that in some circumstances the Executive may become the senior or sole representative of the Company dealing with such persons; and

(v) in light of the foregoing, the provisions of this Section 3 are reasonable and necessary for the proper protection of the Business of the Company.

(d) Restrictive Covenant. Except as set forth on Exhibit B attached hereto, during the term of the Executive's employment and for the Restricted Period after the termination thereof, the Executive shall not, without the advance written consent of the Board, such consent to be granted or withheld in the Board's sole discretion, within the geographic scope of any country in which the Company, during the term of the Executive's employment, had material business relationships, carry on or be employed by or engaged in or have any financial or other interest in or be otherwise commercially involved in a Competing Business, directly or indirectly, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever.

(e) Exception. The Executive shall not be in default of Section 3(d) by virtue of the Executive:

(i) following the termination of employment, holding, strictly for portfolio purposes and as a passive investor, no more than five percent (5%) of the issued and outstanding shares of, or any other interest in, any corporation or other entity that is a Competing Business; or

(ii) during the term of his employment, holding, strictly for portfolio purposes and as a passive investor, issued and outstanding shares of, or any other interest in, any corporation or other entity, the business of which corporation or other entity is in the same Business as the Company provided such corporation is not a Competing Business, and provided further that the Executive first obtains the Company's written consent, which consent will not be unreasonably withheld.

If the Executive holds issued and outstanding shares or any other interest in a corporation or other entity pursuant to Section 3(e)(ii) above, and following the acquisition of such shares or other interest the business of the corporation or other entity becomes a Competing Business, the Executive will promptly dispose of the Executive's shares or other interest in such corporation or other entity.

(f) Non-Solicitation. The Executive shall not, during the term of his employment and for the Restricted Period after the termination thereof for any reason, whether legal or illegal, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever, without the prior written and informed consent of the Company, directly or indirectly:

(i) solicit, induce or encourage any Contact to curtail or cease its relationship with the Company, for any purpose which is competitive with the Business; or

(ii) accept (or procure or assist the acceptance of) any business from any Contact if such business is competitive with the Business; or

(iii) be employed by or supply (or procure or assist the supply of) any goods or services to any Contact for any purpose which the Executive knows or has reason to know is competitive with the Business; or

(iv) employ, engage, offer employment or engagement to or solicit the employment or engagement of or otherwise entice away from or solicit, induce or encourage to leave the employment or engagement of the Company, any individual who is employed or engaged by the Company at the time of any such offer, solicitation or enticement whether or not such individual would commit any breach of his contract or terms of employment or engagement by leaving the employ or the engagement of the Company, provided that the Executive shall be permitted, solely in a personal capacity, to provide letters of reference for individuals who are employed by the Company.

(g) Validity. The Executive expressly recognizes and acknowledges that it is the intent of the parties that the Executive's activities following the termination of the Executive's employment with the Company be restricted in the manner described in this Section 3, and acknowledges that good, valuable, and sufficient consideration has been provided in exchange for such restrictions. The Executive acknowledges and agrees that, simultaneous with and as a condition to this Agreement, Tekmira and the Executive have agreed to enter into the Share Repurchase Agreement, in order to accelerate the termination of certain of Tekmira's rights to repurchase common shares of Tekmira owned by the Executive, and that such Agreement shall be considered as a portion of the consideration received by the Executive on account of the Executive's obligations under this Section 3. The Executive agrees that should any of the restrictions contained in this Section 3 be found to be unreasonable to any extent by a court of competent jurisdiction adjudicating upon the validity of the restriction, whether as to the scope of the restriction, the area of the restriction or the duration of the restriction, then such restriction shall be reduced to that which is in fact declared reasonable by such court, or a subsequent court of competent jurisdiction, requested to make such a declaration, in order to ensure that the intention of the parties is given the greatest possible effect.

Section 4. Termination. The Executive's employment by the Company may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder terminates upon his death.

(b) Disability. The Company may terminate the Executive's employment if he is disabled (as determined by the Chief Executive Officer) in a manner that renders the Executive unable to perform the essential functions of his then existing position or positions under this Agreement with or without reasonable accommodation for a period of six months or more. Nothing in this Section 4(b) is to be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 et seq., and the Americans with Disabilities Act, 42 U.S.C. §12101 et seq.

(c) Termination by Company for Cause. For purposes of this Agreement, "For Cause" shall mean: (i) Employee is charged with a felony (excluding a DUI) or any violation of state or federal securities laws; (ii) Employee willfully engages in conduct that is in bad faith and materially injurious to the Company, including but not limited to, misappropriation of trade secrets, fraud or embezzlement; (iii) Employee commits a material breach of this Agreement; (iv) Employee willfully refuses to implement or follow a lawful policy or directive of the Company; or (v) Employee engages in misfeasance or malfeasance demonstrated by a pattern of failure to perform job duties diligently and professionally. The Company may terminate Employee's employment For Cause at any time, without any advance notice. The Company shall pay Employee all compensation to which Employee is entitled up through the date of termination, subject to any other rights or remedies of the Company under law; and thereafter all obligations of the Company under this Agreement shall cease.

(d) Termination by the Company Without Cause or by the Executive for Good Reason. The Company may terminate the Executive's employment under this Agreement at any time without Cause and the Executive may terminate his employment with Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following events without the Executive's prior written consent: (i) the failure of the Executive to be appointed to the position set forth in Section 1, if not promptly cured after written notice; (ii) a reduction by the Company of the Executive's Base Salary or Target Bonus percentage, except for an across-the-board salary reduction affecting all senior executives of the Company; (iii) a relocation of Employee's principal place of employment by more than fifty (50) miles; (iv) a termination of the Executive's employment by the Company or the Executive with OnCore for any reason during the period from April 1, 2016 until April 30, 2016 and (v) a substantial and adverse change to the Executive's duties and responsibilities. For purposes of this Agreement, termination for Good Reason requires Executive to comply with the "Good Reason Process," which means that (i) the Executive reasonably determines in good faith that a Good Reason condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following that notice (the "**Cure Period**") to remedy the condition; (iv) notwithstanding the Company's efforts, the Good Reason condition continues to exist; and (v) the Executive terminates his employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason is deemed not to have occurred.

Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 4(c) and does not result from the death or disability of the Executive under Section 4(a) or (b) is a termination without Cause.

(e) Termination by the Executive. Executive may terminate employment with the Company without Good Reason at any time for any reason or no reason at all, upon thirty (30) days' advance written notice. The Company shall have the option, in its sole discretion, to make Executive's termination effective or to direct the Executive to perform no work and/or remain off premises at any time prior to the end of such notice period as long as the Company pays Executive all compensation to which Executive is entitled up through the last day of the 30 day notice period.

(f) Notice of Termination. Except for termination as specified in Section 4(a), any termination of the Executive's employment by the Company or any termination of his employment by the Executive must be communicated by written Notice of Termination to the other party. For purposes of this Agreement, a "**Notice of Termination**" means a notice that indicates the specific termination provision in this Agreement that the termination is based upon.

(g) Date of Termination. "**Date of Termination**" means: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 4(b) or by the Company for Cause under Section 4(c), or by the Company without Cause under Section 4(d) on the date the Notice of Termination is given; (iii) if the Executive terminates his employment under Section 4(e) without Good Reason, on the date specified by the Executive in the notice (which shall be at least thirty (30) days after the date of the Notice of Termination) and, if no such date is specified, 30 days after the date of the Notice of Termination; and (iv) if the Executive terminates his employment under Section 4(e) with Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, if the Executive gives a Notice of Termination to the Company that takes effect at a future date, the Company may unilaterally accelerate the Date of Termination and that acceleration will not be deemed a termination by the Company for purposes of this Agreement.

Section 5. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate), (i) unpaid expense reimbursements; (ii) accrued but unused vacation to the extent payment is required by law or Company policy; (iii) any vested benefits the Executive may have under any employee benefit plan of the Company; (iv) any earned but unpaid base salary and (v) any earned but unpaid annual bonus for the prior fiscal year (collectively the "**Accrued Benefit**") on or before the time required by law, but in no event more than 30 days after the Executive's Date of Termination. The Executive shall not be entitled to any other salary, compensation, bonus (or pro rata share thereof) or benefits from the Company thereafter, except as otherwise specifically provided hereunder, under the Company's employee benefit plans or as expressly required by applicable law.

(b) Termination by the Company Without Cause or by the Executive for Good Reason. If the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, then the Company shall pay the Executive his Accrued Benefit as of the Date of Termination. In addition, subject to the Executive providing the Company with a fully effective general release of claims in a form and manner satisfactory to the Company that includes but is not limited to the terms set forth in the attached Exhibit A (the "**Release**") within the 60-day period following the Date of Termination, the Company shall pay the Executive (i) severance pay in a lump sum in cash in an amount equal to (y) in the event of a termination during the period of April 1, 2016 until April 30, 2016, the Executive's Base Salary multiplied by 2.0, less withholding or (z) in the event of a termination at any other time other than as set forth in clause (y) above, one and one-half times the Executive's Base Salary, less withholding (as applicable, "**Severance Amount**"), payable within 60 days after the Date of Termination, but if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, (ii) a bonus payment equal to (y) if the termination occurs on or before March 31, 2018, the Target Bonus pro-rated for the portion of the year the Executive was employed by the Company prior to the termination or (z) if the termination occurs on or after April 1, 2018, the average of the bonus payments, if any, made to the Executive with respect to the previous three (3) calendar years preceding the date of termination of employment, pro-rated for the portion of the year that Executive is employed, and (iii) provided that the Executive timely elects COBRA coverage, reimburse the Executive for the COBRA premiums paid by the Executive, if any, for the continuation of coverage under the Executive's then-existing group company health plan that the Executive and his dependents are eligible to receive for the earlier of (x) a period of up to 24 months from the date of the Executive's termination of employment, or (y) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan.

Section 6. Change in Control Provisions. The provisions of this Section 6 set forth the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any Change in Control. The provisions of this Section 6 apply in addition to, and/or modify, the provisions of Section 5(b) regarding severance pay and benefits upon a termination of employment, if applicable, if the termination of employment occurs within 12 months after the occurrence of a Change in Control. These provisions are subject to the Executive providing (and not revoking) the Company with a fully effective Release. These provisions terminate and are of no further force or effect beginning 12 months after the occurrence of such a Change in Control.

(a) Severance. If within 12 months following a Change of Control (i) the Company terminates the Executive's employment with the Company other than for Cause, or (ii) the Executive resigns from his employment with the Company for Good Reason, within the 60-day period following the Date of Termination, then, in lieu of paying the Executive the Severance Amount and in addition to paying the Accrued Benefit, Company shall: (i) pay the Executive severance pay in a lump sum in cash (less applicable withholdings) in an amount equal to the Executive's Base Salary multiplied by 2.0 ("**Change in Control Severance Amount**"), payable within 60 days after the Date of Termination, but if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year; (ii) pay the Executive a bonus payment equal to the Target Bonus pro-rated for that portion of the year that Executive is employed, (iii) provided that the Executive timely elects COBRA coverage, reimburse the Executive for the COBRA premiums paid by the Executive, if any, for the continuation of coverage under the Executive's then-existing group company health plan that the Executive and his dependents are eligible to receive for the earlier of (x) a period of up to 24 months from the date of the Executive's termination of employment, or (y) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan; and (iv) cause all stock options and other stock-based awards granted after the Effective Date and held by the Executive to immediately accelerate, vest, and become fully exercisable or nonforfeitable.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, if the amount of any compensation, payment, acceleration, benefit, or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**") and the applicable regulations thereunder (the "**Severance Payments**"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Severance Payments will be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments does not exceed the Threshold Amount (defined below), but if the after-tax amount the Executive would receive if there were no reduction pursuant to this section (including any federal, state, and local taxes) exceeds the after-tax amount the Executive would receive if the Severance Payments were reduced below the Threshold Amount, the Severance Payments will no longer be so reduced. If Severance Payments are required to be reduced, the Severance Payments will be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits.

(ii) For the purposes of this Section 6(c), "**Threshold Amount**" means three times the Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar ($1.00).

(iii) The determinations under this Section 6(c) will be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which must provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive.

(c) Change in Control Definition. For purposes of this Section 6, "**Change in Control**" means the consummation of any of the following:

(i) the sale of all or substantially all of the assets of the Company or the Parent to an unrelated person or entity;

(ii) a merger, reorganization, or consolidation involving the Company or the Parent in which the shares of voting stock outstanding immediately prior to the transaction represent or are converted into or exchanged for securities of the surviving or resulting entity that, immediately upon completion of the transaction, represent less than 50% of the outstanding voting power of the surviving or resulting entity;

(iii) the acquisition of all or a majority of the outstanding voting stock of the Company or the Parent in a single transaction or a series of related transactions by a person or group of persons; or

(iv) any other acquisition of the business of the Company or the Parent, as determined by the Board;

but the Company's initial public offering, any subsequent public offering, or another capital raising event, or a merger effected solely to change the Company's domicile does not constitute a Change in Control.

Section 7. Section 409A Compliance. The following rules shall apply, to the extent necessary, with respect to distribution of the payments and benefits, if any, to be provided to the Executive under this Agreement. Subject to the provisions in this Section, the severance payments pursuant to this Agreement shall begin only upon the date of the Executive's "separation from service" (determined as set forth below) which occurs on or after the date of the Executive's termination of employment.

(a) This Agreement is intended to comply with Code Section 409A (to the extent applicable) and the parties hereto agree to interpret, apply and administer this Agreement in the least restrictive manner necessary to comply therewith and without resulting in any increase in the amounts owed hereunder by the Company.

(b) It is intended that each installment of the severance payments and benefits provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409 A of the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A"). Neither the Executive nor the Company shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(c) If, as of the date of the Executive's "separation from service" from the Company, the Executive is not a "specified employee" (within the meaning of Section 409 A), then each installment of the severance payments and benefits shall be made on the dates and terms set forth in this Agreement.

(d) If, as of the date of the Executive's "separation from service" from the Company, the Executive is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under this Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the separation from service occurs, be paid within the short-term deferral period (as defined in Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-l(b)(4) to the maximum extent permissible under Section 409A; and

(ii) Each installment of the severance payments and benefits due under this Agreement that is not described in Section 7(d)(i) above and that would, absent this subsection, be paid within the six-month period following the Executive's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Executive's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of severance payments and benefits if and to the maximum extent that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1 (b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-l(b)(9)(iii) must be paid no later than the last day of the second taxable year following the taxable year in which the separation from service occurs.

(e) The determination of whether and when the Executive's separation from service from the Company has occurred shall be made in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-l(h). Solely for purposes of this Section, "Company" shall include all persons with whom the Company would be considered a single employer as determined under Treasury Regulation Section 1.409A-l(h)(3).

(f) All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

(g) Notwithstanding anything herein to the contrary, the Company shall have no liability to the Executive or to any other person if the payments and benefits provided in this Agreement that are intended to be exempt from or compliant with Section 409A are not so exempt or compliant.

Section 8. Confidential Information. Employee agrees to enter into the Company's standard Employee Confidentiality and Proprietary Rights Agreement (the "Confidential Information Agreement"). Employee's receipt of any benefits in connection with or following Employee's termination will be subject to Employee continuing to comply with the terms of Confidential Information Agreement.

Section 9. Cooperation; Other Documents; Non-Disclosure.

(a) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall reasonably cooperate with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that took place while the Executive was employed by the Company. The Executive's reasonable cooperation in connection with such claims or actions includes, but is not limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall reasonably cooperate with the Company in connection with any investigation or review of any federal, state, or local regulatory authority as any such investigation or review relates to events or occurrences that took place while the Executive was employed by the Company. The Company shall compensate Executive for his time spent, and reimburse the Executive for any reasonable out-of-pocket expenses incurred, in connection with the Executive's performance of obligations pursuant to this Section 9(a). Non-Disclosure. The Executive shall use his reasonable efforts to maintain the confidentiality of the terms of this Agreement to the extent permitted by law, but the Executive may disclose the terms to his immediate family members and to his legal, tax, and other advisors.

Section 10. Arbitration of Disputes.

(b) Scope of Arbitration Requirement. The Executive hereby waives his right to a trial before a judge or jury and agrees to arbitrate before a neutral arbitrator skilled in hearing similar disputes any and all claims or disputes arising out of this Agreement and any and all claims arising from or relating to his employment, including but not limited to claims against any current or former employee, director, or agent of the Company, claims of wrongful termination, retaliation, discrimination, harassment, breach of contract (including but not limited to disputes pertaining to the formation, validity, interpretation or effect of this Agreement), breach of the covenant of good faith and fair dealing, defamation, invasion of privacy, fraud, misrepresentation, constructive discharge or failure to provide a leave of absence, or claims regarding commissions, stock options or bonuses, infliction of emotional distress, or unfair business practices (each an "**Arbitrable Dispute**"). Arbitration is the exclusive remedy for any Arbitrable Dispute, instead of any court or administrative action, unless the waiver of a certain court or administrative action is prohibited by law.

(c) Procedure. Any arbitration will be administered by the American Arbitration Association ("**AAA**") and the neutral arbitrator will be selected in a manner consistent with AAA's National Rules For The Resolution of Employment Disputes ("**Applicable Arbitration Rules**"). Any arbitration under this Agreement must be conducted in the Commonwealth of Pennsylvania, and the arbitrator must administer and conduct the arbitration in accordance with the Applicable Arbitration Rules, except that (i) the arbitrator must allow for the discovery authorized by the Pennsylvania Rules of Civil Procedure or the discovery that the arbitrator decides is necessary for the Parties to vindicate their respective claims or defenses, and (ii) presentation of evidence will be governed by the Pennsylvania Rules of Evidence. Within a reasonable time after the conclusion the arbitration proceedings, the arbitrator shall issue a written decision and must include the findings of fact and law that support that decision. The arbitrator has the power to award any remedies available under applicable law, and the arbitrator's decision is final and binding on both Parties, except to the extent applicable law allows for judicial review of arbitration awards.

(d) Costs. The Company shall bear all the costs of arbitration, except that the Executive shall pay the first $125.00 of any filing fees associated with any arbitration the Executive initiates. Both Parties are responsible for their own attorneys' fees, and the arbitrator may not award attorneys' fees unless a statute or contract at issue specifically authorizes such an award.

(e) Applicability. This Section 10, does not apply to (i) workers' compensation or unemployment insurance claims or (ii) claims concerning ownership, validity, infringement, misappropriation, disclosure, misuse, or enforceability of any confidential information, patent right, copyright, mask work, trademark, or any other trade secret or intellectual property held or sought by either the Executive or the Company.

(f) Remedy. Should any party institute any legal action or administrative proceeding against the other with respect to any claim waived by this Agreement or pursue any Arbitrable Dispute by any method other than as set forth above, except to enforce the arbitration provisions and as expressly provided for in this Section 9, the responding party is entitled to recover from the initiating party all damages, costs, expenses, and attorneys' fees incurred as a result of that action.

Section 11. Consent to Jurisdiction. To the extent that any court action is initiated to enforce Section 10 of this Agreement, the Parties hereby consent to the jurisdiction of any state court in the Commonwealth of Pennsylvania and any U.S. District Court sitting in the Commonwealth of Pennsylvania. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

Section 12. Integration. This Agreement, together with the Share Repurchase Agreement and the Confidential Information Agreement executed concurrently herewith, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements between the Parties concerning such subject matter, but any indemnification agreement between the Parties, and all plans and agreements related to stock options and other stock-based awards held by the Executive remain in full force and effect except to the extent specifically modified by this Agreement. Without limiting the foregoing, the parties agree that any employment agreement, other than this Agreement, existing between the Parties as of the date hereof is hereby terminated and shall be of no force of effect.

Section 13. Withholding. All payments made by the Company to the Executive under this Agreement will be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement is to be construed to obligate the Company to design or implement any compensation arrangement in a way that minimizes tax consequences for the Executive.

Section 14. Successor to the Executive. This Agreement inures to the benefit of and is enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees, and legatees. If the Executive dies after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue the payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such a designation).

Section 15. Enforceability. If any portion or provision of this Agreement is declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of that portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected by that declaration, and each portion and provision of this Agreement will continue to be valid and enforceable to the fullest extent permitted by law.

Section 16. Survival. The provisions of this Agreement survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the intent of the Parties as expressed in this Agreement.

Section 17. Waiver. No waiver of any provision of this Agreement is effective unless made in writing and signed by the waiving party, and, in the case of the Company only after the waiver has been specifically approved by the Board. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, will not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

Section 18. Notices. Any notices, requests, demands, and other communications provided for by this Agreement are sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention to the Corporate Secretary.

Section 19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

Section 20. Governing Law. This is a Pennsylvania contract and is to be construed under and be governed in all respects by the laws of the Commonwealth of Pennsylvania without giving effect to the conflict of laws principles of that state.

Section 21. Counterparts. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which counterparts, when so executed and delivered is to be taken to be an original; but those counterparts together constitute one and the same document. PDF, facsimile, scanned, and electronic signatures have the same legal effect as original ink signatures.

Section 22. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession is a material breach of this Agreement.

Section 23. Voluntary Nature of Agreement. The Executive acknowledges and agrees that he is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. The Executive further acknowledges and agrees that he has carefully read this Agreement and that he has asked any questions needed for him to fully understand the terms, consequences, and binding effect of this Agreement. The Executive agrees that he has been provided an opportunity to seek the advice of an attorney of his choice before signing this Agreement.

[Signature Page Follows]

The Parties are executing this Executive Agreement as of the date set forth in the introductory paragraph.

**ONCORE BIOPHARMA, INC.**

By: /s/ Mark Murray

Printed Name: Mark Murray

Title: Chief Executive Officer

**EXECUTIVE**

/s/ Michael J. Sofia
Printed Name: Michael J. Sofia

[Signature Page to Executive Employment Agreement]

**EXHIBIT A**

**GENERAL RELEASE LANGUAGE**

The Executive agrees, for himself, his spouse, heirs, executor or administrator, assigns, insurers, attorneys, and other persons or entities acting or purporting to act on his behalf (the "**Executive's Parties**"), to irrevocably and unconditionally release, acquit, and forever discharge the Company, its affiliates, subsidiaries, directors, officers, employees, shareholders, partners, agents, representatives, predecessors, successors, assigns, insurers, attorneys, benefit plans sponsored by the Company, and said plans' fiduciaries, agents and trustees (the "**Company's Parties**"), from any and all actions, causes of action, suits, claims, obligations, liabilities, debts, demands, contentions, damages, judgments, levies, and executions of any kind, whether in law or in equity, known or unknown, which the Executive's Parties have, have had, or may in the future claim to have against the Company's Parties by reason of, arising out of, related to, or resulting from the Executive's employment with the Company or the termination of that employment. This release specifically includes without limitation any claims arising in tort or contract, any claim based on wrongful discharge, any claim based on breach of contract, any claim arising under federal, state or local law prohibiting race, sex, age, religion, national origin, handicap, disability, or other forms of discrimination, any claim arising under federal, state, or local law concerning employment practices, and any claim relating to compensation or benefits. This specifically includes, without limitation, any claim that the Executive has or has had under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, as amended, the Americans with Disabilities Act, as amended, and the Employee Retirement Income Security Act of 1974, as amended. It is understood and agreed that the waiver of benefits and claims contained in this section does not include a waiver of the right to payment of any vested, nonforfeitable benefits to which the Executive or a beneficiary of the Executive may be entitled under the terms and provisions of any employee benefit plan of the company which have accrued as of the Date of Termination, and does not include a waiver of the right to benefits and payment of consideration to which the Executive may be entitled under this Agreement or any of the agreements contemplated by this Agreement (including the indemnification agreement and the stock option agreement). The Executive acknowledges that he is entitled to only the severance benefits and compensation set forth in this Agreement, and that all other claims for any other benefits or compensation are hereby waived, except those expressly stated in the preceding sentence.

The Executive hereby acknowledges his understanding that under this Agreement he is releasing any known or unknown claims he may have.

The Executive expressly waives and relinquishes all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to his release of claims.

**EXHIBIT B**

**EXISTING CONFLICTS**

If applicable, Executive to describe, in specific terms, any ongoing business relationship with any organization other than Tekmira or OnCore. Please provide a copy of any agreement(s) you might have with said organization(s) that creates a business relationship described in Section 3 (d).

**Exhibit 10.9**

**SHARE REPURCHASE AGREEMENT**

This Share Repurchase Agreement ("**Agreement**") is made effective as of July 11, 2015 (the "**Effective Date**") between Tekmira Pharmaceuticals Corporation (the "**Company**"), and Michael J. Sofia ("**Executive**") (together the "**Parties**").

RECITALS

A. As of the Effective Date, OnCore Biopharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("**OnCore**") and Executive have agreed to terminate any and all existing employment agreements (including any amendments thereto) and set forth their mutual rights and obligations in that certain Executive Employment Agreement dated as of the date hereof, whereby Executive will serve as the Chief Scientific Officer of OnCore (the "**Employment Agreement**"); and

B. This Agreement is being entered into by and between the Parties in connection with and as a condition to the execution of the Employment Agreement.

THEREFORE, the Parties agree as follows:

Section 1. Right of Repurchase. Executive and/or his affiliates own 1,764,815 Common Shares of the Company (the "**Shares**"). 906,355 of the Shares (the "**Buyback Shares**") will be subject to repurchase by the Company under the circumstances and at the prices described below (collectively, the "**Repurchase Right**").

(a) Termination of Employment. Except as otherwise set forth herein, in the event that OnCore terminates the Executive's employment with OnCore for Cause (as defined in the Employment Agreement) or the Executive terminates his employment other than for Good Reason (as defined in the Employment Agreement), the Company may, during the 60-day period following such termination, repurchase any or all of the Buyback Shares that have not previously been released from the Repurchase Right (pursuant to Section 2 hereof) as of the date of termination of Executive's employment, at a purchase price of $0.001 per share.

(b) Notice of Repurchase. In the event that the Company elects to exercise its Repurchase Right pursuant to this Section 1, it shall provide the Executive with written notice of such election within the 60-day period following the termination date. The closing shall occur within ten (10) business days following delivery of the written notice, at which time the Company shall deliver to the Executive an amount equal to the purchase price, by cash, check or wire transfer, and the Executive shall deliver to the Company the stock certificate(s) evidencing the Buyback Shares that are the subject of the repurchase, together with executed stock powers. Failure by the Executive to deliver the stock certificates shall not affect the transfer of ownership of the Buyback Shares to the Company. Upon payment of the purchase price, the stock ledger of the Company shall reflect the Company as the owner of the Buyback Shares and the Executive will have no rights whatsoever in the Buyback Shares.

Section 2. Termination of Repurchase Right. The Company's Repurchase Right shall terminate as set forth below. The schedule of termination of the Repurchase Right described in Section 2(a) is shown graphically in Exhibit A attached hereto.

(a) Termination Schedule. For the period commencing as of Effective Date and ending August 31, 2017, the right of the Company to purchase the Buyback Shares shall terminate:

(i) as to 113,294 of the Buyback Shares, subject to adjustment to reflect stock splits, reverse stock splits or combinations, on each of (i) November 30, 2015, (ii) February 29, 2016, (iii) May 31, 2016, (iv) August 31, 2016 and (v) November 30, 2016; and

(ii) as to 113,295 of the Buyback Shares, subject to adjustment to reflect stock splits, reverse stock splits or combinations, on each of (i) February 28, 2017, (ii) May 31, 2017 and (iii) August 31, 2017.

(b) Other Termination Events. The right of the Company to repurchase Buyback Shares shall terminate with respect to all Buyback Shares which have not previously been released (pursuant to Section 2 hereof) from the right of repurchase if:

(i) the Executive's employment with OnCore terminates as a result of a termination without Cause (as defined in the Employment Agreement), by the Executive for Good Reason (as defined in the Employment Agreement), or as a result of the death or Disability (as defined in the Employment Agreement) of the Executive; or

(ii) during the period from April 1, 2016 until April 30, 2016, the Executive's employment with OnCore is terminated for any reason.

