

RIGEL PHARMACEUTICALS INC
Form DEF 14A
April 12, 2010

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

RIGEL PHARMACEUTICALS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 2. Aggregate number of securities to which transaction applies:

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6. Amount Previously Paid:
 7. Form, Schedule or Registration Statement No.:
 8. Filing Party:
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-

RIGEL PHARMACEUTICALS, INC.

**1180 Veterans Boulevard
South San Francisco, California 94080**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 27, 2010

DEAR STOCKHOLDER:

Notice is hereby given that the Annual Meeting of Stockholders of **RIGEL PHARMACEUTICALS, INC.**, a Delaware corporation (the "Company" or "Rigel"), will be held on Thursday, May 27, 2010 at 10:00 a.m. local time at our executive offices, located at 1180 Veterans Boulevard, South San Francisco, California 94080, for the following purposes:

1. To elect the three nominees for director named herein to the Board of Directors of the Company (the "Board") to hold office until the 2013 Annual Meeting of Stockholders.
2. To approve amendments to the Company's 2000 Equity Incentive Plan, as amended (the "EIP"), to (i) increase the aggregate number of shares of common stock authorized for issuance under the EIP by 1,250,000 shares and (ii) increase the maximum number of shares eligible to be granted pursuant to an option in any calendar year from 166,667 shares to 1,500,000 shares for purposes of Section 162(m) of the Internal Revenue Code.
3. To approve an amendment to the Company's 2000 Non-Employee Directors' Stock Option Plan, as amended (the "Directors' Plan"), to increase the aggregate number of shares of common stock authorized for issuance under the Directors' Plan by 350,000 shares.
4. To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2010.
5. To conduct any other business properly brought before the meeting or any adjournment or postponement of the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

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The record date for the Annual Meeting is April 6, 2010. Only stockholders of record at the close of business on that date may vote at the meeting or any continuation, postponement or adjournment thereof. We appreciate your continued confidence in Rigel and look forward to seeing you at the meeting on May 27th.

**IMPORTANT NOTICE REGARDING
THE AVAILABILITY OF PROXY MATERIALS FOR
THE STOCKHOLDERS' MEETING TO BE HELD ON MAY 27, 2010**
**THIS COMMUNICATION PRESENTS ONLY AN OVERVIEW OF THE MORE COMPLETE PROXY MATERIALS THAT
ARE AVAILABLE TO YOU ON THE INTERNET. WE ENCOURAGE YOU TO ACCESS AND REVIEW ALL OF THE
IMPORTANT INFORMATION CONTAINED IN THE PROXY MATERIALS BEFORE VOTING. THE PROXY STATEMENT
IS AVAILABLE AT [HTTP://WWW.PROXYVOTE.COM](http://www.proxyvote.com).**

By Order of the Board of Directors,

Dolly A. Vance
Secretary

South San Francisco, California
April 12, 2010

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE VOTE YOUR PROXY PROMPTLY SO YOUR SHARES CAN BE REPRESENTED AT THE MEETING. YOU CAN VOTE BY INTERNET, BY TELEPHONE, OR BY REQUESTING A PRINTED OR ELECTRONIC COPY OF A FULL SET OF THE PROXY MATERIALS AND COMPLETING, SIGNING AND RETURNING THE PROXY CARD AS INSTRUCTED IN THE MATERIALS. INSTRUCTIONS ON HOW TO ACCESS THE PROXY MATERIALS OVER THE INTERNET, OR TO REQUEST THAT A PAPER OR ELECTRONIC COPY OF THE FULL SET OF PROXY MATERIALS BE SENT TO YOUR SPECIFIED POSTAL OR EMAIL ADDRESS, MAY BE FOUND IN THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS MAILED TO STOCKHOLDERS ON APRIL 12, 2010. ANY PROXY THAT WILL NOT BE DELIVERED IN PERSON TO THE ANNUAL MEETING MUST BE RECEIVED BY US NO LATER THAN 11:59 P.M. PACIFIC TIME ON WEDNESDAY, MAY 26, 2010. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE IN PERSON AT THE MEETING, YOU MUST BRING WITH YOU A PROXY ISSUED IN YOUR NAME FROM THAT RECORD HOLDER THAT CONFIRMS THAT YOU ARE THE BENEFICIAL OWNER OF THOSE SHARES.

RIGEL PHARMACEUTICALS, INC.

**1180 Veterans Boulevard
South San Francisco, California 94080**

PROXY STATEMENT

FOR THE 2010 ANNUAL MEETING OF STOCKHOLDERS

May 27, 2010

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

WHY DID I RECEIVE A NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS ON THE INTERNET?

Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have decided to provide access to our proxy materials to our stockholders via the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our stockholders of record and posting our proxy materials online at www.proxyvote.com. The Notice contains only an overview of the complete proxy materials available. Stockholders are encouraged to access and review all the proxy materials on the website or request a paper or electronic copy of the full set of proxy materials for review prior to voting. Instructions on how to access the proxy materials over the internet or to request a paper or electronic copy of the full set of the proxy materials may be found in the Notice.

We intend to mail the Notice on or about April 12, 2010 to all stockholders of record as of April 6, 2010 who are entitled to vote at the Annual Meeting.

WILL I RECEIVE ANY PROXY MATERIALS BY MAIL OTHER THAN THE NOTICE?

No, you will not receive any other proxy materials by mail unless you request a paper or electronic copy of proxy materials. To request that a full set of the proxy materials be sent to your specified postal address, please go to www.proxyvote.com or call 1-800-579-1639. Please have your proxy card in hand when you access the website or call and follow the instructions provided.

HOW DO I ATTEND THE ANNUAL MEETING?

The meeting will be held on Thursday, May 27, 2010 at 10:00 a.m. local time at our executive offices, located at 1180 Veterans Boulevard, South San Francisco, California 94080. Directions to the annual meeting may be found online at <http://www.rigel.com/rigel/contact>. Information on how to vote in person at the annual meeting is discussed below.

WHO CAN VOTE AT THE ANNUAL MEETING?

