

# MARINA BIOTECH, INC.

## CORPORATE GOVERNANCE GUIDELINES

### **Role of the Board of Directors**

The Board of Directors (the "**Board**") of Marina Biotech, Inc. (the "**Company**"), which is elected by the stockholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the stockholders pursuant to the Company's restated charter, amended and restated by-laws, or provisions of law. The Board selects the senior management team, which is charged with the conduct of the Company's business. Although management is responsible for the day-to-day business operations of the Company, having selected the senior management team, the Board acts as an advisor and counselor to senior management and ultimately monitors its performance. The Board, and each committee of the Board, has complete access to management. In addition, the Board and each committee of the Board has access to independent advisors as each deems necessary or appropriate. The function of the Board in monitoring the performance of the senior executives of the Company is largely fulfilled by the presence of outside directors of stature who have a substantive knowledge of the Company's business.

The Board provides oversight with respect to the strategic direction and key policies of the Company. The Board approves major initiatives, advises on significant financial and business objectives and monitors progress with respect to such matters. The Board also plans for succession to the position of Chief Executive Officer (the "CEO"), as well as certain other senior management positions. To assist the Board, the CEO periodically provides the Board with an assessment of executive management and potential succession plans.

In discharging their obligations, directors are entitled to rely on the honesty and integrity of the Company's executives and its internal and external advisors and auditors. The directors also shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's restated charter and by-laws, and to exculpation as provided by applicable law and the Company's restated.

### **Board Size, Composition, and Qualifications**

Pursuant to the Company's amended and restated by-laws, the number of directors constituting the entire Board may not be less than five nor more than eleven directors, as such number shall be fixed from time to time by the Board. The size of the Board should facilitate substantive discussions in which each director can participate meaningfully. It is the policy of the Company that the Board consist of a majority of independent directors, who shall satisfy the independence requirements of the Nasdaq Global Market. The Board determines annually, based on all relevant facts and circumstances, whether each director satisfies the criteria for independence and it discloses each of these determinations in its public filings as required. Each independent director should notify the chair of the Nominating Committee as soon as practical in the event his or her circumstances change in a manner that may affect the Board's evaluation of his or her independence.

The Board should be comprised of members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. The Nominating and Corporate Governance Committee (the “**Nominating Committee**”) leads the search for individuals qualified to become members of the Board and selects or recommends that the Board select director nominees to be presented for stockholder approval at each annual meeting. In making its selections, the committee seeks individuals who have high personal and professional integrity, who have demonstrated exceptional ability, proven judgment and competence, and who the committee believes will be effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the stockholders. In addition, directors should have demonstrated the ability to exercise sound business judgment and be willing to devote sufficient time to fulfill their obligations to the Company and its shareholders.

The Nominating Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason. Final approval of a candidate is determined by the full Board. The Nominating Committee and the Compensation Committee of the Board (the “**Compensation Committee**”) annually review the compensation of directors.

## **Board Meetings**

### *Schedule and Agenda.*

The Board holds regularly scheduled meetings each year to review and discuss the Company’s performance, its plans and prospects, immediate and long-term strategic issues facing the Company, and such other business as may arise from time to time regarding the affairs of the Company. Committee schedules are recommended by each committee in order to meet the responsibilities of that committee.

The Chairman of the Board sets the agenda for Board meetings with the understanding that certain items pertinent to the advisory and monitoring functions of the Board be brought to it periodically by the CEO for review. For example, the annual corporate budget is reviewed by the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with that committee. Any member of the Board may request that an item be included on the agenda.

### *Distribution of Materials; Director Attendance.*

Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings where necessary to allow the directors to prepare for discussion of the items at the meeting. Directors are expected to attend all meetings and to have reviewed, prior to the meetings, all written materials distributed to them in advance. The Company strongly encourages directors, to the extent possible, to: (a) attend all Board meetings and all applicable committee meetings, in person or by telephone or similar electronic communication, and (b) participate for the entirety of each such meeting which such director attends. Although the Company does not have a formal policy regarding attendance by members of the Board at the annual meetings of stockholders, it strongly encourages all members of the Board to attend its annual meetings and expects such

attendance except in the event of extraordinary circumstances.

#### *Senior Management Presence.*

At the invitation of the Board, members of senior management recommended by the CEO attend Board meetings or portions thereof for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board are made by the executive responsible for that area of the Company's operations. In addition, Board members have free access to all other members of management and employees of the Company and, as necessary and appropriate, Board members may consult with the Company's independent legal, financial and accounting advisors to assist in their duties to the Company and its shareholders.

#### *Executive Sessions of Independent Directors.*

Executive Sessions of the Board consisting only of independent directors will be held at least twice per year, and periodically as determined by the independent directors. Such Executive Sessions will typically occur immediately following regularly scheduled Board meetings, or at any other time and place as the independent directors may determine. A Lead Independent Director appointed by the Independent Directors is generally responsible for organizing, managing and presiding over the Executive Sessions of the Board and performing such other oversight functions from time to time as the independent directors deem necessary or appropriate, and reporting on outcomes of the Executive Sessions and such other activities to the Board and the CEO as appropriate.