Notwithstanding the foregoing, the Parties agree that Executive waives any right to claim a "Good Reason" under this Section 2(b) for any event, change or other circumstance which exists, has occurred, or is otherwise disclosed to Executive prior to the Effective Date. The Parties further agree that Executive hereby waives and releases any rights to terminate OnCore's right to repurchase Buyback Shares of OnCore or the Company under any agreement entered into prior to the date hereof.

Section 3. Enforceability. If any portion or provision of this Agreement is declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of that portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected by that declaration, and each portion and provision of this Agreement will continue to be valid and enforceable to the fullest extent permitted by law.

Section 4. Survival. The provisions of this Agreement survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the intent of the Parties as expressed in this Agreement.

Section 5. Waiver. No waiver of any provision of this Agreement is effective unless made in writing and signed by the waiving party, and, in the case of the Company only after the waiver has been specifically approved by the Board. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, will not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

Section 6. Notices. Any notices, requests, demands, and other communications provided for by this Agreement are sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention to the Corporate Secretary.

Section 7. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

Section 8. Governing Law. This is a Delaware contract and is to be construed under and be governed in all respects by the laws of the State of Delaware without giving effect to the conflict of laws principles of that state.

Section 9. Counterparts. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which counterparts, when so executed and delivered is to be taken to be an original; but those counterparts together constitute one and the same document. PDF, facsimile, scanned, and electronic signatures have the same legal effect as original ink signatures.

Section 10. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession is a material breach of this Agreement.

Section 11. Voluntary Nature of Agreement. Executive acknowledges and agrees that he is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Executive further acknowledges and agrees that he has carefully read this Agreement and that he has asked any questions needed for him to fully understand the terms, consequences, and binding effect of this Agreement. Executive agrees that he has been provided an opportunity to seek the advice of an attorney of his choice before signing this Agreement.

The Parties are executing this Executive Agreement as of the date set forth in the introductory paragraph.

**TEKMIRA PHARMACEUTICALS CORPORATION**

By: /s/ Mark Murray

Printed Name: Mark Murray

Title: Chief Executive Officer

**EXECUTIVE**

/s/ Michael J. Sofia
Printed Name: Michael J. Sofia

**EXHIBIT A**

*Termination of Repurchase Rights*

| Repurchase Right Termination Date | Number of Common Shares | Shares Subject to Repurchase |
|---|---|---|
| Effective Date | N/A | 906,355 |
| November 30, 2015 | 113,294 | 793,061 |
| February 29, 2016 | 113,294 | 679,767 |
| May 31, 2016 | 113,294 | 566,473 |
| August 31, 2016 | 113,294 | 453,179 |
| November 30, 2016 | 113,294 | 339,885 |
| February 28, 2017 | 113,295 | 226,590 |
| May 31, 2017 | 113,295 | 113,295 |
| August 31, 2017 | 113,295 | 0 |

**Exhibit 10.10**

**AGREEMENT TO SERVE AS CHIEF DEVELOPMENT OFFICER**

This Agreement (the "**Agreement**") is entered into as of May 29, 2015 (the "**Effective Date**") by and between Tekmira Pharmaceuticals Corp., (the "**Company**"), and William T. Symonds ("**Executive**").

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with reference to the above recitals, the parties hereby agree as follows:

1. Duties and Scope of Responsibilities.

(a) Positions and Duties. Executive will serve as the Company's Chief Development Officer, leading the clinical development strategy of the Company's portfolio of hepatitis B drug combinations. Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company, and as will reasonably be assigned to him by the Company's Chief Executive Officer. The period of Executive's employment under this Agreement is referred to herein as the "**Term**."

(b) No Conflict. Executive represents and warrants that Executive's execution of this Agreement and Executive's performance of proposed duties under this Agreement shall not violate any obligations Executive may have to any other employer, person or entity, including any obligations with respect to proprietary or confidential information of any other person or entity. The Company understands, acknowledges and agrees that (i) Executive is currently, and will continue to be, an employee of Roivant Sciences, Inc. ("**Roivant**") and (ii) the Company and Executive agree that the Executive's duties hereunder may not interfere with his employment with and/or services to Roivant and his duties in connection therewith. Roivant is an intended third-party beneficiary of this Section 1(b).

2. Compensation.

(a) Base Salary. In consideration of the services to be rendered under this Agreement, the Company shall pay Executive a salary at the rate of One Hundred and Ninety Thousand Dollars ($190,000) per year (the "**Base Salary**"). The Base Salary will be paid periodically in accordance with the Company's normal payroll practices and be subject to the usual, required withholdings. Executive's Base Salary will be reviewed from time to time in accordance with the established procedures of the Company for adjusting salaries for similarly situated employees and may be adjusted in the sole discretion of the Company.

3. Expenses. The Company will reimburse Executive for reasonable travel, entertainment or other expenses incurred by Executive in the furtherance of or in connection with the performance of Executive's duties hereunder, in accordance with the Company's expense reimbursement policy as in effect from time to time.

4. At-Will Employment. The parties agree that Executive's employment with the Company will be "at-will" employment and may be terminated at any time with or without cause or notice. Executive understands and agrees that neither his job performance nor promotions, commendations, bonuses or the like from the Company give rise to or in any way serve as the basis for modification, amendment, or extension, by implication or otherwise, of his employment with the Company.

5. Confidential Information. Executive agrees to enter into the At-Will Employment, Confidential Information, Invention Assignment Agreement (the "**Confidential Information Agreement**"). Executive's receipt of any benefits in connection with or following Executive's termination will be subject to Executive continuing to comply with the terms of Confidential Information Agreement.

6. Non-Disclosure of Third Party Information. Executive represents and warrants and covenants that Executive shall not disclose to the Company, or use, or induce the Company to use, any proprietary information or trade secrets of others at any time, including but not limited to any proprietary information or trade secrets of Roivant Sciences, Inc., or any former employer, if any; and Executive acknowledges and agrees that any violation of this provision shall be grounds for termination and could subject Executive to substantial civil liabilities and criminal penalties. Executive further specifically and expressly acknowledges that no officer or other employee or representative of the Company has requested or instructed Executive to disclose or use any such third party proprietary information or trade secrets.

7. Non-Competition and Non-Solicitation. During the Term, Executive shall not, without the advance written consent of the Board, such consent to be granted or withheld in the Board's sole discretion:

(a) work or consult, whether directly or indirectly, on the research, development or commercialization of any treatment for hepatitis B virus infection in humans with any entity other than the Company;

(b) directly or indirectly, on his own behalf or on behalf of any other person, firm, partnership, corporation or other entity, (i) solicit for employment, interfere with or attempt to entice away from the Company or any of its subsidiaries, any individual who either (x) is employed by the Company or any of its subsidiaries at the time of such solicitation, interference or enticement, or (y) has been so employed within three (3) months prior to such solicitation, interference or enticement, or (ii) solicit, divert, call on, induce or otherwise harm the Company's relationship, or attempt to solicit, divert, call on, induce, or otherwise harm the Company's relationship, with any person which has had at any time during the term of this Agreement a business relationship with the Company or its affiliates, including without limitation, a sales representative, supplier, lender, borrower, guarantor, landlord, tenant, lessor, lessee, but excluding employees.

8. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "**successor**" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

9. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision.

10. Integration. This Agreement, together with the Confidential Information Agreement and the Plan, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral. This Agreement may be modified only by agreement of the parties by a written instrument executed by the parties that is designated as an amendment to this Agreement.

11. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

12. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

13. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

14. Governing Law. This Agreement will be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provisions.

15. Acknowledgment. Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

16. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

[*Signature page follows*]

COMPANY:

TEKMIRA PHARMACEUTICALS CORP.
By: /s/ Mark Murray Date: _____
Its: Chief Executive Officer

EXECUTIVE:
/s/ William T. Symonds Date: _____
William T. Symonds

**Exhibit 10.11**

# EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made this 4 day of August, 2015

BETWEEN:

**ARBUTUS BIOPHARMA CORPORATION**, a company incorporated under the laws of British Columbia (the "**Company**"), with offices at 100 – 8900 Glenlyon Parkway, Burnaby, British Columbia fax: (604) 419-3201

AND:

**Bruce Cousins** (the "**Executive**"), of **Victoria**, **British Columbia, Canada**

WHEREAS:

A. The Company is in the business of acquiring, inventing, developing, discovering, adapting and commercializing inventions, methods, processes and products in the fields of chemistry, biochemistry, biotechnology and pharmaceuticals;

B. The Executive has the expertise, qualifications and required certifications to perform the services contemplated by this Agreement; and

C. The Company wishes to employ the Executive to perform the services, on the terms and conditions herein set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereto agree as follows:

1. EMPLOYMENT

(a) The Executive will be employed by and will serve the Company as its **Chief Financial Officer** and will have powers and duties consistent with such position as may from time to time be prescribed by the Chief Executive Officer of the Company. The Executive will report directly to the **Chief Executive Officer** of the Company and will perform the duties and responsibilities assigned to the Executive from time to time by the Chief Executive Officer. The Executive will comply with all lawful instructions given by the Chief Executive Officer of the Company.

(b) The terms and conditions of this Agreement will have effect as and from 4 day of August, 2015 and the Executive's employment as **Chief Financial Officer** will continue until terminated as provided for in this Agreement.

(c) The Executive acknowledges and agrees that in addition to the terms and conditions of this Agreement, the Executive's employment with the Company is subject to and governed by the Company's policies as established from time to time. The Executive agrees to comply with the terms of such policies so long as they are not inconsistent with any provisions of the Agreement. The Executive will inform himself of the details of such policies and amendments thereto established from time to time.

(d) The Executive will devote himself exclusively to the Company's business and will not be employed or engaged in any capacity in any other business without the prior permission of the Company, such permission not to be unreasonably withheld. Notwithstanding the foregoing, the Executive may manage his personal investments or engage charitable or other community activities as long as those services and activities do not interfere with the Executive's performance of his duties to the Company.

(e) Concurrently with the execution and delivery of this Agreement and in consideration of the Executive's employment by the Company, the Executive and the Company will enter into a "Confidentiality and Assignment of Inventions Agreement" in the form attached hereto as Exhibit A.

2. REMUNERATION AND BENEFITS

(a) Base Salary. The Company will pay the Executive an annual salary of US$350,000, less required deductions (the "**Base Salary**"). The Base Salary will be payable semi-monthly. The Executive's Base Salary will be reviewed annually by the Chief Executive Officer of the Company and is subject to increase but not decrease, except for an across-the-board salary reduction affecting all or substantially all senior executives of the Company, nor will it necessarily result in an increase to the Base Salary. The base salary in effect at any given time is referred to as "Base Salary" and this Agreement need not be modified to reflect a change in Base Salary. The Base Salary is subject to withholding and payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Bonus. The Executive is eligible to be considered for an annual discretionary bonus of up to 40 percent of Base Salary (such bonus, the "**Target Bonus**"); which will be subject to the terms of the bonus plan and approval of the Company's Board of Directors (the "**Board**"), in its sole discretion, on an annual basis. Any bonus payable during the first year of the Executive's employment will be pro-rated. Payment of a bonus in any one year will not indicate the payment of a bonus in any other year.

(c) Expenses. The Company will reimburse the Executive for all reasonable expenses actually and properly incurred by the Executive in performing services under this Agreement, in accordance with the policies and procedures then in effect and established by the Company for its senior executives. The Executive will provide the Company with receipts supporting the Executive's claims for reimbursement.

(d) Other Benefits. The Company will facilitate the Executive's enrolment in the Company's insurance benefits plans, as amended from time to time by the Company or the insurance carrier. In all cases, eligibility to participate in the plans and to receive benefits under the plans will be subject to the terms and requirements of the applicable insurance carrier in accordance with the formal benefits plan documents and policies. Any issues with respect to entitlement to or payment of benefits under the benefits package will be governed by the terms of such documents and policies. The Company is not responsible for the payment of benefits in any circumstance. Further, the Company reserves the right, in its sole discretion, to change any of the insurance benefit plans or providers, however, if the Company is unable to maintain similar coverage as to the insurance benefits plans or the providers, then the Executive will be provided with compensation to assist in securing the Executive's own coverage, such compensation to be determined by the Company.

(e) Equity Compensation. Subject to the discretionary approval of the Company's Board of Directors, and in accordance with the Company's annual performance and compensation review process, the Executive shall be eligible to receive equity awards under the Arbutus Biopharma Corporation Share Incentive Plan and or any other similar equity incentive plan to the same extent as other executives of the Company.

(f) Vacation. The Executive is entitled to paid holidays and vacation days each year, in an amount determined in accordance with and subject to the Company's applicable policies in effect, and as may be amended from time to time. The Executive will be entitled to 25 days of vacation per calendar year, which will be pro-rated for any year in which the Executive is only employed with the Company for a portion of the year or for any period in which the Executive is not a full-time employee. Vacation days will be scheduled at times that are mutually acceptable to the Executive and the Company. Carry-over of vacation days will be according to Company policy, and any accrued but unused vacation days will be paid out upon termination.

3. NON-COMPETITION AND NON-SOLICITATION

(a) The biotechnology industry is highly competitive and employees leaving the employ of the Company have the ability to cause significant damage to the Company's interests if they join a competing business immediately upon leaving the Company.

(b) Definitions:

(i) "**Affiliate**" means, in respect of the Company, a company or other entity which directly or indirectly controls, is controlled by, or is under common control with, the Company. For the purposes of this definition, "control" means direct or indirect beneficial ownership of a greater than 50% interest in the income of such company or entity or such other relationship as, in fact, constitutes actual control. For greater certainty, without limiting the generality of the foregoing, Protiva Biotherapeutics Inc., Protiva Biotherapeutics (USA) Inc. and Arbutus Biopharma, Inc. are Affiliates of the Company.

(ii) "**Business**" or "**Business of the Company**" means:

(A) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans; or

(B) any other treatment area in which the Company has an active research and development program on the date this Agreement terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(iii) "**Competing Business**" means any endeavour, activity or business which is competitive in any material way with the Business of the Company worldwide.

(iv) "**Contact**" means any person, firm, corporation or other entity that was a client, customer, supplier, principal, shareholder, investor, collaborator, strategic partner, licensee, contact or prospect of the Company (or of its partners, funders or Affiliates) with whom the Executive dealt or otherwise became aware of during the term of the Executive's employment in any capacity with the Company.

(v) "**Restricted Period**" means:

(A) in the event that the Executive is terminated pursuant to Section 5(d) of this Employment Agreement, a period equivalent to the amount of notice that the Executive is entitled pursuant to Section 6(b)(i); or

(B) in the event that the Executive's employment is terminated pursuant to a Change of Control (as defined below), a period equivalent to the amount of notice that the Executive is entitled pursuant to Section 7(d)(iii)(A).

(c) Reasonableness. The Executive hereby acknowledges and agrees that:

(i) both before and since the commencement of the Executive's employment by the Company, the Company has operated and competed and will operate and compete worldwide, with respect to the Business of the Company;

(ii) competitors of the Company and the Business are located worldwide;

(iii) in order to protect the Company adequately, any enjoinder of competition would have to apply to any country in which the Company, during the term of the Executive's employment, had material business relationships;

(iv) during the course of the Executive's employment with the Company, on behalf of the Company, the Executive will acquire knowledge of, and will come into contact with, initiate and establish relationships with, both existing and new clients, customers, suppliers, principals, contacts and prospects of the Company, and that in some circumstances the Executive may become the senior or sole representative of the Company dealing with such persons; and

(v) in light of the foregoing, the provisions of this Section 3 are reasonable and necessary for the proper protection of the Business of the Company.

(d) Restrictive Covenant. Except as set forth on Exhibit C attached hereto, during the term of the Executive's employment and for the Restricted Period after the termination thereof, the Executive shall not, without the prior written consent of the Board, such consent to be granted or withheld in the Board's sole discretion, within the geographic scope of any country in which the Company, during the term of the Executive's employment, had material business relationships, carry on or be employed by or engaged in or have any financial or other interest in or be otherwise commercially involved in a Competing Business, directly or indirectly, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever.

(e) Exception. The Executive shall not be in default of Section 3(d) by virtue of the Executive:

(i) following the termination of employment, holding, strictly for portfolio purposes and as a passive investor, no more than five percent (5%) of the issued and outstanding shares of, or any other interest in, any corporation or other entity which is listed on any recognized stock exchange, that is a Competing Business; or

(ii) during the term of the Executive's employment, holding, strictly for portfolio purposes and as a passive investor, issued and outstanding shares of, or any other interest in, any corporation or other entity, the business of which corporation or other entity is in the same Business as the Company provided such corporation is not a Competing Business, and provided further that the Executive first obtains the Company's written consent, which consent will not be unreasonably withheld.

If the Executive holds issued and outstanding shares or any other interest in a corporation or other entity pursuant to Section 3(e)(ii) above, and following the acquisition of such shares or other interest the business of the corporation or other entity becomes a Competing Business, the Executive will promptly dispose of the Executive's shares or other interest in such corporation or other entity.

(f) Non-Solicitation. The Executive shall not, during the term of the Executive's employment and for the Restricted Period after the termination thereof for any reason, whether legal or illegal, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever, without the prior written and informed consent of the Company, directly or indirectly:

(i) canvass or solicit the business of (or procure or assist the canvassing or soliciting of the business of) any Contact, or otherwise solicit, induce or encourage any Contact to curtail or cease its relationship with the Company, for any purpose which is competitive with the Business; or

(ii) accept (or procure or assist the acceptance of) any business from any Contact which business is competitive with the Business; or

(iii) be employed by or supply (or procure or assist the supply of) any goods or services to any Contact for any purpose which is competitive with the Business; or

(iv) employ, engage, offer employment or engagement to or solicit the employment or engagement of or otherwise entice away from or solicit, induce or encourage to leave the employment or engagement of the Company, any individual who is employed or engaged by the Company whether or not such individual would commit any breach of the Executive's contract or terms of employment or engagement by leaving the employ or the engagement of the Company, provided that the Executive shall be permitted, solely in a personal capacity, to provide letters of reference for individuals who are employed by the Company.

(g) Validity. The Executive expressly recognizes and acknowledges that it is the intent of the parties that the Executive's activities following the termination of the Executive's employment with the Company be restricted in the manner described in this Section 3, and acknowledges that good, valuable, and sufficient consideration has been provided in exchange for such restrictions. The Executive agrees that should any of the restrictions contained in this Section 3 be found to be unreasonable to any extent by a court of competent jurisdiction adjudicating upon the validity of the restriction, whether as to the scope of the restriction, the area of the restriction or the duration of the restriction, then such restriction shall be reduced to that which is in fact declared reasonable by such court, or a subsequent court of competent jurisdiction, requested to make such a declaration, in order to ensure that the intention of the parties is given the greatest possible effect.

4. INJUNCTIVE RELIEF

(a) The Executive understands and agrees that the Company has a material interest in preserving the relationships it has developed with its executives, customers and suppliers against impairment by competitive activities of a former executive. Accordingly, the Executive agrees that the restrictions and covenants contained in Section 3 are reasonably required for the protection of the Company and its goodwill and that the Executive's agreement to those restrictions and covenants by the execution of this Agreement, are of the essence to this Agreement and constitute a material inducement to the Company to enter into this Agreement and to employ the Executive, and that the Company would not enter into this Agreement absent such an inducement.

(b) The Executive understands and acknowledges that if the Executive breaches Section 3, that breach will give rise to irreparable injury to the Company for which damages are an inadequate remedy, and the Company may pursue injunctive relief for such breach in a court of competent jurisdiction.

5. TERMINATION

The Executive's employment by the Company may be terminated under the following circumstances:

(a) Death. The Executive's employment hereunder will terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled (as determined by the Chief Executive Officer) by a condition that qualifies Executive for long term disability benefits under the Company's then-current long term disability plan, in a manner that renders the Executive unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of six (6) months or more. Nothing in this Section 5(b) will be construed to waive the Executive's rights, if any, under the Company's insurance benefits plans accruing prior to termination or under applicable law.

(c) Termination by Company for Cause.

(i) The Company may terminate the Executive's employment For Cause at any time, without notice or payment in lieu thereof. The payment by the Company of the Executive's Accrued Benefits shall be subject to any other rights or remedies of the Company under law and thereafter all obligations of the Company under this Agreement shall cease.

(ii) For the purposes of this Agreement, "**For Cause**" shall mean:

(A) the Executive commits a crime involving dishonesty, breach of trust, or physical harm to any person (excluding driving while affected by drugs or alcohol) or any violation of provincial, state or federal securities laws;

(B) the Executive willfully engages in conduct that is in bad faith and materially injurious to the Company or its Affiliates, monetarily or otherwise, including but not limited to, misappropriation of trade secrets, fraud or embezzlement;

(C) the Executive commits a material breach of this Agreement;

(D) the Executive willfully refuses to implement or follow a lawful policy or directive of the Company; or

(E) the Executive willfully and on a continuing basis fails to perform his duties hereunder diligently and professionally.

(d) Termination by the Company without Cause.

(i) The Company, in its sole discretion, may terminate the Executive's employment under this Agreement without Cause at any time.

(ii) For the purposes of this Agreement, any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination "For Cause" under Section 5(c) and does not result from the death or disability of the Executive under Sections 5(a) or 5(b), respectively, shall be a termination "without Cause".

(e) Resignation by Executive.

(i) The Executive may terminate his employment by providing to the Company Notice of Termination of his employment at least three (3) months prior to the effective date of resignation. During such notice period Executive shall continue to diligently perform all of Executive's duties hereunder, provided that the Company shall have the option, in its sole discretion, to waive such notice period, in whole or in part, and if it does so, the Executive's resignation will become effective and the Executive's employment will cease on the date set by the Company in the notice of waiver, and the Executive shall be entitled to his Accrued Benefits up to and including the Date of Termination (as defined in Section 5(g)(iii)). In the event the Company waives the Executive's notice hereunder, the Company, in its sole discretion, in the circumstances, may pay the Base Salary portion of the Executive's Accrued Benefits by way of one or more lump sum payments, by way of salary continuance or by a combination of both.

(ii) The Executive may terminate his employment for Good Reason within 12 months following a Change in Control of the Company in accordance with, and subject to, the process set out in Section 7(c).

(f) Notice of Termination. Except for termination as specified in Section 5(a), any termination of the Executive's employment by the Company or any termination of the Executive's employment by the Executive must be communicated by written Notice of Termination to the other party. For the purposes of this Agreement, "**Notice of Termination**" means a written notice that indicates the specific termination provision in this Agreement upon which the termination is based.

(g) Date of Termination. For the purposes of this Agreement, "**Date of Termination**" means:

(i) if the Executive's employment is terminated by his death, the date of his death;

(ii) if the Executive's employment is terminated on account of disability under Section 5(b) or by the Company for Cause under Section 5(c), or by the Company without Cause under Section 5(d) on the date the Notice of Termination is given;

(iii) if the Executive terminates his employment under Section 5(e)(i) without Good Reason, on the effective date of resignation specified by the Executive in the Notice of Termination (which shall be at least three (3) months after the date of the Notice of Termination) or, if no such date is specified or if the Company waives the notice period, the date that is three (3) months after the date of the Notice of Termination; and

(iv) if the Executive terminates his employment under Section 5(e)(ii) for Good Reason following a Change in Control of the Company, the date on which a Notice of Termination is given after the end of the Cure Period.

Notwithstanding the foregoing, if the Executive gives a Notice of Termination to the Company that takes effect at a future date, the Company may unilaterally accelerate the Date of Termination and that acceleration will not be deemed a termination by the Company for purposes of this Agreement.

6. COMPENSATION UPON TERMINATION

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) on or before the time required by law, but in no event more than 30 days after the Executive's Date of Termination:

(i) unpaid expense reimbursements;

(ii) accrued but unused vacation to the extent payment is required by law or Company policy;

(iii) any vested benefits the Executive may have under any employee benefit plan of the Company;

(iv) any earned but unpaid Base Salary; and

(v) any earned but unpaid annual bonus for the prior fiscal year;

for service up to and including the Date of Termination (collectively the "**Accrued Benefits**"). The Executive shall not be entitled to any other salary, compensation, bonus (or pro rata share thereof) or benefits from the Company thereafter, except as otherwise specifically provided in this Agreement, under the Company's employee benefit plans or as expressly required by applicable law.

(b) Termination by the Company without Cause. If the Executive's employment is terminated by the Company without Cause, then the Company shall pay the Executive his Accrued Benefits as of the Date of Termination. In addition, subject to Section 7 and the Executive providing the Company with a fully effective general release of claims in a form and manner satisfactory to the Company that includes but is not limited to the terms set forth in the attached Exhibit B (the "**Release**") within the 60-day period following the Date of Termination (and which shall be countersigned by the Company in respect of the non-disparagement clause therein), the Company shall pay the Executive an amount (the "**Severance Amount**" calculated as follows:

(i) an amount equal to eighteen (18) months' Base Salary, less withholding; plus

(ii) a bonus payment equal to the average of the actual bonus payments, if any, made to the Executive from the previous three (3) calendar years preceding the Date of Termination, pro-rated for the then current calendar year up to and including the Date of Termination; plus

(iii) provided that the Executive is enrolled in the Company's insurance benefits plans pursuant to Section 2(d), for continuation of coverage under the Company's insurance benefits plans that the Executive and his dependents are eligible to receive for the earlier of:

(A) a period of up to 24 months from the Date of Termination, or

(B) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan,

or reimburse the Executive for premiums paid by the Executive, if any, for continuation of coverage under equivalent private coverage.

The Company shall pay the Severance Amount within 60 days after the Date of Termination, provided that if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, and further provided that the Company, in its sole discretion, in the circumstances, may pay the Severance Amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The Severance Amount is inclusive of any entitlement to minimum standard severance under the British Columbia *Employment Standards Act*.

7. CHANGE IN CONTROL

(a) The provisions of this Section 7 set forth the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any Change in Control. Where the provisions of this Section 7 apply, they shall supersede the payment of the Severance Amount under Section 6(b). The provisions of this Section 7 are subject to the Executive providing to the Company, and not revoking, a fully effective Release.

(b) Definitions. For purposes of this Agreement:

(i) "**Change in Control**" means the consummation of any of the following:

(A) the sale of all or substantially all of the assets of the Company to an unrelated person or entity;

(B) a merger, reorganization, or consolidation involving the Company in which the shares of voting stock outstanding immediately prior to the transaction represent or are converted into or exchanged for securities of the surviving or resulting entity that, immediately upon completion of the transaction, represent less than 50% of the outstanding voting power of the surviving or resulting entity;

(C) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a person or group of persons; or

(D) any other acquisition of the business of the Company, as determined by the Board;

but any public offering by the Company, or another capital raising event, or a merger effected solely to change the Company's domicile does not constitute a Change in Control; and

(ii) "**Good Reason**" shall mean the occurrence of any of the following events without the Executive's prior written consent:

(A) a change in the Executive's position which materially reduces the Executive's responsibilities from the responsibilities in effect immediately prior to the Change of Control;

(B) a reduction by the Company of the Executive's Base Salary or Target Bonus percentage, except for an across-the-board salary reduction affecting all senior executives of the Company; or

(C) a relocation of Executive's principal place of employment by more than 80 kilometres.

(c) Resignation for Good Reason. If the Executive desires to terminate his employment for Good Reason within 12 months following a Change in Control, the Executive must comply with, and shall be subject to, the following terms and conditions:

(i) the Executive reasonably determines in good faith that a Good Reason condition has occurred within 12 months following a Change in Control;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following that notice (the "**Cure Period**") to remedy the condition;

(iv) notwithstanding the Company's efforts, the Good Reason condition continues to exist; and

(v) the Executive provides to the Company Notice of Termination of his employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason condition during the Cure Period, the Good Reason condition is deemed not to have occurred and the Executive may not terminate his employment in respect of such condition.