Only stockholders of record at the close of business on April 6, 2010 are entitled to vote at the Annual Meeting. On this record date, there were 51,969,119 shares of common stock outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If on April 6, 2010 your shares were registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the proxy card or vote by proxy over the telephone or on the internet as instructed below, to ensure your vote is counted. We must receive any proxy cards that will not be delivered in person at the Annual Meeting, or proxies submitted telephonically or over the internet, no later than 11:59 p.m. Pacific Time on Wednesday, May 26, 2010.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on April 6, 2010 your shares were not held in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in "street name" and the Notice is being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent and bring this proxy with you to the Annual Meeting.

WHAT AM I VOTING ON?

There are four matters scheduled for a vote at the Annual Meeting:

Election to the Board of the three nominees for director named herein to hold office until the 2013 Annual Meeting of Stockholders;

Approval of amendments to the 2000 Equity Incentive Plan, as amended (the "EIP" or "2000 Plan") to (i) increase the number of shares authorized for issuance under the 2000 Plan by 1,250,000 shares of common stock and (ii) increase the maximum number of shares eligible to be granted pursuant to an option in any calendar year from 166,667 shares to 1,500,000 shares for purposes of Section 162(m) of the Internal Revenue Code;

Approval of an amendment to the 2000 Non-Employee Directors' Stock Option Plan, as amended (the "Directors' Plan") to increase the number of shares authorized for issuance under the Directors' Plan by 350,000 shares of common stock; and

Ratification of the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2010.

WHAT IF ANOTHER MATTER IS PROPERLY BROUGHT BEFORE THE MEETING?

The Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on those matters in accordance with their best judgment.

HOW DO I VOTE?

You may either vote "For" all the nominees to the Board or you may "Withhold" your vote for any nominee you specify. For the other matter to be voted on, you may vote "For" or "Against" or abstain from voting. The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote using one of the following methods:

In Person: To vote in person, come to the Annual Meeting and bring your proxy card or request a ballot in order to vote your shares.

Internet: To vote via the internet, go to www.proxyvote.com. You can use the internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Pacific Time on May 26, 2010. Please have your proxy card in hand when you access the website and follow the instructions provided.

Telephone: To vote by telephone, call 1-800-690-6903. You can use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Pacific Time on May 26, 2010. Please have your proxy card in hand when you call and follow the instructions provided.

Mail: To vote by mail, you must first request a paper or electronic copy of the proxy materials. To request that a full set of the proxy materials be sent to your specified postal or email address, please go to www.proxyvote.com or call 1-800-579-1639. Please have your proxy card in hand when you access the website or call and follow the instructions. Upon receipt of the materials, mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Rigel Pharmaceuticals, Inc., c/o Vote Processing, 51 Mercedes Way, Edgewood, NY 11717.

Whether or not you plan to attend the Annual Meeting and vote in person, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received the Notice containing voting instructions from that organization rather than from Rigel. Simply follow the voting instructions in the Notice to ensure that your vote is counted. Alternatively, you may vote by telephone or over the internet as instructed by your broker or bank. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent and bring this proxy with you to the Annual Meeting. Follow the instructions from your broker or bank included with the Notice, or contact your broker or bank to request a proxy form.

Please see the Notice or the information from your bank, broker, or other holder of record provided you for more information on these proxy voting options.

WE PROVIDE INTERNET PROXY VOTING TO ALLOW YOU TO VOTE YOUR SHARES ONLINE, WITH PROCEDURES DESIGNED TO ENSURE THE AUTHENTICITY AND CORRECTNESS OF YOUR PROXY VOTE INSTRUCTIONS. HOWEVER, PLEASE BE AWARE THAT YOU MUST BEAR ANY COSTS ASSOCIATED WITH YOUR INTERNET ACCESS, SUCH AS USAGE CHARGES FROM INTERNET ACCESS PROVIDERS AND TELEPHONE COMPANIES.

HOW MANY VOTES DO I HAVE?

On each matter to be voted upon, you have one vote for each share of common stock you owned as of April 6, 2010.

WHAT IF I RETURN A PROXY CARD BUT DO NOT MAKE SPECIFIC CHOICES?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted: (a) "For" the election of the three nominees for director named herein to the Board to hold office until the 2013 Annual Meeting of Stockholders; (b) "For" approval of amendments to the 2000 Plan to (i) increase the number of shares authorized for issuance under the 2000 Plan by 1,250,000 shares of common stock and (ii) increase the maximum number of shares eligible to be granted pursuant to an option in any calendar year from 166,667 shares to 1,500,000 shares for purposes of Section 162(m) of the Internal Revenue Code; (c) "For" approval of an amendment to the Directors' Plan to increase the number of shares authorized for issuance under the Directors' Plan by 350,000 shares of common stock; and (d) "For" ratification of the selection by the Audit Committee of the Board of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2010. If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment. However, if you are a beneficial owner of shares registered in the name of your broker, bank or other agent, please see "How are the votes counted?" and "What are "Broker Non-Votes?" below.

WHO IS PAYING FOR THIS PROXY SOLICITATION?

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners. Directors and employees will not be paid any additional compensation for soliciting proxies.

WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE NOTICE?

If you receive more than one Notice, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions for each Notice that you receive to ensure that all of your shares are voted.

CAN I CHANGE OR REVOKE MY VOTE AFTER SUBMITTING MY PROXY?

Yes. You can change or revoke your proxy at any time before the final vote at the Annual Meeting. If you are the record holder of your shares, you may change or revoke your proxy in any one of three ways:

You may submit another properly completed proxy card with a later date by mail, or grant a subsequent proxy via the internet or by telephone. Your most current proxy card or telephone or internet proxy is the one that is counted and must be received before 11:59 P.M. Pacific Time on May 26, 2010. All other proxies previously submitted will be automatically revoked.

You may send a timely written notice that you are revoking your proxy to Rigel Pharmaceuticals, Inc., c/o Vote Processing, 51 Mercedes Way, Edgewood, NY 11717.

You may attend the Annual Meeting and vote in person. However, simply attending the meeting will not, by itself, revoke your proxy.

