

Neurocrine Biosciences, Inc.
Corporate Governance Guidelines

*The following
Guidelines were adopted by the
Board of Directors of Neurocrine Biosciences, Inc.*

on December 13, 2019

I. Purpose.

The purpose of these guidelines is to provide assistance to the Board of Directors (the “Board”) of Neurocrine Biosciences, Inc. (the “Company”) in managing Board composition, representation, function and performance.

II. Board Membership and Leadership.

A. Chairman of the Board and Chief Executive Officer.

It is the policy of the Board to separate the offices of Chairman of the Board and Chief Executive Officer.

In the event that Directors meet without the presence of the Chairman of the Board, the Directors should select the Chair of the meeting.

B. Number of Directors.

The size of the Board should reflect the requirements of the Board’s committees and the availability of qualified individuals and accordingly the size of the Board may be changed as necessary in accordance with the provisions of the Company’s Bylaws.

C. Director Qualifications.

Members of the Board and nominees for election to the Board are generally expected to have the following qualifications:

1. Be less than 70 years of age at the time of first election;
2. Be a member of not more than five public company boards of directors; if a member of the Audit Committee, serve as a member of not more than two other audit committees of public companies; if a “named executive officer” of a public company, serve on not more than three public company boards of directors.

3. Have the diversity of skills, professional experience, education, associations, achievements, training, points of view and individual qualities and attributes, including gender and ethnic diversity, appropriate for representation on the Board of Directors;
4. Have no affiliation with a competitor or have, or appear to have, a conflict of interest that would impair their ability to fulfill the responsibilities of a Director and represent the shareholders;
5. Have highest quality personal and professional references;
6. Attend at least 75% of the scheduled Board of Directors meetings and provide meaningful participation; and
7. Commitment to adhere to the Company's policies including but not limited to the Company's Insider Trading Policy, Code of Business Conduct and Ethics, Corporate Disclosure Policy, and Board of Directors Confidentiality Policy.

D. Mix of Independent and Non-Independent Directors.

The Board will be comprised of a majority of independent Directors. The Board believes that, generally, there should be no more than one officer Director on the Board, who should be the Chief Executive Officer.

An independent Director is a Director who meets the independence requirements of The Nasdaq Stock Market as in effect from time to time. Compliance with the definition of independent Director should be reviewed annually by the Nominating / Corporate Governance Committee.

E. Former Officers.

Board membership by former Company officers is a matter to be decided by the Board in each individual instance. When an officer who is also a Director resigns as an officer of the Company, he or she should submit to the Chief Executive Officer and Chairman of the Board a written offer to resign from the Board which resignation will only be effective if and when accepted by the Board.

III. Selection of Directors.

The Nominating / Corporate Governance Committee annually should review with the Board the appropriate skills and characteristics required of Board members in the context of the then current membership of the Board.

The Nominating / Corporate Governance Committee will be responsible for recommending to the Board the nomination of applicable Directors for election either by stockholders at an annual or special meeting or by the Board in the case of Directors who are elected to fill vacancies in accordance with the Company's bylaws. The Nominating / Corporate

Governance Committee, in consultation with the Chairman of the Board, should review recommended Director nominations and may engage consultants to assist it in identifying and screening potential candidates. As part of its evaluation of Director candidates, the Committee will endeavor to consider gender-diverse candidates who meet the applicable business and search criteria. In furtherance of the foregoing, where a third-party search firm is engaged and requested to furnish an initial list of possible candidates, such firm would be requested to include in such list gender-diverse candidates who meet the applicable business and search criteria.

Every new Director should receive an orientation and education program to acquaint the Director with the history, operation and management of the Company and the business conditions and regulatory regime to which it is subject.

IV. Changes in Responsibilities.

Directors have an obligation to promptly notify the Chairman of the Board and Chairman of the Nominating/Corporate Governance Committee in writing when (i) they first stand for election to any public or private Board of Directors, Chair of any Audit Committee or member of any Compensation Committee, (ii) they first become affiliated (as an advisor, consultant or otherwise) with any public or private organization within (or directly affiliated with) the pharmaceutical industry and/or (iii) they experience a substantial change in their employment responsibilities (including but not limited to any change in title or employer) or affiliations, in each case above, other than those held when they were last elected to the Board.

The Board does not believe that Directors who retire or otherwise change employment should necessarily leave the Board. However, there should be an opportunity for the Board, through the Nominating / Corporate Governance Committee, to review the continued appropriateness of Board membership under changed circumstances.

V. Board Committee Structure and Function.

A. Committees.

The Board currently maintains Audit, Compensation, Nominating / Corporate Governance, and Science and Medical Technology Committees operating under charters approved by the Board. From time to time, the Board may find it desirable to form new committees or combine or disband existing committees, consistent with legal and other obligations.

Only independent Directors should serve on the Audit, Compensation and Nominating / Corporate Governance Committees.

B. Assignment and Rotation of Committee Members.

The Board shall appoint the members of committees of the Board, taking into account the desires and expertise of individual Directors and the suggestions of the

Chairman of the Board. Directors may indicate their committee preferences from time to time to the Chairman of the Board.

The Board believes that members of committees of the Board should be periodically rotated. The Board believes, however, that such rotation should not be mandatory since, from time to time, there may be compelling reasons to lengthen or shorten an individual Director's committee membership.

C. Committee Meetings.

The Chair of each committee of the Board, in consultation with the committee's members, should determine the frequency and length of the meetings of the committee.

The Chair of each committee of the Board in consultation with Company senior management should develop the committee's agenda. Each member of a committee is free to suggest the inclusion of items on the agenda and to raise at any meeting subjects that are not on the agenda.

