REGULUS THERAPEUTICS INC.

CORPORATE GOVERNANCE PRINCIPLES

The following principles have been approved by the Board of Directors (the "Board") and, along with the charters and key practices of the Board committees, provide the framework for the governance of Regulus Therapeutics Inc. (the "Company" or "Regulus"). The Board recognizes that there is an on-going and energetic debate about corporate governance, and it will review these principles and other aspects of Regulus' governance annually or more often if deemed necessary.

1. Role of Board and Management. Regulus' employees, managers and officers conduct their business under the direction of the chief executive officer (the "CEO") and the oversight of the Board, to enhance the long-term value of the Company for its stockholders. The Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Both the Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, customers, suppliers, the communities where Regulus does business, governments, and the public at large.

2. Functions of Board. The Board has at least four (4) scheduled meetings each year at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. In addition to its general oversight of management, the Board and its duly designated committees also perform a number of specific functions, including:

a. selecting, evaluating and compensating the CEO and overseeing CEO succession planning;

b. providing counsel on the hiring, firing, evaluation and compensation of the Company's senior management;

c. reviewing, approving, and monitoring equity grants and other significant compensation policy decisions;

d. reviewing, approving, and monitoring the business strategy as well as major corporate actions;

e. reviewing, approving and monitoring the Company's annual plan and budget;

f. reviewing the process of providing appropriate financial and operational information within the Company as well as its public reporting;

g. nominating director candidates; and

h. ensuring processes are in place for maintaining the integrity of the Company -- the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders.

3. Qualifications. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. They must be actively engaged in the pursuit of information relevant to the Company's business and must constructively engage their fellow Board members, the CEO, and other members of management in dialogue and decision making. The Board will represent diverse experience at policy-making levels in business and technology in areas that are relevant to the Company's global activities.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities.

The Board does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be renominated for successive terms until they resign.

4. Independence of Directors. A majority of the directors will be independent directors as defined in the Nasdaq Marketplace Rules for companies listed on the Nasdaq Global Market. Directors who do not meet the Nasdaq Marketplace Rules' independence standards also make valuable contributions to the Board and to the Company through their experience and wisdom.

In general, to be considered independent under the Nasdaq Marketplace Rules, the Board must determine, among other things, that a director does not have any relationships that, in the Board's opinion, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board will make an affirmative finding with respect to the independence of directors not less frequently than annually.

5. Size of Board and Selection Process. The Board determines the number of directors on the Board. To be effective as a working group, the Board should consist of no less than five (5) members, but no more than eight (8), of which no more than two (2) may also be employees or officers of the Company. All directors are elected at each annual meeting of stockholders. The Board will consider as a nominee any candidate put forth by a stockholder, provided that the stockholder and proposed nominee provide the Board with the information required by Section 5 of the Company's Bylaws. The Board proposes a slate of nominees to the stockholders for election to the Board. Between annual stockholder meetings, the Board may elect directors to fill any vacancies, who serve until the next annual meeting, and may appoint directors to newly created vacancies, who serve until the next annual meeting.

6. Director and CEO Service on Other Public Boards. Service by any director on the boards of other public companies should be limited to ensure that each director is in a position to contribute effectively to the Company's Board. The effectiveness and degree of active participation by each director shall be reviewed from time to time by the Nominating &

Governance Committee (the "N&G Committee"). Directors shall provide advance notice to the Company's General Counsel and Chairman of the Board before taking any new position on a for-profit entity's board to confirm that there is not a conflict of interest and shall provide advance notice to the N&G Committee of any change in external board positions.

7. Voting for Directors. In uncontested elections, directors are elected by a majority of votes cast by stockholders (excluding abstentions and broker non-votes). If a director then serving on the Board receives less than a majority of the votes cast in an election, the director shall tender his or her resignation to the Board.

Within ninety (90) days after the date of the certification of the election results, the N&G Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken, and the Board will act on such committee's recommendation and publicly disclose its decision and the rationale behind it.

Any director who tenders his or her resignation pursuant to this provision shall not participate in the N&G Committee's recommendation or Board action regarding whether to accept the resignation offer.

If each member of the N&G Committee failed to receive a majority vote in the same election, then the independent directors who did receive a majority vote in the election shall appoint a committee among themselves to consider the resignation offers and recommend to the Board whether to accept them.

8. The Chairman of the Board. The Chairman of the Board will be appointed annually by the Board and will be an independent director. The Chairman of the Board: (i) presides over all executive sessions and meetings of the independent directors; (ii) ensures independent directors' input in setting agendas for Board meetings; (iii) serves as a point of leadership during special situations respecting the roles of various committee chairpersons; (iv) ensures that all directors have an equal voice; (v) defines the agenda for executive sessions of the Board with the CEO and gives feedback to the CEO following such sessions; (vi) serves as a point person for stockholder communications with the Board; and (vii) assists members of management in managing corporate crises, to the extent they arise from time to time, and making related communications to other Board members.

