

LA JOLLA PHARMACEUTICAL COMPANY
CORPORATE GOVERNANCE GUIDELINES

The Board of Directors of La Jolla Pharmaceutical Company (the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) as a framework for the governance of the Company. The Nominating & Corporate Governance Committee reviews the Guidelines periodically and recommends changes to the Board of Directors as appropriate.

1. Role and Composition of the Board of Directors

Role of the Board

The Board of Directors, which is elected by the Company’s shareholders, oversees the management of the Company and its business. The Board selects the senior management team, which is responsible for operating the Company’s business and monitors the performance of senior management. Consistent with the oversight function of the Board, the Board’s core responsibilities include:

- Assessing the performance of the Chief Executive Officer (the “CEO”) and other senior management and setting their compensation;
- Planning for CEO and senior management succession and overseeing senior management development;
- Reviewing the Company’s strategies and monitoring their implementation and results;
- Overseeing the integrity of the Company’s financial statements and the Company’s financial reporting process;
- Overseeing the Company’s processes for assessing and managing risk;
- Overseeing legal and regulatory compliance;
- Nominating the Company’s director candidates and appointing committee members; and
- Providing advice and counsel to management regarding significant issues facing the Company and reviewing and approving significant corporate actions.

Size, Composition and Membership Criteria

The Board currently has five directors. A substantial majority of the Board is to be made up of independent directors. An “independent” director is a director who meets the NASDAQ Stock Market LLC (“NASDAQ”) definition of independence, as determined by the Board. The Board makes an affirmative determination regarding the independence of each director annually, based upon the consideration of the factors set forth in the NASDAQ listing standards.

The Nominating & Corporate Governance Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board. In addition, the Nominating & Corporate Governance Committee is responsible for establishing processes and procedures for the selection and nomination of directors, and for developing and recommending Board membership criteria to the Board for approval and periodically reviewing these criteria. The Board’s criteria include: scientific and business experience, skills and characteristics, integrity, ability to make independent analytical inquiries, understanding of the Company’s business and prospects, and willingness to devote adequate time to Board duties. The Committee considers these criteria in the context of the perceived needs of the Board as whole and seeks to achieve a diversity of occupational and personal backgrounds on the Board.

The Nominating & Corporate Governance Committee reviews the qualifications of director candidates and incumbent directors, in light of criteria approved by the Board, and recommends the Company’s candidates to the Board for election by the Company’s shareholders at the annual meeting. The Committee also considers director candidates recommended by Company shareholders in accordance with the procedures set forth in the proxy statement.

Board Leadership

The Board believes that it is in the best interests of the Company for the Board periodically to evaluate and make a determination regarding whether or not to separate the roles of Chairman and CEO based upon the circumstances. Currently, the roles are separate, and the Chairman is an independent director.

Change in Principal Occupation

When a director's principal occupation or business association changes substantially during the director's tenure on the Board, the director must tender his or her conditional resignation for consideration by the Nominating & Corporate Governance Committee. The Committee recommends to the Board the action, if any, to be taken with respect to the offer to resign.

Service on Other Boards

Directors are encouraged to limit the number of other boards on which they serve so as not to interfere with their service as a director of the Company. Ordinarily, directors may not serve on the boards of more than five other companies in addition to the Company's Board. Directors who are serving as chief executives of public companies may not serve on the boards of more than two other companies in addition to the Company's Board. Service on the boards of subsidiary companies with no publicly traded stock, non-profit organizations and non-public for-profit organizations is not included in this calculation.

In addition, directors should advise the chairperson of the Nominating & Corporate Governance Committee in advance of accepting an invitation to serve on the board of another for-profit organization.

2. Functioning of the Board

Agendas

The Chairman of the Board establishes the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

Distribution and Review of Board Materials

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

Meetings

The Board holds regularly scheduled meetings throughout the year and holds additional meetings as necessary to carry out its responsibilities. Directors are expected to attend Board meetings and meetings of the Board committees on which they serve.

Executive Sessions

The independent directors shall meet regularly in executive session without management present, and in any event shall meet in executive session at least quarterly. The Chairman of the Board presides at executive sessions.

Strategic Planning

The Board reviews the Company's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year.

Confidentiality

Directors must protect and hold confidential all non-public information that comes to them, from whatever source, in their capacity as a director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

Attendance at Annual Meeting of Shareholders

Absent unusual circumstances, directors are expected to attend the annual meeting of shareholders.

3. Structure and Functioning of Committees

Number, Structure and Independence of Committees

The Board has three standing committees: Audit, Nominating & Corporate Governance and Compensation.

The Audit, Nominating & Corporate Governance and Compensation Committees consist solely of independent directors. In addition, directors who serve on the Audit Committee and the Compensation Committee must meet additional, heightened independence criteria applicable to directors serving on these committees under NASDAQ listing standards.

The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

Assignment of Committee Members

The Nominating & Corporate Governance Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Nominating & Corporate Governance Committee and appointed by the full Board.

Responsibilities

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

Meetings and Agendas

The chairperson of each committee determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

4. Director Access to Management, Employees and Advisers

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full and free access to other members of management and to employees of the Company.

The Board has the authority to retain such outside counsel, experts and other advisers as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating & Corporate Governance and Compensation Committees has similar authority to retain outside advisers as it determines appropriate to assist it in the performance of its functions.

5. Director Compensation

The Compensation Committee periodically reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Committee. Management directors do not receive compensation for service on the Board.

6. Succession Planning

The Compensation Committee is responsible for oversight of succession planning for certain senior management positions. At least annually, the Compensation Committee shall discuss succession planning and management development, including recommendations and evaluations of potential successors to fill the CEO and other senior management positions. The succession planning process includes consideration of both ordinary course succession, in the event of

planned promotions and retirements, and planning for situations where the CEO or another member of senior management unexpectedly become unable to perform the duties of their positions.

7. Formal Evaluation of the CEO

The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO and evaluating the CEO's performance against those goals. Both the goals and the evaluation are submitted for consideration by the independent directors meeting in executive session. The results of the evaluation are shared with the CEO and used by the Compensation Committee in considering the CEO's compensation.

8. Director Continuing Education

The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors. In order to facilitate participation in such programs, the Company will reimburse directors for their reasonable out-of-pocket expenses for attending such programs, up to certain limits established from time to time by the Board.

9. Board and Committee Performance Evaluations

The Board shall conduct a periodic self-evaluation to assess its performance and effectiveness. The Audit, Nominating & Corporate Governance and Compensation Committees shall conduct periodic self-evaluations to assess their performance and effectiveness.

10. Political Contributions

The Board oversees the Company's policies and procedures regarding political contributions and lobbying activities.