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If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

HOW ARE VOTES COUNTED?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count "For" and "Withhold" and, with respect to proposals other than the election of directors, "Against" votes, abstentions and broker non-votes. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting. Abstentions will be counted towards the vote total for each proposal, and will have the same effect as "Against" votes for each proposal. Broker non-votes have no effect and will not be counted towards the vote total for any proposal.

WHAT ARE "BROKER NON-VOTES"?

Broker non-votes occur when a beneficial owner of shares held in "street name" does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed "non-routine." Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee can still vote the shares with respect to matters that are considered to be "routine," but not with respect to "non-routine" matters. Under the rules and interpretations of the New York Stock Exchange ("NYSE"), "non-routine" matters are matters that may substantially affect the rights or privileges of stockholders, such as mergers, stockholder proposals and, for the first time, under a new amendment to the NYSE rules, elections of directors, even if not contested.

HOW MANY VOTES ARE NEEDED TO APPROVE EACH PROPOSAL?

Nominees are elected by a majority vote for non-contested director elections. Because the number of nominees properly nominated for the Annual Meeting is the same as the number of directors to be elected, the election of directors at this Annual Meeting is non-contested. Each nominee presented in Proposal 1 must be elected by a majority of the votes cast. If the number of votes "For" a nominee exceeds the number of votes "Withheld" (among votes properly cast in person or by proxy), then the nominee will be elected. Broker non-votes will have no effect.

To be approved, Proposal 2, amendments to the 2000 Plan to (i) increase the number of shares authorized for issuance under the 2000 Plan by 1,250,000 shares of common stock and (ii) increase the maximum number of shares eligible to be granted pursuant to an option in any calendar year from 166,667 shares to 1,500,000 shares for purposes of Section 162(m) of the Internal Revenue Code, must receive "For" votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect.

To be approved, Proposal 3, an amendment to the Directors' Plan to increase the number of shares authorized for issuance under the Directors' Plan by 350,000 shares of common stock, must receive "For" votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect.

To be approved, Proposal 4, ratification of the selection of Ernst & Young LLP as the independent registered public accounting firm of Rigel for the fiscal year ending December 31, 2010, must receive "For" votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect. Although stockholder ratification of the

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selection of Ernst & Young LLP as Rigel's independent registered public accounting firm is not required, the Board is submitting Proposal 4 to the stockholders for ratification as a matter of good corporate practice. See Proposal 4 for more information regarding stockholder ratification.

WHAT IS THE QUORUM REQUIREMENT?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares are present at the meeting in person or represented by proxy. On the record date, there were 51,969,119 shares outstanding and entitled to vote. Thus, the holders of 25,984,560 shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the chairman or the holders of a majority of shares present at the meeting in person or represented by proxy may adjourn the meeting to another date.

HOW CAN I FIND OUT THE RESULTS OF THE VOTING AT THE ANNUAL MEETING?

Preliminary voting results will be announced at the Annual Meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8 K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

WHEN ARE STOCKHOLDER PROPOSALS DUE FOR NEXT YEAR'S ANNUAL MEETING?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing and must comply with all requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") by December 13, 2010, to Rigel's Secretary at 1180 Veterans Boulevard, South San Francisco, California 94080. However, if Rigel's 2010 Annual Meeting of Stockholders is not held between April 27, 2011 and June 26, 2011, then the deadline will be a reasonable time prior to the time Rigel begins to print and mail its proxy materials. If you wish to submit a proposal or nominate a director, not to be included in next year's proxy materials, you must do so not later than the close of business on February 26, 2011 nor earlier than the close of business on January 27, 2011. However, if Rigel's 2010 Annual Meeting of Stockholders is not held between April 27, 2011 and June 26, 2011, to be timely, notice by the stockholder must be received not earlier than the close of business on the 120th day prior to the 2010 Annual Meeting of Stockholders and not later than the close of business on the later of the 90th day prior to the 2010 Annual Meeting of Stockholders or the 10th day following the day on which public announcement of the date of the 2010 Annual Meeting of Stockholders is first made. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. The chair of the 2010 Annual Meeting of Stockholders may determine, if the facts warrant, that a matter has not been properly brought before the meeting and, therefore, may not be considered at the meeting. In addition, the proxy solicited by the Board for the 2010 Annual Meeting of Stockholders will confer discretionary voting authority with respect to (i) any proposal presented by a stockholder at that meeting for which Rigel has not been provided with timely notice and (ii) any proposal made in accordance with Rigel's Bylaws, if the 2010 proxy statement briefly describes the matter and how management's proxy holders intend to vote on it, if the stockholder does not comply with the requirements of Rule 14a-4(c)(2) promulgated under the Exchange Act.

PROPOSAL 1

ELECTION OF DIRECTORS

Rigel's Board of Directors is divided into three classes. Each class has a three-year term. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is elected and qualified.

The Board presently has nine members. There are three directors in the class whose term of office expires in 2010. Each of the nominees listed below is currently a director of the Company who was previously elected by the stockholders. If elected at the Annual Meeting, each of these nominees would serve until the 2013 Annual Meeting and until his successor is elected and has qualified, or sooner in the event of the director's death, resignation or removal. It is Rigel's policy to encourage directors and nominees for director to attend the Annual Meeting. A majority of our directors attended the 2009 Annual Meeting of Stockholders.

In a contested election, which is an election in which the number of nominees exceeds the number of directors to be elected, our directors will be elected by a plurality of the shares represented in person or by proxy and entitled to vote on the election of directors at that meeting. Our Bylaws now provide that, in a non-contested election involving incumbent directors, if the votes cast "For" an incumbent director nominee do not exceed the number of votes "Withheld", the incumbent director will promptly tender his resignation to the Board. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether an incumbent director has been elected. The Nominating and Corporate Governance Committee of the Board will review the circumstances surrounding the "Withheld" vote and promptly make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken. In making its decision, the Board will evaluate the best interests of Rigel and our stockholders and will consider all factors and relevant information. The Board will act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision, as well as the rationale behind it, within 90 days from the date of certification of the stockholder vote. The director who tenders his resignation will not participate in the Board's or the Nominating and Corporate Governance Committee's decisions.

