



BEYONDSRING INC.
RELATED PARTY TRANSACTIONS POLICY
Adopted February 9, 2017

1. Purpose.

A conflict of interest arises when an individual's personal interests, or those of an Close Member (defined below), improperly interfere, or appear to interfere, with the interests of the Company. BeyondSpring Inc.'s (the "*Company*") Code of Ethics (the "*Code*"), which applies to all employees, officers and directors of the Company, provides that all conflicts of interest should be avoided. Pursuant to the regulations of the Securities and Exchange Commission (the "*SEC*"), the Company is required to disclose in its filings with the SEC (i) certain Related Party Transactions (as defined below), and (ii) the Company's policies concerning Related Party Transactions. Accordingly, all Related Party Transactions are subject to approval or ratification as set forth in this policy.

The Board of Directors (the "*Board*") of the Company recognizes that certain transactions present a heightened risk of conflicts of interest or the perception thereof. Therefore, the Board has adopted this Related Party Transactions Policy (the "*Policy*") to ensure that all Related Party Transactions (as defined below) shall be subject to review, approval or ratification in accordance with the procedures set forth below.

2. Definitions.

For purposes of this Policy, the following terms shall have the following meanings:

"*Associate*" is an unconsolidated enterprise in which the company has a significant influence or which has significant influence over the company. Significant influence over an enterprise is the power to participate in the financial and operating policy decisions of the enterprise but is less than control over those policies. Shareholders beneficially owning a 10% interest in the voting power of the company are presumed to have a significant influence on the Company.

"*Close Member*" means any member of an individual's family that may be expected to influence, or be influenced by, that person in their dealings with the Company.

"*Related Party*" includes, among others: (a) enterprises that, directly or indirectly, control, are controlled by or are under common control with, the Company; (b) Associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Close Members of such individual's family; (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the company, including directors and senior management of companies and Close Members of such individuals' families (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a



person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Company and enterprises that have a member of key management in common with the Company.

“*Related Party Transaction*” means any transaction or loan between the Company and a Related Party.

3. Procedures.

The Audit Committee (the “*Committee*”) of the Board shall be responsible for the administration of this Policy. Prior to entering into a Related Party Transaction, the Related Party (or if the Related Party is a Close Member of an executive officer or director of the Company, such executive officer or director) shall notify the Company’s Chief Financial Officer of the facts and circumstances of the proposed transaction. Should an employee of the Company become aware of a Related Party Transaction, regardless of whether such employee is a party to such transaction, such employee will report the Related Party Transaction to the Chief Financial Officer who shall, in turn, report such Related Party Transaction to the Committee for review.

The Committee shall review all of the relevant facts and circumstances of all Related Party Transactions that require the Committee’s approval and either approve or disapprove of the entry into the Related Party Transaction, subject to the exceptions described below. In determining whether to approve or ratify a Related Party Transaction, the Committee shall take into account, among other factors it deems appropriate, (i) whether the transaction was undertaken in the ordinary course of business of the Company, (ii) whether the Related Party Transaction was initiated by the Company, a subsidiary or the Related Party, (iii) whether the transaction with the Related Party is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party, (iv) the purpose of, and the potential benefits to the Company of, the Related Party Transaction, (v) the approximate dollar value of the amount involved in the Related Party Transaction, particularly as it relates to the Related Party, (vi) the Related Party’s interest in the Related Party Transaction (vii) whether the Related Party Transaction would impair the independence of an otherwise independent director and (viii) any other information regarding the Related Party Transaction or the Related Party that would be material to investors in light of the circumstances of the particular transaction.

The Committee shall review all relevant information available to it about the Related Party Transaction. The Committee may approve the Related Party Transaction only if the Committee determines in good faith that, under all of the circumstances, the transaction is in the best interests of the Company and its shareholders. The Committee, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with the approval of the Related Party Transaction.

If a Related Party Transaction involves a Related Party who is a director or Close Member of a director, such director may not participate in any discussion or vote regarding approval or ratification of approval such transaction. However, such director shall provide all material information concerning the Related Party Transaction to the Committee. Such director may be counted in determining the presence of a quorum at a meeting of the Committee that considers such transaction.

If the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the Related Party Transaction shall be reviewed in accordance with the procedures set forth herein and, if the Committee determines it to be appropriate, ratified at the Committee's next regularly scheduled meeting.

Any Related Party Transaction that is not approved or ratified in accordance with this Policy may be voided, terminated or amended, or such other actions may be taken, in each case as determined by the Committee, to avoid or otherwise address any resulting conflict of interest.

4. Ongoing Transactions.

If a Related Party Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.

5. Standing Pre-Approval for Certain Interested Transactions.

The Committee has reviewed the types of Related Party Transactions described below and determined that each of the following types of Related Party Transactions shall be deemed to be pre-approved or ratified, as applicable, by the Committee, unless specifically determined otherwise by the Committee. In connection with each regularly scheduled meeting of the Committee, a summary of each new Related Party Transaction deemed pre-approved pursuant to this paragraph shall be provided to the Committee for its review.

- (a) Employment of executive officers. Any employment by the Company of an executive officer of the Company or any of its subsidiaries so long as (i) the compensation paid to such executive officer is required to be disclosed in the Company's Form 20-F and (ii) the executive officer is not a Close Member of another executive officer, director or key employee of the Company.
- (b) Director compensation. Any compensation paid to a member of the Board if the compensation is reported in the Company's Form 20-F.
- (c) Transactions where all shareholders receive proportional benefits. Any transaction where the Related Party's interest arises solely from the ownership of a class of equity



securities of the Company and all holders of that class of equity securities received the same benefit on a pro rata basis.

(d) Indemnification. Indemnification and advancement of expenses made pursuant to the Company's Certificate of Incorporation or Bylaws or pursuant to any agreement.

6. Reporting and Disclosure

(a) The Committee shall notify the Board on a quarterly basis of all Related Party Transactions approved or ratified by the Committee.

(b) All Related Party Transactions are to be disclosed in the Company's applicable filings as required by (i) the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended, and related rules and (ii) applicable NASDAQ rules.

7. Existing Policies and Procedures.

(a) Related Party Transactions must also comply with the Company's existing policies and procedures, including the Code of Ethics.