

VICAL INCORPORATED RELATED-PERSON TRANSACTIONS POLICY

Adopted by the Board of Directors on March 30, 2007

As stated in the Code of Business Conduct and Ethics (the “*Code*”) of Vical Incorporated (the “*Company*”), the Company expects its directors, officers and other employees to avoid conflicts of interest that interfere with the performance of their duties or the best interests of the Company. It is critical that Company decisions be made in the best interests of the Company and its stockholders. Transactions involving an insider, in which the Company is also a participant, may present actual or potential conflicts of interest or even create the appearance of a conflict. However, whether or not a conflict exists is often unclear and, in many circumstances, transactions with related persons may, on balance, be beneficial to the Company and its stockholders. While the Code addresses these matters generally, this Related-Person Transactions Policy (the “*Policy*”) sets forth the procedures for the identification, review, consideration and approval or ratification of transactions involving the Company and any “Related Person” (as defined below) by the Audit Committee of the Board of Directors (the “*Board*”) or by such other committee of the Board as shall be appropriate.

This policy has been approved by the Board. The Audit Committee will review and recommend to the Board, from time to time, any amendments to this Policy that may be advisable.

A. Definitions.

Under this policy the following terms have the meanings set forth in this section.

1. “*Related Person*” means any
 - person who is, or at any time since the beginning of the Company’s last fiscal year, was, a director, executive officer or other employee of the Company or a nominee to become a director of the Company;
 - security holder known by the Company to be the record or beneficial owner of more than 5% of any class of the Company’s voting securities (a “significant shareholder”);
 - “immediate family member” of any of the foregoing, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such person, and any person (other than a tenant or employee) sharing the household of such person; and
 - firm, corporation or other entity in which any of the foregoing persons is an executive, partner or principal or similar control position or in which such person directly or indirectly has a 5% or greater equity interest (an “affiliate”).

2. ***"Related-Person Transaction"*** is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company and any Related Person are, were or will be participants in which the amount involved exceeds \$120,000 and in which any Related Person had, has or will have a direct or indirect material interest. Transactions involving compensation for services provided to the Company as an employee, consultant or director shall not be considered Related-Person Transactions under this policy.

B. Identification of Related Persons and Dissemination of Information.

Each director, executive officer and employee shall, and the Company shall request each "significant shareholder" to, notify all of his or her "affiliates" and "immediate family members" requiring that, before they or, with respect to "immediate family members," any of their "affiliates" may engage in any Related-Person Transaction, they must inform the director, executive officer, employee or "significant shareholder" in advance and may not proceed with the transaction in the absence of approval pursuant to this policy. The director, executive officer, employee or "significant shareholder" shall be obligated to report the proposed transaction to the management of the Company for consideration and approval by the Committee as a Related-Person Transaction in accordance with the terms of this policy.

C. Advance Approval of Related Person Transactions.

Under this policy, any proposed transaction that has been identified as a Related-Person Transaction may be consummated or materially amended only following approval by the Audit Committee in accordance with the provisions of this Policy. In the event that it is inappropriate for the Audit Committee to review the transaction for reasons of conflict of interest or otherwise, after taking into account possible recusals by Audit Committee members, then the Related-Person Transaction shall be approved by another independent body of the Board. The approving body shall be referred to in this policy as the "Committee."

D. Ratification of Related-Person Transactions.

Under this policy, any Related-Person Transaction, if not a Related-Person Transaction when originally consummated, or if not initially identified as a Related-Person Transaction prior to consummation, shall be submitted to the Committee for review and ratification in accordance with the approval policies set forth above as soon as reasonably practicable. The Committee shall consider whether to ratify and continue, amend and ratify, or terminate or rescind such Related-Person Transaction.

E. Approval Process and Guidelines.

1. In the event that the Company proposes to enter into, or materially amend, a Related-Person Transaction, management of the Company shall present such Related-Person Transaction to the Committee for review, consideration and approval or ratification. The presentation shall include, to the extent reasonably available, a description of (a) all of the parties thereto, (b) the interests, direct or indirect, of any Related Person in the transaction in sufficient detail so as to enable the Committee to fully assess such interests, (c) the purpose of the

transaction, (d) all of the material facts of the proposed Related-Person Transaction, including the proposed aggregate value of such transaction, or, in the case of indebtedness, the amount of principal that would be involved, (e) the benefits to the Company of the proposed Related-Person Transaction, (f) if applicable, the availability of other sources of comparable products or services, (g) an assessment of whether the proposed Related-Person Transaction is on terms that are comparable to the terms available to or from, as the case may be, unrelated third parties and (h) management's recommendation with respect to the proposed Related-Person Transaction. In the event the Committee is asked to consider whether to ratify an ongoing Related-Person Transaction, in addition to the information identified above, the presentation shall include a description of the extent of work performed and remaining to be performed in connection with the transaction and an assessment of the potential risks and costs of termination of the transaction, and where appropriate, the possibility of modification of the transaction.

2. The Committee, in approving or rejecting the proposed Related-Person Transaction, shall consider all the relevant facts and circumstances deemed relevant by and available to the Committee, including, but not limited to (a) the risks, costs and benefits to the Company, (b) the impact on a director's independence in the event the Related Person is a director, immediate family member of a director or an entity with which a director is affiliated, (c) the terms of the transaction, (d) the availability of other sources of comparable services or products and (e) the terms available to or from, as the case may be, unrelated third parties. The Committee shall approve only those Related-Person Transactions that, in light of known circumstances, are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Committee determines in the good faith exercise of its discretion.