(d) Change in Control Severance. If within 12 months following a Change in Control:

(i) the Company terminates the Executive's employment with the Company without Cause; or

(ii) the Executive resigns from his employment with the Company for Good Reason;

then,

(iii) in addition to paying the Executive his Accrued Benefits and in lieu of paying the Executive the Severance Amount, the Company shall pay to the Executive an amount (the "**Change in Control Severance Amount**") as follows:

(A) an amount equal to twenty-four (24) months' Base Salary, less withholding; plus

(B) a bonus payment equal to the average of the actual bonus payments, if any, made to the Executive from the previous three (3) calendar years preceding the Date of Termination, pro-rated for the then current calendar year up to and including the Date of Termination; plus

(C) provided that the Executive is enrolled in the Company's insurance benefits plans pursuant to Section 2(d), for continuation of coverage under the Company's insurance benefits plans that the Executive and his dependents are eligible to receive for the earlier of:

(1) a period of up to 24 months from the Date of Termination, or

(2) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan,

or reimburse the Executive for premiums paid by the Executive, if any, for continuation of coverage under equivalent private coverage.

The Company shall pay the Change in Control Severance Amount within 60 days after the Date of Termination, provided that if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, and further provided that the Company, in its sole discretion, in the circumstances, may pay the Change in Control Severance Amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The Change in Control Severance Amount is inclusive of any entitlement to minimum standard severance under the British Columbia *Employment Standards Act*; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all stock options and other stock-based awards held by the Executive shall immediately accelerate, vest, and become fully exercisable or non-forfeitable as of the Date of Termination.

8. RETURN OF MATERIALS UPON TERMINATION OF EMPLOYMENT

The Executive will return to the Company all Company documents, files, manuals, books, software, equipment, keys, equipment, identification or credit cards, and all other property belonging to Company upon the termination of the executive's employment with the Company for any reason.

9. GENERAL PROVISIONS

(a) Withholding. All payments made by the Company to the Executive under this Agreement will be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement is to be construed to obligate the Company to design or implement any compensation arrangement in a way that minimizes tax consequences for the Executive.

(b) Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession is a material breach of this Agreement.

(c) Successor to the Executive. This Agreement inures to the benefit of and is enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees, and legatees. If the Executive dies after his termination of employment but prior to the completion by the Company of all payments due to him under this Agreement, the Company shall continue the payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such a designation).

(d) Non-Waiver. Failure on the part of either party to complain of any act or failure to act of the other of them or to declare the other party in default of this Agreement, irrespective of how long such failure continues, will not constitute a waiver by such party of their rights hereunder or of the right to then or subsequently declare a default.

(e) Severability. In the event that any provision or part of this Agreement is determined to be void or unenforceable in whole or in part, the remaining provisions, or parts thereof, will be and remain in full force and effect.

(f) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the employment of the Executive and supersedes any and all agreements, understandings, warranties or representations of any kind, written or oral, express or implied, including any relating to the nature of the position or its duration, and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

(g) Survival. The provisions of this Agreement survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the intent of the Parties as expressed in this Agreement.

(h) Modification of Agreement**.** Any modification of this Agreement must be in writing and signed by both the Company and the Executive or it will have no effect and will be void.

(i) Disputes**.** Except for disputes arising in respect of Section 3, all disputes arising out of or in connection with this Agreement and the employment relationship between the parties, are to be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre, pursuant to its Rules. The place of arbitration will be Vancouver, British Columbia.

(j) Governing Law**.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia, Canada.

(k) Notices. Any notices, requests, demands, and other communications provided for by this Agreement are sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention to the Corporate Secretary.

(l) Independent Legal Advice**.** The Executive agrees that the contents, terms and effect of this Agreement have been explained to the Executive by a lawyer and are fully understood. The Executive further agrees that the consideration described aforesaid is accepted voluntarily for the purpose of employment with the Company under the terms and conditions described above.

(m) Counterparts. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which counterparts, when so executed and delivered is to be taken to be an original; but those counterparts together constitute one and the same document. PDF, facsimile, scanned, and electronic signatures have the same legal effect as original ink signatures.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date and year first above written.

SIGNED, SEALED AND DELIVERED by **Bruce Cousins** in the presence of:

_____
Witness

_____
Address

_____
Occupation

/s/ Bruce Cousins
**Bruce Cousins**

**ARBUTUS BIOPHARMA CORPORATION**

Per: /s/ Mark J. Murray
Mark J. Murray

**EXHIBIT A**

**CONFIDENTIALITY**
**AND ASSIGNMENT OF INVENTIONS AGREEMENT**

THIS AGREEMENT (this "**Agreement**") dated for reference the 4 day of August, 2015.

BETWEEN:

**ARBUTUS BIOPHARMA CORPORATION**
(the "**Company**"), a company incorporated under the laws of British Columbia with offices at 100 – 8900 Glenlyon Parkway, Burnaby, British Columbia fax: (604) 419-3201

AND:

**Bruce Cousins** (the "**Executive**"), of **Victoria, British Columbia, Canada**

WHEREAS:

A. The Company is in the business of acquiring, inventing, developing, discovering, adapting and commercializing inventions, methods, processes and products in the fields of chemistry, biochemistry, biotechnology and pharmaceuticals; and

B. In connection with the employment of the Executive by the Company, the parties desire to establish the terms and conditions under which the Executive will (i) receive from and disclose to the Company proprietary and confidential information; (ii) agree to keep the information confidential, to protect it from disclosure and to use it only in accordance with the terms of this Agreement; and (iii) assign to the Company all rights, including any ownership interest which may arise in all inventions and intellectual property developed or disclosed by the Executive over the course of his work during his employment with the Company, as set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the employment of the Executive by the Company and the payment by the Company to the Executive of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **INTERPRETATION**

1.1 **Definitions.** In this Agreement:

(a) "**Affiliate**" means, in respect of the Company, a company or other entity which directly or indirectly controls, is controlled by, or is under common control with, the Company. For the purposes of this definition, "**control**" means direct or indirect beneficial ownership of a greater than 50% interest in the income of such company or entity or such other relationship as, in fact, constitutes actual control. For greater certainty, without limiting the generality of the foregoing, Protiva Biotherapeutics Inc., Protiva Biotherapeutics (USA) Inc. and Arbutus Biopharma, Inc. are Affiliates of the Company.

(b) "**Business**" or "**Business of the Company**" means:

(i) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans; or

(ii) any other treatment area in which the Company has an active research and development program on the date the Executive's employment with the Company terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(c) "**Confidential Information**" shall mean all information, knowledge, or data, whether in written, oral, electronic or other form, relating to the Business of the Company, whether or not conceived, originated, discovered or developed in whole or in part by the Executive, that is not generally known to the public or to other persons who are not bound by obligations of confidentiality and:

(i) from which the Company or its Affiliates derive economic value, actual or potential, from the information not being generally known; or

(ii) in respect of which the Company or its Affiliates otherwise have a legitimate interest in maintaining secrecy;

and which, without limiting the generality of the foregoing, shall include:

(iii) all proprietary information licensed to, acquired, used or developed by the Company and its Affiliates in its research and development activities (including but not restricted to the research and development of RNA interference drugs and delivery technology), other scientific strategies and concepts, designs, know-how, information, material, formulas, processes, research data and proprietary rights in the nature of copyrights, patents, trademarks, licenses and industrial designs;

(iv) all information relating to the Business of the Company, and to all other aspects of the structure, personnel and operations of the Company and its Affiliates, including financial, clinical, regulatory, marketing, advertising and commercial information and strategies, customer lists, compilations, agreements and contractual records and correspondence; programs, devices, concepts, inventions, designs, methods, processes, data, know-how, unique combinations of separate items that is not generally known and items provided or disclosed to the Company or its Affiliates by third parties subject to restrictions on use or disclosure;

(v) all know-how relating to the Business of the Company, including all biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, clinical, safety, manufacturing and quality control data and information, and all applications, registrations, licenses, authorizations, approvals and correspondence submitted to regulatory authorities;

(vi) all information relating to the businesses of competitors of the Company or its Affiliates, including information relating to competitors' research and development, intellectual property, operations, financial, clinical, regulatory, marketing, advertising and commercial strategies, that is not generally known;

(vii) all information provided to the Company or its Affiliates by their agents, consultants, lawyers, contractors, licensors or licensees and relating to the Business of the Company; and

(viii) all information relating to the Executive's compensation and benefits, including his salary, vacation, stock options, rights to continuing education, perquisites, severance notice, rights on termination and all other compensation and benefits, except that he shall be entitled to disclose such information to his bankers, advisors, agents, consultants and other third parties who have a duty of confidence to him and who have a need to know such information in order to provide advice, products or services to him.

All Work Product shall be deemed to be the Company's Confidential Information.

(d) "**Effective Date**" means the 4 day of August, 2015 being the date that the Executive started working at the Company, as indicated in his employment agreement with the Company.

(e) "**Intellectual Property**" is used in its broadest sense and means and includes any statutory, common law, equitable, contractual or proprietary rights or interests, recognized currently or in future, in and to any Inventions, including, without limitation, rights and interests in and to the following:

(i) knowledge, know-how and its embodiments, including trade secret information;

(ii) patents in inventions, and all applications therefor;

(iii) copyrights in artistic, literary, dramatic, musical, and neighbouring works, copyrightable works of authorship including technical descriptions for products, user guides, illustrations, advertising materials, computer programs, source code and object code, and all applications therefor;

(iv) trademarks, service marks, tradenames, business names and domain names and all applications therefor;

(v) industrial designs and all other industrial or intellectual property and all applications therefor; and

(vi) all goodwill connected with the foregoing.

(f) "**Inventions**" shall mean any and all inventions, discoveries, developments, enhancements, improvements, concepts, formulas, designs, processes, ideas, writings and other works, whether or not reduced to practice, and whether or not protectable under patent, copyright, trade secret or similar laws.

(g) "**Work Product**" shall mean any and all Inventions and possible Inventions relating to the Business of the Company and which the Executive may make or conceive, alone or jointly with others, during his involvement in any capacity with the Company, whether during or outside his regular working hours, except those Inventions made or conceived by the Executive entirely on his own time that do not relate to the Business of the Company and do not derive from any equipment, supplies, facilities, Confidential Information or other information, gained, directly or indirectly, from or through his involvement in any capacity with the Company.

2. **CONFIDENTIALITY**

2.1 **Prior Business Confidential Information**. The Executive represents and warrants to the Company that the Executive has not brought or used, and the Executive covenants and agrees that the Executive will not use or bring to the Company any confidential information of any kind whatsoever of any prior party (the "**Prior Business**") with whom the Executive was previously involved, whether such involvement was as an employee, director or officer of that Prior Business, an investor in that Prior Business, a partner in that Prior Business, a consultant to that Prior Business or other relationship to that Prior Business (the "**Prior Involvement**"). The Company and the Executive acknowledge and agree that the Company is not employing the Executive to obtain confidential information relating to any Prior Involvement and the Executive acknowledges that the Company has advised the Executive to comply with any and all legal obligations the Executive may have to such Prior Business. The Executive covenants and agrees to hold the Company harmless from any and all claims and damages of any kind whatsoever that the Company may suffer as a result of any breach by the Executive of his obligations to such Prior Business in that regard.

2.2 **Basic Obligation of Confidentiality.** The Executive hereby acknowledges and agrees that in the course of his involvement with the Company, the Company may disclose to him or he may otherwise have access or be exposed to Confidential Information. The Company hereby agrees to provide such access to the Executive and the Executive hereby agrees to receive and hold all Confidential Information on the terms and conditions set out in this Agreement. Except as otherwise set out in this Agreement, the Executive will keep strictly confidential all Confidential Information and all other information belonging to the Company that he acquires, observes or is informed of, directly or indirectly, in connection with his involvement, in any capacity, with the Company both during and after the term of his employment in any capacity with the Company.

2.3 **Fiduciary Capacity.** The Executive will be and act toward the Company and its Affiliates as a fiduciary in respect of the Confidential Information.

2.4 **Non-disclosure.** Except with the prior written consent of the Company, the Executive will not at any time, either during or after his involvement in any capacity with the Company;

(a) use or copy any Confidential Information or recollections thereof for any purpose other than the performance of his duties for the benefit of the Company and its Affiliates;

(b) publish or disclose any Confidential Information or recollections thereof to any person other than to employees of the Company and its Affiliates who have a need to know such Confidential Information in the performance of their duties for the Company or its Affiliates;

(c) permit or cause any Confidential Information to be used, copied, published, disclosed, translated or adapted except as otherwise expressly permitted by this Agreement; or

(d) permit or cause any Confidential Information to be stored off the premises of the Company, including permitting or causing such Confidential Information to be stored in electronic format on personal computers, except in accordance with written procedures of the Company, as amended from time to time in writing.

2.5 **Taking Precautions.** The Executive will take all reasonable precautions necessary or prudent to prevent material in his possession or control that contains or refers to Confidential Information from being discovered, used or copied by third parties.

2.6 **The Company's Ownership of Confidential Information.** As between the Executive and the Company, the Company shall own all right, title and interest in and to the Confidential Information, whether or not created or developed by the Executive.

2.7 **Control of Confidential Information and Return of Information.** All physical materials produced or prepared by the Executive containing Confidential Information, including, without limitation, records, devices, computer files, data, notes, reports, proposals, lists, correspondence, specifications, drawings, plans, materials, accounts, reports, financial statements, estimates and all other materials prepared in the course of his responsibilities to or for the benefit of the Company or its Affiliates, together with all copies thereof (in whatever medium recorded), shall belong to the Company, and the Executive will promptly turn over to the Company's possession every original and copy of any and all such items in his possession or control upon request by the Company. If the material is such that it cannot reasonably be delivered, upon request from the Company, the Executive will provide reasonable evidence that such materials have been destroyed, purged or erased.

2.8 **Purpose of Use.** The Executive agrees that he will use Confidential Information only for purposes authorized or directed by the Company.

2.9 **Exemptions.** The obligations of confidentiality set out in this Article 2 will not apply to any of the following:

(a) information that is already known to the Executive, though not due to a prior disclosure by the Company or its Affiliates or by a person who obtained knowledge of the information, directly or indirectly, from the Company or its Affiliates;

(b) information disclosed to the Executive by another person who is not obliged to maintain the confidentiality of that information and who did not obtain knowledge of the information, directly or indirectly, from the Company or its Affiliates;

(c) information that is developed by the Executive independently of Confidential Information received from the Company or its Affiliates and such independent development can be documented by the Executive;

(d) other particular information or material which the Company expressly exempts by written instrument signed by the Company;

(e) information or material that is in the public domain through no fault of the Executive; and

(f) information required by operation of law, court order or government agency to be disclosed, provided that:

(i) in the event that the Executive is required to disclose such information or material, upon becoming aware of the obligation to disclose, the Executive will provide to the Company prompt written notice so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement;

(ii) if the Company agrees that the disclosure is required by law, it will give the Executive written authorization to disclose the information for the required purposes only;

(iii) if the Company does not agree that the disclosure is required by law, this Agreement will continue to apply, except to the extent that a Court of competent jurisdiction orders otherwise; and

(iv) if a protective order or other remedy is not obtained or if compliance with this Agreement is waived, the Executive will furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain confidential treatment of such Confidential Information.

3. **ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS**

3.1 **Notice of Invention.** The Executive agrees to promptly and fully inform the Company of all Work Product, whether or not patentable, throughout the course of his involvement, in any capacity, with the Company and from which there is a reasonable basis to believe that Intellectual Property may be derived therefrom, whether or not developed before or after execution of this Agreement. On his ceasing to be employed by the Company for any reason whatsoever, the Executive will immediately deliver up to the Company all Work Product.

3.2 **Assignment of Rights.** Subject only to the exceptions set out in **Exhibit I** attached to this Agreement, the Executive will assign, and does hereby assign, to the Company or, at the option of the Company and upon notice from the Company, to the Company's designee, all of his right, title and interest in and to all Work Product, including all Intellectual Property rights therein. To the extent that the Executive retains or acquires legal title to any such Intellectual Property rights and interests, the Executive hereby declares and confirms that such legal title is and will be held by him only as trustee and agent for the Company or the Company's designee. The Executive agrees that the Company's rights hereunder shall attach to all Intellectual Property rights in his Work Product, notwithstanding that it may be perfected or reduced to specific form after he has terminated his relationship with the Company. The Executive further agrees that the Company's rights hereunder are worldwide rights and are not limited to Canada, but shall extend to every country of the world.

3.3 **Moral Rights.** Without limiting the foregoing, the Executive hereby irrevocably waives any and all moral rights arising under the *Copyright Act* (Canada), as amended, or any successor legislation of similar force and effect or similar legislation in other applicable jurisdictions or at common law that he may have with respect to all Work Product, and agrees never to assert any moral rights which he may have in the Work Product, including, without limitation, the right to the integrity of the Work Product, the right to be associated with the Work Product, the right to restrain or claim damages for any distortion, mutilation or other modification or enhancement of the Work Product and the right to restrain the use or reproduction of the Work Product in any context and in connection with any product, service, cause or institution, and the Executive further confirms that the Company may use or alter any Work Product as the Company sees fits in its absolute discretion.

3.4 **Goodwill.** The Executive hereby agrees that all goodwill he has established or may establish with clients, customers, suppliers, principals, shareholders, investors, collaborators, strategic partners, licensees, contacts or prospects of the Company relating to the Business of the Company (or of its partners, subsidiaries or affiliates), both before and after the Effective Date, shall, as between the Executive and the Company, be and remain the property of the Company exclusively, for the Company to use, alter, vary, adapt and exploit as the Company shall determine in its discretion.

3.5 **Assistance.** The Executive hereby agrees to reasonably assist the Company, at the Company's request and expense, in:

(a) making patent applications for all Work Product, including instructions to lawyers and/or patent agents as to the characteristics of the Work Product in sufficient detail to enable the preparation of a suitable patent specification, to execute all formal documentation incidental to an application for letters patent and to execute assignment documents in favour of the Company for such applications;

(b) making applications for all other forms of Intellectual Property registration relating to all Work Product;

(c) prosecuting and maintaining the patent applications and other Intellectual Property relating to all Work Product; and

(d) registering, maintaining and enforcing the patents and other Intellectual Property registrations relating to all Work Product.

If the Company is unable for any reason to secure the Executive's signature with respect to any Work Product including, without limitation, to apply for or to pursue any application for any patents or copyright registrations covering such Work Product, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney-in-fact, to act for and on his behalf and stead to execute and file any papers, oaths and to do all other lawfully permitted acts with respect to such Work Product with the same legal force and effect as if executed by him.

3.6 **Assistance with Proceedings.** The Executive further agrees to reasonably assist the Company, at the Company's request and expense, in connection with any defence to an allegation of infringement of another person's intellectual property rights, claim of invalidity of another person's intellectual property rights, opposition to, or intervention regarding, an application for letters patent, copyright or trademark or other proceedings relating to Intellectual Property or applications for registration thereof.

3.7 **Commercialization.** The Executive understands that the decision whether or not to commercialize or market any Work Product is within the Company's sole discretion and for the Company's sole benefit and that no royalty or other consideration will be due or payable to him as a result of the Company's efforts to commercialize or market any such Work Product.

3.8 **Prior Business Intellectual Property**. The Executive represents and warrants to the Company that he has not brought or used, and the Executive covenants and agrees that he will not use or bring to the Company any Intellectual Property of any kind whatsoever of any Prior Business with whom the Executive had a Prior Involvement or any Intellectual Property directly owned by the Executive. The Company and the Executive acknowledge and agree that the Company is not employing the Executive to obtain Intellectual Property relating to any Prior Involvement and the Executive acknowledges that the Company has advised the Executive to comply with any legal obligations the Executive may have to such Prior Business. The Executive covenants and agrees to hold the Company harmless from any and all claims and damages of any kind whatsoever that the Company may suffer as a result any breach by the Executive of his obligations to such Prior Business in that regard.

3.9 **Prior Inventions.** In order to have them excluded from this Agreement, the Executive has set forth on **Exhibit I** attached to this Agreement a complete list of all Inventions for which a patent application has not yet been filed that he has, alone or jointly with others, conceived, developed or reduced to practice prior to the execution of this Agreement to which he has any right, title or interest, and which relate to the Business of the Company. If such list is blank or no such list is attached, the Executive represents and warrants that there are no such prior Inventions.

4. **GENERAL**

4.1 **Term.** Subject to Section 4.10, the term of this Agreement is from the Effective Date and terminates on the date that the Executive is no longer working at or for the Company in any capacity.

4.2 **No Conflicting Obligations.** The Executive hereby represents and warrants that he has no agreements with or obligations to any other person with respect to the matters covered by this Agreement or concerning the Confidential Information that are in conflict with anything in this Agreement, except as disclosed in **Exhibit I** attached to this Agreement.

4.3 **Publicity.** The Executive shall not, without the prior written consent of the Company, make or give any public announcements, press releases or statements to the public or the press regarding any Work Product or any Confidential Information.

4.4 **Further Assurances.** The parties will execute and deliver to each other such further instruments and assurances and do such further acts as may be required to give effect to this Agreement.

4.5 **Notices.** All notices and other communications that are required or permitted by this Agreement must be in writing and shall be hand delivered or sent by express delivery service or certified or registered mail, postage prepaid, or by facsimile transmission (with receipt confirmed in writing) to the parties at the addresses on page 1 of this Agreement. Any such notice shall be deemed to have been received on the earlier of the date actually received or the date five (5) days after the same was posted or sent. Either party may change its address or its facsimile number by giving the other party written notice, delivered in accordance with this section.

4.6 **Equitable Remedies.** The Executive understands and acknowledges that if he breaches any of his obligations under this Agreement, that breach may give rise to irreparable injury to the Company for which damages are an inadequate remedy. In the event of any such breach by the Executive, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

4.7 **Non-Waiver**. Failure on the part of either party to complain of any act or failure to act of the other of them or to declare the other party in default of this Agreement, irrespective of how long such failure continues, will not constitute a waiver by such party of their rights hereunder or of the right to then or subsequently declare a default.

4.8 **Severability.** In the event that any provision or part of this Agreement is determined to be void or unenforceable in whole or in part, the remaining provisions, or parts thereof, will be and remain in full force and effect.

4.9 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all agreements, understandings, warranties or representations of any kind, written or oral, express or implied, including any relating to the nature of the position or its duration, and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

4.10 **Survival.** Notwithstanding the expiration or early termination of this Agreement, the provisions of Article 1, Article 2 (including the obligations of confidentiality and to return Confidential Information, which shall endure, with respect to each item of Confidential Information, for so long as those items fall within the definition of Confidential Information), Sections 3.2, 3.3, 3.4, 3.5, 3.6 and 3.8 and Article 4 shall survive any expiration or early termination of this Agreement.

4.11 **Modification of Agreement.** Any modification of this Agreement must be in writing and signed by both the Company and the Executive or it will have no effect and will be void.

4.12 **Governing Law.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia, Canada.

4.13 **Independent Legal Advice.** The Executive agrees that he has obtained or has had an opportunity to obtain independent legal advice in connection with this Agreement, and further acknowledge that he has read, understands, and agrees to be bound by all of the terms and conditions contained herein.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date and year first above written.

| | |
|---|---|
| SIGNED, SEALED AND DELIVERED by **Bruce Cousins** in the presence of: | |
| _____ Witness Signature | /s/ Bruce Cousins **Bruce Cousins** |
| _____ Witness Name | |
| _____ Witness Address | |
| _____ Witness Occupation | |

**ARBUTUS BIOPHARMA CORPORATION**

Per: /s/ Mark J. Murray
Mark J. Murray

**EXHIBIT I**
**to Confidentiality and Assignment of Inventions Agreement**

**EXCLUSIONS FROM WORK PRODUCT**

**[To be completed as applicable]**

**EXHIBIT B**

**GENERAL RELEASE LANGUAGE**

The Executive agrees, for himself, his spouse, heirs, executor or administrator, assigns, insurers, attorneys, and other persons or entities acting or purporting to act on his behalf (the "**Executive's Parties**"), to irrevocably and unconditionally release, acquit, and forever discharge the Company, its affiliates, subsidiaries, directors, officers, employees, shareholders, partners, agents, representatives, predecessors, successors, assigns, insurers, attorneys, benefit plans sponsored by the Company, and said plans' fiduciaries, agents and trustees (the "**Company's Parties**"), from any and all actions, causes of action, suits, claims, obligations, liabilities, debts, demands, contentions, damages, judgments, levies, and executions of any kind, whether in law or in equity, known or unknown, which the Executive's Parties have, have had, or may in the future claim to have against the Company's Parties by reason of, arising out of, related to, or resulting from the Executive's employment with the Company or the termination of that employment. This release specifically includes without limitation any claims arising in tort or contract, any claim based on wrongful discharge, any claim based on breach of contract, any claim arising under federal, state or local law prohibiting race, sex, age, religion, national origin, handicap, disability, or other forms of discrimination, any claim arising under federal, state, or local law concerning employment practices, and any claim relating to compensation or benefits. It is understood and agreed that the waiver of benefits and claims contained in this section does not include a waiver of the right to payment of any vested, non-forfeitable benefits to which the Executive or a beneficiary of the Executive may be entitled under the terms and provisions of any employee benefit plan of the company which have accrued as of the Date of Termination, and does not include a waiver of the right to benefits and payment of consideration to which the Executive may be entitled under this Agreement or any of the agreements contemplated by this Agreement (including the indemnification agreement and the stock option agreement). The Executive acknowledges that he is entitled to only the severance benefits and compensation set forth in this Agreement, and that all other claims for any other benefits or compensation are hereby waived, except those expressly stated in the preceding sentence.

Executive agrees that he will not make any derogatory statements, either oral or written, or otherwise disparage any of the Company's Parties or their products, employees, services, work and/or employment.

The Company agrees that it will not make any derogatory statements, either oral or written, or otherwise disparage any of the Executive's Parties.

The Executive hereby acknowledges his understanding that under this Agreement he is releasing any known or unknown claims he may have.

The Executive expressly waives and relinquishes all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to his release of claims.

**Exhibit 10.12**

# EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made this 4 day of August, 2015

BETWEEN:

**ARBUTUS BIOPHARMA CORPORATION**, a company incorporated under the laws of British Columbia (the "**Company**"), with offices at 100 – 8900 Glenlyon Parkway, Burnaby, British Columbia fax: (604) 419-3201

AND:

**Michael Abrams** (the "**Executive**"), of **Custer, Washington, USA**

WHEREAS:

A. The Company is in the business of acquiring, inventing, developing, discovering, adapting and commercializing inventions, methods, processes and products in the fields of chemistry, biochemistry, biotechnology and pharmaceuticals;

B. The Executive has the expertise, qualifications and required certifications to perform the services contemplated by this Agreement; and

C. The Company wishes to employ the Executive to perform the services, on the terms and conditions herein set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereto agree as follows:

1. EMPLOYMENT

(a) The Executive will be employed by and will serve the Company as its **Managing Director** and will have powers and duties consistent with such position as may from time to time be prescribed by the Chief Executive Officer of the Company. The Executive will report directly to the **Chief Executive Officer** of the Company and will perform the duties and responsibilities assigned to the Executive from time to time by the Chief Executive Officer. The Executive will comply with all lawful instructions given by the Chief Executive Officer of the Company.

(b) The terms and conditions of this Agreement will have effect as and from 4 day of August, 2015 and the Executive's employment as **Managing Director** will continue until terminated as provided for in this Agreement.

(c) The Executive acknowledges and agrees that in addition to the terms and conditions of this Agreement, the Executive's employment with the Company is subject to and governed by the Company's policies as established from time to time. The Executive agrees to comply with the terms of such policies so long as they are not inconsistent with any provisions of the Agreement. The Executive will inform himself of the details of such policies and amendments thereto established from time to time.

(d) The Executive agrees that, as a high technology professional as defined in the Regulations to the Employment Standards Act of British Columbia, and an executive, his hours of work will vary and may be irregular and will be those hours required to meet the objectives of his employment. The Executive agrees that the compensation described in Section 2 of this Agreement compensates him in full for all hours worked.

(e) The Executive will devote 80% of his time to the Company's business and will not be employed or engaged in any capacity in any other business without the prior permission of the Company, such permission not to be unreasonably withheld. Notwithstanding the foregoing, the Executive may manage his personal investments or engage charitable or other community activities as long as those services and activities do not interfere with the Executive's performance of his duties to the Company.

