



## **Corporate Governance Guidelines**

*Adopted by the Arbutus Board on June 10, 2021*

The Board of Directors (the “Board”) of Arbutus Biopharma Corporation (the “Company”) has adopted these Corporate Governance Guidelines (these “Guidelines”) as a general framework to assist the Board in carrying out its oversight responsibilities and to serve the best interests of the Company, managed by or under the direction of the Board. The Guidelines should be applied in a manner consistent with applicable legal, regulatory and ethical requirements for effective corporate governance and in accordance with the rules of The Nasdaq Stock Market LLC (“Nasdaq”), the Business Corporations Act (British Columbia), the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”), the rules and regulations of the Canadian provincial and federal securities regulatory authorities, the Company’s Articles (the “Articles”), and the charters of the Committees of the Board (each, a “Committee,” and collectively, the “Committees”), each as may be amended or restated from time to time.

## 1. ROLE OF THE BOARD OF DIRECTORS

In addition to other Board or Committee responsibilities outlined in this document, the responsibilities of the Board include:

### Strategic Planning and Budgets

- Meet at least annually to review the Company’s strategic business plan proposed by management. Said plan should describe, among other things, the opportunities and risks of the Company’s business and should include a statement of the Company’s vision, mission, and values. The Board should then adopt said business plan, with such changes as the Board deems appropriate.
- Review the Company’s corporate objectives, financial plans and budgets, proposed by management, and adopt same with such changes as the Board deems appropriate.
- In connection with such reviews, the Board shall seek to provide a balance of long-term versus short-term orientation towards the Company’s vision, mission and values.

### Review of Corporate Performance

- Review the Company’s performance against strategic plans corporate objectives, financial plans and budgets.

### Chair of the Board

- Appoint a Chair of the Board and review the position description on an annual basis.

### Executive Officers

- Approve the hiring of executive officers.
- Evaluate the integrity of the Chief Executive Officer (the “CEO”) and other executive officers, and direct each of these individuals to promote a culture of integrity throughout the Company.

- Establish and review annually the position description for the CEO, and the job descriptions for the other executive officers as deemed necessary.
- Evaluate executive officers' performance and replace executive officers where necessary.
- Consider succession planning and the appointment, training and monitoring of executive officers, including any recommendations from the Corporate Governance and Nominating Committee.
- Confirm with management that all executive officers have current employment, non-competition, and confidentiality agreements.
- Review major Company organizational and staffing issues.

#### **Corporate Disclosure**

- Annually review the Company's Corporate Disclosure Policy and evaluate Company compliance with same.

#### **Systems Integrity**

- Confirm with the Audit Committee that it has reviewed and discussed the adequacy of the Company's internal financial reporting controls and management information systems.
- Review, adopt and confirm distribution to appropriate personnel of the Company's Code of Business Conduct and review and evaluate, as deemed necessary, whether the Company and its executive officers conduct themselves in an ethical manner and in compliance with the applicable rules, audit and accounting principles and the Company's own governing policies.
- Provide for free and full access by the Board to management regarding all matters of compliance and performance.

#### **Material Transactions**

- Review and approve any material transactions outside of the corporate budget.

The Company's senior executives, under the direction of the CEO, are responsible for the operations of the Company; the Board has delegated to the officers of the Company the authority and responsibility for managing the Company's day-to-day affairs. The Board has an oversight role and is not expected to perform or duplicate the tasks of the CEO or senior management. The Board may delegate its responsibilities to the Committees of the Board.

These policies are not intended as binding legal obligations or inflexible requirements and are not intended to interpret applicable laws and regulations or to modify the Company's Articles. These Guidelines are subject to modification from time-to-time by the Board.

## 2. FIDUCIARY DUTIES AND ETHICAL OBLIGATIONS OF THE DIRECTORS

### Fiduciary duties of the Board

The members of the Board are elected by the shareholders of the Company to oversee, and provide strategic guidance to, senior management of the Company. As a director, each Board member stands in a fiduciary relationship to the Company. As such, each director is required to perform his or her duties honestly, in good faith, in a manner he or she reasonably believes to be in the best interests of the Company and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

### Legal and Ethical Conduct

The Board is committed to legal and ethical conduct in fulfilling its responsibilities.

## 3. BOARD COMPOSITION AND SELECTION

### Size and Classes of Board

The number of directors shall be established by the Board in accordance with the Articles. The Articles provide for the annual election of all directors. The Board, on the recommendation of its Corporate Governance and Nominating Committee, shall evaluate and determine the appropriate size, classification and composition of the Board.