9. Chairman and CEO. It is the policy of the Company that the positions of Chairman of the Board and Chief Executive Officer may not be held by the same person, as determined from time to time by the Board in consideration of the best interests of the Company. The Board believes this separation reinforces the independence of the Board from management, creates an environment that encourages objective oversight of management's performance and enhances the effectiveness of the Board as a whole.

10. Board Committees. The Board has established the following committees to assist the Board in discharging its responsibilities: (i) Audit; (ii) Compensation; and (iii) Nominating & Governance. The current charters and key practices of these committees are published on the Regulus website, and will be mailed to stockholders on written request. The committee

chairpersons report the highlights of their meetings to the full Board following each meeting of the respective committees.

11. Independence of Committee Members. Members of the Audit Committee must satisfy additional Nasdaq independence requirements. Specifically, they may not directly or indirectly receive any compensation from the Company other than their directors' compensation, must not have participated in preparing the financial statements of Regulus or any of its subsidiaries during the past three (3) years, and must not be affiliated with Regulus except through their membership on the Board and its committees.

12. Meetings of Independent Directors. The independent directors of the Board shall meet regularly in executive session without the presence of management or non-independent directors. The Chairman of the Board will preside at such meetings. The independent directors may meet without management present at such other times as determined by such directors, and the Chairman of the Board will preside at such meetings.

13. Self-Evaluation. As described more fully in the key practices of the N&G Committee, the Board and each of the committees will perform an annual self-evaluation.

14. Setting Board Agenda. The Chairman of the Board is responsible for the Board's agenda. Once a year, the Chairman of the Board and the full Board will work together to develop a schedule of major discussion items for the following year. Directors are urged to make suggestions for agenda items or pre-meeting materials to the CEO, the Chairman of the Board, or appropriate committee chairperson at any time.

15. Ethics and Conflicts of Interest. The Board expects Regulus directors, officers and employees to act ethically at all times and to acknowledge their adherence to the Regulus Code of Business Conduct and Ethics. The Board will not permit any waiver of any ethics policy for any director or executive officer without first obtaining consent of the full Board and the advice of independent counsel. If an actual or potential conflict of interest arises for a director, the director must promptly inform the Chairman of the Board and the Chairman of the N&G Committee. For these purposes, likely future conflicts are to be treated the same as actual conflicts. For example, it is against this policy for a director to join the board of a company that is clearly in the Company's growth path. Upon notification of a potential conflict, management shall provide guidance to the N&G Committee on the nature of the conflict. The N&G Committee shall determine whether a conflict or potential conflict exists and communicate its decision to the director in question. If a significant conflict exists and cannot be resolved, the director should resign. If the N&G Committee and the director in question are unable to resolve the potential conflict, the N&G Committee shall refer the matter to the full Board for further deliberation. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board will resolve any conflict of interest question involving the CEO, and the CEO will resolve any conflict of interest issue involving any other officer of the Company.

16. Raising Concerns. Anyone who has a concern about Regulus' conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern in the manner described under "Compliance Standards and Procedures" in the Code of

Business Conduct and Ethics, either directly or through the Company's confidential Helpline. All concerns reported are investigated, as appropriate, with the assistance of the Company's General Counsel. Company policy prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve such a concern.

17. Compensation of Board. The Compensation Committee is responsible for recommending to the Board the appropriate level of compensation and benefits for an "Eligible Director" as defined in the Non-Employee Director Compensation Policy. In discharging this duty, the Committee is guided by three (3) goals: compensation should fairly pay directors for work required in a Company of Regulus' size and scope; compensation should align directors' interests with the long-term interests of stockholders; and the structure of the compensation should be simple, transparent and easy for stockholders to understand. The Compensation Committee reviews independent director compensation and benefits annually. The Company will not make any personal loans or extensions of credit to directors.

18. Succession Plan. The Board approves and maintains a succession plan for the CEO and senior executives, based upon recommendations from the N&G Committee.

19. Annual Compensation Review of the CEO. The Board annually approves the goals and objectives for the CEO. The Board evaluates the CEO's performance in light of these goals based upon recommendations from the Compensation Committee. The Compensation Committee also recommends to the Board for approval the CEO's salary, incentive compensation and equity compensation. Employee directors shall not participate in the voting on the CEO's compensation. The Company will not make any personal loans or extensions of credit to executive officers.

20. Access to Management. Directors are encouraged to contact managers of the Company at any time.

21. Access to Independent Advisors. The Board and its committees have the right at any time to retain independent outside financial, legal or other advisors. The Company will pay expenses for such advisors.

22. Director Orientation and Education. The Company's Human Resources, Legal, and Finance Departments provide an orientation program for new directors, and periodically present materials or briefing sessions to all directors to assist them in discharging their duties. All directors are encouraged to attend a director education program at least every three (3) years. The Company has adopted a director education reimbursement policy whereby a director may be reimbursed by the Company for up to $2,000 per year for expenses incurred in attending seminars or conferences related to the Company's business or to the director's duties. A director may accrue up to a total of $6,000. In order to be reimbursed, the director must first obtain approval from the Company's CEO.