(f) Concurrently with the execution and delivery of this Agreement and in consideration of the Executive's employment by the Company, the Executive and the Company will enter into a "Confidentiality and Assignment of Inventions Agreement" in the form attached hereto as Exhibit A.

2. REMUNERATION AND BENEFITS

(a) Base Salary. The Company will pay the Executive an annual salary of US$347,500, less required deductions (the "**Base Salary**"). The Base Salary will be payable semi-monthly. The Executive's Base Salary will be reviewed annually by the Chief Executive Officer of the Company and is subject to increase but not decrease, except for an across-the-board salary reduction affecting all or substantially all senior executives of the Company, nor will it necessarily result in an increase to the Base Salary. The base salary in effect at any given time is referred to as "Base Salary" and this Agreement need not be modified to reflect a change in Base Salary. The Base Salary is subject to withholding and payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Bonus. The Executive is eligible to be considered for an annual discretionary bonus of up to 40 percent of Base Salary (such bonus, the "**Target Bonus**"); which will be subject to the terms of the bonus plan and approval of the Company's Board of Directors (the "**Board**"), in its sole discretion, on an annual basis. Any bonus payable during the first year of the Executive's employment will be pro-rated. Payment of a bonus in any one year will not indicate the payment of a bonus in any other year.

(c) Expenses. The Company will reimburse the Executive for all reasonable expenses actually and properly incurred by the Executive in performing services under this Agreement, in accordance with the policies and procedures then in effect and established by the Company for its senior executives. The Executive will provide the Company with receipts supporting the Executive's claims for reimbursement.

(d) Other Benefits. The Company will facilitate the Executive's enrolment in the Company's insurance benefits plans, as amended from time to time by the Company or the insurance carrier. In all cases, eligibility to participate in the plans and to receive benefits under the plans will be subject to the terms and requirements of the applicable insurance carrier in accordance with the formal benefits plan documents and policies. Any issues with respect to entitlement to or payment of benefits under the benefits package will be governed by the terms of such documents and policies. The Company is not responsible for the payment of benefits in any circumstance. Further, the Company reserves the right, in its sole discretion, to change any of the insurance benefit plans or providers, however, if the Company is unable to maintain similar coverage as to the insurance benefits plans or the providers, then the Executive will be provided with compensation to assist in securing the Executive's own coverage, such compensation to be determined by the Company.

(e) Equity Compensation. Subject to the discretionary approval of the Company's Board of Directors, and in accordance with the Company's annual performance and compensation review process, the Executive shall be eligible to receive equity awards under the Arbutus Biopharma Corporation Share Incentive Plan and or any other similar equity incentive plan to the same extent as other executives of the Company.

(f) Vacation. The Executive is entitled to paid holidays and vacation days each year, in an amount determined in accordance with and subject to the Company's applicable policies in effect, and as may be amended from time to time. The Executive will be entitled to 20 days of vacation per calendar year, which will be pro-rated for any year in which the Executive is only employed with the Company for a portion of the year or for any period in which the Executive is not a full-time employee. Vacation days will be scheduled at times that are mutually acceptable to the Executive and the Company. Carry-over of vacation days will be according to Company policy, and any accrued but unused vacation days will be paid out upon termination.

3. NON-COMPETITION AND NON-SOLICITATION

(a) The biotechnology industry is highly competitive and employees leaving the employ of the Company have the ability to cause significant damage to the Company's interests if they join a competing business immediately upon leaving the Company.

(b) Definitions:

(i) "**Affiliate**" means, in respect of the Company, a company or other entity which directly or indirectly controls, is controlled by, or is under common control with, the Company. For the purposes of this definition, "control" means direct or indirect beneficial ownership of a greater than 50% interest in the income of such company or entity or such other relationship as, in fact, constitutes actual control. For greater certainty, without limiting the generality of the foregoing, Protiva Biotherapeutics Inc., Protiva Biotherapeutics (USA) Inc. and Arbutus Biopharma, Inc. are Affiliates of the Company.

(ii) "**Business**" or "**Business of the Company**" means:

(A) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans; or

(B) any other treatment area in which the Company has an active research and development program on the date this Agreement terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(iii) "**Competing Business**" means any endeavour, activity or business which is competitive in any material way with the Business of the Company worldwide.

(iv) "**Contact**" means any person, firm, corporation or other entity that was a client, customer, supplier, principal, shareholder, investor, collaborator, strategic partner, licensee, contact or prospect of the Company (or of its partners, funders or Affiliates) with whom the Executive dealt or otherwise became aware of during the term of the Executive's employment in any capacity with the Company.

(v) "**Restricted Period**" means:

(A) in the event that the Executive is terminated pursuant to Section 5(d) of this Employment Agreement, a period equivalent to the amount of notice that the Executive is entitled pursuant to Section 6(b)(i); or

(B) in the event that the Executive's employment is terminated pursuant to a Change of Control (as defined below), a period equivalent to the amount of notice that the Executive is entitled pursuant to Section 7(d)(iii)(A).

(c) Reasonableness. The Executive hereby acknowledges and agrees that:

(i) both before and since the commencement of the Executive's employment by the Company, the Company has operated and competed and will operate and compete worldwide, with respect to the Business of the Company;

(ii) competitors of the Company and the Business are located worldwide;

(iii) in order to protect the Company adequately, any enjoinder of competition would have to apply to any country in which the Company, during the term of the Executive's employment, had material business relationships;

(iv) during the course of the Executive's employment with the Company, on behalf of the Company, the Executive will acquire knowledge of, and will come into contact with, initiate and establish relationships with, both existing and new clients, customers, suppliers, principals, contacts and prospects of the Company, and that in some circumstances the Executive may become the senior or sole representative of the Company dealing with such persons; and

(v) in light of the foregoing, the provisions of this Section 3 are reasonable and necessary for the proper protection of the Business of the Company.

(d) Restrictive Covenant. Except as set forth on Exhibit C attached hereto, during the term of the Executive's employment and for the Restricted Period after the termination thereof, the Executive shall not, without the prior written consent of the Board, such consent to be granted or withheld in the Board's sole discretion, within the geographic scope of any country in which the Company, during the term of the Executive's employment, had material business relationships, carry on or be employed by or engaged in or have any financial or other interest in or be otherwise commercially involved in a Competing Business, directly or indirectly, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever.

(e) Exception. The Executive shall not be in default of Section 3(d) by virtue of the Executive:

(i) following the termination of employment, holding, strictly for portfolio purposes and as a passive investor, no more than five percent (5%) of the issued and outstanding shares of, or any other interest in, any corporation or other entity which is listed on any recognized stock exchange, that is a Competing Business; or

(ii) during the term of the Executive's employment, holding, strictly for portfolio purposes and as a passive investor, issued and outstanding shares of, or any other interest in, any corporation or other entity, the business of which corporation or other entity is in the same Business as the Company provided such corporation is not a Competing Business, and provided further that the Executive first obtains the Company's written consent, which consent will not be unreasonably withheld.

If the Executive holds issued and outstanding shares or any other interest in a corporation or other entity pursuant to Section 3(e)(ii) above, and following the acquisition of such shares or other interest the business of the corporation or other entity becomes a Competing Business, the Executive will promptly dispose of the Executive's shares or other interest in such corporation or other entity.

(f) Non-Solicitation. The Executive shall not, during the term of the Executive's employment and for the Restricted Period after the termination thereof for any reason, whether legal or illegal, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever, without the prior written and informed consent of the Company, directly or indirectly:

(i) canvass or solicit the business of (or procure or assist the canvassing or soliciting of the business of) any Contact, or otherwise solicit, induce or encourage any Contact to curtail or cease its relationship with the Company, for any purpose which is competitive with the Business; or

(ii) accept (or procure or assist the acceptance of) any business from any Contact which business is competitive with the Business; or

(iii) be employed by or supply (or procure or assist the supply of) any goods or services to any Contact for any purpose which is competitive with the Business; or

(iv) employ, engage, offer employment or engagement to or solicit the employment or engagement of or otherwise entice away from or solicit, induce or encourage to leave the employment or engagement of the Company, any individual who is employed or engaged by the Company whether or not such individual would commit any breach of the Executive's contract or terms of employment or engagement by leaving the employ or the engagement of the Company, provided that the Executive shall be permitted, solely in a personal capacity, to provide letters of reference for individuals who are employed by the Company.

(g) Validity. The Executive expressly recognizes and acknowledges that it is the intent of the parties that the Executive's activities following the termination of the Executive's employment with the Company be restricted in the manner described in this Section 3, and acknowledges that good, valuable, and sufficient consideration has been provided in exchange for such restrictions. The Executive agrees that should any of the restrictions contained in this Section 3 be found to be unreasonable to any extent by a court of competent jurisdiction adjudicating upon the validity of the restriction, whether as to the scope of the restriction, the area of the restriction or the duration of the restriction, then such restriction shall be reduced to that which is in fact declared reasonable by such court, or a subsequent court of competent jurisdiction, requested to make such a declaration, in order to ensure that the intention of the parties is given the greatest possible effect.

4. INJUNCTIVE RELIEF

(a) The Executive understands and agrees that the Company has a material interest in preserving the relationships it has developed with its executives, customers and suppliers against impairment by competitive activities of a former executive. Accordingly, the Executive agrees that the restrictions and covenants contained in Section 3 are reasonably required for the protection of the Company and its goodwill and that the Executive's agreement to those restrictions and covenants by the execution of this Agreement, are of the essence to this Agreement and constitute a material inducement to the Company to enter into this Agreement and to employ the Executive, and that the Company would not enter into this Agreement absent such an inducement.

(b) The Executive understands and acknowledges that if the Executive breaches Section 3, that breach will give rise to irreparable injury to the Company for which damages are an inadequate remedy, and the Company may pursue injunctive relief for such breach in a court of competent jurisdiction.

5. TERMINATION

The Executive's employment by the Company may be terminated under the following circumstances:

(a) Death. The Executive's employment hereunder will terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled (as determined by the Chief Executive Officer) by a condition that qualifies Executive for long term disability benefits under the Company's then-current long term disability plan, in a manner that renders the Executive unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of six (6) months or more. Nothing in this Section 5(b) will be construed to waive the Executive's rights, if any, under the Company's insurance benefits plans accruing prior to termination or under applicable law.

(c) Termination by Company for Cause.

(i) The Company may terminate the Executive's employment For Cause at any time, without notice or payment in lieu thereof. The payment by the Company of the Executive's Accrued Benefits shall be subject to any other rights or remedies of the Company under law and thereafter all obligations of the Company under this Agreement shall cease.

(ii) For the purposes of this Agreement, "**For Cause**" shall mean:

(A) the Executive commits a crime involving dishonesty, breach of trust, or physical harm to any person (excluding driving while affected by drugs or alcohol) or any violation of provincial, state or federal securities laws;

(B) the Executive willfully engages in conduct that is in bad faith and materially injurious to the Company or its Affiliates, monetarily or otherwise, including but not limited to, misappropriation of trade secrets, fraud or embezzlement;

(C) the Executive commits a material breach of this Agreement;

(D) the Executive willfully refuses to implement or follow a lawful policy or directive of the Company; or

(E) the Executive willfully and on a continuing basis fails to perform his duties hereunder diligently and professionally.

(d) Termination by the Company without Cause.

(i) The Company, in its sole discretion, may terminate the Executive's employment under this Agreement without Cause at any time.

(ii) For the purposes of this Agreement, any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination "For Cause" under Section 5(c) and does not result from the death or disability of the Executive under Sections 5(a) or 5(b), respectively, shall be a termination "without Cause".

(e) Resignation by Executive.

(i) The Executive may terminate his employment by providing to the Company Notice of Termination of his employment at least three (3) months prior to the effective date of resignation. During such notice period Executive shall continue to diligently perform all of Executive's duties hereunder, provided that the Company shall have the option, in its sole discretion, to waive such notice period, in whole or in part, and if it does so, the Executive's resignation will become effective and the Executive's employment will cease on the date set by the Company in the notice of waiver, and the Executive shall be entitled to his Accrued Benefits up to and including the Date of Termination (as defined in Section 5(g)(iii)). In the event the Company waives the Executive's notice hereunder, the Company, in its sole discretion, in the circumstances, may pay the Base Salary portion of the Executive's Accrued Benefits by way of one or more lump sum payments, by way of salary continuance or by a combination of both.

(ii) The Executive may terminate his employment for Good Reason within 12 months following a Change in Control of the Company in accordance with, and subject to, the process set out in Section 7(c).

(f) Notice of Termination. Except for termination as specified in Section 5(a), any termination of the Executive's employment by the Company or any termination of the Executive's employment by the Executive must be communicated by written Notice of Termination to the other party. For the purposes of this Agreement, "**Notice of Termination**" means a written notice that indicates the specific termination provision in this Agreement upon which the termination is based.

(g) Date of Termination. For the purposes of this Agreement, "**Date of Termination**" means:

(i) if the Executive's employment is terminated by his death, the date of his death;

(ii) if the Executive's employment is terminated on account of disability under Section 5(b) or by the Company for Cause under Section 5(c), or by the Company without Cause under Section 5(d) on the date the Notice of Termination is given;

(iii) if the Executive terminates his employment under Section 5(e)(i) without Good Reason, on the effective date of resignation specified by the Executive in the Notice of Termination (which shall be at least three (3) months after the date of the Notice of Termination) or, if no such date is specified or if the Company waives the notice period, the date that is three (3) months after the date of the Notice of Termination; and

(iv) if the Executive terminates his employment under Section 5(e)(ii) for Good Reason following a Change in Control of the Company, the date on which a Notice of Termination is given after the end of the Cure Period.

Notwithstanding the foregoing, if the Executive gives a Notice of Termination to the Company that takes effect at a future date, the Company may unilaterally accelerate the Date of Termination and that acceleration will not be deemed a termination by the Company for purposes of this Agreement.

6. COMPENSATION UPON TERMINATION

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) on or before the time required by law, but in no event more than 30 days after the Executive's Date of Termination:

(i) unpaid expense reimbursements;

(ii) accrued but unused vacation to the extent payment is required by law or Company policy;

(iii) any vested benefits the Executive may have under any employee benefit plan of the Company;

(iv) any earned but unpaid Base Salary; and

(v) any earned but unpaid annual bonus for the prior fiscal year;

for service up to and including the Date of Termination (collectively the "**Accrued Benefits**"). The Executive shall not be entitled to any other salary, compensation, bonus (or pro rata share thereof) or benefits from the Company thereafter, except as otherwise specifically provided in this Agreement, under the Company's employee benefit plans or as expressly required by applicable law.

(b) Termination by the Company without Cause. If the Executive's employment is terminated by the Company without Cause, then the Company shall pay the Executive his Accrued Benefits as of the Date of Termination. In addition, subject to Section 7 and the Executive providing the Company with a fully effective general release of claims in a form and manner satisfactory to the Company that includes but is not limited to the terms set forth in the attached Exhibit B (the "**Release**") within the 60-day period following the Date of Termination (and which shall be countersigned by the Company in respect of the non-disparagement clause therein), the Company shall pay the Executive an amount (the "**Severance Amount**" calculated as follows:

(i) an amount equal to eighteen (18) months' Base Salary, less withholding; plus

(ii) a bonus payment equal to the average of the actual bonus payments, if any, made to the Executive from the previous three (3) calendar years preceding the Date of Termination, pro-rated for the then current calendar year up to and including the Date of Termination; plus

(iii) provided that the Executive is enrolled in the Company's insurance benefits plans pursuant to Section 2(d), for continuation of coverage under the Company's insurance benefits plans that the Executive and his dependents are eligible to receive for the earlier of:

(A) a period of up to 24 months from the Date of Termination, or

(B) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan,

or reimburse the Executive for premiums paid by the Executive, if any, for continuation of coverage under equivalent private coverage.

The Company shall pay the Severance Amount within 60 days after the Date of Termination, provided that if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, and further provided that the Company, in its sole discretion, in the circumstances, may pay the Severance Amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The Severance Amount is inclusive of any entitlement to minimum standard severance under the British Columbia *Employment Standards Act*.

7. CHANGE IN CONTROL

(a) The provisions of this Section 7 set forth the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any Change in Control. Where the provisions of this Section 7 apply, they shall supersede the payment of the Severance Amount under Section 6(b). The provisions of this Section 7 are subject to the Executive providing to the Company, and not revoking, a fully effective Release.

(b) Definitions. For purposes of this Agreement:

(i) "**Change in Control**" means the consummation of any of the following:

(A) the sale of all or substantially all of the assets of the Company to an unrelated person or entity;

(B) a merger, reorganization, or consolidation involving the Company in which the shares of voting stock outstanding immediately prior to the transaction represent or are converted into or exchanged for securities of the surviving or resulting entity that, immediately upon completion of the transaction, represent less than 50% of the outstanding voting power of the surviving or resulting entity;

(C) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a person or group of persons; or

(D) any other acquisition of the business of the Company, as determined by the Board;

but any public offering by the Company, or another capital raising event, or a merger effected solely to change the Company's domicile does not constitute a Change in Control; and

(ii) "**Good Reason**" shall mean the occurrence of any of the following events without the Executive's prior written consent:

(A) a change in the Executive's position which materially reduces the Executive's responsibilities from the responsibilities in effect immediately prior to the Change of Control;

(B) a reduction by the Company of the Executive's Base Salary or Target Bonus percentage, except for an across-the-board salary reduction affecting all senior executives of the Company; or

(C) a relocation of Executive's principal place of employment by more than 80 kilometres.

(c) Resignation for Good Reason. If the Executive desires to terminate his employment for Good Reason within 12 months following a Change in Control, the Executive must comply with, and shall be subject to, the following terms and conditions:

(i) the Executive reasonably determines in good faith that a Good Reason condition has occurred within 12 months following a Change in Control;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following that notice (the "**Cure Period**") to remedy the condition;

(iv) notwithstanding the Company's efforts, the Good Reason condition continues to exist; and

(v) the Executive provides to the Company Notice of Termination of his employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason condition during the Cure Period, the Good Reason condition is deemed not to have occurred and the Executive may not terminate his employment in respect of such condition.

(d) Change in Control Severance. If within 12 months following a Change in Control:

(i) the Company terminates the Executive's employment with the Company without Cause; or

(ii) the Executive resigns from his employment with the Company for Good Reason;

then,

(iii) in addition to paying the Executive his Accrued Benefits and in lieu of paying the Executive the Severance Amount, the Company shall pay to the Executive an amount (the "**Change in Control Severance Amount**") as follows:

(A) an amount equal to twenty-four (24) months' Base Salary, less withholding; plus

(B) a bonus payment equal to the average of the actual bonus payments, if any, made to the Executive from the previous three (3) calendar years preceding the Date of Termination, pro-rated for the then current calendar year up to and including the Date of Termination; plus

(C) provided that the Executive is enrolled in the Company's insurance benefits plans pursuant to Section 2(d), for continuation of coverage under the Company's insurance benefits plans that the Executive and his dependents are eligible to receive for the earlier of:

(1) a period of up to 24 months from the Date of Termination, or

(2) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan,

or reimburse the Executive for premiums paid by the Executive, if any, for continuation of coverage under equivalent private coverage.

The Company shall pay the Change in Control Severance Amount within 60 days after the Date of Termination, provided that if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, and further provided that the Company, in its sole discretion, in the circumstances, may pay the Change in Control Severance Amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The Change in Control Severance Amount is inclusive of any entitlement to minimum standard severance under the British Columbia *Employment Standards Act*; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all stock options and other stock-based awards held by the Executive shall immediately accelerate, vest, and become fully exercisable or non-forfeitable as of the Date of Termination.

8. RETURN OF MATERIALS UPON TERMINATION OF EMPLOYMENT

The Executive will return to the Company all Company documents, files, manuals, books, software, equipment, keys, equipment, identification or credit cards, and all other property belonging to Company upon the termination of the executive's employment with the Company for any reason.

9. GENERAL PROVISIONS

(a) Withholding. All payments made by the Company to the Executive under this Agreement will be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement is to be construed to obligate the Company to design or implement any compensation arrangement in a way that minimizes tax consequences for the Executive.

(b) Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession is a material breach of this Agreement.

(c) Successor to the Executive. This Agreement inures to the benefit of and is enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees, and legatees. If the Executive dies after his termination of employment but prior to the completion by the Company of all payments due to him under this Agreement, the Company shall continue the payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such a designation).

(d) Non-Waiver. Failure on the part of either party to complain of any act or failure to act of the other of them or to declare the other party in default of this Agreement, irrespective of how long such failure continues, will not constitute a waiver by such party of their rights hereunder or of the right to then or subsequently declare a default.

(e) Severability. In the event that any provision or part of this Agreement is determined to be void or unenforceable in whole or in part, the remaining provisions, or parts thereof, will be and remain in full force and effect.

(f) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the employment of the Executive and supersedes any and all agreements, understandings, warranties or representations of any kind, written or oral, express or implied, including any relating to the nature of the position or its duration, and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

(g) Survival. The provisions of this Agreement survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the intent of the Parties as expressed in this Agreement.

(h) Modification of Agreement**.** Any modification of this Agreement must be in writing and signed by both the Company and the Executive or it will have no effect and will be void.

(i) Disputes**.** Except for disputes arising in respect of Section 3, all disputes arising out of or in connection with this Agreement and the employment relationship between the parties, are to be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre, pursuant to its Rules. The place of arbitration will be Vancouver, British Columbia.

(j) Governing Law**.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia, Canada.

(k) Notices. Any notices, requests, demands, and other communications provided for by this Agreement are sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention to the Corporate Secretary.

(l) Independent Legal Advice**.** The Executive agrees that the contents, terms and effect of this Agreement have been explained to the Executive by a lawyer and are fully understood. The Executive further agrees that the consideration described aforesaid is accepted voluntarily for the purpose of employment with the Company under the terms and conditions described above.

(m) Counterparts. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which counterparts, when so executed and delivered is to be taken to be an original; but those counterparts together constitute one and the same document. PDF, facsimile, scanned, and electronic signatures have the same legal effect as original ink signatures.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date and year first above written.

SIGNED, SEALED AND DELIVERED )
by **Michael Abrams** in the presence of: )
)
)
_____ )
)
Witness )
)
Address )
)
_____ )
)
Occupation

/s/ Michael Abrams
**Michael Abrams**

**ARBUTUS BIOPHARMA CORPORATION**

Per: /s/ Mark J. Murray
Mark J. Murray

**EXHIBIT A**

**CONFIDENTIALITY**
**AND ASSIGNMENT OF INVENTIONS AGREEMENT**

THIS AGREEMENT (this "**Agreement**") dated for reference the 4 day of August, 2015.

BETWEEN:

**ARBUTUS BIOPHARMA CORPORATION**
(the "**Company**"), a company incorporated under the laws of British Columbia with offices at 100 – 8900 Glenlyon Parkway, Burnaby, British Columbia fax: (604) 419-3201

AND:

**Michael Abrams** (the "**Executive**"), of **Custer, Washington, USA**

WHEREAS:

A. The Company is in the business of acquiring, inventing, developing, discovering, adapting and commercializing inventions, methods, processes and products in the fields of chemistry, biochemistry, biotechnology and pharmaceuticals; and

B. In connection with the employment of the Executive by the Company, the parties desire to establish the terms and conditions under which the Executive will (i) receive from and disclose to the Company proprietary and confidential information; (ii) agree to keep the information confidential, to protect it from disclosure and to use it only in accordance with the terms of this Agreement; and (iii) assign to the Company all rights, including any ownership interest which may arise in all inventions and intellectual property developed or disclosed by the Executive over the course of his work during his employment with the Company, as set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the employment of the Executive by the Company and the payment by the Company to the Executive of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **INTERPRETATION**

1.1 **Definitions.** In this Agreement:

(a) "**Affiliate**" means, in respect of the Company, a company or other entity which directly or indirectly controls, is controlled by, or is under common control with, the Company. For the purposes of this definition, "**control**" means direct or indirect beneficial ownership of a greater than 50% interest in the income of such company or entity or such other relationship as, in fact, constitutes actual control. For greater certainty, without limiting the generality of the foregoing, Protiva Biotherapeutics Inc., Protiva Biotherapeutics (USA) Inc. and Arbutus Biopharma, Inc. are Affiliates of the Company.

(b) "**Business**" or "**Business of the Company**" means:

(i) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans; or

(ii) any other treatment area in which the Company has an active research and development program on the date the Executive's employment with the Company terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(c) "**Confidential Information**" shall mean all information, knowledge, or data, whether in written, oral, electronic or other form, relating to the Business of the Company, whether or not conceived, originated, discovered or developed in whole or in part by the Executive, that is not generally known to the public or to other persons who are not bound by obligations of confidentiality and:

(i) from which the Company or its Affiliates derive economic value, actual or potential, from the information not being generally known; or

(ii) in respect of which the Company or its Affiliates otherwise have a legitimate interest in maintaining secrecy;

and which, without limiting the generality of the foregoing, shall include:

(iii) all proprietary information licensed to, acquired, used or developed by the Company and its Affiliates in its research and development activities (including but not restricted to the research and development of RNA interference drugs and delivery technology), other scientific strategies and concepts, designs, know-how, information, material, formulas, processes, research data and proprietary rights in the nature of copyrights, patents, trademarks, licenses and industrial designs;

(iv) all information relating to the Business of the Company, and to all other aspects of the structure, personnel and operations of the Company and its Affiliates, including financial, clinical, regulatory, marketing, advertising and commercial information and strategies, customer lists, compilations, agreements and contractual records and correspondence; programs, devices, concepts, inventions, designs, methods, processes, data, know-how, unique combinations of separate items that is not generally known and items provided or disclosed to the Company or its Affiliates by third parties subject to restrictions on use or disclosure;

(v) all know-how relating to the Business of the Company, including all biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, clinical, safety, manufacturing and quality control data and information, and all applications, registrations, licenses, authorizations, approvals and correspondence submitted to regulatory authorities;

(vi) all information relating to the businesses of competitors of the Company or its Affiliates, including information relating to competitors' research and development, intellectual property, operations, financial, clinical, regulatory, marketing, advertising and commercial strategies, that is not generally known;

(vii) all information provided to the Company or its Affiliates by their agents, consultants, lawyers, contractors, licensors or licensees and relating to the Business of the Company; and

(viii) all information relating to the Executive's compensation and benefits, including his salary, vacation, stock options, rights to continuing education, perquisites, severance notice, rights on termination and all other compensation and benefits, except that he shall be entitled to disclose such information to his bankers, advisors, agents, consultants and other third parties who have a duty of confidence to him and who have a need to know such information in order to provide advice, products or services to him.

All Work Product shall be deemed to be the Company's Confidential Information.

(d) "**Effective Date**" means the 4 day of August, 2015 being the date that the Executive started working at the Company, as indicated in his employment agreement with the Company.

(e) "**Intellectual Property**" is used in its broadest sense and means and includes any statutory, common law, equitable, contractual or proprietary rights or interests, recognized currently or in future, in and to any Inventions, including, without limitation, rights and interests in and to the following:

(i) knowledge, know-how and its embodiments, including trade secret information;

(ii) patents in inventions, and all applications therefor;

(iii) copyrights in artistic, literary, dramatic, musical, and neighbouring works, copyrightable works of authorship including technical descriptions for products, user guides, illustrations, advertising materials, computer programs, source code and object code, and all applications therefor;

(iv) trademarks, service marks, tradenames, business names and domain names and all applications therefor;

(v) industrial designs and all other industrial or intellectual property and all applications therefor; and

(vi) all goodwill connected with the foregoing.

(f) "**Inventions**" shall mean any and all inventions, discoveries, developments, enhancements, improvements, concepts, formulas, designs, processes, ideas, writings and other works, whether or not reduced to practice, and whether or not protectable under patent, copyright, trade secret or similar laws.