The Chairman of the Board and Chief Executive Officer are encouraged to attend all Committee meetings as nonvoting participants (except for portions of such meetings where the Chief Executive Officer's presence would be inappropriate, as determined by the applicable committee Chair) to ensure that they each have full information regarding the actions by, and co-ordination of, the Committees.

VI. Board Meetings.

A. Selection of Agenda Items.

The Chairman of the Board together with the Company's Chief Executive Officer should establish the agenda for each meeting of the Board. Each Director generally is free to suggest the inclusion of items on the agenda and to raise at any meeting subjects that are not on the agenda.

B. Advance Distribution of Board Materials.

Information and data that are important to the understanding of the business to be conducted at a meeting of the Board should be distributed in writing to the Board in advance of the meeting. These materials should highlight significant developments not previously presented and be as brief as consistent with providing the appropriate information.

C. Regular Attendance of Non-Directors.

The Chief Financial Officer and Chief Legal Officer should regularly attend meetings of the Board. Such additional officers as are appropriate for informed discussion and response to agenda items should also attend.

D. Executive Sessions of Independent Directors.

At least two times during the year, executive sessions of the independent members of the Board will be held to review matters concerning the relationship of the Board with members of the Company's management and such other matters as the participating Directors may deem appropriate.

VII. Other Board Communications and Activities.

A. Strategic and Financial Planning.

At least once each year the Board should review management's long term strategic and financial plan and management's expectations regarding the strategic and financial issues that the Company may face in the foreseeable future.

B. Board Access to Senior Management, Independent Auditors and Counsel.

Members of the Board shall have complete access to the Company's senior management and independent auditors, and direct access to other employees, which should normally be coordinated with senior management. The Board also shall have complete access to counsel of its choice with respect to any issue relating to the discharge of the duties of Directors.

It is assumed that members of the Board will use judgment to be sure that contacts with management are not distracting to the Company's business operations and will advise the Chairman of the Board of any substantive contacts. Furthermore, the Board encourages management to invite to Board meetings members of management who can provide additional insight into the items to be discussed or who senior management believes to have sufficient executive potential that they should be given exposure to the Board.

C. Board Compensation Review.

The Compensation Committee of the Board of Directors annually shall review with the Board the compensation of Directors in other comparable companies. Changes in Director compensation, if any also shall be reviewed and approved by the Compensation Committee (or, if desired by the Compensation Committee or the Board, recommended by the Compensation Committee for approval by the Board).

D. Assessment of Board Performance.

The Nominating / Corporate Governance Committee of the Board of Directors will annually formally review and assess (assisted by outside consultants if the Committee so desires) the Board's performance. The assessment also should be of the Board's contribution as a whole and specifically review areas in which the Board or management believes a better contribution could be made. The purpose of the review is to increase the effectiveness of the Board and it shall be reviewed with the Board.

E. Evaluation of the Chief Executive Officer and Other Executive Officers.

The Chairman of the Board in consultation with the Chair of the Compensation Committee and considering input from each of the independent members of the Board, will evaluate the Chief Executive Officer no less frequently than annually. The Chief Executive Officer annually shall formally evaluate all other executive officers, in a manner consistent with the Company's annual performance review process. These evaluations will be based principally upon objective criteria including business performance, accomplishment of strategic objectives, development of management and other matters relevant to the Company's short term and long-term success and the creation of stockholder value. These evaluations shall be considered by the Compensation Committee in its deliberations with respect to the compensation of these officers.

F. Board Interaction with Institutional Investors, Customers, Media and Others.

The Chief Executive Officer, the Chief Financial Officer, and the Company's Investor Relations Department speak for the Company. Nevertheless, individual Directors may, from time to time, be called upon to meet or otherwise communicate with the Company's various constituencies. It is expected that, absent unusual circumstances, Directors would do so only at the request of management and will advise the Chairman of the Board of any substantive communications. Any such communications by Directors should be made consistent with the Company's Corporate Disclosure Policy.

VIII. Policy on Majority Votes in Director Elections

- A. In any uncontested election of Directors at a meeting of stockholders of the Company (i.e., an election where the only nominees are those recommended by the Board), any nominee for Director who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "Majority Withheld Vote") will promptly tender his or her resignation to the Board.
- B. The Nominating / Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation. In considering the tendered resignation, the Nominating / Corporate Governance Committee will evaluate all relevant factors including, without limitation, the Director's length of service, particular qualifications and contributions to the Company, the reasons underlying the Majority Withheld Vote, if known, whether the underlying reasons for the Majority Withheld Vote are considered curable, the impact that the Director's resignation would have on the Company's compliance with the requirements of the Securities and Exchange Commission, The Nasdaq Stock Market and the Corporate Governance Guidelines.
- C. The Board will act on the Nominating / Corporate Governance Committee's recommendation no later than 90 days following the date of the stockholders' meeting which prompted the tendered resignation. The Board will consider the

factors considered by the Nominating / Corporate Governance Committee and such additional information and factors that the Board believes to be relevant to the best interests of the Company and its stockholders.

- D. Following the Board's decision on the Nominating / Corporate Governance Committee's recommendation, the Company will publicly disclose the Board's decision whether to accept the resignation as tendered in a Form 8-K filed with the Securities and Exchange Commission. Any Director who tenders his or her resignation pursuant to this provision will not participate in the Nominating / Corporate Governance Committee's or the Board's consideration of such resignation.

IX. Administration

A. Review and Amendments.

The Nominating / Corporate Governance Committee of the Board should assume general responsibility for developing the Company's approach to corporate governance issues and periodically review compliance with these guidelines. It also shall annually review these guidelines and, subject to the approval of the Board, may amend them from time to time.

B. Availability to Shareholders.

The Corporate Governance Guidelines shall be made available on the Company's website. The Company's Annual Report to Stockholders will state the foregoing.