### Independence of Directors

It is the Company's policy that the Board be composed of not less than a majority of independent directors. The Company defines an "independent director" as a director who satisfies the independence criteria established by applicable laws, regulations and Nasdaq listing requirements. The Board expects each director to disclose any relationship that might call his or her independence into question. The Board shall review and determine annually the independence of all non-management directors, including an evaluation of all relationships between the Company and each director for the purposes of determining whether a material relationship exists that could interfere with such director's ability to satisfy his or her responsibilities as an independent director. In addition, Committee members will be evaluated for compliance with any additional Nasdaq, SEC or Canadian securities law independence requirements applicable to members of each Committee and the Board may adopt more stringent requirements to determine the independence of directors serving on various Committees of the Board. Director independence shall be publicly disclosed in the Company's annual proxy statement, information circular or other regulatory filing conclusion.

### Reliance on Management and Advisors

The members of the Board are entitled to rely in good faith upon the information, opinions, reports or statements presented by the Company's senior executives and any outside advisors, auditors and legal counsel

selected with reasonable care, except to the extent that any such person's integrity, honesty or competence is in doubt.

### **Leadership Structure**

The Board should remain free to configure leadership of the Board and the Company in the way that best serves the Company's interests at the time and, accordingly, the Board has no fixed policy with respect to combining or separating the offices of the Chair of the Board (the "Chair") and CEO. In the event that the Chair is not independent, the Board may, but is not required to, appoint a Lead Independent Director, who shall be selected by a majority of the independent directors and who shall preside over executive sessions of the Board.

### **Board Membership Criteria and Selection**

#### Recommendations for Director Nominees

The Board is responsible for nominating individuals for election to the Board, including those individuals who have been nominated by the Company's shareholders. The Board is also responsible for filling vacancies on the Board that may occur between annual general meetings of shareholders. The Board has delegated to its Corporate Governance and Nominating Committee the responsibility to make director recommendations to the full Board.

#### Criteria for Director Nominees

The Board strives in its membership profile to have a diversity of backgrounds and expertise that enhances the ability of the directors collectively to understand the issues facing the Company and to fulfill the Board's and Committees' responsibilities. The Board and Corporate Governance and Nominating Committee will periodically review the experience and qualifications appropriate for Board members and director candidates in light of the Board's composition at the time, and the skills and expertise needed for the effective operation of the Board and the Committees. It is the policy of the Board that the Board reflects the following characteristics:

- Each director must demonstrate exceptional leadership traits and a high level of achievement in his or her personal and professional lives that reflects high standards of personal and professional conduct.
- Each director must at all times exhibit high standards of integrity, commitment and independence of thought and judgment.
- The Board as a whole will contain a range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to all of the Company's operations and interests, which may include experience at senior levels of public companies, leadership positions in the life sciences, healthcare or public health fields, science or technology backgrounds and financial expertise.
- Each director should exhibit confidence and a willingness to express ideas and engage in constructive and respectful discussion with other Board members, Company management and all relevant persons.

- Each director should be willing and able to devote sufficient time, energy and attention to the affairs of the Company.
- Each director should actively participate in the decision-making process, be willing to make difficult decisions in the best interest of the Company and demonstrate diligence and faithfulness in attending Board and Committee meetings.
- Each director must put Board and Company performance ahead of individual achievement.
- Each director should be free of any conflict of interest that would impair the director's ability to fulfill the responsibilities of a member of the Board.

The Board is also committed to consideration of diversity and inclusion and accordingly the assessment of the Board's composition and director candidates should consider diversity of race, ethnicity, gender, age, education, cultural background, and professional experiences in the context of an analysis of the perceived needs of the Board at that point in time.

#### **Other Directorships**

The Company recommends that all directors limit the number of other public company boards on which he or she serves so that he or she is able to devote adequate time to his or her duties to the Company, including preparing for and attending meetings. No director shall serve on more than five public company boards of directors (including the Company's Board) and the CEO, if a member of the Board, shall serve on no more than a total of two (including the Company's Board), without the Board's consent.

Directors shall advise the chairperson of the Corporate Governance and Nominating Committee in advance of accepting an invitation to serve on any other company board, including public or private company directorships, and memberships on the governing boards of non-profit entities, advisory boards or similar bodies and governmental commissions. Whether such additional directorship would impair the director's ability to devote adequate time to the Company will be evaluated on a case by case basis.

Directors who serve on the Audit Committee may not serve on the audit committees of more than three public companies, including the Company's, unless the Board has determined that such service would not impair the ability of the director to effectively serve on the Audit Committee.