(g) "**Work Product**" shall mean any and all Inventions and possible Inventions relating to the Business of the Company and which the Executive may make or conceive, alone or jointly with others, during his involvement in any capacity with the Company, whether during or outside his regular working hours, except those Inventions made or conceived by the Executive entirely on his own time that do not relate to the Business of the Company and do not derive from any equipment, supplies, facilities, Confidential Information or other information, gained, directly or indirectly, from or through his involvement in any capacity with the Company.

2. **CONFIDENTIALITY**

2.1 **Prior Business Confidential Information**. The Executive represents and warrants to the Company that the Executive has not brought or used, and the Executive covenants and agrees that the Executive will not use or bring to the Company any confidential information of any kind whatsoever of any prior party (the "**Prior Business**") with whom the Executive was previously involved, whether such involvement was as an employee, director or officer of that Prior Business, an investor in that Prior Business, a partner in that Prior Business, a consultant to that Prior Business or other relationship to that Prior Business (the "**Prior Involvement**"). The Company and the Executive acknowledge and agree that the Company is not employing the Executive to obtain confidential information relating to any Prior Involvement and the Executive acknowledges that the Company has advised the Executive to comply with any and all legal obligations the Executive may have to such Prior Business. The Executive covenants and agrees to hold the Company harmless from any and all claims and damages of any kind whatsoever that the Company may suffer as a result of any breach by the Executive of his obligations to such Prior Business in that regard.

2.2 **Basic Obligation of Confidentiality.** The Executive hereby acknowledges and agrees that in the course of **his** involvement with the Company, the Company may disclose to him or he may otherwise have access or be exposed to Confidential Information. The Company hereby agrees to provide such access to the Executive and the Executive hereby agrees to receive and hold all Confidential Information on the terms and conditions set out in this Agreement. Except as otherwise set out in this Agreement, the Executive will keep strictly confidential all Confidential Information and all other information belonging to the Company that he acquires, observes or is informed of, directly or indirectly, in connection with his involvement, in any capacity, with the Company both during and after the term of his employment in any capacity with the Company.

2.3 **Fiduciary Capacity.** The Executive will be and act toward the Company and its Affiliates as a fiduciary in respect of the Confidential Information.

2.4 **Non-disclosure.** Except with the prior written consent of the Company, the Executive will not at any time, either during or after his involvement in any capacity with the Company;

(a) use or copy any Confidential Information or recollections thereof for any purpose other than the performance of his duties for the benefit of the Company and its Affiliates;

(b) publish or disclose any Confidential Information or recollections thereof to any person other than to employees of the Company and its Affiliates who have a need to know such Confidential Information in the performance of their duties for the Company or its Affiliates;

(c) permit or cause any Confidential Information to be used, copied, published, disclosed, translated or adapted except as otherwise expressly permitted by this Agreement; or

(d) permit or cause any Confidential Information to be stored off the premises of the Company, including permitting or causing such Confidential Information to be stored in electronic format on personal computers, except in accordance with written procedures of the Company, as amended from time to time in writing.

2.5 **Taking Precautions.** The Executive will take all reasonable precautions necessary or prudent to prevent material in his possession or control that contains or refers to Confidential Information from being discovered, used or copied by third parties.

2.6 **The Company's Ownership of Confidential Information.** As between the Executive and the Company, the Company shall own all right, title and interest in and to the Confidential Information, whether or not created or developed by the Executive.

2.7 **Control of Confidential Information and Return of Information.** All physical materials produced or prepared by the Executive containing Confidential Information, including, without limitation, records, devices, computer files, data, notes, reports, proposals, lists, correspondence, specifications, drawings, plans, materials, accounts, reports, financial statements, estimates and all other materials prepared in the course of his responsibilities to or for the benefit of the Company or its Affiliates, together with all copies thereof (in whatever medium recorded), shall belong to the Company, and the Executive will promptly turn over to the Company's possession every original and copy of any and all such items in his possession or control upon request by the Company. If the material is such that it cannot reasonably be delivered, upon request from the Company, the Executive will provide reasonable evidence that such materials have been destroyed, purged or erased.

2.8 **Purpose of Use.** The Executive agrees that he will use Confidential Information only for purposes authorized or directed by the Company.

2.9 **Exemptions.** The obligations of confidentiality set out in this Article 2 will not apply to any of the following:

(a) information that is already known to the Executive, though not due to a prior disclosure by the Company or its Affiliates or by a person who obtained knowledge of the information, directly or indirectly, from the Company or its Affiliates;

(b) information disclosed to the Executive by another person who is not obliged to maintain the confidentiality of that information and who did not obtain knowledge of the information, directly or indirectly, from the Company or its Affiliates;

(c) information that is developed by the Executive independently of Confidential Information received from the Company or its Affiliates and such independent development can be documented by the Executive;

(d) other particular information or material which the Company expressly exempts by written instrument signed by the Company;

(e) information or material that is in the public domain through no fault of the Executive; and

(f) information required by operation of law, court order or government agency to be disclosed, provided that:

(i) in the event that the Executive is required to disclose such information or material, upon becoming aware of the obligation to disclose, the Executive will provide to the Company prompt written notice so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement;

(ii) if the Company agrees that the disclosure is required by law, it will give the Executive written authorization to disclose the information for the required purposes only;

(iii) if the Company does not agree that the disclosure is required by law, this Agreement will continue to apply, except to the extent that a Court of competent jurisdiction orders otherwise; and

(iv) if a protective order or other remedy is not obtained or if compliance with this Agreement is waived, the Executive will furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain confidential treatment of such Confidential Information.

3. **ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS**

3.1 **Notice of Invention.** The Executive agrees to promptly and fully inform the Company of all Work Product, whether or not patentable, throughout the course of his involvement, in any capacity, with the Company and from which there is a reasonable basis to believe that Intellectual Property may be derived therefrom, whether or not developed before or after execution of this Agreement. On his ceasing to be employed by the Company for any reason whatsoever, the Executive will immediately deliver up to the Company all Work Product.

3.2 **Assignment of Rights.** Subject only to the exceptions set out in **Exhibit I** attached to this Agreement, the Executive will assign, and does hereby assign, to the Company or, at the option of the Company and upon notice from the Company, to the Company's designee, all of his right, title and interest in and to all Work Product, including all Intellectual Property rights therein. To the extent that the Executive retains or acquires legal title to any such Intellectual Property rights and interests, the Executive hereby declares and confirms that such legal title is and will be held by him only as trustee and agent for the Company or the Company's designee. The Executive agrees that the Company's rights hereunder shall attach to all Intellectual Property rights in his Work Product, notwithstanding that it may be perfected or reduced to specific form after he has terminated his relationship with the Company. The Executive further agrees that the Company's rights hereunder are worldwide rights and are not limited to Canada, but shall extend to every country of the world.

3.3 **Moral Rights.** Without limiting the foregoing, the Executive hereby irrevocably waives any and all moral rights arising under the *Copyright Act* (Canada), as amended, or any successor legislation of similar force and effect or similar legislation in other applicable jurisdictions or at common law that he may have with respect to all Work Product, and agrees never to assert any moral rights which he may have in the Work Product, including, without limitation, the right to the integrity of the Work Product, the right to be associated with the Work Product, the right to restrain or claim damages for any distortion, mutilation or other modification or enhancement of the Work Product and the right to restrain the use or reproduction of the Work Product in any context and in connection with any product, service, cause or institution, and the Executive further confirms that the Company may use or alter any Work Product as the Company sees fits in its absolute discretion.

3.4 **Goodwill.** The Executive hereby agrees that all goodwill he has established or may establish with clients, customers, suppliers, principals, shareholders, investors, collaborators, strategic partners, licensees, contacts or prospects of the Company relating to the Business of the Company (or of its partners, subsidiaries or affiliates), both before and after the Effective Date, shall, as between the Executive and the Company, be and remain the property of the Company exclusively, for the Company to use, alter, vary, adapt and exploit as the Company shall determine in its discretion.

3.5 **Assistance.** The Executive hereby agrees to reasonably assist the Company, at the Company's request and expense, in:

(a) making patent applications for all Work Product, including instructions to lawyers and/or patent agents as to the characteristics of the Work Product in sufficient detail to enable the preparation of a suitable patent specification, to execute all formal documentation incidental to an application for letters patent and to execute assignment documents in favour of the Company for such applications;

(b) making applications for all other forms of Intellectual Property registration relating to all Work Product;

(c) prosecuting and maintaining the patent applications and other Intellectual Property relating to all Work Product; and

(d) registering, maintaining and enforcing the patents and other Intellectual Property registrations relating to all Work Product.

If the Company is unable for any reason to secure the Executive's signature with respect to any Work Product including, without limitation, to apply for or to pursue any application for any patents or copyright registrations covering such Work Product, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney-in-fact, to act for and on his behalf and stead to execute and file any papers, oaths and to do all other lawfully permitted acts with respect to such Work Product with the same legal force and effect as if executed by him.

3.6 **Assistance with Proceedings.** The Executive further agrees to reasonably assist the Company, at the Company's request and expense, in connection with any defence to an allegation of infringement of another person's intellectual property rights, claim of invalidity of another person's intellectual property rights, opposition to, or intervention regarding, an application for letters patent, copyright or trademark or other proceedings relating to Intellectual Property or applications for registration thereof.

3.7 **Commercialization.** The Executive understands that the decision whether or not to commercialize or market any Work Product is within the Company's sole discretion and for the Company's sole benefit and that no royalty or other consideration will be due or payable to him as a result of the Company's efforts to commercialize or market any such Work Product.

3.8 **Prior Business Intellectual Property**. The Executive represents and warrants to the Company that he has not brought or used, and the Executive covenants and agrees that he will not use or bring to the Company any Intellectual Property of any kind whatsoever of any Prior Business with whom the Executive had a Prior Involvement or any Intellectual Property directly owned by the Executive. The Company and the Executive acknowledge and agree that the Company is not employing the Executive to obtain Intellectual Property relating to any Prior Involvement and the Executive acknowledges that the Company has advised the Executive to comply with any legal obligations the Executive may have to such Prior Business. The Executive covenants and agrees to hold the Company harmless from any and all claims and damages of any kind whatsoever that the Company may suffer as a result any breach by the Executive of his obligations to such Prior Business in that regard.

3.9 **Prior Inventions.** In order to have them excluded from this Agreement, the Executive has set forth on **Exhibit I** attached to this Agreement a complete list of all Inventions for which a patent application has not yet been filed that he has, alone or jointly with others, conceived, developed or reduced to practice prior to the execution of this Agreement to which he has any right, title or interest, and which relate to the Business of the Company. If such list is blank or no such list is attached, the Executive represents and warrants that there are no such prior Inventions.

4. **GENERAL**

4.1 **Term.** Subject to Section 4.10, the term of this Agreement is from the Effective Date and terminates on the date that the Executive is no longer working at or for the Company in any capacity.

4.2 **No Conflicting Obligations.** The Executive hereby represents and warrants that he has no agreements with or obligations to any other person with respect to the matters covered by this Agreement or concerning the Confidential Information that are in conflict with anything in this Agreement, except as disclosed in **Exhibit I** attached to this Agreement.

4.3 **Publicity.** The Executive shall not, without the prior written consent of the Company, make or give any public announcements, press releases or statements to the public or the press regarding any Work Product or any Confidential Information.

4.4 **Further Assurances.** The parties will execute and deliver to each other such further instruments and assurances and do such further acts as may be required to give effect to this Agreement.

4.5 **Notices.** All notices and other communications that are required or permitted by this Agreement must be in writing and shall be hand delivered or sent by express delivery service or certified or registered mail, postage prepaid, or by facsimile transmission (with receipt confirmed in writing) to the parties at the addresses on page 1 of this Agreement. Any such notice shall be deemed to have been received on the earlier of the date actually received or the date five (5) days after the same was posted or sent. Either party may change its address or its facsimile number by giving the other party written notice, delivered in accordance with this section.

4.6 **Equitable Remedies.** The Executive understands and acknowledges that if he breaches any of his obligations under this Agreement, that breach may give rise to irreparable injury to the Company for which damages are an inadequate remedy. In the event of any such breach by the Executive, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

4.7 **Non-Waiver**. Failure on the part of either party to complain of any act or failure to act of the other of them or to declare the other party in default of this Agreement, irrespective of how long such failure continues, will not constitute a waiver by such party of their rights hereunder or of the right to then or subsequently declare a default.

4.8 **Severability.** In the event that any provision or part of this Agreement is determined to be void or unenforceable in whole or in part, the remaining provisions, or parts thereof, will be and remain in full force and effect.

4.9 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all agreements, understandings, warranties or representations of any kind, written or oral, express or implied, including any relating to the nature of the position or its duration, and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

4.10 **Survival.** Notwithstanding the expiration or early termination of this Agreement, the provisions of Article 1, Article 2 (including the obligations of confidentiality and to return Confidential Information, which shall endure, with respect to each item of Confidential Information, for so long as those items fall within the definition of Confidential Information), Sections 3.2, 3.3, 3.4, 3.5, 3.6 and 3.8 and Article 4 shall survive any expiration or early termination of this Agreement.

4.11 **Modification of Agreement.** Any modification of this Agreement must be in writing and signed by both the Company and the Executive or it will have no effect and will be void.

4.12 **Governing Law.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia, Canada.

4.13 **Independent Legal Advice.** The Executive agrees that he has obtained or has had an opportunity to obtain independent legal advice in connection with this Agreement, and further acknowledge that he has read, understands, and agrees to be bound by all of the terms and conditions contained herein.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date and year first above written.

| | | |
|---|---|---|
| SIGNED, SEALED AND DELIVERED by **Michael Abrams** in the presence of: | ) | |
| _____ | ) | /s/ Michael Abrams |
| Witness Signature | ) | **Michael Abrams** |
| _____ | ) | |
| Witness Name | ) | |
| _____ | ) | |
| Witness Address | ) | |
| _____ | ) | |
| _____ | ) | |
| Witness Occupation | ) | |

**ARBUTUS BIOPHARMA CORPORATION**

Per: /s/ Mark J. Murray
Mark J. Murray

**EXHIBIT I**
**to Confidentiality and Assignment of Inventions Agreement**

**EXCLUSIONS FROM WORK PRODUCT**

**[To be completed as applicable]**

**EXHIBIT B**

**GENERAL RELEASE LANGUAGE**

The Executive agrees, for himself, his spouse, heirs, executor or administrator, assigns, insurers, attorneys, and other persons or entities acting or purporting to act on his behalf (the "**Executive's Parties**"), to irrevocably and unconditionally release, acquit, and forever discharge the Company, its affiliates, subsidiaries, directors, officers, employees, shareholders, partners, agents, representatives, predecessors, successors, assigns, insurers, attorneys, benefit plans sponsored by the Company, and said plans' fiduciaries, agents and trustees (the "**Company's Parties**"), from any and all actions, causes of action, suits, claims, obligations, liabilities, debts, demands, contentions, damages, judgments, levies, and executions of any kind, whether in law or in equity, known or unknown, which the Executive's Parties have, have had, or may in the future claim to have against the Company's Parties by reason of, arising out of, related to, or resulting from the Executive's employment with the Company or the termination of that employment. This release specifically includes without limitation any claims arising in tort or contract, any claim based on wrongful discharge, any claim based on breach of contract, any claim arising under federal, state or local law prohibiting race, sex, age, religion, national origin, handicap, disability, or other forms of discrimination, any claim arising under federal, state, or local law concerning employment practices, and any claim relating to compensation or benefits. It is understood and agreed that the waiver of benefits and claims contained in this section does not include a waiver of the right to payment of any vested, non-forfeitable benefits to which the Executive or a beneficiary of the Executive may be entitled under the terms and provisions of any employee benefit plan of the company which have accrued as of the Date of Termination, and does not include a waiver of the right to benefits and payment of consideration to which the Executive may be entitled under this Agreement or any of the agreements contemplated by this Agreement (including the indemnification agreement and the stock option agreement). The Executive acknowledges that he is entitled to only the severance benefits and compensation set forth in this Agreement, and that all other claims for any other benefits or compensation are hereby waived, except those expressly stated in the preceding sentence.

Executive agrees that he will not make any derogatory statements, either oral or written, or otherwise disparage any of the Company's Parties or their products, employees, services, work and/or employment.

The Company agrees that it will not make any derogatory statements, either oral or written, or otherwise disparage any of the Executive's Parties.

The Executive hereby acknowledges his understanding that under this Agreement he is releasing any known or unknown claims he may have.

The Executive expressly waives and relinquishes all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to his release of claims.

**EXHIBIT C**

**EXISTING CONFLICTS**

If applicable, Executive to describe, in specific terms, any ongoing business relationship with any organization other than Arbutus Biopharma Corporation or Arbutus Biopharma Inc. Please provide a copy of any agreements with said organizations that creates a business relationship described in Section 3(d)

**Exhibit 10.13**

# EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made this 4 day of August, 2015

BETWEEN:

**ARBUTUS BIOPHARMA CORPORATION**, a company incorporated under the laws of British Columbia (the "**Company**"), with offices at 100 – 8900 Glenlyon Parkway, Burnaby, British Columbia fax: (604) 419-3201

AND:

**Mark Kowalski** (the "**Executive**"), of **Winchester, Massachusetts, USA**

WHEREAS:

A. The Company is in the business of acquiring, inventing, developing, discovering, adapting and commercializing inventions, methods, processes and products in the fields of chemistry, biochemistry, biotechnology and pharmaceuticals;

B. The Executive has the expertise, qualifications and required certifications to perform the services contemplated by this Agreement; and

C. The Company wishes to employ the Executive to perform the services, on the terms and conditions herein set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereto agree as follows:

1. EMPLOYMENT

(a) The Executive will be employed by and will serve the Company as its **Chief Medical Officer** and will have powers and duties consistent with such position as may from time to time be prescribed by the Chief Executive Officer of the Company. The Executive will report directly to the **Chief Executive Officer** of the Company and will perform the duties and responsibilities assigned to the Executive from time to time by the Chief Executive Officer. The Executive will comply with all lawful instructions given by the Chief Executive Officer of the Company.

(b) The terms and conditions of this Agreement will have effect as and from 4 day of August, 2015 and the Executive's employment as **Chief Medical Officer** will continue until terminated as provided for in this Agreement.

(c) The Executive acknowledges and agrees that in addition to the terms and conditions of this Agreement, the Executive's employment with the Company is subject to and governed by the Company's policies as established from time to time. The Executive agrees to comply with the terms of such policies so long as they are not inconsistent with any provisions of the Agreement. The Executive will inform himself of the details of such policies and amendments thereto established from time to time.

(d) The Executive agrees that, as a high technology professional as defined in the Regulations to the Employment Standards Act of British Columbia, and an executive, his hours of work will vary and may be irregular and will be those hours required to meet the objectives of his employment. The Executive agrees that the compensation described in Section 2 of this Agreement compensates him in full for all hours worked.

(e) The Executive will devote himself exclusively to the Company's business and will not be employed or engaged in any capacity in any other business without the prior permission of the Company, such permission not to be unreasonably withheld. Notwithstanding the foregoing, the Executive may manage his personal investments or engage charitable or other community activities as long as those services and activities do not interfere with the Executive's performance of his duties to the Company.

(f) Concurrently with the execution and delivery of this Agreement and in consideration of the Executive's employment by the Company, the Executive and the Company will enter into a "Confidentiality and Assignment of Inventions Agreement" in the form attached hereto as Exhibit A.

2. REMUNERATION AND BENEFITS

(a) Base Salary. The Company will pay the Executive an annual salary of US$365,000, less required deductions (the "**Base Salary**"). The Base Salary will be payable semi-monthly. The Executive's Base Salary will be reviewed annually by the Chief Executive Officer of the Company and is subject to increase but not decrease, except for an across-the-board salary reduction affecting all or substantially all senior executives of the Company, nor will it necessarily result in an increase to the Base Salary. The base salary in effect at any given time is referred to as "Base Salary" and this Agreement need not be modified to reflect a change in Base Salary. The Base Salary is subject to withholding and payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Bonus. The Executive is eligible to be considered for an annual discretionary bonus of up to 40 percent of Base Salary (such bonus, the "**Target Bonus**"); which will be subject to the terms of the bonus plan and approval of the Company's Board of Directors (the "**Board**"), in its sole discretion, on an annual basis. Any bonus payable during the first year of the Executive's employment will be pro-rated. Payment of a bonus in any one year will not indicate the payment of a bonus in any other year.

(c) Expenses. The Company will reimburse the Executive for all reasonable expenses actually and properly incurred by the Executive in performing services under this Agreement, in accordance with the policies and procedures then in effect and established by the Company for its senior executives. The Executive will provide the Company with receipts supporting the Executive's claims for reimbursement.

(d) Other Benefits. The Company will facilitate the Executive's enrolment in the Company's insurance benefits plans, as amended from time to time by the Company or the insurance carrier. In all cases, eligibility to participate in the plans and to receive benefits under the plans will be subject to the terms and requirements of the applicable insurance carrier in accordance with the formal benefits plan documents and policies. Any issues with respect to entitlement to or payment of benefits under the benefits package will be governed by the terms of such documents and policies. The Company is not responsible for the payment of benefits in any circumstance. Further, the Company reserves the right, in its sole discretion, to change any of the insurance benefit plans or providers, however, if the Company is unable to maintain similar coverage as to the insurance benefits plans or the providers, then the Executive will be provided with compensation to assist in securing the Executive's own coverage, such compensation to be determined by the Company.

(e) Equity Compensation. Subject to the discretionary approval of the Company's Board of Directors, and in accordance with the Company's annual performance and compensation review process, the Executive shall be eligible to receive equity awards under the Arbutus Biopharma Corporation Share Incentive Plan and or any other similar equity incentive plan to the same extent as other executives of the Company.

(f) Vacation. The Executive is entitled to paid holidays and vacation days each year, in an amount determined in accordance with and subject to the Company's applicable policies in effect, and as may be amended from time to time. The Executive will be entitled to 20 days of vacation per calendar year, which will be pro-rated for any year in which the Executive is only employed with the Company for a portion of the year or for any period in which the Executive is not a full-time employee. Vacation days will be scheduled at times that are mutually acceptable to the Executive and the Company. Carry-over of vacation days will be according to Company policy, and any accrued but unused vacation days will be paid out upon termination.

3. NON-COMPETITION AND NON-SOLICITATION

(a) The biotechnology industry is highly competitive and employees leaving the employ of the Company have the ability to cause significant damage to the Company's interests if they join a competing business immediately upon leaving the Company.

(b) Definitions:

(i) "**Affiliate**" means, in respect of the Company, a company or other entity which directly or indirectly controls, is controlled by, or is under common control with, the Company. For the purposes of this definition, "control" means direct or indirect beneficial ownership of a greater than 50% interest in the income of such company or entity or such other relationship as, in fact, constitutes actual control. For greater certainty, without limiting the generality of the foregoing, Protiva Biotherapeutics Inc., Protiva Biotherapeutics (USA) Inc. and Arbutus Biopharma, Inc. are Affiliates of the Company.

(ii) "**Business**" or "**Business of the Company**" means:

(A) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans; or

(B) any other treatment area in which the Company has an active research and development program on the date this Agreement terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(iii) "**Competing Business**" means any endeavour, activity or business which is competitive in any material way with the Business of the Company worldwide.

(iv) "**Contact**" means any person, firm, corporation or other entity that was a client, customer, supplier, principal, shareholder, investor, collaborator, strategic partner, licensee, contact or prospect of the Company (or of its partners, funders or Affiliates) with whom the Executive dealt or otherwise became aware of during the term of the Executive's employment in any capacity with the Company.

(v) "**Restricted Period**" means:

(A) in the event that the Executive is terminated pursuant to Section 5(d) of this Employment Agreement, a period equivalent to the amount of notice that the Executive is entitled pursuant to Section 6(b)(i); or

(B) in the event that the Executive's employment is terminated pursuant to a Change of Control (as defined below), a period equivalent to the amount of notice that the Executive is entitled pursuant to Section 7(d)(iii)(A).

(c) Reasonableness. The Executive hereby acknowledges and agrees that:

(i) both before and since the commencement of the Executive's employment by the Company, the Company has operated and competed and will operate and compete worldwide, with respect to the Business of the Company;

(ii) competitors of the Company and the Business are located worldwide;

(iii) in order to protect the Company adequately, any enjoinder of competition would have to apply to any country in which the Company, during the term of the Executive's employment, had material business relationships;

(iv) during the course of the Executive's employment with the Company, on behalf of the Company, the Executive will acquire knowledge of, and will come into contact with, initiate and establish relationships with, both existing and new clients, customers, suppliers, principals, contacts and prospects of the Company, and that in some circumstances the Executive may become the senior or sole representative of the Company dealing with such persons; and

(v) in light of the foregoing, the provisions of this Section 3 are reasonable and necessary for the proper protection of the Business of the Company.

(d) Restrictive Covenant. Except as set forth on Exhibit C attached hereto, during the term of the Executive's employment and for the Restricted Period after the termination thereof, the Executive shall not, without the prior written consent of the Board, such consent to be granted or withheld in the Board's sole discretion, within the geographic scope of any country in which the Company, during the term of the Executive's employment, had material business relationships, carry on or be employed by or engaged in or have any financial or other interest in or be otherwise commercially involved in a Competing Business, directly or indirectly, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever.

(e) Exception. The Executive shall not be in default of Section 3(d) by virtue of the Executive:

(i) following the termination of employment, holding, strictly for portfolio purposes and as a passive investor, no more than five percent (5%) of the issued and outstanding shares of, or any other interest in, any corporation or other entity which is listed on any recognized stock exchange, that is a Competing Business; or

(ii) during the term of the Executive's employment, holding, strictly for portfolio purposes and as a passive investor, issued and outstanding shares of, or any other interest in, any corporation or other entity, the business of which corporation or other entity is in the same Business as the Company provided such corporation is not a Competing Business, and provided further that the Executive first obtains the Company's written consent, which consent will not be unreasonably withheld.

If the Executive holds issued and outstanding shares or any other interest in a corporation or other entity pursuant to Section 3(e)(ii) above, and following the acquisition of such shares or other interest the business of the corporation or other entity becomes a Competing Business, the Executive will promptly dispose of the Executive's shares or other interest in such corporation or other entity.

(f) Non-Solicitation. The Executive shall not, during the term of the Executive's employment and for the Restricted Period after the termination thereof for any reason, whether legal or illegal, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever, without the prior written and informed consent of the Company, directly or indirectly:

(i) canvass or solicit the business of (or procure or assist the canvassing or soliciting of the business of) any Contact, or otherwise solicit, induce or encourage any Contact to curtail or cease its relationship with the Company, for any purpose which is competitive with the Business; or

(ii) accept (or procure or assist the acceptance of) any business from any Contact which business is competitive with the Business; or

(iii) be employed by or supply (or procure or assist the supply of) any goods or services to any Contact for any purpose which is competitive with the Business; or

(iv) employ, engage, offer employment or engagement to or solicit the employment or engagement of or otherwise entice away from or solicit, induce or encourage to leave the employment or engagement of the Company, any individual who is employed or engaged by the Company whether or not such individual would commit any breach of the Executive's contract or terms of employment or engagement by leaving the employ or the engagement of the Company, provided that the Executive shall be permitted, solely in a personal capacity, to provide letters of reference for individuals who are employed by the Company.

(g) Validity. The Executive expressly recognizes and acknowledges that it is the intent of the parties that the Executive's activities following the termination of the Executive's employment with the Company be restricted in the manner described in this Section 3, and acknowledges that good, valuable, and sufficient consideration has been provided in exchange for such restrictions. The Executive agrees that should any of the restrictions contained in this Section 3 be found to be unreasonable to any extent by a court of competent jurisdiction adjudicating upon the validity of the restriction, whether as to the scope of the restriction, the area of the restriction or the duration of the restriction, then such restriction shall be reduced to that which is in fact declared reasonable by such court, or a subsequent court of competent jurisdiction, requested to make such a declaration, in order to ensure that the intention of the parties is given the greatest possible effect.

