



**VBI VACCINES INC.**

**BOARD OF DIRECTORS MANDATE**

**Adopted September 23, 2016**

**1. Purpose**

The members of the Board of Directors (the “Board”) have the duty to supervise the management of the business and affairs of SciVac Therapeutics Inc. or the “Company”). The Board, directly and through its committees and the chair of the Board (the “Chair”), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

**2. Duties and Responsibilities**

The Board shall have the specific duties and responsibilities outlined below.

***Strategic Planning***

**(a) Strategic Plans**

The Board will adopt a strategic plan for the Company. At least annually, the Board shall review and, if advisable, approve the Company’s strategic planning process and the Company’s annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management’s assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products.

**(b) Business and Capital Plans**

At least annually, the Board shall review and, if advisable, approve the Company’s annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

**(c) Monitoring**

At least annually, the Board shall review management’s implementation of the Company’s strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

***Risk Management***

**(d) General**

At least annually, the Board shall review reports provided by management of principal risks associated with the Company’s business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

**(e) Verification of Controls**

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

### ***Human Resource Management***

#### **(f) General**

At least annually, the Board shall review a report of the Compensation Committee concerning the Company's approach to human resource management and executive compensation.

#### **(g) Succession Review**

At least annually, the Board shall review the succession plans of the Company for the Chair, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

#### **(h) Integrity of Senior Management**

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Company and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Company.

### ***Corporate Governance***

#### **(i) General**

At least annually, the Board shall review a report of the Nominating and Corporate Governance Committee concerning the Company's approach to corporate governance.

#### **(j) Director Independence**

At least annually, the Board shall review a report of the Nominating and Corporate Governance Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

#### **(k) Ethics Reporting**

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and employees of the Company. At least annually, the Board shall review the report of the Nominating and Corporate Governance Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Nominating and Corporate Governance Committee concerning investigations and any resolutions of complaints received under the Code.

#### **(l) Board of Directors Mandate Review**

At least annually, the Board shall review and assess the adequacy of its Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

### ***Communications***

#### **(m) General**

The Board has adopted a Disclosure Policy for the Company. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Company's overall Disclosure Policy, including measures for receiving feedback from the Company's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Company's Disclosure Policy.

## **(n) Shareholders**

The Company endeavors to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. Directors and management meet with the Company's shareholders at the annual meeting and are available to respond to questions at that time.

### **3. Composition**

#### ***General***

The composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; quorum requirements; meeting procedures and notices of meetings are required by the *Business Corporations Act* (British Columbia), the *Securities Act* (British Columbia) and the articles of the Company, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Nominating and Corporate Governance Committee.

#### ***Independence***

A majority of the Board must be independent. "Independent" shall have a meaning, as the context requires, in all cases consistent with both in National Policy 58-201 Corporate Governance Guidelines and NASDAQ Rule 5605, as may be amended from time to time.

### **4. Committees of the Board**

The Board has established the following committees: the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.

#### ***Committee Mandates***

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each mandate shall be reviewed by the Nominating and Corporate Governance Committee and any suggested amendments brought to the Board for consideration and approval.

#### ***Delegation to Committees***

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.

#### ***Consideration of Committee Recommendations***

As required by applicable law, by applicable committee Mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

#### ***Board/Committee Communication***

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

## **5. Meetings**

The Board will meet as many times as required to carry out its duties and responsibilities, with additional meeting held as deemed advisable. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Company's articles.

### ***Secretary and Minutes***

The Corporate Secretary, her or his designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

### ***Meetings Without Management***

If necessary in order to facilitate open and candid discussion amongst the independent directors, the independent members of the Board shall hold meetings, or portions of meetings, at which non-independent directors and members of management are not present.

### ***Directors' Responsibilities***

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

### ***Access to Management and Outside Advisors***

The Board shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

### ***Service on Other Boards and Audit Committee***

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

**6. Management**

***Position Descriptions for Directors***

The Board may approve position descriptions for the Chair, and the chair of each Board committee. If any such position descriptions are approved, at least annually, the Board shall review such position descriptions.