In the event that any nominee should become unavailable for election as a result of an unexpected occurrence, the proxies will be voted for the election of a substitute nominee or nominees proposed by the Nominating and Corporate Governance Committee of the board of directors. Each person nominated for election has agreed to serve if elected, and the Board has no reason to believe that any nominee will be unable to serve.

The following is a brief biography of each nominee and each director whose term will continue after the Annual Meeting and a discussion of the specific experience, qualifications, attributes or skills of each nominee that led the Nominating and Corporate Governance Committee to recommend that person as a nominee for director, as of the date of this proxy statement. The Nominating and Corporate Governance Committee seeks to assemble a board that, as a whole, possesses the appropriate balance of professional and industry knowledge, financial expertise and high-level management experience necessary to oversee and direct the Company's business. To that end, the Committee has identified and evaluated nominees in the broader context of the board's overall composition, with the goal of recruiting members who complement and strengthen the skills of other members and who also exhibit integrity, collegiality, sound business judgment and other qualities that the committee views as critical to effective functioning of the Board. The brief biographies below include information, as of the date of this proxy statement, regarding the specific and particular experience, qualifications, attributes or skills of each director or nominee that led the Committee to believe that the nominee should continue to serve on the Board or that the director continues to be a

valuable member of the Board. However, each of the members of the Committee may have a variety of reasons why he or she believes a particular person would be an appropriate nominee for the Board, and these views may differ from the views of other members.

NOMINEES FOR ELECTION FOR A THREE-YEAR TERM EXPIRING AT THE 2013 ANNUAL MEETING

Jean Deleage, Ph.D., age 69, joined us as a director in January 1997. The Nominating and Corporate Governance Committee concluded that Dr. Deleage should continue to serve as a director of Rigel in part due to his extensive experience and record of success as an investor in life sciences companies, bringing a distinct focus on stockholder return to the Board. Dr. Deleage is a founder and managing director of Alta Partners, a venture capital firm investing in information technologies and life science companies. Alta Partners was founded in 1996. In 1979, Dr. Deleage founded and served as managing partner of Burr, Egan, Deleage & Co., a venture capital firm in San Francisco and Boston. In 1971, Dr. Deleage became a member of Sofinnova's initial team, a venture capital organization in Paris, France, and in 1976 he formed Sofinnova, Inc., the U.S. subsidiary of Sofinnova. Dr. Deleage currently serves on the Boards of Directors of Innate Pharma SA and LifeCycle Pharma A/S. Dr. Deleage also serves on the boards of several private companies, including 7TM A/S, Nereus Pharmaceuticals, Inc., PamGene International B.V., Plexxikon, Inc. and Adiocia SAS. He served on the Boards of Directors of TorreyPines Therapeutics, Inc. from 2000 until 2009, Genedata AG from 2001 until 2006, and IDM Pharma Inc. from 2005 until 2009. Dr. Deleage holds a Master's degree in Electrical Engineering from the Ecole Superieure d'Electricite and a Ph.D. in Economics from the Sorbonne. In 1984, he was awarded the Ordre National du Merite, and in 1993, he was awarded the Legion of Honor from the French government in recognition of his career accomplishments.

Peter S. Ringrose, Ph.D., age 64, joined us as a director in February 2005. The Nominating and Corporate Governance Committee concluded that Dr. Ringrose should continue to serve as a director of Rigel in part due to his extensive research experience at large pharmaceutical companies, enabling the Board to benefit from his insight when negotiating partnership deals with large pharmaceutical companies, a core element of our business model. Dr. Ringrose's experience in the pharmaceutical industry spans more than 30 years and includes key leadership positions as Senior Vice President for Worldwide Drug Discovery and Medicinal R & D Europe at Pfizer Inc., a pharmaceutical company, and Division Director of Chemotherapy, Infectious Diseases and Molecular Sciences at the Sandoz Research Institute in Vienna, Austria. In 2002, Dr. Ringrose retired from Bristol-Myers Squibb, a pharmaceutical company, where he served as Chief Scientific Officer from January 2000 to December 2002, as well as President of the Pharmaceutical Research Institute from January 1997 to December 2002. Dr. Ringrose has served as chair of the Biotechnology and Biological Sciences Research Council (UK) from 2003 until 2009, and was a member of the UK Government's Technology Strategy Board. He is a Council member of the Foundation for Science and Technology in the United Kingdom and also chairs the Corporate Partnership Board at Pembroke College, Cambridge where he is a lifetime Honorary Pitt Fellow. Dr. Ringrose is also a non-executive director of Astex Therapeutics and Biotica Technology Ltd. (Cambridge UK) and served on the Scientific Advisory Boards of Schering-Plough Research Institute, Cempra Pharmaceuticals, Inc. and Accenture Inc. Dr. Ringrose also served on the board of governors for the New York Academy of Sciences from 1999 to 2005. He has served on the boards of Cambridge Antibody Technology Ltd., ImClone Systems, Inc. and Pfizer, Ltd. and on the Scientific Advisory Board at Merlin Biosciences Ltd. Dr. Ringrose received a B.S., an M.A. and a Ph.D. from the University of Cambridge.

Bradford S. Goodwin, age 55, joined us as a director in January 2007. The Nominating and Corporate Governance Committee concluded that Mr. Goodwin should continue to serve as a director of Rigel in part due to his financial expertise and extensive public accounting and corporate governance experience, as well as his experience sitting on the audit committees of other public companies. Mr. Goodwin is currently President and CEO of Keren Pharmaceutical, Inc. and the non-executive

Chairman of Facet Biotech Corporation. In addition to serving on the Facet Biotech board, he currently serves on the Boards of Directors of NeurogesX, Inc. Mr. Goodwin's prior public company board service includes PDL BioPharma, Inc. from 2006 to 2008, CoTherix, Inc. from 2004 until 2007 and Novacea, Inc. from 2002 until 2006. From 2001 to 2006, he was Chief Executive Officer and Director of Novacea, Inc., a publicly-held biopharmaceutical company focused on in-licensing, developing and commercializing novel therapies for cancer. Prior to Novacea, Mr. Goodwin was President, Chief Operating Officer and Founder of Collabra Pharma, Inc., a company focused on pharmaceutical product licensing and development. Before starting Collabra, he held various senior executive positions with Genentech, Inc., including Vice President of Finance. After becoming a CPA while working as an auditor at PricewaterhouseCoopers, he served on expert advisory committees of the American Institute of Certified Public Accountants, the Financial Accounting Standards Board and the International Accounting Standards Board. Mr. Goodwin holds a B.S. in Business Administration from the University of California, Berkeley.

**THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF EACH NAMED NOMINEE.**

DIRECTORS CONTINUING IN OFFICE UNTIL THE 2011 ANNUAL MEETING

Walter H. Moos, Ph.D., age 55, joined us as a director in March 1997. The Nominating and Corporate Governance Committee concluded that Dr. Moos continues to be a valuable member of the Board in part due to his extensive leadership skills and operational expertise, as well as his expertise in the chemical sciences, which is particularly relevant to our business as we are a company focused on small molecules. In March 2005, Dr. Moos joined SRI International, an independent nonprofit research institute, as head of the biosciences division. From 1997 to 2004, Dr. Moos served as the Chairman and Chief Executive Officer of MitoKor, Inc., a biotechnology company. From 1991 to 1997, he served as Corporate Vice President and Vice President, Research and Development in the Technologies Division of Chiron Corporation, a biotechnology company. From 1982 to 1991, Dr. Moos held several positions at the Parke-Davis Pharmaceutical Research Division of the Warner-Lambert Company, last holding the position of Vice President, Neuroscience and Biological Chemistry. He has been an Adjunct Professor at the University of California, San Francisco, since 1992. Dr. Moos served on the Board of Directors of MIGENIX Inc. from 2004 to 2008. He has also served on the boards of numerous private companies and several non-profit organizations. Dr. Moos has been an advisor to the National Academy of Sciences and venture capital firms. He also has served as an adjunct faculty member at the University of Michigan and at James Madison University. Dr. Moos holds an A.B. from Harvard University and a Ph.D. in Chemistry from the University of California, Berkeley.

Hollings C. Renton, age 63, joined us as a director in January 2004. The Nominating and Corporate Governance Committee concluded that Mr. Renton continues to be a valuable member of the Board in part due to his extensive experience developing product candidates from discovery, through development, regulatory approval and commercialization, which is directly relevant to our business. From June 2000 to March 2008, Mr. Renton has served as Chairman of the Board of Onyx Pharmaceuticals, Inc., where he also served as President and Chief Executive Officer from March 1993 and a director from April 1992. Prior to joining Onyx, Mr. Renton was the President and Chief Operating Officer of Chiron Corporation. He assumed that position in 1991 on Chiron's acquisition of Cetus Corporation, where he had been President since 1990 and Chief Operating Officer since 1987. He joined Cetus in 1981 and was Chief Financial Officer from 1983 to 1987. He holds an M.B.A. from the University of Michigan and a B.S. in Mathematics from Colorado State University. Mr. Renton serves as Chairman of the Boards of Directors of Affymax, Inc., Co-Chairman of the Board of Directors and lead director of Portola Pharmaceuticals, Inc. and a member of the Board of Directors of Cepheid and the Special Olympics of Northern California.

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Stephen A. Sherwin, M.D., age 61, joined us as a director in March 2000. As one of only two medical doctors on the Board, the Nominating and Corporate Governance Committee concluded that Dr. Sherwin continues to be a valuable member of the Board in part due to his extensive clinical research experience, which is directly relevant to our business. Dr. Sherwin is Chairman of Ceregene, Inc., a company which he co-founded in 2001 which develops gene therapies for neurodegenerative diseases. Dr. Sherwin also serves on the Boards of Directors of BioSante Pharmaceuticals, Neurocrine Biosciences, Inc. and Biogen Idec. In addition, Dr. Sherwin has served on the board of the Biotechnology Industry Organization since 2002 and was elected Chairman in 2009. Until Cell Genesys, Inc. merged with BioSante Pharmaceuticals in 2009, Dr. Sherwin served as Chief Executive Officer of Cell Genesys from the beginning of the company's operations in 1990, and also served as Chairman of the Board since 1994. He was also co-founder and Chairman of the Board of Abgenix, Inc, an antibody company which was acquired by Amgen, Inc. in 2006. From 1983 to 1990, Dr. Sherwin held various positions at Genentech, Inc., a biopharmaceutical company, most recently as Vice President of Clinical Research. Prior to 1983, he was on the staff of the National Cancer Institute. Dr. Sherwin holds a B.A. *summa cum laude* in Biology from Yale University and an M.D. from Harvard Medical School. He is board-certified in internal medicine and medical oncology and was formerly an Associate Clinical Professor of Medicine at the University of California, San Francisco, and Attending Physician in the Oncology/AIDS Division at San Francisco General Hospital. He is a fellow of the American College of Physicians and a member of the American Society of Clinical Oncology.

DIRECTORS CONTINUING IN OFFICE UNTIL THE 2012 ANNUAL MEETING

James M. Gower, age 61, joined us as our President, Chief Executive Officer and as a member of our Board in January 1997, and has been our Chairman of the Board and Chief Executive Officer since October 2001. The Nominating and Corporate Governance Committee concluded that Mr. Gower continues to be a valuable member of the Board in part due to his role as our President and Chief Executive Officer and his knowledge of the day-to-day operations of Rigel obtained as a result of that role. From 1992 to March 1996, Mr. Gower was President and Chief Executive Officer of Tularik Inc., a biotechnology company developing small-molecule drugs regulating gene expression. Prior to Tularik, Mr. Gower spent ten years at Genentech, Inc., a biopharmaceutical company, where he most recently served as Senior Vice President. During his ten years at Genentech, Mr. Gower was responsible for business development and sales and marketing functions. In addition, he established and managed Genentech's foreign operations in Canada and Japan and served as President of Genentech Development Corporation. Mr. Gower served on the Board of Directors of Cell Genesys, Inc. from 1996 until 2009. He holds a B.S. and an M.B.A. in Operations Research from the University of Tennessee.

