

**CHARTER FOR THE  
AUDIT COMMITTEE  
OF  
CYTRX CORPORATION**

(As adopted by the Board of Directors on April 30, 2014)

**1. PURPOSE.**

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**” and, each member of the Board, a “**Director**”) of CytRx Corporation (the “**Company**”) is to assist the Board in discharging its duties relating to (1) the quality and integrity of the financial reports of the Company, (2) the independent auditor’s qualifications and independence, and (3) the performance of the Company’s internal audit function and independent auditors. Consistent with these functions, the Committee shall encourage continuous improvement of, and shall foster adherence to, the Company’s policies, procedures and practices at all levels. In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing circumstances while ensuring that the Company’s accounting and reporting practices are in accordance with all requirements and are all of the highest quality.

**2. STATEMENT OF POLICY.**

The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting process and internal control system.
- Review and appraise the audit efforts of the Company’s independent accountants and internal audit function.
- Provide an open avenue of communication among the independent accountants, the Company’s operational management (the “**Management**”) and the Board.

The Committee shall provide assistance to the Board in fulfilling the Board’s oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to the Company’s financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company’s financial statements and the ethics programs as established by Management and the Board. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Company.

The Committee will fulfill these responsibilities by carrying out the activities enumerated in Section 5 of this Charter. The Committee may augment the activities defined by Section 5 at its discretion in order to comply with the requirements of the Sarbanes-Oxley Act, the requirements of Nasdaq and the Securities and Exchange Commission (the “SEC”) and any other applicable laws and regulations.

### **3. COMPOSITION.**

The Committee shall consist of at least three (3) but not more than five (5) directors, each of whom will be an “independent director” within the meaning of the applicable Nasdaq rules and any rule or regulation prescribed by the SEC now or in the future.

Each member of the Committee must be financially literate and able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement (or will become able to do so in a reasonable period of time after his or her appointment to the Committee), and at least one member of the Committee must be an “Audit Committee Financial Expert” as defined by the SEC.

The members of the Committee, including its Chair, will be appointed annually by the Board, following receipt of the recommendation of the Nomination and Governance Committee. Committee members will serve at the discretion of the Board.

### **4. MEETINGS.**

The Committee shall meet four (4) times annually, or more frequently, as circumstances dictate. A meeting may be called by the Chair or at the direction of the Chair at the request of any member of the Committee. The Committee may meet in person or by phone and shall have the authority to act by written consent. A majority of the total authorized number of members of the Committee will constitute a quorum at all Committee meetings, and the affirmative vote or written consent of a majority of the authorized number of members shall be necessary and sufficient to take any Committee action.

All non-employee Directors may attend and observe meetings of the Committee. In such case, however, any Director who is not a member of the Committee shall neither participate in any discussion or deliberation at such meeting unless the Committee so requests and, in no event, shall any Director who is not a member of the Committee be entitled to vote on any Committee matters.

Meetings of the Committee should be attended by representatives of the Company’s principal external Auditors (“independent auditors”), the Chief Financial Officer, the Controller, the General Counsel and others as and when deemed appropriate by the Committee. The Committee shall meet privately with such persons or groups, whenever the Committee deems it appropriate.

## 5. COMMITTEE RESPONSIBILITIES AND AUTHORITY.

Pursuant to the Committee's purpose, the Committee shall:

- Report to the Board on the major items covered at each Committee meeting.
- Have the authority, to the extent it deems necessary or appropriate, to retain accounting or other advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.
- Have the authority, to the extent it deems necessary or appropriate, to retain legal or other advisors. In the event that the Committee chooses to engage any such advisors, the Company shall provide appropriate funding, as determined by the Committee, for the payment of such advisors.
- Review this Charter at least annually, as conditions dictate, and recommend any changes to the Board.
- Perform the functions of the full Board of Directors with respect to the negotiation, review and approval or ratification, as appropriate, of each "related person transaction" (within the meaning of Item 404(a) of the Securities and Exchange Commission Regulation 404(a)) to the extent that such functions can be properly delegated by the Board of Directors to a committee of the Board of Directors under Delaware law, and to negotiate, review, make recommendations and otherwise advise the Board of Directors with respect to all other related person transactions.
- Direct the officers of the Company with respect to the negotiation, review, approval or ratification, as appropriate, and advise Management with respect to all related person transactions.
- Prepare an annual report to the Company's shareholders as required by the SEC. The report shall be included in the Company's annual proxy statement.
- Have the sole authority to appoint or replace the independent auditor (subject, if applicable, to shareholder ratification) and be directly responsible for the compensation of the independent auditor.
- Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act which are approved by the Committee prior to completion of the audit. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided

that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

- Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality control procedures, (b) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management. The Committee shall present its conclusions with respect to the selection or change of independent auditor to the Board.
- Review and evaluate the lead partner of the independent auditor team and ensure the rotation of the audit partners as required by law.
- Be directly responsible for the oversight of the work of the independent auditor (who shall report directly to the Committee) for the purpose of preparing or issuing an audit report or related work.
- Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.
- Review and discuss with Management and the independent auditor the Company's annual financial statements, including management's discussion and analysis, and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the independent auditor, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
- Review and discuss with Management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, or prior to the release of earnings.
- Discuss with Management the Company's earnings press releases, including the use of any "pro forma" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of the types of information to be disclosed and the types of presentations to be made).
- Review with the independent auditor the auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial

reporting and review and resolve any significant disagreements between the independent auditor and Management in connection with the preparation of the financial statements.

- Discuss with Management and the independent auditor, together and in separate executive sessions, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls or financial reporting processes and any special steps adopted in light of material deficiencies.
- Discuss separately with the independent auditor and Management (as required by Auditing Standard No. 16) matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of the activities or access to requested information, and any significant disagreements between the independent auditor and Management.
- Consider and approve, if appropriate, major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor or Management.
- Review and discuss reports from the independent auditors on:
  - All critical accounting policies and practices to be used.
  - All alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
  - Other material written communications between the independent auditor and Management, such as any management letter or schedules of the unadjusted differences.
- Discuss with Management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- Periodically review with the independent auditors and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls and reporting processes of the Company, and elicit any recommendations offered for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper. Further, the

Committee periodically should review Company policy statements to determine their adherence to the Company's Code of Ethics, as and when adopted by the Board.

- Discuss with Management and the independent auditor the Company's major financial risk exposures (including potential or pending litigation). The Committee should discuss with Management the steps Management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies, and then discuss those steps with the independent auditor.
- Discuss with or obtain reports from Management and corporate counsel confirming that the Company is in conformity with applicable legal requirements relating to financial and accounting matters and the Company's Code of Business Conduct and Ethics, and review annual compliance with the Code. . Review reports and disclosures on insider and affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations relating to financial and accounting matters and with the Company's Code of Ethics, as and when adopted by the Board.
- Investigate any matter brought to its attention within the scope of its duties.
- On an annual basis, evaluate the performance of the Committee in light of its purpose.
- Establish procedures for the confidential, anonymous submission of employee concerns regarding questionable accounting or auditing matters and for receiving, retaining and addressing complaints concerning accounting, internal audit controls and other auditing matters.
- Discuss with the Company's counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
- Have full access to the Company's executives, personnel and advisors as necessary to carry out its responsibilities.
- Submit the minutes of all meetings of the Committee to the Board and discuss, through its Chairman, the matters discussed at each Committee meeting with the Board.
- Review the results of Management's reviews of director, officer and employee expense reports and reimbursements, and Management perquisites.
- Perform any other activities consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board deems necessary or appropriate.

**6. MINUTES.**

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

**7. COMPENSATION.**

Members of the Committee will be eligible to receive fees or other compensation for their service as Committee members as determined by the Board. Changes in such compensation will be determined by the Board in its sole discretion.

**8. DELEGATION OF DUTIES.**

Subject to the Company's Certificate of Incorporation and Bylaws and applicable laws and rules of markets in which the Company's securities then trade, in fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

**9. LIMITATION OF THE AUDIT COMMITTEE'S ROLE.**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company.

The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements.

**10. PUBLIC DISCLOSURE.**

Consistent with SEC listing standards, this Charter will be included on the Company's website and will be made available in print, free of charge, upon request sent to the Company's Corporate Secretary.