***Position Description for CEO***

The Board may approve a position description for the Chief Executive Officer, which may include delineating management's responsibilities. The Board may also approve the corporate goals and objectives that the Chief Executive Officer has responsibility for meeting. If such a position description is approved, least annually, the Board shall review a report of the Compensation Committee reviewing this position description and such corporate goals and objectives.

**7. Director development and evaluation**

Each new director shall participate in the Company's initial orientation program and each director shall participate in the Company's continuing director development programs. At least annually, the Board shall review the Company's initial orientation program and continuing director development programs.

**8. No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Notice of Articles and Articles, it is not intended to establish any legally binding obligations.

**VBI VACCINES INC.**  
**(THE “COMPANY”)**  
**POSITION DESCRIPTION FOR**  
**CHAIRMAN OF THE BOARD**

**Appointment**

The Chairman of the Board (the “Chairman”) is appointed by the Board at the first meeting of the Board following the annual meeting of shareholders of the Company.

**Responsibilities**

The Chairman shall:

1. lead the Board in discharging all duties set out in the Board Mandate;
2. generally be responsible for the development, management and effective function of the Board of Directors;
3. in consultation with the Chief Executive Officer (the “CEO”), determine the dates and locations of meetings of the Board and the shareholders;
4. require the Board to meet at least four times annually and as many additional times as necessary for the Board to carry out its duties and responsibilities effectively;
5. ensure that all business that is required to be brought before a meeting of shareholders is brought before a meeting of shareholders;
6. in consultation with the CEO, review the meeting agendas to ensure that all required business is brought before the Board to enable the Board to carry out its duties and responsibilities;
7. manage the Board in its oversight of management;
8. be the primary liaison/conduit between the Board and management;
9. be kept well informed on the major affairs and operations of the Company and will maintain regular contact with the CEO and other senior officers of the Company;
10. provide advice, counsel and mentorship to the CEO;
11. serve as an advisor to the CEO concerning the interests of the Board and the relationship between management and the Board;
12. coordinate with management to ensure that:
  - (a) documents are delivered to directors in sufficient time in advance of Board meetings for a thorough review;
  - (b) matters are properly presented for the Board’s consideration at meetings;
  - (c) the Board has an appropriate opportunity to discuss issues at each meeting; and
  - (d) the Board has an appropriate opportunity to question executive officers, management, employees, external auditors, experts and advisors regarding any and all matters of importance to the Company;
13. endeavour to attend at, and preside over, all meetings of the Board and the shareholders;
14. arrange for the Board to have the opportunity to meet separately without management or non-independent directors, as the case may be, present at all meetings;
15. provide leadership to enable the Board to act as a team in carrying out its duties and responsibilities;
16. work with the Chairman of the Nominating and Governance Committee in evaluating director performance; and
17. provide advice, counsel and mentorship to fellow members of the Board.

**VBI VACCINES INC.**

**(THE “COMPANY”)**

**POSITION DESCRIPTION FOR  
CHIEF EXECUTIVE OFFICER**

**Appointment**

The Chief Executive Officer (the “CEO”) is appointed by the Board and serves at the pleasure of the Board.

**Role and Objective**

The CEO is responsible for the management of the business of the Company and works to achieve the goals and objectives the Board approves from time to time. The legal obligation of the CEO is to act honestly and in good faith with a view to the best interests of the Company and, in doing so, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The CEO shall comply with all statutory requirements and shall act with a view to the best interests of the Company.