4. INJUNCTIVE RELIEF

(a) The Executive understands and agrees that the Company has a material interest in preserving the relationships it has developed with its executives, customers and suppliers against impairment by competitive activities of a former executive. Accordingly, the Executive agrees that the restrictions and covenants contained in Section 3 are reasonably required for the protection of the Company and its goodwill and that the Executive's agreement to those restrictions and covenants by the execution of this Agreement, are of the essence to this Agreement and constitute a material inducement to the Company to enter into this Agreement and to employ the Executive, and that the Company would not enter into this Agreement absent such an inducement.

(b) The Executive understands and acknowledges that if the Executive breaches Section 3, that breach will give rise to irreparable injury to the Company for which damages are an inadequate remedy, and the Company may pursue injunctive relief for such breach in a court of competent jurisdiction.

5. TERMINATION

The Executive's employment by the Company may be terminated under the following circumstances:

(a) Death. The Executive's employment hereunder will terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled (as determined by the Chief Executive Officer) by a condition that qualifies Executive for long term disability benefits under the Company's then-current long term disability plan, in a manner that renders the Executive unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of six (6) months or more. Nothing in this Section 5(b) will be construed to waive the Executive's rights, if any, under the Company's insurance benefits plans accruing prior to termination or under applicable law.

(c) Termination by Company for Cause.

(i) The Company may terminate the Executive's employment For Cause at any time, without notice or payment in lieu thereof. The payment by the Company of the Executive's Accrued Benefits shall be subject to any other rights or remedies of the Company under law and thereafter all obligations of the Company under this Agreement shall cease.

(ii) For the purposes of this Agreement, "**For Cause**" shall mean:

(A) the Executive commits a crime involving dishonesty, breach of trust, or physical harm to any person (excluding driving while affected by drugs or alcohol) or any violation of provincial, state or federal securities laws;

(B) the Executive willfully engages in conduct that is in bad faith and materially injurious to the Company or its Affiliates, monetarily or otherwise, including but not limited to, misappropriation of trade secrets, fraud or embezzlement;

(C) the Executive commits a material breach of this Agreement;

(D) the Executive willfully refuses to implement or follow a lawful policy or directive of the Company; or

(E) the Executive willfully and on a continuing basis fails to perform his duties hereunder diligently and professionally.

(d) Termination by the Company without Cause.

(i) The Company, in its sole discretion, may terminate the Executive's employment under this Agreement without Cause at any time.

(ii) For the purposes of this Agreement, any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination "For Cause" under Section 5(c) and does not result from the death or disability of the Executive under Sections 5(a) or 5(b), respectively, shall be a termination "without Cause".

(e) Resignation by Executive.

(i) The Executive may terminate his employment by providing to the Company Notice of Termination of his employment at least three (3) months prior to the effective date of resignation. During such notice period Executive shall continue to diligently perform all of Executive's duties hereunder, provided that the Company shall have the option, in its sole discretion, to waive such notice period, in whole or in part, and if it does so, the Executive's resignation will become effective and the Executive's employment will cease on the date set by the Company in the notice of waiver, and the Executive shall be entitled to his Accrued Benefits up to and including the Date of Termination (as defined in Section 5(g)(iii)). In the event the Company waives the Executive's notice hereunder, the Company, in its sole discretion, in the circumstances, may pay the Base Salary portion of the Executive's Accrued Benefits by way of one or more lump sum payments, by way of salary continuance or by a combination of both.

(ii) The Executive may terminate his employment for Good Reason within 12 months following a Change in Control of the Company in accordance with, and subject to, the process set out in Section 7(c).

(f) Notice of Termination. Except for termination as specified in Section 5(a), any termination of the Executive's employment by the Company or any termination of the Executive's employment by the Executive must be communicated by written Notice of Termination to the other party. For the purposes of this Agreement, "**Notice of Termination**" means a written notice that indicates the specific termination provision in this Agreement upon which the termination is based.

(g) Date of Termination. For the purposes of this Agreement, "**Date of Termination**" means:

(i) if the Executive's employment is terminated by his death, the date of his death;

(ii) if the Executive's employment is terminated on account of disability under Section 5(b) or by the Company for Cause under Section 5(c), or by the Company without Cause under Section 5(d) on the date the Notice of Termination is given;

(iii) if the Executive terminates his employment under Section 5(e)(i) without Good Reason, on the effective date of resignation specified by the Executive in the Notice of Termination (which shall be at least three (3) months after the date of the Notice of Termination) or, if no such date is specified or if the Company waives the notice period, the date that is three (3) months after the date of the Notice of Termination; and

(iv) if the Executive terminates his employment under Section 5(e)(ii) for Good Reason following a Change in Control of the Company, the date on which a Notice of Termination is given after the end of the Cure Period.

Notwithstanding the foregoing, if the Executive gives a Notice of Termination to the Company that takes effect at a future date, the Company may unilaterally accelerate the Date of Termination and that acceleration will not be deemed a termination by the Company for purposes of this Agreement.

6. COMPENSATION UPON TERMINATION

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) on or before the time required by law, but in no event more than 30 days after the Executive's Date of Termination:

(i) unpaid expense reimbursements;

(ii) accrued but unused vacation to the extent payment is required by law or Company policy;

(iii) any vested benefits the Executive may have under any employee benefit plan of the Company;

(iv) any earned but unpaid Base Salary; and

(v) any earned but unpaid annual bonus for the prior fiscal year;

for service up to and including the Date of Termination (collectively the "**Accrued Benefits**"). The Executive shall not be entitled to any other salary, compensation, bonus (or pro rata share thereof) or benefits from the Company thereafter, except as otherwise specifically provided in this Agreement, under the Company's employee benefit plans or as expressly required by applicable law.

(b) Termination by the Company without Cause. If the Executive's employment is terminated by the Company without Cause, then the Company shall pay the Executive his Accrued Benefits as of the Date of Termination. In addition, subject to Section 7 and the Executive providing the Company with a fully effective general release of claims in a form and manner satisfactory to the Company that includes but is not limited to the terms set forth in the attached Exhibit B (the "**Release**") within the 60-day period following the Date of Termination (and which shall be countersigned by the Company in respect of the non-disparagement clause therein), the Company shall pay the Executive an amount (the "**Severance Amount**" calculated as follows:

(i) an amount equal to eighteen (18) months' Base Salary, less withholding; plus

(ii) a bonus payment equal to the average of the actual bonus payments, if any, made to the Executive from the previous three (3) calendar years preceding the Date of Termination, pro-rated for the then current calendar year up to and including the Date of Termination; plus

(iii) provided that the Executive is enrolled in the Company's insurance benefits plans pursuant to Section 2(d), for continuation of coverage under the Company's insurance benefits plans that the Executive and his dependents are eligible to receive for the earlier of:

(A) a period of up to 24 months from the Date of Termination, or

(B) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan,

or reimburse the Executive for premiums paid by the Executive, if any, for continuation of coverage under equivalent private coverage.

The Company shall pay the Severance Amount within 60 days after the Date of Termination, provided that if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, and further provided that the Company, in its sole discretion, in the circumstances, may pay the Severance Amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The Severance Amount is inclusive of any entitlement to minimum standard severance under the British Columbia *Employment Standards Act*.

7. CHANGE IN CONTROL

(a) The provisions of this Section 7 set forth the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any Change in Control. Where the provisions of this Section 7 apply, they shall supersede the payment of the Severance Amount under Section 6(b). The provisions of this Section 7 are subject to the Executive providing to the Company, and not revoking, a fully effective Release.

(b) Definitions. For purposes of this Agreement:

(i) "**Change in Control**" means the consummation of any of the following:

(A) the sale of all or substantially all of the assets of the Company to an unrelated person or entity;

(B) a merger, reorganization, or consolidation involving the Company in which the shares of voting stock outstanding immediately prior to the transaction represent or are converted into or exchanged for securities of the surviving or resulting entity that, immediately upon completion of the transaction, represent less than 50% of the outstanding voting power of the surviving or resulting entity;

(C) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a person or group of persons; or

(D) any other acquisition of the business of the Company, as determined by the Board;

but any public offering by the Company, or another capital raising event, or a merger effected solely to change the Company's domicile does not constitute a Change in Control; and

(ii) "**Good Reason**" shall mean the occurrence of any of the following events without the Executive's prior written consent:

(A) a change in the Executive's position which materially reduces the Executive's responsibilities from the responsibilities in effect immediately prior to the Change of Control;

(B) a reduction by the Company of the Executive's Base Salary or Target Bonus percentage, except for an across-the-board salary reduction affecting all senior executives of the Company; or

(C) a relocation of Executive's principal place of employment by more than 80 kilometres.

(c) Resignation for Good Reason. If the Executive desires to terminate his employment for Good Reason within 12 months following a Change in Control, the Executive must comply with, and shall be subject to, the following terms and conditions:

(i) the Executive reasonably determines in good faith that a Good Reason condition has occurred within 12 months following a Change in Control;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following that notice (the "**Cure Period**") to remedy the condition;

(iv) notwithstanding the Company's efforts, the Good Reason condition continues to exist; and

(v) the Executive provides to the Company Notice of Termination of his employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason condition during the Cure Period, the Good Reason condition is deemed not to have occurred and the Executive may not terminate his employment in respect of such condition.

(d) Change in Control Severance. If within 12 months following a Change in Control:

(i) the Company terminates the Executive's employment with the Company without Cause; or

(ii) the Executive resigns from his employment with the Company for Good Reason;

then,

(iii) in addition to paying the Executive his Accrued Benefits and in lieu of paying the Executive the Severance Amount, the Company shall pay to the Executive an amount (the "**Change in Control Severance Amount**") as follows:

(A) an amount equal to twenty-four (24) months' Base Salary, less withholding; plus

(B) a bonus payment equal to the average of the actual bonus payments, if any, made to the Executive from the previous three (3) calendar years preceding the Date of Termination, pro-rated for the then current calendar year up to and including the Date of Termination; plus

(C) provided that the Executive is enrolled in the Company's insurance benefits plans pursuant to Section 2(d), for continuation of coverage under the Company's insurance benefits plans that the Executive and his dependents are eligible to receive for the earlier of:

(1) a period of up to 24 months from the Date of Termination, or

(2) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan,

or reimburse the Executive for premiums paid by the Executive, if any, for continuation of coverage under equivalent private coverage.

The Company shall pay the Change in Control Severance Amount within 60 days after the Date of Termination, provided that if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, and further provided that the Company, in its sole discretion, in the circumstances, may pay the Change in Control Severance Amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The Change in Control Severance Amount is inclusive of any entitlement to minimum standard severance under the British Columbia *Employment Standards Act*; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all stock options and other stock-based awards held by the Executive shall immediately accelerate, vest, and become fully exercisable or non-forfeitable as of the Date of Termination.

8. RETURN OF MATERIALS UPON TERMINATION OF EMPLOYMENT

The Executive will return to the Company all Company documents, files, manuals, books, software, equipment, keys, equipment, identification or credit cards, and all other property belonging to Company upon the termination of the executive's employment with the Company for any reason.

9. GENERAL PROVISIONS

(a) Withholding. All payments made by the Company to the Executive under this Agreement will be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement is to be construed to obligate the Company to design or implement any compensation arrangement in a way that minimizes tax consequences for the Executive.

(b) Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession is a material breach of this Agreement.

(c) Successor to the Executive. This Agreement inures to the benefit of and is enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees, and legatees. If the Executive dies after his termination of employment but prior to the completion by the Company of all payments due to him under this Agreement, the Company shall continue the payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such a designation).

(d) Non-Waiver. Failure on the part of either party to complain of any act or failure to act of the other of them or to declare the other party in default of this Agreement, irrespective of how long such failure continues, will not constitute a waiver by such party of their rights hereunder or of the right to then or subsequently declare a default.

(e) Severability. In the event that any provision or part of this Agreement is determined to be void or unenforceable in whole or in part, the remaining provisions, or parts thereof, will be and remain in full force and effect.

(f) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the employment of the Executive and supersedes any and all agreements, understandings, warranties or representations of any kind, written or oral, express or implied, including any relating to the nature of the position or its duration, and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

(g) Survival. The provisions of this Agreement survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the intent of the Parties as expressed in this Agreement.

(h) Modification of Agreement**.** Any modification of this Agreement must be in writing and signed by both the Company and the Executive or it will have no effect and will be void.

(i) Disputes**.** Except for disputes arising in respect of Section 3, all disputes arising out of or in connection with this Agreement and the employment relationship between the parties, are to be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre, pursuant to its Rules. The place of arbitration will be Vancouver, British Columbia.

(j) Governing Law**.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia, Canada.

(k) Notices. Any notices, requests, demands, and other communications provided for by this Agreement are sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention to the Corporate Secretary.

(l) Independent Legal Advice**.** The Executive agrees that the contents, terms and effect of this Agreement have been explained to the Executive by a lawyer and are fully understood. The Executive further agrees that the consideration described aforesaid is accepted voluntarily for the purpose of employment with the Company under the terms and conditions described above.

(m) Counterparts. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which counterparts, when so executed and delivered is to be taken to be an original; but those counterparts together constitute one and the same document. PDF, facsimile, scanned, and electronic signatures have the same legal effect as original ink signatures.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date and year first above written.

SIGNED, SEALED AND DELIVERED )
by **Mark Kowalski** in the presence of: )
)
)
_____ )
)
Witness )
)
Address )
)
_____ )
)
Occupation

/s/ Mark Kowalski
**Mark Kowalski**

**ARBUTUS BIOPHARMA CORPORATION**

Per: /s/ Mark J. Murray
Mark J. Murray

**EXHIBIT A**

**CONFIDENTIALITY**
**AND ASSIGNMENT OF INVENTIONS AGREEMENT**

THIS AGREEMENT (this "**Agreement**") dated for reference the 4 day of August, 2015.

BETWEEN:

**ARBUTUS BIOPHARMA CORPORATION**
(the "**Company**"), a company incorporated under the laws of British Columbia with offices at 100 – 8900 Glenlyon Parkway, Burnaby, British Columbia fax: (604) 419-3201

AND:

**Mark Kowalski** (the "**Executive**"), of **Winchester, Massachusetts, USA**

WHEREAS:

A. The Company is in the business of acquiring, inventing, developing, discovering, adapting and commercializing inventions, methods, processes and products in the fields of chemistry, biochemistry, biotechnology and pharmaceuticals; and

B. In connection with the employment of the Executive by the Company, the parties desire to establish the terms and conditions under which the Executive will (i) receive from and disclose to the Company proprietary and confidential information; (ii) agree to keep the information confidential, to protect it from disclosure and to use it only in accordance with the terms of this Agreement; and (iii) assign to the Company all rights, including any ownership interest which may arise in all inventions and intellectual property developed or disclosed by the Executive over the course of his work during his employment with the Company, as set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the employment of the Executive by the Company and the payment by the Company to the Executive of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **INTERPRETATION**

1.1 **Definitions.** In this Agreement:

(a) "**Affiliate**" means, in respect of the Company, a company or other entity which directly or indirectly controls, is controlled by, or is under common control with, the Company. For the purposes of this definition, "**control**" means direct or indirect beneficial ownership of a greater than 50% interest in the income of such company or entity or such other relationship as, in fact, constitutes actual control. For greater certainty, without limiting the generality of the foregoing, Protiva Biotherapeutics Inc., Protiva Biotherapeutics (USA) Inc. and Arbutus Biopharma, Inc. are Affiliates of the Company.

(b) "**Business**" or "**Business of the Company**" means:

(i) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans; or

(ii) any other treatment area in which the Company has an active research and development program on the date the Executive's employment with the Company terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(c) "**Confidential Information**" shall mean all information, knowledge, or data, whether in written, oral, electronic or other form, relating to the Business of the Company, whether or not conceived, originated, discovered or developed in whole or in part by the Executive, that is not generally known to the public or to other persons who are not bound by obligations of confidentiality and:

(i) from which the Company or its Affiliates derive economic value, actual or potential, from the information not being generally known; or

(ii) in respect of which the Company or its Affiliates otherwise have a legitimate interest in maintaining secrecy;

and which, without limiting the generality of the foregoing, shall include:

(iii) all proprietary information licensed to, acquired, used or developed by the Company and its Affiliates in its research and development activities (including but not restricted to the research and development of RNA interference drugs and delivery technology), other scientific strategies and concepts, designs, know-how, information, material, formulas, processes, research data and proprietary rights in the nature of copyrights, patents, trademarks, licenses and industrial designs;

(iv) all information relating to the Business of the Company, and to all other aspects of the structure, personnel and operations of the Company and its Affiliates, including financial, clinical, regulatory, marketing, advertising and commercial information and strategies, customer lists, compilations, agreements and contractual records and correspondence; programs, devices, concepts, inventions, designs, methods, processes, data, know-how, unique combinations of separate items that is not generally known and items provided or disclosed to the Company or its Affiliates by third parties subject to restrictions on use or disclosure;

(v) all know-how relating to the Business of the Company, including all biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, clinical, safety, manufacturing and quality control data and information, and all applications, registrations, licenses, authorizations, approvals and correspondence submitted to regulatory authorities;

(vi) all information relating to the businesses of competitors of the Company or its Affiliates, including information relating to competitors' research and development, intellectual property, operations, financial, clinical, regulatory, marketing, advertising and commercial strategies, that is not generally known;

(vii) all information provided to the Company or its Affiliates by their agents, consultants, lawyers, contractors, licensors or licensees and relating to the Business of the Company; and

(viii) all information relating to the Executive's compensation and benefits, including his salary, vacation, stock options, rights to continuing education, perquisites, severance notice, rights on termination and all other compensation and benefits, except that he shall be entitled to disclose such information to his bankers, advisors, agents, consultants and other third parties who have a duty of confidence to him and who have a need to know such information in order to provide advice, products or services to him.

All Work Product shall be deemed to be the Company's Confidential Information.

(d) "**Effective Date**" means the 4 day of August, 2015 being the date that the Executive started working at the Company, as indicated in his employment agreement with the Company.

(e) "**Intellectual Property**" is used in its broadest sense and means and includes any statutory, common law, equitable, contractual or proprietary rights or interests, recognized currently or in future, in and to any Inventions, including, without limitation, rights and interests in and to the following:

(i) knowledge, know-how and its embodiments, including trade secret information;

(ii) patents in inventions, and all applications therefor;

(iii) copyrights in artistic, literary, dramatic, musical, and neighbouring works, copyrightable works of authorship including technical descriptions for products, user guides, illustrations, advertising materials, computer programs, source code and object code, and all applications therefor;

(iv) trademarks, service marks, tradenames, business names and domain names and all applications therefor;

(v) industrial designs and all other industrial or intellectual property and all applications therefor; and

(vi) all goodwill connected with the foregoing.

(f) "**Inventions**" shall mean any and all inventions, discoveries, developments, enhancements, improvements, concepts, formulas, designs, processes, ideas, writings and other works, whether or not reduced to practice, and whether or not protectable under patent, copyright, trade secret or similar laws.

(g) "**Work Product**" shall mean any and all Inventions and possible Inventions relating to the Business of the Company and which the Executive may make or conceive, alone or jointly with others, during his involvement in any capacity with the Company, whether during or outside his regular working hours, except those Inventions made or conceived by the Executive entirely on his own time that do not relate to the Business of the Company and do not derive from any equipment, supplies, facilities, Confidential Information or other information, gained, directly or indirectly, from or through his involvement in any capacity with the Company.

2. **CONFIDENTIALITY**

2.1 **Prior Business Confidential Information**. The Executive represents and warrants to the Company that the Executive has not brought or used, and the Executive covenants and agrees that the Executive will not use or bring to the Company any confidential information of any kind whatsoever of any prior party (the "**Prior Business**") with whom the Executive was previously involved, whether such involvement was as an employee, director or officer of that Prior Business, an investor in that Prior Business, a partner in that Prior Business, a consultant to that Prior Business or other relationship to that Prior Business (the "**Prior Involvement**"). The Company and the Executive acknowledge and agree that the Company is not employing the Executive to obtain confidential information relating to any Prior Involvement and the Executive acknowledges that the Company has advised the Executive to comply with any and all legal obligations the Executive may have to such Prior Business. The Executive covenants and agrees to hold the Company harmless from any and all claims and damages of any kind whatsoever that the Company may suffer as a result of any breach by the Executive of his obligations to such Prior Business in that regard.

2.2 **Basic Obligation of Confidentiality.** The Executive hereby acknowledges and agrees that in the course of his involvement with the Company, the Company may disclose to him or he may otherwise have access or be exposed to Confidential Information. The Company hereby agrees to provide such access to the Executive and the Executive hereby agrees to receive and hold all Confidential Information on the terms and conditions set out in this Agreement. Except as otherwise set out in this Agreement, the Executive will keep strictly confidential all Confidential Information and all other information belonging to the Company that he acquires, observes or is informed of, directly or indirectly, in connection with his involvement, in any capacity, with the Company both during and after the term of his employment in any capacity with the Company.

2.3 **Fiduciary Capacity.** The Executive will be and act toward the Company and its Affiliates as a fiduciary in respect of the Confidential Information.

2.4 **Non-disclosure.** Except with the prior written consent of the Company, the Executive will not at any time, either during or after his involvement in any capacity with the Company;

(a) use or copy any Confidential Information or recollections thereof for any purpose other than the performance of his duties for the benefit of the Company and its Affiliates;

(b) publish or disclose any Confidential Information or recollections thereof to any person other than to employees of the Company and its Affiliates who have a need to know such Confidential Information in the performance of their duties for the Company or its Affiliates;

(c) permit or cause any Confidential Information to be used, copied, published, disclosed, translated or adapted except as otherwise expressly permitted by this Agreement; or

(d) permit or cause any Confidential Information to be stored off the premises of the Company, including permitting or causing such Confidential Information to be stored in electronic format on personal computers, except in accordance with written procedures of the Company, as amended from time to time in writing.

2.5 **Taking Precautions.** The Executive will take all reasonable precautions necessary or prudent to prevent material in his possession or control that contains or refers to Confidential Information from being discovered, used or copied by third parties.

2.6 **The Company's Ownership of Confidential Information.** As between the Executive and the Company, the Company shall own all right, title and interest in and to the Confidential Information, whether or not created or developed by the Executive.

2.7 **Control of Confidential Information and Return of Information.** All physical materials produced or prepared by the Executive containing Confidential Information, including, without limitation, records, devices, computer files, data, notes, reports, proposals, lists, correspondence, specifications, drawings, plans, materials, accounts, reports, financial statements, estimates and all other materials prepared in the course of his responsibilities to or for the benefit of the Company or its Affiliates, together with all copies thereof (in whatever medium recorded), shall belong to the Company, and the Executive will promptly turn over to the Company's possession every original and copy of any and all such items in his possession or control upon request by the Company. If the material is such that it cannot reasonably be delivered, upon request from the Company, the Executive will provide reasonable evidence that such materials have been destroyed, purged or erased.

2.8 **Purpose of Use.** The Executive agrees that he will use Confidential Information only for purposes authorized or directed by the Company.

2.9 **Exemptions.** The obligations of confidentiality set out in this Article 2 will not apply to any of the following:

(a) information that is already known to the Executive, though not due to a prior disclosure by the Company or its Affiliates or by a person who obtained knowledge of the information, directly or indirectly, from the Company or its Affiliates;

(b) information disclosed to the Executive by another person who is not obliged to maintain the confidentiality of that information and who did not obtain knowledge of the information, directly or indirectly, from the Company or its Affiliates;

(c) information that is developed by the Executive independently of Confidential Information received from the Company or its Affiliates and such independent development can be documented by the Executive;

(d) other particular information or material which the Company expressly exempts by written instrument signed by the Company;

(e) information or material that is in the public domain through no fault of the Executive; and

(f) information required by operation of law, court order or government agency to be disclosed, provided that:

(i) in the event that the Executive is required to disclose such information or material, upon becoming aware of the obligation to disclose, the Executive will provide to the Company prompt written notice so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement;

(ii) if the Company agrees that the disclosure is required by law, it will give the Executive written authorization to disclose the information for the required purposes only;

(iii) if the Company does not agree that the disclosure is required by law, this Agreement will continue to apply, except to the extent that a Court of competent jurisdiction orders otherwise; and

(iv) if a protective order or other remedy is not obtained or if compliance with this Agreement is waived, the Executive will furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain confidential treatment of such Confidential Information.

3. **ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS**

3.1 **Notice of Invention.** The Executive agrees to promptly and fully inform the Company of all Work Product, whether or not patentable, throughout the course of his involvement, in any capacity, with the Company and from which there is a reasonable basis to believe that Intellectual Property may be derived therefrom, whether or not developed before or after execution of this Agreement. On his ceasing to be employed by the Company for any reason whatsoever, the Executive will immediately deliver up to the Company all Work Product.

3.2 **Assignment of Rights.** Subject only to the exceptions set out in **Exhibit I** attached to this Agreement, the Executive will assign, and does hereby assign, to the Company or, at the option of the Company and upon notice from the Company, to the Company's designee, all of his right, title and interest in and to all Work Product, including all Intellectual Property rights therein. To the extent that the Executive retains or acquires legal title to any such Intellectual Property rights and interests, the Executive hereby declares and confirms that such legal title is and will be held by him only as trustee and agent for the Company or the Company's designee. The Executive agrees that the Company's rights hereunder shall attach to all Intellectual Property rights in his Work Product, notwithstanding that it may be perfected or reduced to specific form after he has terminated his relationship with the Company. The Executive further agrees that the Company's rights hereunder are worldwide rights and are not limited to Canada, but shall extend to every country of the world.

3.3 **Moral Rights.** Without limiting the foregoing, the Executive hereby irrevocably waives any and all moral rights arising under the *Copyright Act* (Canada), as amended, or any successor legislation of similar force and effect or similar legislation in other applicable jurisdictions or at common law that he may have with respect to all Work Product, and agrees never to assert any moral rights which he may have in the Work Product, including, without limitation, the right to the integrity of the Work Product, the right to be associated with the Work Product, the right to restrain or claim damages for any distortion, mutilation or other modification or enhancement of the Work Product and the right to restrain the use or reproduction of the Work Product in any context and in connection with any product, service, cause or institution, and the Executive further confirms that the Company may use or alter any Work Product as the Company sees fits in its absolute discretion.

3.4 **Goodwill.** The Executive hereby agrees that all goodwill he has established or may establish with clients, customers, suppliers, principals, shareholders, investors, collaborators, strategic partners, licensees, contacts or prospects of the Company relating to the Business of the Company (or of its partners, subsidiaries or affiliates), both before and after the Effective Date, shall, as between the Executive and the Company, be and remain the property of the Company exclusively, for the Company to use, alter, vary, adapt and exploit as the Company shall determine in its discretion.

3.5 **Assistance.** The Executive hereby agrees to reasonably assist the Company, at the Company's request and expense, in:

(a) making patent applications for all Work Product, including instructions to lawyers and/or patent agents as to the characteristics of the Work Product in sufficient detail to enable the preparation of a suitable patent specification, to execute all formal documentation incidental to an application for letters patent and to execute assignment documents in favour of the Company for such applications;

(b) making applications for all other forms of Intellectual Property registration relating to all Work Product;

(c) prosecuting and maintaining the patent applications and other Intellectual Property relating to all Work Product; and

(d) registering, maintaining and enforcing the patents and other Intellectual Property registrations relating to all Work Product.

If the Company is unable for any reason to secure the Executive's signature with respect to any Work Product including, without limitation, to apply for or to pursue any application for any patents or copyright registrations covering such Work Product, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney-in-fact, to act for and on his behalf and stead to execute and file any papers, oaths and to do all other lawfully permitted acts with respect to such Work Product with the same legal force and effect as if executed by him.

3.6 **Assistance with Proceedings.** The Executive further agrees to reasonably assist the Company, at the Company's request and expense, in connection with any defence to an allegation of infringement of another person's intellectual property rights, claim of invalidity of another person's intellectual property rights, opposition to, or intervention regarding, an application for letters patent, copyright or trademark or other proceedings relating to Intellectual Property or applications for registration thereof.

