



**Charter of the Executive Compensation and Human Resources
Committee of the Board of Directors**

Approved by the Arbutus Board on December 7, 2016

I. PURPOSE

The purpose of the Executive Compensation and Human Resources Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Arbutus Biopharma Corporation (the “**Company**”) shall be to act on behalf of the Board in: (i) determining and approving the compensation of the Company’s Chief Executive Officer; (ii) reviewing and approving compensation for the Company’s other executive officers; (iii) fulfilling the Board’s oversight responsibilities with respect to the Company’s overall compensation policies, plans and programs; and (iv) performing other activities related to the Company’s compensation plans and structure, including preparing and reviewing any disclosure on executive compensation included in the Company’s annual proxy statement or information circular in accordance with applicable rules and regulations promulgated by the United States Securities and Exchange Commission and the Canadian provincial securities regulatory authorities.

The term “compensation” shall include salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements and other benefits and any other rights or compensation received under the Company’s benefit plans.

The goal of the Committee is to maintain compensation policies which will attract and retain the highest quality executives and which will reward the executives of the Company for the Company’s progress and enhancement of shareholder value.

II. COMPOSITION AND MEETINGS

A. Composition. The Committee shall consist of such number of members as the Board determines from time to time, but at all times shall consist of at least two members.¹ Each member shall be independent as defined by the rules of the Nasdaq Global Market (including, without limitation, under all independence rules applicable specifically to members of compensation committees)² or similar requirements of such other securities exchange or quotation system or regulatory agency as may from time to time apply to the Company, including the Toronto Stock Exchange, the rules and regulations of the United States Securities and Exchange Commission and the rules and regulations of Canadian provincial and federal securities regulatory authorities, in all cases as may be modified or supplemented (collectively, the “**Rules**”), subject to any exceptions or exemptions permitted by the Rules. Each member shall meet such other qualifications for membership on a compensation committee as are established from time to time by the Rules.

All Committee members shall also qualify as “non-employee directors” within the meaning of Rule 16b-3 of the United States Securities Exchange Act of 1934.

The members of the Committee shall be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board. The Committee’s Chair shall be designated by the Board or, if it does not do so, the Committee members shall elect a Chair by vote of a majority of the full Committee.

B. Meetings. The Committee will hold at least one regular meeting per year and additional meetings as the Committee deems appropriate. Meetings will be generally conducted without the presence of members of

¹ Nasdaq Rule 5605(d)(2)(A) requires certain specific things to be considered when determining independence of committee members

² Nasdaq Rule 5605(d)(2)(A)

management. Meetings may be called by the Chair of the Committee or the Chair of the Board. Notwithstanding anything to the contrary set forth herein, the Chief Executive Officer may not be present for any portion of any meeting of the Committee at which the compensation of the Chief Executive Officer is deliberated or voted upon.

III. MINUTES AND REPORTS

Minutes of each meeting will be kept and distributed to each member of the Committee, and if requested, members of the Board who are not members of the Committee and the Secretary of the Company. The Chair of the Committee will report to the Board from time to time, or whenever so requested by the Board.

IV. AUTHORITY

The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder.

The Committee shall have authority to retain, and set and pay the compensation for, at the Company's expense, advice and assistance from internal or external legal, accounting or other advisors or consultants as it deems necessary or appropriate in the performance of its duties, and the Committee shall be directly responsible for overseeing the work of any such counsel, consultant or advisor.³ In addition, the Committee shall have authority to retain and terminate any compensation consultant to assist in the evaluation of director or executive officer compensation, including authority to approve such reasonable consultant's fees and other retention terms, all at the Company's expense. The Company shall make available to the Committee all funding necessary for the Committee to carry out its duties, including, without limitation, the payment of such expenses. The Committee shall recommend to the Board for its approval expenditures for external resources that are expected to be material and outside the ordinary course of the Committee's practices. The Committee may form and delegate authority to subcommittees as appropriate.

Notwithstanding the foregoing, prior to selecting, or receiving advice from, a compensation consultant, legal counsel or other advisor to the Committee (other than in-house legal counsel), the Committee must take into consideration all other factors required under the Rules to be considered by the Committee.