Service on boards and other organizations shall also comply with the Company's Code of Business Conduct.

#### **Term Limits**

The Board does not limit the number of terms for which an individual may serve as a director. The Corporate Governance and Nominating Committee periodically reviews incumbent directors and the strengths and weaknesses of the Board as a whole. This review includes consideration of a director's length of service on the Board, his or her interest in continuing as a member of the Board and the specific experience, qualifications, attributes and skills the director brings to the Board in light of the Company's business and its needs at the time.

In addition, the Corporate Governance and Nominating Committee shall review each director's continuation on the Board prior to expiration of the director's term.

#### **Change in Principal Position or Responsibility**

Any director who experiences a material change in his or her principal employment or professional position, or is placed in a position that may adversely affect his or her duties to the shareholders of the Company, or who experiences a change to his or her qualification as an independent director of the Company, if applicable, shall notify the chairperson of the Corporate Governance and Nominating Committee of such change. The Corporate Governance and Nominating Committee will then evaluate whether the individual continues to satisfy the Board's membership criteria in light of his or her new status and shall recommend to the Board the action to be taken, if any, with respect to such individual. If the Board determines that such director should resign from the Board based upon such change in circumstances, such director shall promptly tender his or her resignation from the Board.

## **4. BOARD MEETINGS**

#### **Frequency of Board Meetings**

There shall be at least four regularly scheduled meetings of the Board held each year. Additional meetings, called in accordance with the Articles, shall be held as needed. The Chair, or the Lead Independent Director, if applicable, in consultation with the appropriate members of senior management and other Board members, will determine the agenda and length of the meetings.

#### **Meeting Attendance**

Directors are expected to attend, either in person or by telephone or other remote communication, all or substantially all Board meetings and meetings of the Committees on which they serve. All directors are encouraged, but not required, to attend the annual general meeting of shareholders.

#### **Preparation for Meetings**

Materials with respect to matters on which action is expected to be taken shall be circulated to the Board in advance of the meeting whenever possible. Financial reports, certain Committee minutes and other background materials shall also be circulated in advance of the meeting. Directors are expected to spend the time needed to review any materials prior to a meeting in order to uphold their fiduciary obligations to the Company and the shareholders when discharging their responsibilities. On those occasions where the subject matter is too sensitive to provide in writing, the materials will be discussed at the meeting without advance distribution. Where there is no prior distribution of materials on a sensitive subject, the Chair or Lead Independent Director may elect to contact each Director by telephone in advance of the meeting to discuss the subject and the principal issues the Board will need to consider.

### **Management Involvement in Board Meetings**

At the invitation of the Board, members of senior management or employees recommended by the CEO shall attend Board meetings or portions thereof for the purpose of participating in discussions where such members of senior management or other employees can provide insight into the items being discussed. The Board encourages the directors and members of the Committees to bring Company management and outside advisors or consultants from time to time into Board and/or Committee meetings to (1) provide insight into items being discussed by the Board which involve the manager, advisor or consultant, (2) make presentations to the Board on matters which involve the manager, advisor or consultant and (3) bring managers with high potential into contact with the Board. Attendance of non-directors at Board meetings is at the discretion of the Board.

### **Executive Sessions of Independent Directors**

The independent directors shall meet in regular executive sessions to, among other matters, review the performance of the CEO. The Chair (if independent), or the Lead Independent Director, if applicable, or in the absence of a Lead Independent Director, the chairperson of the Corporate Governance and Nominating Committee, shall lead regularly scheduled meetings of independent directors following Board meetings to discuss matters as such independent directors consider appropriate. Executive sessions of the independent directors shall occur no less than twice per year.

## **5. BOARD COMMITTEES**

### **Number and Type of Committees; Independence of Members**

The Board currently has an Audit Committee, an Executive Compensation and Human Resources Committee, and a Corporate Governance and Nominating Committee. Each such Committee has a written charter that has been approved by the Board. Each Committee will comply with the independence and other requirements established by applicable law and regulations, including SEC, Nasdaq and Canadian rules, within any required timeframes. The Board may from time to time, establish, maintain and disband additional Committees depending on internal needs and in compliance with the Articles and applicable laws, regulations and Nasdaq listing requirements.

### **Committee member vacancies and charter review**

The Board shall appoint a Board member to fill any vacancy on a Committee, ensuring compliance with all applicable laws and regulations regarding said appointments. In addition, the Board shall review and approve, if deemed appropriate, Committee recommendations for changes to Committee charters on an annual basis.