Gary A. Lyons, age 58, joined us as a director in October 2005. The Nominating and Corporate Governance Committee concluded that Mr. Lyons continues to be a valuable member of the Board in part due to his extensive experience negotiating and developing collaborative relationships, his sales expertise and his track record of assessing the market for pharmaceutical candidates, all of which are key to the success our business. Mr. Lyons is also a member of the Board of Directors of Neurocrine Biosciences, Inc., a biopharmaceutical company. Mr. Lyons served as Neurocrine's Chief Executive Officer and member of the board from 1993 until 2008. Mr. Lyons also serves on the Boards of Directors of Vical, Inc., Poniard Pharmaceuticals, Inc., and Facet Biotech Corporation, and served on the board of PDL BioPharma, Inc. from July 2008 until he resigned in December 2008 to join the board of Facet following Facet's spin-off from PDL. From 1983 to 1993, he held a number of management positions at Genentech, Inc., including Vice President of Business Development and Vice President of Sales, and also served as a member of Genentech's Executive Committee. Mr. Lyons was responsible for international licensing, acquisitions and partnering for Genentech's Corporate Venture Program and had operating responsibility for two subsidiaries, Genentech Canada, Inc. and Genentech

Limited (Japan). He holds a B.S. in Marine Biology from the University of New Hampshire and an M.B.A. from Northwestern University's J.L. Kellogg Graduate School of Management.

Donald G. Payan, M.D., age 61, one of our co-founders, has been a member of our Board since July 1996 and has served as our Executive Vice President and Chief Scientific Officer since January 1997. In February 2008, Dr. Payan became our Executive Vice President, President of Discovery and Research. From January 1997 to July 1998, he also served as our Chief Operating Officer. From July 1996 to January 1997, Dr. Payan served as our President and Chief Executive Officer. The Nominating and Corporate Governance Committee concluded that Dr. Payan continues to be a valuable member of the Board in part due to the fact that he is one of our co-founders, which brings historic knowledge and continuity to the Board, as well as his extensive research experience and shown ability to grow new research programs. From December 1995 to May 1996, Dr. Payan was Vice President of AxyS Pharmaceuticals, Inc., a biopharmaceutical company. From September 1992 to December 1995, Dr. Payan was Executive Vice President and Chief Scientific Officer of Khepri Pharmaceuticals, Inc., which he founded and subsequently merged with AxyS Pharmaceuticals. Dr. Payan holds a B.S. and an M.D. from Stanford University and did his residency training in Medicine at the Massachusetts General Hospital. Dr. Payan is a former Professor at the University of California, San Francisco and member of The Howard Hughes Medical Institute.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Independence of the Board of Directors

The Nasdaq Stock Market ("Nasdaq") listing standards require that a majority of the members of a listed company's Board of Directors qualify as "independent," as affirmatively determined by the Board. The Board consults with our counsel from time to time to ensure that the Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of Nasdaq.

Consistent with these considerations, after review of all relevant identified transactions and relationships between each director, or any of his family members, and Rigel, our senior management and our independent registered public accounting firm, the Board has affirmatively determined that all of our current directors are independent directors within the meaning of the applicable Nasdaq listing standards, except for James M. Gower, our Chairman of the Board and Chief Executive Officer, and Donald G. Payan, our Executive Vice President, President of Discovery and Research, who are not independent directors by virtue of their employment with the Company. In making this determination, the Board found that none of the directors or nominees for director determined to be independent by the Board had a material or other disqualifying relationship with Rigel.

Meetings of the Board of Directors

The Board met five times during fiscal year 2009. All of our directors attended at least 75% of the aggregate number of meetings of the Board and the committees on which they served that were held during the period for which they were directors or committee members, respectively. As required under applicable Nasdaq listing standards, in fiscal year 2009, Rigel's independent directors meet in executive session at which only independent directors were present at every regularly scheduled meeting of the Board.

Board Leadership Structures

Our Board of Directors is currently chaired by the President and Chief Executive Officer of the Company, Mr. Gower. Dr. Sherwin leads the communications between the independent directors at the executive sessions of the Board. We believe that combining the positions of Chief Executive Officer and Board Chair helps to ensure that the Board and management act with a common purpose and provides

a single, clear chain of command to execute our strategic initiatives and business plans, particularly given our small size. In addition, we believe that a combined Chief Executive Officer/Board Chair is better positioned to act as a bridge between management and the Board, facilitating the regular flow of information. We also believe that it is advantageous to have a Board Chair with an extensive history with and knowledge of the Company (as is the case with our Chief Executive Officer) as compared to an independent Board Chair with less direct involvement in the Company's business, and thus less direct access to information.

Role Of The Board In Risk Oversight

One of the board's key functions is informed oversight of the Company's risk management process. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various Board standing committees that address risks inherent in their respective areas of oversight. In particular, our Board is responsible for monitoring and assessing strategic risk exposure, our Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures. Our Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. Both the Board as a whole and the various standing committees receive periodic reports from our General Counsel, who is also our compliance officer, as well as incidental reports as matters may arise. It is the responsibility of the committee chairs to report findings regarding material risk exposures to the Board as quickly as possible. The Board has delegated to the General Counsel the responsibility of coordinating between the Board and management with regard to the determination and implementation of responses to any problematic risk management issues.

INFORMATION REGARDING COMMITTEES OF THE BOARD OF DIRECTORS

The Board has four standing committees: an Audit Committee, a Compensation Committee, a Finance Committee and a Nominating and Corporate Governance Committee. The following table provides membership and meeting information for fiscal year 2009 for each of the Board committees:

Name	Audit	Compensation	Finance	Nominating and Corporate Governance
James M. Gower			X*	
Donald G. Payan, M.D.				
Jean Deleage, Ph.D.		X	X	
Bradford S. Goodwin	X*			
Gary A. Lyons		X		
Walter H. Moos, Ph.D.		X*		X
Hollings C. Renton	X			
Peter S. Ringrose, Ph.D.				X
Stephen A. Sherwin, M.D.	X		X	X*
Total meetings in fiscal year 2009	7	5	1	1

*
Committee Chairperson.