3.7 **Commercialization.** The Executive understands that the decision whether or not to commercialize or market any Work Product is within the Company's sole discretion and for the Company's sole benefit and that no royalty or other consideration will be due or payable to him as a result of the Company's efforts to commercialize or market any such Work Product.

3.8 **Prior Business Intellectual Property**. The Executive represents and warrants to the Company that he has not brought or used, and the Executive covenants and agrees that he will not use or bring to the Company any Intellectual Property of any kind whatsoever of any Prior Business with whom the Executive had a Prior Involvement or any Intellectual Property directly owned by the Executive. The Company and the Executive acknowledge and agree that the Company is not employing the Executive to obtain Intellectual Property relating to any Prior Involvement and the Executive acknowledges that the Company has advised the Executive to comply with any legal obligations the Executive may have to such Prior Business. The Executive covenants and agrees to hold the Company harmless from any and all claims and damages of any kind whatsoever that the Company may suffer as a result any breach by the Executive of his obligations to such Prior Business in that regard.

3.9 **Prior Inventions.** In order to have them excluded from this Agreement, the Executive has set forth on **Exhibit I** attached to this Agreement a complete list of all Inventions for which a patent application has not yet been filed that he has, alone or jointly with others, conceived, developed or reduced to practice prior to the execution of this Agreement to which he has any right, title or interest, and which relate to the Business of the Company. If such list is blank or no such list is attached, the Executive represents and warrants that there are no such prior Inventions.

4. **GENERAL**

4.1 **Term.** Subject to Section 4.10, the term of this Agreement is from the Effective Date and terminates on the date that the Executive is no longer working at or for the Company in any capacity.

4.2 **No Conflicting Obligations.** The Executive hereby represents and warrants that he has no agreements with or obligations to any other person with respect to the matters covered by this Agreement or concerning the Confidential Information that are in conflict with anything in this Agreement, except as disclosed in **Exhibit I** attached to this Agreement.

4.3 **Publicity.** The Executive shall not, without the prior written consent of the Company, make or give any public announcements, press releases or statements to the public or the press regarding any Work Product or any Confidential Information.

4.4 **Further Assurances.** The parties will execute and deliver to each other such further instruments and assurances and do such further acts as may be required to give effect to this Agreement.

4.5 **Notices.** All notices and other communications that are required or permitted by this Agreement must be in writing and shall be hand delivered or sent by express delivery service or certified or registered mail, postage prepaid, or by facsimile transmission (with receipt confirmed in writing) to the parties at the addresses on page 1 of this Agreement. Any such notice shall be deemed to have been received on the earlier of the date actually received or the date five (5) days after the same was posted or sent. Either party may change its address or its facsimile number by giving the other party written notice, delivered in accordance with this section.

4.6 **Equitable Remedies.** The Executive understands and acknowledges that if he breaches any of his obligations under this Agreement, that breach may give rise to irreparable injury to the Company for which damages are an inadequate remedy. In the event of any such breach by the Executive, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

4.7 **Non-Waiver**. Failure on the part of either party to complain of any act or failure to act of the other of them or to declare the other party in default of this Agreement, irrespective of how long such failure continues, will not constitute a waiver by such party of their rights hereunder or of the right to then or subsequently declare a default.

4.8 **Severability.** In the event that any provision or part of this Agreement is determined to be void or unenforceable in whole or in part, the remaining provisions, or parts thereof, will be and remain in full force and effect.

4.9 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all agreements, understandings, warranties or representations of any kind, written or oral, express or implied, including any relating to the nature of the position or its duration, and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

4.10 **Survival.** Notwithstanding the expiration or early termination of this Agreement, the provisions of Article 1, Article 2 (including the obligations of confidentiality and to return Confidential Information, which shall endure, with respect to each item of Confidential Information, for so long as those items fall within the definition of Confidential Information), Sections 3.2, 3.3, 3.4, 3.5, 3.6 and 3.8 and Article 4 shall survive any expiration or early termination of this Agreement.

4.11 **Modification of Agreement.** Any modification of this Agreement must be in writing and signed by both the Company and the Executive or it will have no effect and will be void.

4.12 **Governing Law.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia, Canada.

4.13 **Independent Legal Advice.** The Executive agrees that he has obtained or has had an opportunity to obtain independent legal advice in connection with this Agreement, and further acknowledge that he has read, understands, and agrees to be bound by all of the terms and conditions contained herein.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date and year first above written.

| | | |
|---|---|---|
| SIGNED, SEALED AND DELIVERED by **Mark Kowalski** in the presence of: | ) | |
| _____ | ) | /s/ Mark Kowalski |
| Witness Signature | ) | **Mark Kowalski** |
| _____ | ) | |
| Witness Name | ) | |
| _____ | ) | |
| Witness Address | ) | |
| _____ | ) | |
| _____ | ) | |
| Witness Occupation | ) | |

**ARBUTUS BIOPHARMA CORPORATION**

Per: /s/ Mark J. Murray
Mark J. Murray

**EXHIBIT I**
**to Confidentiality and Assignment of Inventions Agreement**

**EXCLUSIONS FROM WORK PRODUCT**

**[To be completed as applicable]**

**EXHIBIT B**

**GENERAL RELEASE LANGUAGE**

The Executive agrees, for himself, his spouse, heirs, executor or administrator, assigns, insurers, attorneys, and other persons or entities acting or purporting to act on his behalf (the "**Executive's Parties**"), to irrevocably and unconditionally release, acquit, and forever discharge the Company, its affiliates, subsidiaries, directors, officers, employees, shareholders, partners, agents, representatives, predecessors, successors, assigns, insurers, attorneys, benefit plans sponsored by the Company, and said plans' fiduciaries, agents and trustees (the "**Company's Parties**"), from any and all actions, causes of action, suits, claims, obligations, liabilities, debts, demands, contentions, damages, judgments, levies, and executions of any kind, whether in law or in equity, known or unknown, which the Executive's Parties have, have had, or may in the future claim to have against the Company's Parties by reason of, arising out of, related to, or resulting from the Executive's employment with the Company or the termination of that employment. This release specifically includes without limitation any claims arising in tort or contract, any claim based on wrongful discharge, any claim based on breach of contract, any claim arising under federal, state or local law prohibiting race, sex, age, religion, national origin, handicap, disability, or other forms of discrimination, any claim arising under federal, state, or local law concerning employment practices, and any claim relating to compensation or benefits. It is understood and agreed that the waiver of benefits and claims contained in this section does not include a waiver of the right to payment of any vested, non-forfeitable benefits to which the Executive or a beneficiary of the Executive may be entitled under the terms and provisions of any employee benefit plan of the company which have accrued as of the Date of Termination, and does not include a waiver of the right to benefits and payment of consideration to which the Executive may be entitled under this Agreement or any of the agreements contemplated by this Agreement (including the indemnification agreement and the stock option agreement). The Executive acknowledges that he is entitled to only the severance benefits and compensation set forth in this Agreement, and that all other claims for any other benefits or compensation are hereby waived, except those expressly stated in the preceding sentence.

Executive agrees that he will not make any derogatory statements, either oral or written, or otherwise disparage any of the Company's Parties or their products, employees, services, work and/or employment.

The Company agrees that it will not make any derogatory statements, either oral or written, or otherwise disparage any of the Executive's Parties.

The Executive hereby acknowledges his understanding that under this Agreement he is releasing any known or unknown claims he may have.

The Executive expressly waives and relinquishes all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to his release of claims.

**EXHIBIT C**

**EXISTING CONFLICTS**

If applicable, Executive to describe, in specific terms, any ongoing business relationship with any organization other than Arbutus Biopharma Corporation or Arbutus Biopharma Inc. Please provide a copy of any agreements with said organizations that creates a business relationship described in Section 3(d)

**Exhibit 10.14**

# EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made this 4 day of August, 2015

BETWEEN:

**ARBUTUS BIOPHARMA CORPORATION**, a company incorporated under the laws of British Columbia (the "**Company**"), with offices at 100 – 8900 Glenlyon Parkway, Burnaby, British Columbia fax: (604) 419-3201

AND:

**Peter Lutwyche** (the "**Executive**"), of **Vancouver, British Columbia, Canada**

WHEREAS:

A. The Company is in the business of acquiring, inventing, developing, discovering, adapting and commercializing inventions, methods, processes and products in the fields of chemistry, biochemistry, biotechnology and pharmaceuticals;

B. The Executive has the expertise, qualifications and required certifications to perform the services contemplated by this Agreement; and

C. The Company wishes to employ the Executive to perform the services, on the terms and conditions herein set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereto agree as follows:

1. EMPLOYMENT

(a) The Executive will be employed by and will serve the Company as its **Chief Technical Operations Officer** and will have powers and duties consistent with such position as may from time to time be prescribed by the Chief Executive Officer of the Company. The Executive will report directly to the **Chief Executive Officer** of the Company and will perform the duties and responsibilities assigned to the Executive from time to time by the Chief Executive Officer. The Executive will comply with all lawful instructions given by the Chief Executive Officer of the Company.

(b) The terms and conditions of this Agreement will have effect as and from 4 day of August, 2015 and the Executive's employment as **Chief Technical Operations Officer** will continue until terminated as provided for in this Agreement.

(c) The Executive acknowledges and agrees that in addition to the terms and conditions of this Agreement, the Executive's employment with the Company is subject to and governed by the Company's policies as established from time to time. The Executive agrees to comply with the terms of such policies so long as they are not inconsistent with any provisions of the Agreement. The Executive will inform himself of the details of such policies and amendments thereto established from time to time.

(d) The Executive agrees that, as a high technology professional as defined in the Regulations to the Employment Standards Act of British Columbia, and an executive, his hours of work will vary and may be irregular and will be those hours required to meet the objectives of his employment. The Executive agrees that the compensation described in Section 2 of this Agreement compensates him in full for all hours worked.

(e) The Executive will devote himself exclusively to the Company's business and will not be employed or engaged in any capacity in any other business without the prior permission of the Company, such permission not to be unreasonably withheld. Notwithstanding the foregoing, the Executive may manage his personal investments or engage charitable or other community activities as long as those services and activities do not interfere with the Executive's performance of his duties to the Company.

(f) Concurrently with the execution and delivery of this Agreement and in consideration of the Executive's employment by the Company, the Executive and the Company will enter into a "Confidentiality and Assignment of Inventions Agreement" in the form attached hereto as Exhibit A.

2. REMUNERATION AND BENEFITS

(a) Base Salary. The Company will pay the Executive an annual salary of US$300,000, less required deductions (the "**Base Salary**"). The Base Salary will be payable semi-monthly. The Executive's Base Salary will be reviewed annually by the Chief Executive Officer of the Company and is subject to increase but not decrease, except for an across-the-board salary reduction affecting all or substantially all senior executives of the Company, nor will it necessarily result in an increase to the Base Salary. The base salary in effect at any given time is referred to as "Base Salary" and this Agreement need not be modified to reflect a change in Base Salary. The Base Salary is subject to withholding and payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Bonus. The Executive is eligible to be considered for an annual discretionary bonus of up to 40 percent of Base Salary (such bonus, the "**Target Bonus**"); which will be subject to the terms of the bonus plan and approval of the Company's Board of Directors (the "**Board**"), in its sole discretion, on an annual basis. Any bonus payable during the first year of the Executive's employment will be pro-rated. Payment of a bonus in any one year will not indicate the payment of a bonus in any other year.

(c) Expenses. The Company will reimburse the Executive for all reasonable expenses actually and properly incurred by the Executive in performing services under this Agreement, in accordance with the policies and procedures then in effect and established by the Company for its senior executives. The Executive will provide the Company with receipts supporting the Executive's claims for reimbursement.

(d) Other Benefits. The Company will facilitate the Executive's enrolment in the Company's insurance benefits plans, as amended from time to time by the Company or the insurance carrier. In all cases, eligibility to participate in the plans and to receive benefits under the plans will be subject to the terms and requirements of the applicable insurance carrier in accordance with the formal benefits plan documents and policies. Any issues with respect to entitlement to or payment of benefits under the benefits package will be governed by the terms of such documents and policies. The Company is not responsible for the payment of benefits in any circumstance. Further, the Company reserves the right, in its sole discretion, to change any of the insurance benefit plans or providers, however, if the Company is unable to maintain similar coverage as to the insurance benefits plans or the providers, then the Executive will be provided with compensation to assist in securing the Executive's own coverage, such compensation to be determined by the Company.

(e) Equity Compensation. Subject to the discretionary approval of the Company's Board of Directors, and in accordance with the Company's annual performance and compensation review process, the Executive shall be eligible to receive equity awards under the Arbutus Biopharma Corporation Share Incentive Plan and or any other similar equity incentive plan to the same extent as other executives of the Company.

(f) Vacation. The Executive is entitled to paid holidays and vacation days each year, in an amount determined in accordance with and subject to the Company's applicable policies in effect, and as may be amended from time to time. The Executive will be entitled to 20 days of vacation per calendar year, which will be pro-rated for any year in which the Executive is only employed with the Company for a portion of the year or for any period in which the Executive is not a full-time employee. Vacation days will be scheduled at times that are mutually acceptable to the Executive and the Company. Carry-over of vacation days will be according to Company policy, and any accrued but unused vacation days will be paid out upon termination.

3. NON-COMPETITION AND NON-SOLICITATION

(a) The biotechnology industry is highly competitive and employees leaving the employ of the Company have the ability to cause significant damage to the Company's interests if they join a competing business immediately upon leaving the Company.

(b) Definitions:

(i) "**Affiliate**" means, in respect of the Company, a company or other entity which directly or indirectly controls, is controlled by, or is under common control with, the Company. For the purposes of this definition, "control" means direct or indirect beneficial ownership of a greater than 50% interest in the income of such company or entity or such other relationship as, in fact, constitutes actual control. For greater certainty, without limiting the generality of the foregoing, Protiva Biotherapeutics Inc., Protiva Biotherapeutics (USA) Inc. and Arbutus Biopharma, Inc. are Affiliates of the Company.

(ii) "**Business**" or "**Business of the Company**" means:

(A) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans; or

(B) any other treatment area in which the Company has an active research and development program on the date this Agreement terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(iii) "**Competing Business**" means any endeavour, activity or business which is competitive in any material way with the Business of the Company worldwide.

(iv) "**Contact**" means any person, firm, corporation or other entity that was a client, customer, supplier, principal, shareholder, investor, collaborator, strategic partner, licensee, contact or prospect of the Company (or of its partners, funders or Affiliates) with whom the Executive dealt or otherwise became aware of during the term of the Executive's employment in any capacity with the Company.

(v) "**Restricted Period**" means:

(A) in the event that the Executive is terminated pursuant to Section 5(d) of this Employment Agreement, a period equivalent to the amount of notice that the Executive is entitled pursuant to Section 6(b)(i); or

(B) in the event that the Executive's employment is terminated pursuant to a Change of Control (as defined below), a period equivalent to the amount of notice that the Executive is entitled pursuant to Section 7(d)(iii)(A).

(c) Reasonableness. The Executive hereby acknowledges and agrees that:

(i) both before and since the commencement of the Executive's employment by the Company, the Company has operated and competed and will operate and compete worldwide, with respect to the Business of the Company;

(ii) competitors of the Company and the Business are located worldwide;

(iii) in order to protect the Company adequately, any enjoinder of competition would have to apply to any country in which the Company, during the term of the Executive's employment, had material business relationships;

(iv) during the course of the Executive's employment with the Company, on behalf of the Company, the Executive will acquire knowledge of, and will come into contact with, initiate and establish relationships with, both existing and new clients, customers, suppliers, principals, contacts and prospects of the Company, and that in some circumstances the Executive may become the senior or sole representative of the Company dealing with such persons; and

(v) in light of the foregoing, the provisions of this Section 3 are reasonable and necessary for the proper protection of the Business of the Company.

(d) Restrictive Covenant. Except as set forth on Exhibit C attached hereto, during the term of the Executive's employment and for the Restricted Period after the termination thereof, the Executive shall not, without the prior written consent of the Board, such consent to be granted or withheld in the Board's sole discretion, within the geographic scope of any country in which the Company, during the term of the Executive's employment, had material business relationships, carry on or be employed by or engaged in or have any financial or other interest in or be otherwise commercially involved in a Competing Business, directly or indirectly, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever.

(e) Exception. The Executive shall not be in default of Section 3(d) by virtue of the Executive:

(i) following the termination of employment, holding, strictly for portfolio purposes and as a passive investor, no more than five percent (5%) of the issued and outstanding shares of, or any other interest in, any corporation or other entity which is listed on any recognized stock exchange, that is a Competing Business; or

(ii) during the term of the Executive's employment, holding, strictly for portfolio purposes and as a passive investor, issued and outstanding shares of, or any other interest in, any corporation or other entity, the business of which corporation or other entity is in the same Business as the Company provided such corporation is not a Competing Business, and provided further that the Executive first obtains the Company's written consent, which consent will not be unreasonably withheld.

If the Executive holds issued and outstanding shares or any other interest in a corporation or other entity pursuant to Section 3(e)(ii) above, and following the acquisition of such shares or other interest the business of the corporation or other entity becomes a Competing Business, the Executive will promptly dispose of the Executive's shares or other interest in such corporation or other entity.

(f) Non-Solicitation. The Executive shall not, during the term of the Executive's employment and for the Restricted Period after the termination thereof for any reason, whether legal or illegal, either individually or in partnership or jointly or in conjunction with any person, firm, corporation or other entity, as principal, agent, consultant, advisor, employee, shareholder or in any manner whatsoever, without the prior written and informed consent of the Company, directly or indirectly:

(i) canvass or solicit the business of (or procure or assist the canvassing or soliciting of the business of) any Contact, or otherwise solicit, induce or encourage any Contact to curtail or cease its relationship with the Company, for any purpose which is competitive with the Business; or

(ii) accept (or procure or assist the acceptance of) any business from any Contact which business is competitive with the Business; or

(iii) be employed by or supply (or procure or assist the supply of) any goods or services to any Contact for any purpose which is competitive with the Business; or

(iv) employ, engage, offer employment or engagement to or solicit the employment or engagement of or otherwise entice away from or solicit, induce or encourage to leave the employment or engagement of the Company, any individual who is employed or engaged by the Company whether or not such individual would commit any breach of the Executive's contract or terms of employment or engagement by leaving the employ or the engagement of the Company, provided that the Executive shall be permitted, solely in a personal capacity, to provide letters of reference for individuals who are employed by the Company.

(g) Validity. The Executive expressly recognizes and acknowledges that it is the intent of the parties that the Executive's activities following the termination of the Executive's employment with the Company be restricted in the manner described in this Section 3, and acknowledges that good, valuable, and sufficient consideration has been provided in exchange for such restrictions. The Executive agrees that should any of the restrictions contained in this Section 3 be found to be unreasonable to any extent by a court of competent jurisdiction adjudicating upon the validity of the restriction, whether as to the scope of the restriction, the area of the restriction or the duration of the restriction, then such restriction shall be reduced to that which is in fact declared reasonable by such court, or a subsequent court of competent jurisdiction, requested to make such a declaration, in order to ensure that the intention of the parties is given the greatest possible effect.

4. INJUNCTIVE RELIEF

(a) The Executive understands and agrees that the Company has a material interest in preserving the relationships it has developed with its executives, customers and suppliers against impairment by competitive activities of a former executive. Accordingly, the Executive agrees that the restrictions and covenants contained in Section 3 are reasonably required for the protection of the Company and its goodwill and that the Executive's agreement to those restrictions and covenants by the execution of this Agreement, are of the essence to this Agreement and constitute a material inducement to the Company to enter into this Agreement and to employ the Executive, and that the Company would not enter into this Agreement absent such an inducement.

(b) The Executive understands and acknowledges that if the Executive breaches Section 3, that breach will give rise to irreparable injury to the Company for which damages are an inadequate remedy, and the Company may pursue injunctive relief for such breach in a court of competent jurisdiction.

5. TERMINATION

The Executive's employment by the Company may be terminated under the following circumstances:

(a) Death. The Executive's employment hereunder will terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled (as determined by the Chief Executive Officer) by a condition that qualifies Executive for long term disability benefits under the Company's then-current long term disability plan, in a manner that renders the Executive unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of six (6) months or more. Nothing in this Section 5(b) will be construed to waive the Executive's rights, if any, under the Company's insurance benefits plans accruing prior to termination or under applicable law.

(c) Termination by Company for Cause.

(i) The Company may terminate the Executive's employment For Cause at any time, without notice or payment in lieu thereof. The payment by the Company of the Executive's Accrued Benefits shall be subject to any other rights or remedies of the Company under law and thereafter all obligations of the Company under this Agreement shall cease.

(ii) For the purposes of this Agreement, "**For Cause**" shall mean:

(A) the Executive commits a crime involving dishonesty, breach of trust, or physical harm to any person (excluding driving while affected by drugs or alcohol) or any violation of provincial, state or federal securities laws;

(B) the Executive willfully engages in conduct that is in bad faith and materially injurious to the Company or its Affiliates, monetarily or otherwise, including but not limited to, misappropriation of trade secrets, fraud or embezzlement;

(C) the Executive commits a material breach of this Agreement;

(D) the Executive willfully refuses to implement or follow a lawful policy or directive of the Company; or

(E) the Executive willfully and on a continuing basis fails to perform his duties hereunder diligently and professionally.

(d) Termination by the Company without Cause.

(i) The Company, in its sole discretion, may terminate the Executive's employment under this Agreement without Cause at any time.

(ii) For the purposes of this Agreement, any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination "For Cause" under Section 5(c) and does not result from the death or disability of the Executive under Sections 5(a) or 5(b), respectively, shall be a termination "without Cause".

(e) Resignation by Executive.

(i) The Executive may terminate his employment by providing to the Company Notice of Termination of his employment at least three (3) months prior to the effective date of resignation. During such notice period Executive shall continue to diligently perform all of Executive's duties hereunder, provided that the Company shall have the option, in its sole discretion, to waive such notice period, in whole or in part, and if it does so, the Executive's resignation will become effective and the Executive's employment will cease on the date set by the Company in the notice of waiver, and the Executive shall be entitled to his Accrued Benefits up to and including the Date of Termination (as defined in Section 5(g)(iii)). In the event the Company waives the Executive's notice hereunder, the Company, in its sole discretion, in the circumstances, may pay the Base Salary portion of the Executive's Accrued Benefits by way of one or more lump sum payments, by way of salary continuance or by a combination of both.

(ii) The Executive may terminate his employment for Good Reason within 12 months following a Change in Control of the Company in accordance with, and subject to, the process set out in Section 7(c).

(f) Notice of Termination. Except for termination as specified in Section 5(a), any termination of the Executive's employment by the Company or any termination of the Executive's employment by the Executive must be communicated by written Notice of Termination to the other party. For the purposes of this Agreement, "**Notice of Termination**" means a written notice that indicates the specific termination provision in this Agreement upon which the termination is based.

(g) Date of Termination. For the purposes of this Agreement, "**Date of Termination**" means:

(i) if the Executive's employment is terminated by his death, the date of his death;

(ii) if the Executive's employment is terminated on account of disability under Section 5(b) or by the Company for Cause under Section 5(c), or by the Company without Cause under Section 5(d) on the date the Notice of Termination is given;

(iii) if the Executive terminates his employment under Section 5(e)(i) without Good Reason, on the effective date of resignation specified by the Executive in the Notice of Termination (which shall be at least three (3) months after the date of the Notice of Termination) or, if no such date is specified or if the Company waives the notice period, the date that is three (3) months after the date of the Notice of Termination; and

(iv) if the Executive terminates his employment under Section 5(e)(ii) for Good Reason following a Change in Control of the Company, the date on which a Notice of Termination is given after the end of the Cure Period.

Notwithstanding the foregoing, if the Executive gives a Notice of Termination to the Company that takes effect at a future date, the Company may unilaterally accelerate the Date of Termination and that acceleration will not be deemed a termination by the Company for purposes of this Agreement.

6. COMPENSATION UPON TERMINATION

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) on or before the time required by law, but in no event more than 30 days after the Executive's Date of Termination:

(i) unpaid expense reimbursements;

(ii) accrued but unused vacation to the extent payment is required by law or Company policy;

(iii) any vested benefits the Executive may have under any employee benefit plan of the Company;

(iv) any earned but unpaid Base Salary; and

(v) any earned but unpaid annual bonus for the prior fiscal year;

for service up to and including the Date of Termination (collectively the "**Accrued Benefits**"). The Executive shall not be entitled to any other salary, compensation, bonus (or pro rata share thereof) or benefits from the Company thereafter, except as otherwise specifically provided in this Agreement, under the Company's employee benefit plans or as expressly required by applicable law.

(b) Termination by the Company without Cause. If the Executive's employment is terminated by the Company without Cause, then the Company shall pay the Executive his Accrued Benefits as of the Date of Termination. In addition, subject to Section 7 and the Executive providing the Company with a fully effective general release of claims in a form and manner satisfactory to the Company that includes but is not limited to the terms set forth in the attached Exhibit B (the "**Release**") within the 60-day period following the Date of Termination (and which shall be countersigned by the Company in respect of the non-disparagement clause therein), the Company shall pay the Executive an amount (the "**Severance Amount**" calculated as follows:

(i) an amount equal to eighteen (18) months' Base Salary, less withholding; plus

(ii) a bonus payment equal to the average of the actual bonus payments, if any, made to the Executive from the previous three (3) calendar years preceding the Date of Termination, pro-rated for the then current calendar year up to and including the Date of Termination; plus

(iii) provided that the Executive is enrolled in the Company's insurance benefits plans pursuant to Section 2(d), for continuation of coverage under the Company's insurance benefits plans that the Executive and his dependents are eligible to receive for the earlier of:

(A) a period of up to 24 months from the Date of Termination, or

(B) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan,

or reimburse the Executive for premiums paid by the Executive, if any, for continuation of coverage under equivalent private coverage.

The Company shall pay the Severance Amount within 60 days after the Date of Termination, provided that if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, and further provided that the Company, in its sole discretion, in the circumstances, may pay the Severance Amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The Severance Amount is inclusive of any entitlement to minimum standard severance under the British Columbia *Employment Standards Act*.

7. CHANGE IN CONTROL

(a) The provisions of this Section 7 set forth the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any Change in Control. Where the provisions of this Section 7 apply, they shall supersede the payment of the Severance Amount under Section 6(b). The provisions of this Section 7 are subject to the Executive providing to the Company, and not revoking, a fully effective Release.

(b) Definitions. For purposes of this Agreement:

(i) "**Change in Control**" means the consummation of any of the following:

(A) the sale of all or substantially all of the assets of the Company to an unrelated person or entity;

(B) a merger, reorganization, or consolidation involving the Company in which the shares of voting stock outstanding immediately prior to the transaction represent or are converted into or exchanged for securities of the surviving or resulting entity that, immediately upon completion of the transaction, represent less than 50% of the outstanding voting power of the surviving or resulting entity;

(C) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a person or group of persons; or

(D) any other acquisition of the business of the Company, as determined by the Board;

but any public offering by the Company, or another capital raising event, or a merger effected solely to change the Company's domicile does not constitute a Change in Control; and

(ii) "**Good Reason**" shall mean the occurrence of any of the following events without the Executive's prior written consent:

(A) a change in the Executive's position which materially reduces the Executive's responsibilities from the responsibilities in effect immediately prior to the Change of Control;

(B) a reduction by the Company of the Executive's Base Salary or Target Bonus percentage, except for an across-the-board salary reduction affecting all senior executives of the Company; or

(C) a relocation of Executive's principal place of employment by more than 80 kilometres.

(c) Resignation for Good Reason. If the Executive desires to terminate his employment for Good Reason within 12 months following a Change in Control, the Executive must comply with, and shall be subject to, the following terms and conditions:

(i) the Executive reasonably determines in good faith that a Good Reason condition has occurred within 12 months following a Change in Control;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following that notice (the "**Cure Period**") to remedy the condition;

(iv) notwithstanding the Company's efforts, the Good Reason condition continues to exist; and

(v) the Executive provides to the Company Notice of Termination of his employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason condition during the Cure Period, the Good Reason condition is deemed not to have occurred and the Executive may not terminate his employment in respect of such condition.