### **Assignment and Rotation of Committee Members**

The Corporate Governance and Nominating Committee shall be responsible for making recommendations for the assignment of Board members to various Committees. The Corporate Governance and Nominating Committee shall from time to time review the Committee assignments and shall consider the rotation of chairpersons and members with a view toward balancing the benefits derived from continuity against the

benefits derived from the diversity of experience and viewpoints of the various directors. Concurrent membership on more than one Committee is also desirable where practicable.

#### **Committee Meetings**

The chairperson of each Committee, in consultation with the Committee members, will determine the frequency and length of the Committee meetings consistent with any requirements set forth in the Committee's charter. The chairperson, in consultation with management and Committee members, shall develop the Committee meeting agendas. Special meetings may be called from time to time as determined by the needs of the business and the responsibilities of the Committees.

#### **Committee Reports**

The chairperson of each Committee shall be responsible for reporting to the Board at the Board's next regularly scheduled meeting following a meeting of such chairperson's Committee.

### **6. LEADERSHIP DEVELOPMENT**

#### **Annual Review of the CEO**

The Executive Compensation and Human Resources Committee, with input from the CEO, shall annually establish the performance criteria (including both long-term and short-term goals) to be approved by the Board and considered in connection with the CEO's annual performance evaluation. At the end of each year, the CEO shall make a presentation or furnish a written report to the Board indicating his or her progress against such established performance criteria. Thereafter, with the CEO absent, the Executive Compensation and Human Resources Committee shall meet to review the CEO's performance and determine the CEO's compensation for such year, which will be recommended to the Board for approval. The results of the review and evaluation shall be communicated to the CEO by the chairperson of the Executive Compensation and Human Resources Committee.

#### **Succession Planning**

The Corporate Governance and Nominating Committee annually reviews and considers the Company's succession plan for the position of CEO and makes recommendations to the Board. To assist the Corporate Governance and Nominating Committee, the CEO shall annually provide the Corporate Governance and Nominating Committee with an assessment of senior managers and their potential to succeed him or her. He or she also shall provide the Corporate Governance and Nominating Committee with an assessment of persons considered potential successors to certain senior management positions, including a review of any development plans recommended for such individuals.

## 7. OTHER MATTERS

### **Risk Oversight, Assessment and Management**

The Board and the appropriate Committees shall consider and periodically discuss with management the Company's policies and procedures with respect to risk oversight, assessment and management.

### **Director Evaluations**

The Board shall annually review and assess the Corporate Governance and Nominating Committee's annual assessment of the performance of the Board, including its Committee's, and the Board's and each Committee's compliance with these Guidelines. All directors are encouraged to make suggestions at any time for the improvement of the Board's practices.

### **Director Compensation**

The Board believes that the level of director compensation should generally be competitive with the level of compensation paid to directors of the Company's peer companies and that a significant component of such compensation should be tied to the performance of the Company. Accordingly, a significant portion of director compensation should be in the form of stock options and equity. The Executive Compensation and Human Resources Committee shall periodically review the compensation of non-management directors. The Executive Compensation and Human Resources Committee is encouraged to seek advice from an independent compensation consultant. After such review, the Executive Compensation and Human Resources Committee will make recommendations to the full Board, and the full Board will determine the non-management director compensation. The Company's employee directors shall not receive additional compensation for service as directors.

### **Director Orientation and Continuing Professional Development**

Meetings of the Board shall be designed to provide orientation for new directors to assist them in understanding the Company's business as well as an introduction to the Company's senior management. Further, the Company encourages directors to participate in continuing education programs focused on the business, the Company's industry and legal and ethical responsibilities of board members. Directors will receive reimbursement for the reasonable expenses of such participation upon advanced approval from the Company.

### **Independent Advisers**

The Board and its Committees shall have the authority to retain, at any time, independent or outside financial, legal or other advisers as the Board or its Committees may deem appropriate and as authorized by applicable laws, regulations and Nasdaq listing requirements. The Company will pay the reasonable fees and expenses of any such advisers.

### **Interactions with Third Parties**

The Board recognizes that management speaks on behalf of the Company. Each director should refer all inquiries from investors, the press or customers to management. Individual Board members may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company.

### **Implementation and Amendment of Guidelines**

The Corporate Governance and Nominating Committee shall have primary responsibility for the implementation of these Guidelines. The Corporate Governance and Nominating Committee shall review these Guidelines no less than annually and make recommendations to the Board as to any updates as necessary. These Guidelines may only be amended by the Board.