**Responsibilities**

The CEO’s scope, duties and responsibilities include, but are not limited to, the following:

1. maintaining a high level of integrity and assisting in creating a culture of integrity throughout the Company;
2. working with the Board to determine the strategic direction of the Company;
3. leading and assisting the Board in developing short-term and long-term plans and objectives to achieve the strategies of the Company;
4. from time to time, determining with the Board the Board’s expectations of the CEO;
5. undertaking the day-to-day management and operation of the Company and its affiliates and subsidiaries and providing leadership to achieve the objectives of the Company;
6. from time to time, determining with the Board the capital commitment and expenditure budgets for the Company and stewarding expenditures within such approved budgets;
7. developing and maintaining an effective organizational structure and establishing clear responsibilities for individuals within the organization;
8. developing senior management succession and development plans and reporting to the Board at least annually on such plans including recommending candidates for appointment as officers and senior management of the Company to the Board;
9. ensuring appropriate policies and procedures of the Company are developed, maintained and disclosed;
10. providing appropriate certifications regarding the Company and its activities, as may be required from time to time;
11. ensuring that procedures are in place for appropriate communication to all stakeholders regarding the Company’s activities and objectives;
12. acting as the principal spokesperson for the Company and overseeing interactions between the Company, the public, investors, stakeholders, regulators and the media; and
13. complying with all stock exchange, regulatory and statutory requirements.

## VBI VACCINES INC.

### NOMINATING AND GOVERNANCE COMMITTEE CHAIR POSITION DESCRIPTION

#### **Appointment**

The Chair of the Nominating and Governance Committee will be appointed, serve and be removed at the pleasure of the Board.

#### **Duties of the Nominating and Governance Committee Chair**

In addition to fulfilling his or her duties as an individual director, the duties of the Nominating and Governance Committee Chair are to:

1. serve as the Nominating and Governance Committee's role model for responsible, ethical and effective decision making;
2. lead the Nominating and Governance Committee in discharging all duties set out in the Nominating and Governance Committee Charter and as are delegated to the authority of the Nominating and Governance Committee by the Board;
3. take reasonable steps to ensure that the Nominating and Governance Committee members execute their duties pursuant to their mandate;
4. manage the affairs of the Nominating and Governance Committee to ensure that the Nominating and Governance Committee is organized properly and functions effectively;
5. preside at, and together with the members as appropriate, call, schedule and prepare the agenda for each meeting of the Nominating and Governance Committee;
6. coordinate with the Corporate Secretary, management and advisors engaged by the Nominating and Governance Committee to ensure that:
  - (a) documents are delivered to members in sufficient time in advance of Nominating and Governance Committee meetings for a thorough review;
  - (b) matters are properly presented for the Nominating and Governance Committee's consideration at meetings;
  - (c) members have an appropriate opportunity to discuss issues at each meeting;
  - (d) members have an appropriate opportunity to question management, employees and advisors regarding all matters of importance to the Nominating and Governance Committee; and
  - (e) members work constructively towards their recommendations to the Board;
7. communicate with each member of the Nominating and Governance Committee to ensure that:
  - (a) each member has the opportunity to be heard and participate in decision making; and
  - (b) each member is accountable to the Nominating and Governance Committee;
8. arrange for the preparation, accuracy and distribution of all minutes of the Nominating and Governance Committee to its members and advisors, as appropriate;
9. ensure that the Nominating and Governance Committee, following each meeting:
  - (a) reports to the Board regarding its activities, findings and recommendations; and
  - (b) makes Committee information available to any director upon request; and
10. assist in maintaining effective working relationships between Committee members, the Board, the Chief Executive Officer, advisors, executive officers and management.

## VBI VACCINES INC.

### COMPENSATION COMMITTEE CHAIR POSITION DESCRIPTION

#### Appointment

The Chair of the Compensation Committee will be appointed, serve and be removed at the pleasure of the Board.