(d) Change in Control Severance. If within 12 months following a Change in Control:

(i) the Company terminates the Executive's employment with the Company without Cause; or

(ii) the Executive resigns from his employment with the Company for Good Reason;

then,

(iii) in addition to paying the Executive his Accrued Benefits and in lieu of paying the Executive the Severance Amount, the Company shall pay to the Executive an amount (the "**Change in Control Severance Amount**") as follows:

(A) an amount equal to twenty-four (24) months' Base Salary, less withholding; plus

(B) a bonus payment equal to the average of the actual bonus payments, if any, made to the Executive from the previous three (3) calendar years preceding the Date of Termination, pro-rated for the then current calendar year up to and including the Date of Termination; plus

(C) provided that the Executive is enrolled in the Company's insurance benefits plans pursuant to Section 2(d), for continuation of coverage under the Company's insurance benefits plans that the Executive and his dependents are eligible to receive for the earlier of:

(1) a period of up to 24 months from the Date of Termination, or

(2) until the Executive becomes eligible to receive health insurance benefits under any other employer's group health plan,

or reimburse the Executive for premiums paid by the Executive, if any, for continuation of coverage under equivalent private coverage.

The Company shall pay the Change in Control Severance Amount within 60 days after the Date of Termination, provided that if that 60-day period extends over two calendar years, the Company shall make the payment in the second calendar year, and further provided that the Company, in its sole discretion, in the circumstances, may pay the Change in Control Severance Amount by way of one or more lump sum payments, by way of salary continuance or by a combination of both. The Change in Control Severance Amount is inclusive of any entitlement to minimum standard severance under the British Columbia *Employment Standards Act*; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all stock options and other stock-based awards held by the Executive shall immediately accelerate, vest, and become fully exercisable or non-forfeitable as of the Date of Termination.

8. RETURN OF MATERIALS UPON TERMINATION OF EMPLOYMENT

The Executive will return to the Company all Company documents, files, manuals, books, software, equipment, keys, equipment, identification or credit cards, and all other property belonging to Company upon the termination of the executive's employment with the Company for any reason.

9. GENERAL PROVISIONS

(a) Withholding. All payments made by the Company to the Executive under this Agreement will be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement is to be construed to obligate the Company to design or implement any compensation arrangement in a way that minimizes tax consequences for the Executive.

(b) Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession is a material breach of this Agreement.

(c) Successor to the Executive. This Agreement inures to the benefit of and is enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees, and legatees. If the Executive dies after his termination of employment but prior to the completion by the Company of all payments due to him under this Agreement, the Company shall continue the payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such a designation).

(d) Non-Waiver. Failure on the part of either party to complain of any act or failure to act of the other of them or to declare the other party in default of this Agreement, irrespective of how long such failure continues, will not constitute a waiver by such party of their rights hereunder or of the right to then or subsequently declare a default.

(e) Severability. In the event that any provision or part of this Agreement is determined to be void or unenforceable in whole or in part, the remaining provisions, or parts thereof, will be and remain in full force and effect.

(f) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the employment of the Executive and supersedes any and all agreements, understandings, warranties or representations of any kind, written or oral, express or implied, including any relating to the nature of the position or its duration, and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

(g) Survival. The provisions of this Agreement survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the intent of the Parties as expressed in this Agreement.

(h) Modification of Agreement**.** Any modification of this Agreement must be in writing and signed by both the Company and the Executive or it will have no effect and will be void.

(i) Disputes**.** Except for disputes arising in respect of Section 3, all disputes arising out of or in connection with this Agreement and the employment relationship between the parties, are to be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre, pursuant to its Rules. The place of arbitration will be Vancouver, British Columbia.

(j) Governing Law**.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia, Canada.

(k) Notices. Any notices, requests, demands, and other communications provided for by this Agreement are sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention to the Corporate Secretary.

(l) Independent Legal Advice**.** The Executive agrees that the contents, terms and effect of this Agreement have been explained to the Executive by a lawyer and are fully understood. The Executive further agrees that the consideration described aforesaid is accepted voluntarily for the purpose of employment with the Company under the terms and conditions described above.

(m) Counterparts. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which counterparts, when so executed and delivered is to be taken to be an original; but those counterparts together constitute one and the same document. PDF, facsimile, scanned, and electronic signatures have the same legal effect as original ink signatures.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date and year first above written.

SIGNED, SEALED AND DELIVERED )
by **Peter Lutwyche** in the presence of: )
)
)
_____ )
)
Witness )
)
Address )
)
_____ )
)
Occupation

/s/ Peter Lutwyche
**Peter Lutwyche**

**ARBUTUS BIOPHARMA CORPORATION**

Per: /s/ Mark J. Murray
Mark J. Murray

**EXHIBIT A**

**CONFIDENTIALITY**
**AND ASSIGNMENT OF INVENTIONS AGREEMENT**

THIS AGREEMENT (this "**Agreement**") dated for reference the 4 day of August, 2015.

BETWEEN:

**ARBUTUS BIOPHARMA CORPORATION**
(the "**Company**"), a company incorporated under the laws of British Columbia with offices at 100 – 8900 Glenlyon Parkway, Burnaby, British Columbia fax: (604) 419-3201

AND:

**Peter Lutwyche** (the "**Executive**"), of **Vancouver, British Columbia, Canada**

WHEREAS:

A. The Company is in the business of acquiring, inventing, developing, discovering, adapting and commercializing inventions, methods, processes and products in the fields of chemistry, biochemistry, biotechnology and pharmaceuticals; and

B. In connection with the employment of the Executive by the Company, the parties desire to establish the terms and conditions under which the Executive will (i) receive from and disclose to the Company proprietary and confidential information; (ii) agree to keep the information confidential, to protect it from disclosure and to use it only in accordance with the terms of this Agreement; and (iii) assign to the Company all rights, including any ownership interest which may arise in all inventions and intellectual property developed or disclosed by the Executive over the course of his work during his employment with the Company, as set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the employment of the Executive by the Company and the payment by the Company to the Executive of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **INTERPRETATION**

1.1 **Definitions.** In this Agreement:

(a) "**Affiliate**" means, in respect of the Company, a company or other entity which directly or indirectly controls, is controlled by, or is under common control with, the Company. For the purposes of this definition, "**control**" means direct or indirect beneficial ownership of a greater than 50% interest in the income of such company or entity or such other relationship as, in fact, constitutes actual control. For greater certainty, without limiting the generality of the foregoing, Protiva Biotherapeutics Inc., Protiva Biotherapeutics (USA) Inc. and Arbutus Biopharma, Inc. are Affiliates of the Company.

(b) "**Business**" or "**Business of the Company**" means:

(i) researching, developing, producing and marketing any treatment for hepatitis B virus infection in humans; or

(ii) any other treatment area in which the Company has an active research and development program on the date the Executive's employment with the Company terminates and in connection with which the Executive directly provided service or had direct supervisory responsibilities.

(c) "**Confidential Information**" shall mean all information, knowledge, or data, whether in written, oral, electronic or other form, relating to the Business of the Company, whether or not conceived, originated, discovered or developed in whole or in part by the Executive, that is not generally known to the public or to other persons who are not bound by obligations of confidentiality and:

(i) from which the Company or its Affiliates derive economic value, actual or potential, from the information not being generally known; or

(ii) in respect of which the Company or its Affiliates otherwise have a legitimate interest in maintaining secrecy;

and which, without limiting the generality of the foregoing, shall include:

(iii) all proprietary information licensed to, acquired, used or developed by the Company and its Affiliates in its research and development activities (including but not restricted to the research and development of RNA interference drugs and delivery technology), other scientific strategies and concepts, designs, know-how, information, material, formulas, processes, research data and proprietary rights in the nature of copyrights, patents, trademarks, licenses and industrial designs;

(iv) all information relating to the Business of the Company, and to all other aspects of the structure, personnel and operations of the Company and its Affiliates, including financial, clinical, regulatory, marketing, advertising and commercial information and strategies, customer lists, compilations, agreements and contractual records and correspondence; programs, devices, concepts, inventions, designs, methods, processes, data, know-how, unique combinations of separate items that is not generally known and items provided or disclosed to the Company or its Affiliates by third parties subject to restrictions on use or disclosure;

(v) all know-how relating to the Business of the Company, including all biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, clinical, safety, manufacturing and quality control data and information, and all applications, registrations, licenses, authorizations, approvals and correspondence submitted to regulatory authorities;

(vi) all information relating to the businesses of competitors of the Company or its Affiliates, including information relating to competitors' research and development, intellectual property, operations, financial, clinical, regulatory, marketing, advertising and commercial strategies, that is not generally known;

(vii) all information provided to the Company or its Affiliates by their agents, consultants, lawyers, contractors, licensors or licensees and relating to the Business of the Company; and

(viii) all information relating to the Executive's compensation and benefits, including his salary, vacation, stock options, rights to continuing education, perquisites, severance notice, rights on termination and all other compensation and benefits, except that he shall be entitled to disclose such information to his bankers, advisors, agents, consultants and other third parties who have a duty of confidence to him and who have a need to know such information in order to provide advice, products or services to him.

All Work Product shall be deemed to be the Company's Confidential Information.

(d) "**Effective Date**" means the 4 day of August, 2015 being the date that the Executive started working at the Company, as indicated in his employment agreement with the Company.

(e) "**Intellectual Property**" is used in its broadest sense and means and includes any statutory, common law, equitable, contractual or proprietary rights or interests, recognized currently or in future, in and to any Inventions, including, without limitation, rights and interests in and to the following:

(i) knowledge, know-how and its embodiments, including trade secret information;

(ii) patents in inventions, and all applications therefor;

(iii) copyrights in artistic, literary, dramatic, musical, and neighbouring works, copyrightable works of authorship including technical descriptions for products, user guides, illustrations, advertising materials, computer programs, source code and object code, and all applications therefor;

(iv) trademarks, service marks, tradenames, business names and domain names and all applications therefor;

(v) industrial designs and all other industrial or intellectual property and all applications therefor; and

(vi) all goodwill connected with the foregoing.

(f) "**Inventions**" shall mean any and all inventions, discoveries, developments, enhancements, improvements, concepts, formulas, designs, processes, ideas, writings and other works, whether or not reduced to practice, and whether or not protectable under patent, copyright, trade secret or similar laws.

(g) "**Work Product**" shall mean any and all Inventions and possible Inventions relating to the Business of the Company and which the Executive may make or conceive, alone or jointly with others, during his involvement in any capacity with the Company, whether during or outside his regular working hours, except those Inventions made or conceived by the Executive entirely on his own time that do not relate to the Business of the Company and do not derive from any equipment, supplies, facilities, Confidential Information or other information, gained, directly or indirectly, from or through his involvement in any capacity with the Company.

2. **CONFIDENTIALITY**

2.1 **Prior Business Confidential Information**. The Executive represents and warrants to the Company that the Executive has not brought or used, and the Executive covenants and agrees that the Executive will not use or bring to the Company any confidential information of any kind whatsoever of any prior party (the "**Prior Business**") with whom the Executive was previously involved, whether such involvement was as an employee, director or officer of that Prior Business, an investor in that Prior Business, a partner in that Prior Business, a consultant to that Prior Business or other relationship to that Prior Business (the "**Prior Involvement**"). The Company and the Executive acknowledge and agree that the Company is not employing the Executive to obtain confidential information relating to any Prior Involvement and the Executive acknowledges that the Company has advised the Executive to comply with any and all legal obligations the Executive may have to such Prior Business. The Executive covenants and agrees to hold the Company harmless from any and all claims and damages of any kind whatsoever that the Company may suffer as a result of any breach by the Executive of his obligations to such Prior Business in that regard.

2.2 **Basic Obligation of Confidentiality.** The Executive hereby acknowledges and agrees that in the course of his involvement with the Company, the Company may disclose to him or he may otherwise have access or be exposed to Confidential Information. The Company hereby agrees to provide such access to the Executive and the Executive hereby agrees to receive and hold all Confidential Information on the terms and conditions set out in this Agreement. Except as otherwise set out in this Agreement, the Executive will keep strictly confidential all Confidential Information and all other information belonging to the Company that he acquires, observes or is informed of, directly or indirectly, in connection with his involvement, in any capacity, with the Company both during and after the term of his employment in any capacity with the Company.

2.3 **Fiduciary Capacity.** The Executive will be and act toward the Company and its Affiliates as a fiduciary in respect of the Confidential Information.

2.4 **Non-disclosure.** Except with the prior written consent of the Company, the Executive will not at any time, either during or after his involvement in any capacity with the Company;

(a) use or copy any Confidential Information or recollections thereof for any purpose other than the performance of his duties for the benefit of the Company and its Affiliates;

(b) publish or disclose any Confidential Information or recollections thereof to any person other than to employees of the Company and its Affiliates who have a need to know such Confidential Information in the performance of their duties for the Company or its Affiliates;

(c) permit or cause any Confidential Information to be used, copied, published, disclosed, translated or adapted except as otherwise expressly permitted by this Agreement; or

(d) permit or cause any Confidential Information to be stored off the premises of the Company, including permitting or causing such Confidential Information to be stored in electronic format on personal computers, except in accordance with written procedures of the Company, as amended from time to time in writing.

2.5 **Taking Precautions.** The Executive will take all reasonable precautions necessary or prudent to prevent material in his possession or control that contains or refers to Confidential Information from being discovered, used or copied by third parties.

2.6 **The Company's Ownership of Confidential Information.** As between the Executive and the Company, the Company shall own all right, title and interest in and to the Confidential Information, whether or not created or developed by the Executive.

2.7 **Control of Confidential Information and Return of Information.** All physical materials produced or prepared by the Executive containing Confidential Information, including, without limitation, records, devices, computer files, data, notes, reports, proposals, lists, correspondence, specifications, drawings, plans, materials, accounts, reports, financial statements, estimates and all other materials prepared in the course of his responsibilities to or for the benefit of the Company or its Affiliates, together with all copies thereof (in whatever medium recorded), shall belong to the Company, and the Executive will promptly turn over to the Company's possession every original and copy of any and all such items in his possession or control upon request by the Company. If the material is such that it cannot reasonably be delivered, upon request from the Company, the Executive will provide reasonable evidence that such materials have been destroyed, purged or erased.

2.8 **Purpose of Use.** The Executive agrees that he will use Confidential Information only for purposes authorized or directed by the Company.

2.9 **Exemptions.** The obligations of confidentiality set out in this Article 2 will not apply to any of the following:

(a) information that is already known to the Executive, though not due to a prior disclosure by the Company or its Affiliates or by a person who obtained knowledge of the information, directly or indirectly, from the Company or its Affiliates;

(b) information disclosed to the Executive by another person who is not obliged to maintain the confidentiality of that information and who did not obtain knowledge of the information, directly or indirectly, from the Company or its Affiliates;

(c) information that is developed by the Executive independently of Confidential Information received from the Company or its Affiliates and such independent development can be documented by the Executive;

(d) other particular information or material which the Company expressly exempts by written instrument signed by the Company;

(e) information or material that is in the public domain through no fault of the Executive; and

(f) information required by operation of law, court order or government agency to be disclosed, provided that:

(i) in the event that the Executive is required to disclose such information or material, upon becoming aware of the obligation to disclose, the Executive will provide to the Company prompt written notice so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement;

(ii) if the Company agrees that the disclosure is required by law, it will give the Executive written authorization to disclose the information for the required purposes only;

(iii) if the Company does not agree that the disclosure is required by law, this Agreement will continue to apply, except to the extent that a Court of competent jurisdiction orders otherwise; and

(iv) if a protective order or other remedy is not obtained or if compliance with this Agreement is waived, the Executive will furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain confidential treatment of such Confidential Information.

3. **ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS**

3.1 **Notice of Invention.** The Executive agrees to promptly and fully inform the Company of all Work Product, whether or not patentable, throughout the course of his involvement, in any capacity, with the Company and from which there is a reasonable basis to believe that Intellectual Property may be derived therefrom, whether or not developed before or after execution of this Agreement. On his ceasing to be employed by the Company for any reason whatsoever, the Executive will immediately deliver up to the Company all Work Product.

3.2 **Assignment of Rights.** Subject only to the exceptions set out in **Exhibit I** attached to this Agreement, the Executive will assign, and does hereby assign, to the Company or, at the option of the Company and upon notice from the Company, to the Company's designee, all of his right, title and interest in and to all Work Product, including all Intellectual Property rights therein. To the extent that the Executive retains or acquires legal title to any such Intellectual Property rights and interests, the Executive hereby declares and confirms that such legal title is and will be held by him only as trustee and agent for the Company or the Company's designee. The Executive agrees that the Company's rights hereunder shall attach to all Intellectual Property rights in his Work Product, notwithstanding that it may be perfected or reduced to specific form after he has terminated his relationship with the Company. The Executive further agrees that the Company's rights hereunder are worldwide rights and are not limited to Canada, but shall extend to every country of the world.

3.3 **Moral Rights.** Without limiting the foregoing, the Executive hereby irrevocably waives any and all moral rights arising under the *Copyright Act* (Canada), as amended, or any successor legislation of similar force and effect or similar legislation in other applicable jurisdictions or at common law that he may have with respect to all Work Product, and agrees never to assert any moral rights which he may have in the Work Product, including, without limitation, the right to the integrity of the Work Product, the right to be associated with the Work Product, the right to restrain or claim damages for any distortion, mutilation or other modification or enhancement of the Work Product and the right to restrain the use or reproduction of the Work Product in any context and in connection with any product, service, cause or institution, and the Executive further confirms that the Company may use or alter any Work Product as the Company sees fits in its absolute discretion.

3.4 **Goodwill.** The Executive hereby agrees that all goodwill he has established or may establish with clients, customers, suppliers, principals, shareholders, investors, collaborators, strategic partners, licensees, contacts or prospects of the Company relating to the Business of the Company (or of its partners, subsidiaries or affiliates), both before and after the Effective Date, shall, as between the Executive and the Company, be and remain the property of the Company exclusively, for the Company to use, alter, vary, adapt and exploit as the Company shall determine in its discretion.

3.5 **Assistance.** The Executive hereby agrees to reasonably assist the Company, at the Company's request and expense, in:

(a) making patent applications for all Work Product, including instructions to lawyers and/or patent agents as to the characteristics of the Work Product in sufficient detail to enable the preparation of a suitable patent specification, to execute all formal documentation incidental to an application for letters patent and to execute assignment documents in favour of the Company for such applications;

(b) making applications for all other forms of Intellectual Property registration relating to all Work Product;

(c) prosecuting and maintaining the patent applications and other Intellectual Property relating to all Work Product; and

(d) registering, maintaining and enforcing the patents and other Intellectual Property registrations relating to all Work Product.

If the Company is unable for any reason to secure the Executive's signature with respect to any Work Product including, without limitation, to apply for or to pursue any application for any patents or copyright registrations covering such Work Product, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney-in-fact, to act for and on his behalf and stead to execute and file any papers, oaths and to do all other lawfully permitted acts with respect to such Work Product with the same legal force and effect as if executed by him.

3.6 **Assistance with Proceedings.** The Executive further agrees to reasonably assist the Company, at the Company's request and expense, in connection with any defence to an allegation of infringement of another person's intellectual property rights, claim of invalidity of another person's intellectual property rights, opposition to, or intervention regarding, an application for letters patent, copyright or trademark or other proceedings relating to Intellectual Property or applications for registration thereof.

3.7 **Commercialization.** The Executive understands that the decision whether or not to commercialize or market any Work Product is within the Company's sole discretion and for the Company's sole benefit and that no royalty or other consideration will be due or payable to him as a result of the Company's efforts to commercialize or market any such Work Product.

3.8 **Prior Business Intellectual Property**. The Executive represents and warrants to the Company that he has not brought or used, and the Executive covenants and agrees that he will not use or bring to the Company any Intellectual Property of any kind whatsoever of any Prior Business with whom the Executive had a Prior Involvement or any Intellectual Property directly owned by the Executive. The Company and the Executive acknowledge and agree that the Company is not employing the Executive to obtain Intellectual Property relating to any Prior Involvement and the Executive acknowledges that the Company has advised the Executive to comply with any legal obligations the Executive may have to such Prior Business. The Executive covenants and agrees to hold the Company harmless from any and all claims and damages of any kind whatsoever that the Company may suffer as a result any breach by the Executive of his obligations to such Prior Business in that regard.

3.9 **Prior Inventions.** In order to have them excluded from this Agreement, the Executive has set forth on **Exhibit I** attached to this Agreement a complete list of all Inventions for which a patent application has not yet been filed that he has, alone or jointly with others, conceived, developed or reduced to practice prior to the execution of this Agreement to which he has any right, title or interest, and which relate to the Business of the Company. If such list is blank or no such list is attached, the Executive represents and warrants that there are no such prior Inventions.

4. **GENERAL**

4.1 **Term.** Subject to Section 4.10, the term of this Agreement is from the Effective Date and terminates on the date that the Executive is no longer working at or for the Company in any capacity.

4.2 **No Conflicting Obligations.** The Executive hereby represents and warrants that he has no agreements with or obligations to any other person with respect to the matters covered by this Agreement or concerning the Confidential Information that are in conflict with anything in this Agreement, except as disclosed in **Exhibit I** attached to this Agreement.

4.3 **Publicity.** The Executive shall not, without the prior written consent of the Company, make or give any public announcements, press releases or statements to the public or the press regarding any Work Product or any Confidential Information.

4.4 **Further Assurances.** The parties will execute and deliver to each other such further instruments and assurances and do such further acts as may be required to give effect to this Agreement.

4.5 **Notices.** All notices and other communications that are required or permitted by this Agreement must be in writing and shall be hand delivered or sent by express delivery service or certified or registered mail, postage prepaid, or by facsimile transmission (with receipt confirmed in writing) to the parties at the addresses on page 1 of this Agreement. Any such notice shall be deemed to have been received on the earlier of the date actually received or the date five (5) days after the same was posted or sent. Either party may change its address or its facsimile number by giving the other party written notice, delivered in accordance with this section.

4.6 **Equitable Remedies.** The Executive understands and acknowledges that if he breaches any of his obligations under this Agreement, that breach may give rise to irreparable injury to the Company for which damages are an inadequate remedy. In the event of any such breach by the Executive, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

4.7 **Non-Waiver**. Failure on the part of either party to complain of any act or failure to act of the other of them or to declare the other party in default of this Agreement, irrespective of how long such failure continues, will not constitute a waiver by such party of their rights hereunder or of the right to then or subsequently declare a default.

4.8 **Severability.** In the event that any provision or part of this Agreement is determined to be void or unenforceable in whole or in part, the remaining provisions, or parts thereof, will be and remain in full force and effect.

4.9 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all agreements, understandings, warranties or representations of any kind, written or oral, express or implied, including any relating to the nature of the position or its duration, and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

4.10 **Survival.** Notwithstanding the expiration or early termination of this Agreement, the provisions of Article 1, Article 2 (including the obligations of confidentiality and to return Confidential Information, which shall endure, with respect to each item of Confidential Information, for so long as those items fall within the definition of Confidential Information), Sections 3.2, 3.3, 3.4, 3.5, 3.6 and 3.8 and Article 4 shall survive any expiration or early termination of this Agreement.

4.11 **Modification of Agreement.** Any modification of this Agreement must be in writing and signed by both the Company and the Executive or it will have no effect and will be void.

4.12 **Governing Law.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia, Canada.

4.13 **Independent Legal Advice.** The Executive agrees that he has obtained or has had an opportunity to obtain independent legal advice in connection with this Agreement, and further acknowledge that he has read, understands, and agrees to be bound by all of the terms and conditions contained herein.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date and year first above written.

| | | |
|---|---|---|
| SIGNED, SEALED AND DELIVERED by **Peter Lutwyche** in the presence of: | ) | |
| _____ | ) | /s/ Peter Lutwyche |
| Witness Signature | ) | **Peter Lutwyche** |
| _____ | ) | |
| Witness Name | ) | |
| _____ | ) | |
| Witness Address | ) | |
| _____ | ) | |
| _____ | ) | |
| Witness Occupation | ) | |

**ARBUTUS BIOPHARMA CORPORATION**

Per: /s/ Mark J. Murray
Mark J. Murray

**EXHIBIT I**
**to Confidentiality and Assignment of Inventions Agreement**

**EXCLUSIONS FROM WORK PRODUCT**

**[To be completed as applicable]**

**EXHIBIT B**

**GENERAL RELEASE LANGUAGE**

The Executive agrees, for himself, his spouse, heirs, executor or administrator, assigns, insurers, attorneys, and other persons or entities acting or purporting to act on his behalf (the "**Executive's Parties**"), to irrevocably and unconditionally release, acquit, and forever discharge the Company, its affiliates, subsidiaries, directors, officers, employees, shareholders, partners, agents, representatives, predecessors, successors, assigns, insurers, attorneys, benefit plans sponsored by the Company, and said plans' fiduciaries, agents and trustees (the "**Company's Parties**"), from any and all actions, causes of action, suits, claims, obligations, liabilities, debts, demands, contentions, damages, judgments, levies, and executions of any kind, whether in law or in equity, known or unknown, which the Executive's Parties have, have had, or may in the future claim to have against the Company's Parties by reason of, arising out of, related to, or resulting from the Executive's employment with the Company or the termination of that employment. This release specifically includes without limitation any claims arising in tort or contract, any claim based on wrongful discharge, any claim based on breach of contract, any claim arising under federal, state or local law prohibiting race, sex, age, religion, national origin, handicap, disability, or other forms of discrimination, any claim arising under federal, state, or local law concerning employment practices, and any claim relating to compensation or benefits. It is understood and agreed that the waiver of benefits and claims contained in this section does not include a waiver of the right to payment of any vested, non-forfeitable benefits to which the Executive or a beneficiary of the Executive may be entitled under the terms and provisions of any employee benefit plan of the company which have accrued as of the Date of Termination, and does not include a waiver of the right to benefits and payment of consideration to which the Executive may be entitled under this Agreement or any of the agreements contemplated by this Agreement (including the indemnification agreement and the stock option agreement). The Executive acknowledges that he is entitled to only the severance benefits and compensation set forth in this Agreement, and that all other claims for any other benefits or compensation are hereby waived, except those expressly stated in the preceding sentence.

Executive agrees that he will not make any derogatory statements, either oral or written, or otherwise disparage any of the Company's Parties or their products, employees, services, work and/or employment.

The Company agrees that it will not make any derogatory statements, either oral or written, or otherwise disparage any of the Executive's Parties.

The Executive hereby acknowledges his understanding that under this Agreement he is releasing any known or unknown claims he may have.

The Executive expressly waives and relinquishes all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to his release of claims.

**EXHIBIT C**

**EXISTING CONFLICTS**

If applicable, Executive to describe, in specific terms, any ongoing business relationship with any organization other than Arbutus Biopharma Corporation or Arbutus Biopharma Inc. Please provide a copy of any agreements with said organizations that creates a business relationship described in Section 3(d)

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Murray, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Arbutus Biopharma Corporation (formerly Tekmira Pharmaceuticals Corporation);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2015

/s/ Mark Murray

Name: Mark Murray
Title: President and Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bruce Cousins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Arbutus Biopharma Corporation (formerly Tekmira Pharmaceuticals Corporation);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2015

/s/ Bruce Cousins

Name: Bruce Cousins
Title: Executive Vice President, Finance and Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Arbutus Biopharma Corporation, formerly Tekmira Pharmaceuticals Corporation, (the "Company"), for the quarter ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Mark Murray, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly represents, in all material respects, the financial condition and results of the operations of the Company.

Date: August 6, 2015

/s/ Mark Murray

Name: Mark Murray
Title: President and Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Arbutus Biopharma Corporation, formerly Tekmira Pharmaceuticals Corporation, (the "Company"), for the quarter ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Bruce Cousins, Executive Vice President, Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly represents, in all material respects, the financial condition and results of the operations of the Company.

Date: August 6, 2015

/s/ Bruce Cousins

Name: Bruce Cousins
Title: Executive Vice President, Finance and Chief Financial Officer