Below is a description of each standing committee of the Board. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate, to carry out its responsibilities. The Board has determined that each member of each committee meets the applicable Nasdaq rules and regulations regarding "independence" and that each member is free of any

relationship that would impair his or her individual exercise of independent judgment with regard to the Company.

Audit Committee

The Audit Committee of the Board of Directors was established by the Board in accordance with Section 3(a)(58)(A) of the Exchange Act to oversee Rigel's corporate accounting and financial reporting processes and audits of our financial statements. The Audit Committee: evaluates the performance of and assesses the qualifications of the independent registered public accounting firm; determines and approves the engagement of the independent registered public accounting firm; determines whether to retain or terminate the existing independent registered public accounting firm or to appoint and engage a new independent public registered accounting firm; reviews and approves the retention of the independent registered public accounting firm to perform any proposed audit, review and attest services and any permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on Rigel's audit engagement team as required by law; reviews and assesses the objectivity and independence of our independent registered public accounting firm; reviews the financial statements to be included in Rigel's Annual Report on Form 10-K; discusses with management and the independent registered public accounting firm the results of the annual audit and the results of Rigel's quarterly financial statements; reviews with management the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the Company's periodic reports filed with the SEC; confers with management and the independent registered public accounting firm regarding the effectiveness of internal controls over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; reviews the results of management's efforts to monitor compliance with Rigel's programs and policies designed to ensure adherence to applicable laws and rules and Rigel's Code of Conduct, including reviewing and approving related-party transactions. In addition, our Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures.

The following three directors are the members of the Audit Committee: Messrs. Goodwin and Renton and Dr. Sherwin, all of whom were on the Audit Committee for all of fiscal year 2009. The Audit Committee met seven times during fiscal year 2009. The Audit Committee has adopted a written charter that is available to stockholders on our website at

<http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mjg1NjJ8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1>.

The Board reviews the Nasdaq listing standards definition of "independence" for Audit Committee members on an annual basis and has determined that all members of Rigel's Audit Committee are independent (as independence is currently defined in Rules 5605(c)(2)(A)(i) and (ii) of the Nasdaq listing standards). The Board has also determined that Messrs. Renton and Goodwin each qualify as an "audit committee financial expert," as defined in applicable rules and regulations promulgated by the Securities and Exchange Commission, or the SEC, and satisfies the financial sophistication requirements of the Nasdaq listing standards. For each of Messrs. Renton and Goodwin, the Board made a qualitative assessment of each of their level of knowledge and experience, based on a number of factors, including their respective formal education and experience as a person actively supervising a principal financial officer of a public company, as well as Mr. Renton's experience as a principal financial officer for a public company and Mr. Goodwin's experience as a principal accounting officer for a public company.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS(1)

(1)

The material in this Report of the Audit Committee of the Board of Directors is not "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act.

The Company's management has primary responsibility for preparing the Company's financial statements and establishing the financial reporting process. Rigel's independent registered public accounting firm is responsible for performing an audit of the Company's financial statements and expressing an opinion as to the conformity of such financial statements with United States generally accepted accounting principles.

The Audit Committee has reviewed and discussed with Rigel's management the audited financial statements for the fiscal year ended December 31, 2009. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by the Statement on Auditing Standards, or SAS, No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380) and SAS No. 114, *The Auditor's Communications with Those Charged with Governance*, as adopted by the Public Company Accounting Oversight Board, or PCAOB, in Rule 3200T. The Audit Committee has also received the written disclosures and the letter from the independent registered public accountants, as required by the applicable requirements of the PCAOB regarding independent accountants' communications with the Audit Committee concerning independence, and has discussed with the independent registered public accountants their independence. Based on the foregoing, the Audit Committee has recommended to the Board that the audited financial statements be included in Rigel's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

Audit Committee

Bradford S. Goodwin
Hollings C. Renton
Stephen A. Sherwin, M.D.

Compensation Committee

The Compensation Committee of the Board of Directors acts on behalf of the Board to review, adopt and oversee Rigel's compensation strategy, policies, plans and programs. The Compensation Committee: reviews and approves corporate performance goals and objectives relevant to the compensation of Rigel's executive officers and other senior management; reviews and approves the compensation and other terms of employment of Rigel's Chief Executive Officer; reviews and approves the compensation and other terms of employment of the other members of senior management; reviews and approves the compensation for Board members; administers Rigel's stock option and purchase plans, pension and profit sharing plans, stock bonus plans, deferred compensation plans and other similar programs; and reviews with management Rigel's Compensation Discussion and Analysis, or CD&A, and considers whether to recommend that it be included in Rigel's proxy statements and other filings. In addition, our Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

The following three directors are the members of the Compensation Committee: Drs. Moos and Deleage and Mr. Lyons, all of whom were on the Compensation Committee for all of fiscal year 2009. All members of Rigel's Compensation Committee are independent (as "independence" is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards). The Compensation Committee met five times during fiscal year 2009. The Compensation Committee has adopted a written charter that is available to stockholders on our website at http://media.corporate-ir.net/media_files/IROL/12/120936/Compensation_Committee_Charter.pdf.

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Typically, the Compensation Committee meets at least quarterly and with greater frequency if necessary. The agenda for each meeting is usually developed by the Chair of the Compensation Committee, in consultation with a representative from management. Our General Counsel serves as the representative of management. In addition, from time to time, various members of management and other employees, as well as outside advisors or consultants, may be invited by the Compensation Committee to make presentations, provide financial or other background information or advice, or otherwise participate in Compensation Committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations regarding his compensation or individual performance objectives. However, the Chief Executive Officer is consulted regarding any promotion or compensation decision affecting a member of management. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities and personnel of Rigel, as well as authority to obtain, at the expense of the Company, advice and assistance from internal and external legal, accounting or other advisors and consultants and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. In particular, the Compensation Committee has the authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultants' reasonable fees and other retention terms.