V. RESPONSIBILITIES

The operation of the Committee shall be subject to and in compliance with the provisions of the articles of the Company and the Rules, each as in effect from time to time, subject to any permitted exceptions or exemptions thereunder. Any action by the Board with respect to any of the matters set forth below shall not be deemed to limit or restrict the authority of the Committee to act under this Charter, unless the Board specifically limits such authority.

To implement the Committee's purpose, the Committee shall, to the extent the Committee deems necessary or appropriate, be charged with the following duties and responsibilities. The Committee may supplement and, except as otherwise required by the Rules, deviate from these activities as appropriate under the circumstances:

³ Nasdaq Rule 5605(d)(3)(B), as required to be adopted through Rule 10C-1 of the Exchange Act

1. Chief Executive Officer Compensation. The Committee shall review and recommend to the Board for its approval, the salary, bonus, equity compensation and any other compensation and terms of employment of the Company's Chief Executive Officer. The Company's Chief Executive Officer may not be present during voting or deliberations. In reviewing and recommending the compensation of the Chief Executive Officer, the Committee shall review and approve the corporate goals and objectives of the Company relevant thereto, and shall evaluate the Chief Executive Officer's performance in light of those corporate goals and objectives. The Committee's recommendation to the Board regarding the Chief Executive Officer's compensation should be determined based on, in part, such evaluation. The Committee may also consider the Company's performance and relative shareholder return, the value of similar incentive awards given to chief executive officers of comparable companies and previous awards given to the Company's Chief Executive Officer.

2. Compensation of Executive Officers. The Committee shall review and recommend to the Board for its approval the salary levels, bonus plans and structures and payments thereunder and other forms of compensation policies, plans and programs for executive officers of the Company, as appropriate, including, in its discretion:

- (A) reviewing and recommending to the Board for its approval corporate performance goals, the structure and method for determining the terms of overall executive bonus or other compensatory plans, method for determining individual goals for executive officers thereunder, and payment of individual executive bonuses to the extent such bonuses contain a discretionary component;
- (B) reviewing and advising the Board concerning national and industry-wide executive compensation practices and trends to assess the adequacy and competitiveness of the Company's executive compensation programs among comparable companies as well as the appropriateness of such programs;
- (C) reviewing and recommending to the Board for its approval the terms of any employment agreements, severance arrangements, change of control protections and any other compensatory arrangements; and
- (D) establishing and reviewing on a periodic basis policies for the proper administration of executive compensation programs.

3. Overall Company Compensation. The Committee shall from time to time review and recommend to the Board for its approval the Company's overall compensation plans and structure, including without limitation incentive-compensation and equity-based plans.

4. Independent Director Compensation. The Committee shall recommend to the Board for its approval the compensation for independent Board members, including any retainer, Committee and Committee chair fees and/or equity compensation. Such recommendation shall take into account national and industry-wide compensation practices and trends and a comparison of the Company's compensation programs among comparable companies as well as the appropriateness of such programs in light of corporate governance standards and the Committee's determination of the appropriate method of motivating independent Board members.

5. Administration of Plans. The Committee shall have full power and authority to administer the Company's equity compensation plans, pension and profit sharing plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs, including the adoption, amendment and

termination of such plans and any sub-plans thereof, establishing guidelines, interpreting plan documents, selecting participants, approving grants and awards, or exercising such other power and authority as may be permitted or required under such plans. The Committee may delegate any such administrative duties and powers as the Committee may see fit with respect to the administration of the above-mentioned plans (excluding, for greater certainty, the power to approve grants and awards) to any officers of the Company. Notwithstanding the foregoing, the Board shall retain the right to act on all such matters without limiting the Committee's authority.

6. Disclosure of Executive Compensation. The Committee shall review with management all executive compensation disclosure before the Company publicly discloses this information. If required by the Rules, the Committee shall produce a report on executive officer compensation for inclusion in the management information circular/proxy statement of the Company.

7. Charter. The Committee shall review, discuss and assess annually its own performance and the adequacy of this Charter, including the role and responsibilities of the Committee as outlined in this Charter. The Committee shall submit any suggested changes to the Board for its approval.

8. Other Responsibilities. The Committee shall perform such other functions as may be assigned to the Committee by law, by the Company's articles or bylaws or by the Board.

9. General Authority. The Committee shall perform such other functions and have such other powers as may be necessary or convenient in the efficient discharge of the foregoing.