### **Director Compensation; Equity Ownership**

Director compensation is set by the Board based upon the recommendations of the Compensation Committee in consultation with the Company's outside compensation consultant. The Compensation Committee periodically reviews and determines the philosophy underlying director compensation and makes recommendations to the Board concerning such compensation. Directors who receive compensation for their service as employees of the Company do not receive any compensation for their services as directors of the Company or as members of any committees of the Board.

The Company encourages, but does not require, that its members hold equity ownership positions in the Company. Historically, the Company has facilitated such director equity ownership by awarding shares of restricted stock to directors upon their initial appointment to the Board. The company further facilitates director equity ownership by providing for discretionary restricted stock and option awards to directors for their service on the Board and its committees, as well as by permitting directors to elect to receive their entire annual retainer in the form of shares of restricted common stock in lieu of cash, which shares are issued at a discount to market value.

### **Outside Directorships**

Although the Company does not have a formal policy limiting the number of other boards of directors on which the Company's directors may serve, directors are encouraged and expected to limit the number of additional boards on which they serve to a number that

will allow them to continue to effectively discharge their obligations to the Company.

Directors are expected to refrain from serving as a director, officer, employee or consultant with any competitive business during their service with the Company.

Directors should advise the chair of the Nominating Committee before accepting an invitation to serve on the board of another company. If the Nominating Committee determines that a conflict of interest would arise by virtue of a director accepting an invitation to serve on the Board of another company, the Nominating Committee should make a recommendation to the Board regarding whether such director should be permitted to accept such invitation. The director is expected to act in accordance with the Nominating Committee's recommendation.

### **Board Committees**

The Company's amended and restated by-laws permit the Board to establish one or more committees. The Board has established three standing committees: the Audit Committee, the Compensation Committee and the Nominating Committee. The Nominating Committee reviews the Board's committee structure annually and recommends to the Board for its approval directors to serve as members of each committee.

The Board has adopted written charters for each of the standing committees, which charters set forth the respective responsibilities of each committee, as well as the rules for the conduct of business of each committee. Each of these written charters is available on the Company's website. In general, the purpose of each standing committee is as follows:

- *Audit Committee.* The purpose of the Audit Committee is to represent and assist the Board of Directors in overseeing (i) the Company's accounting and financial reporting processes and principles, (ii) the Company's disclosure controls and procedures and internal control over financial reporting designed to promote compliance with generally accepted accounting principles and applicable laws and regulations, (iii) the preparation, presentation and integrity of the Company's financial statements and (iv) the administration of an audit of the Company's annual financial statements by its independent auditor in accordance with generally accepted auditing standards.
- *Compensation Committee.* The purpose of the Compensation Committee is to discharge the Board's responsibilities relating to compensation of the Company's Chief Executive Officer and, based on the recommendations of the Chief Executive Officer, the compensation of the Company's other executive officers, to oversee all compensation programs involving the use of the Company's stock, and to produce an annual report on executive compensation for inclusion in the Company's proxy statement for its annual meeting of stockholders, in accordance with applicable rules and regulations.
- *Nominating Committee.* The purpose of the Nominating Committee is to (i) identify individuals who are qualified to become Board members, (ii) select, or recommend that the Board select, director nominees to be presented for stockholder approval at

the annual meeting, (iii) select, or recommend that the Board select, the composition of the committees of the Board and (iv) perform such other functions as the Board may from time to time request.

### **Board Self-Assessment; Committee Self-Assessment**

The Board should, no less frequently than annually, conduct an assessment of its performance and effectiveness in the preceding year and consider its goals for the upcoming year. The Board should take any steps it believes necessary to improve its collective capacity to represent the shareholders in overseeing and guiding the Company.

Each committee should, no less frequently than annually, conduct an assessment of its performance and effectiveness in the preceding year and consider its goals for the upcoming year. Each committee should report the results of its self-assessments to the Board.

### **Board Access to Management and Independent Advisers**

Board members have open access to the Company's management and outside advisors. Board member contact with such individuals should be handled in a manner that would not be disruptive to the business operations of the Company.

The Board has the power to hire independent legal, financial, or other advisors as they may deem appropriate, without consulting or obtaining the approval of any officer of the Company in advance.

### **Code of Business Conduct and Ethics**

The Board has adopted a Code of Business Conduct and Ethics applicable to all directors and employees of the Company, including the CEO, Chief Financial Officer and Chief Accounting Officer. The Code meets the criteria for a "Code of Ethics" under applicable regulations under the Securities Exchange Act of 1934, as amended, and the Nasdaq Global Market marketplace rules.