During 2008, in order to determine executive compensation for 2009, the Compensation Committee engaged Towers Perrin (which changed its name to Towers Watson & Co. following the completion of its merger with Watson Wyatt in 2010) and, in late 2008, Towers Watson prepared a draft report analyzing our executive officers' compensation packages against the 2007 compensation packages of executive officers at comparable companies. The list of comparable companies included in our peer group was developed by Towers Watson in consultation with the Compensation Committee. After the Compensation Committee received the draft report, but before Towers Watson finalized it, economic conditions changed significantly and our industry, including our identified peers, experienced higher than usual market volatility. In connection with a company-wide effort to reduce costs, the Compensation Committee had the draft report updated by management rather than Towers Watson to reflect the 2008 executive compensation practices of the 2008 peer group based on publicly available information. Given the distressed economic environment, the updated analysis was never finalized or used in connection with determining executive compensation for 2009. However, the Compensation Committee referenced the updated report with respect to setting executive compensation for 2010 and revising director compensation. The draft 2008 report is discussed further under "Competitive Market Review and Benchmarking" below. The 2008 Towers Watson engagement was the most recent engagement of a compensation consulting firm by the Compensation Committee. As compensation for their services in 2008, we paid Towers Watson \$9,251.

Historically, the Compensation Committee has reviewed and recommended to the Board most of the significant adjustments to annual compensation, bonus and equity awards recommendations, and established or recommended new performance objectives at one or more meetings generally held during the first quarter of the year. The Compensation Committee also considers, at various meetings throughout the year, matters related to individual compensation, such as compensation for new executive hires, as well as high-level strategic issues, such as the efficacy of Rigel's compensation strategy, potential modifications to that strategy and new trends, plans or approaches to compensation. Unanticipated circumstances can result in a promotion or a change to an individual's compensation package. Generally, the Compensation Committee's process comprises two related elements: the determination of compensation level and the establishment or recommendation of performance objectives for the current year. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the Compensation Committee and, based upon that evaluation, the Compensation Committee either approves any adjustments to his compensation or makes a recommendation to our Board regarding any such adjustments to his compensation, as well as awards to be granted. For all executive officers and directors, as part of its deliberations, the Compensation

Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tally sheets that set forth the total compensation that may become payable to executive officers in various hypothetical scenarios, executive and director stock ownership information, company stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels, and recommendations of the Compensation Committee's compensation consultant, including analyses of executive and director compensation paid at other companies identified by the consultant or public information. However, to date, Towers Watson has not participated in the determination of director compensation, although, as discussed above, the Compensation Committee referenced the updated draft report of Towers Watson in revising director compensation for 2010.

The specific recommendations of the Compensation Committee with respect to executive compensation for fiscal years 2009 and 2010 are described in greater detail in the Compensation Discussion and Analysis section of this proxy statement.

Risk Assessment of Compensation Policies and Practices

Management has assessed the compensation policies and practices for our employees and concluded that they do not create risks that are reasonably likely to have a material adverse effect on the company. Management's analysis was presented to both the Board and the Compensation Committee.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is currently, or ever has been, an officer or employee of Rigel. No executive officer of Rigel has served as a member of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving as a member of our Compensation Committee.

Rigel has entered into indemnity agreements with all of our board members, including the members of our Compensation Committee, which provide, among other things, that the Company will indemnify each of them, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he is or may be made a party by reason of his position as a director of Rigel, and otherwise to the fullest extent permitted under Delaware law and Rigel's Bylaws.

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS(2)

- (2) The material in this Report of the Compensation Committee of the Board is not "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis section of this proxy statement. Based on this review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated into our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

Compensation Committee

Jean Deleage, Ph.D.

Gary A. Lyons

Walter H. Moos, Ph.D.

Finance Committee

The Finance Committee of the Board was formed in September 2004. The Finance Committee reviews and approves the overall strategy, plans, policies and actions related to adjustments to Rigel's capital structure, certain financing arrangements and strategic collaborations for the Company. The following three directors are the members of the Finance Committee: Mr. Gower and Drs. Deleage and Sherwin, each of whom were on the Finance Committee for all of fiscal year 2009. Drs. Deleage and Sherwin are each considered independent, as "independence" is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards. The Finance Committee met one time during fiscal year 2009.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee of the Board is responsible for identifying, reviewing and evaluating candidates to serve as directors of the Company (consistent with criteria approved by the Board), reviewing and evaluating incumbent directors, recommending candidates for election to the Board, making recommendations to the Board regarding the membership of the committees of the Board, assessing the performance of management and the Board, and developing a set of corporate governance guidelines for Rigel. In addition, our Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct.

The following three directors are the members of the Nominating and Corporate Governance Committee: Drs. Moos, Sherwin and Ringrose, all of whom were on the Nominating and Corporate Governance Committee for all of fiscal year 2009. All members of the Nominating and Corporate Governance Committee are independent, as "independence" is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards. The Nominating and Corporate Governance Committee met one time during fiscal year 2009. The Nominating and Corporate Governance Committee has adopted a written charter that is available to stockholders on our website at http://media.corporate-ir.net/media_files/IROL/12/120936/corpgov/NominatingCommitteeCharter.pdf.

The Nominating and Corporate Governance Committee believes that candidates for director should have certain minimum qualifications. The Nominating and Corporate Governance Committee will generally consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, the ability to read and understand basic financial statements, having sufficient time to devote to the affairs of Rigel, reputation for personal integrity and ethics, demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of Rigel's stockholders. However, the Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. The Nominating and Corporate Governance Committee also values diversity as a factor in selecting nominees to serve on the Board. Although there is no specific policy on diversity, the Nominating and Corporate Governance Committee considers the criteria noted above in selecting nominees for directors, including members from diverse backgrounds who combine a broad spectrum of experience and expertise. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of Rigel and the long-term interests of stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee considers all factors as it deems appropriate, given the current needs of the Board and Rigel, to maintain a balance of knowle