#### Duties of the Compensation Committee Chair

In addition to fulfilling his or her duties as an individual director, the duties of the Compensation Committee Chair are to:

1. lead the Compensation Committee in discharging all duties set out in the Compensation Committee Charter and as are delegated to the authority of the Compensation Committee by the Board;
2. take reasonable steps to ensure that the Compensation Committee members execute their duties pursuant to their mandate;
3. manage the affairs of the Compensation Committee to ensure that the Compensation Committee is organized properly and functions effectively;
4. preside at, and together with the members as appropriate, call, schedule and prepare the agenda for each meeting of the Compensation Committee;
5. coordinate with the Corporate Secretary, management and advisors engaged by the Compensation Committee to ensure that:
  - (a) documents are delivered to members in sufficient time in advance of Compensation Committee meetings for a thorough review;
  - (b) matters are properly presented for the Compensation Committee's consideration at meetings;
  - (c) members have an appropriate opportunity to discuss issues at each meeting;
  - (d) members have an appropriate opportunity to question management, employees and advisors regarding compensation issues and all other matters of importance to the Compensation Committee; and
  - (e) members work constructively towards their recommendations to the Board;
6. communicate with each member of the Compensation Committee to ensure that:
  - (a) each member has the opportunity to be heard and participate in decision making; and
  - (b) each member is accountable to the Compensation Committee;
7. arrange for the preparation, accuracy and distribution of all minutes of the Compensation Committee to its members and advisors, as appropriate;
8. ensure that the Compensation Committee, following each meeting:
  - (a) reports to the Board regarding its activities, findings and recommendations; and
  - (b) makes Committee information available to any director upon request; and
9. assist in maintaining effective working relationships between Committee members, the Board, the Chief Executive Officer, advisors, executive officers and management.

**VBI VACCINES INC.**  
**AUDIT COMMITTEE CHAIR**  
**POSITION DESCRIPTION**

**Appointment**

The Chair of the Audit Committee will be appointed, serve and be removed at the pleasure of the Board.

**Duties of the Audit Committee Chair**

In addition to fulfilling his or her duties as an individual director, the duties of the Audit Committee Chair are to:

1. lead the Audit Committee in discharging all duties set out in the Audit Committee Charter and as are delegated to the authority of the Audit Committee by the Board;
2. take reasonable steps to ensure that the Audit Committee members execute their duties pursuant to their mandate;
3. manage the affairs of the Audit Committee to ensure that the Audit Committee is organized properly and functions effectively;
4. ensure that notice of all meetings of the Audit Committee are provided to the external auditor;
5. preside at, and together with the members of the Audit Committee, management, external auditors and advisors, as appropriate, call, schedule and prepare the agenda for each meeting of the Audit Committee;
6. ensure that the Audit Committee holds *in camera* sessions with the external auditors;
7. coordinate with the Chief Financial Officer, Corporate Secretary, management and the external auditors to ensure that:
  - (a) documents are delivered to members in sufficient time in advance of Audit Committee meetings for a thorough review;
  - (b) matters are properly presented for the member's consideration at meetings;
  - (c) the members have an appropriate opportunity to discuss issues at each meeting;
  - (d) the members have an appropriate opportunity to question management, employees and the external auditors regarding financial results, internal controls, the collection of financial information and all other matters of importance to the Audit Committee; and
  - (e) the members work constructively towards their recommendations to the Board;
8. communicate with each Audit Committee member to ensure that:
  - (a) each member has the opportunity to be heard and participate in decision making; and
  - (b) each member is accountable to the Audit Committee;
9. arrange for the preparation, accuracy and distribution of all minutes of the Audit Committee to:
  - (a) members of the Audit Committee;
  - (b) each member of the Board;
  - (c) the external auditor; and
  - (d) the Chief Executive Officer and Chief Financial Officer;
10. ensure that the Audit Committee, following each meeting:
  - (a) reports to the Board regarding its activities, findings and recommendations; and
  - (b) makes Audit Committee information available to any director upon request; and
11. assist in maintaining effective working relationships between Committee members, the Board, the Chief Executive Officer and Chief Financial Officer, external auditors, advisors, executive officers and management.