

CYTRX CORPORATION
GOVERNANCE GUIDELINES

The following Governance Guidelines along with the charters of the Committees of the Board of Directors, provide the framework for the governance of CytRx Corporation. These Governance Guidelines were adopted by the Board of Directors on October 4, 2013.

1. Introduction

The Board of Directors has adopted principles of corporate governance that govern the selection of Board candidates; compensation of Board members; rules regarding structure and operation of Committees; and, meetings of and agendas for the Board and its Committees.

These Guidelines are reviewed by the Nomination and Governance Committee periodically. That review includes the evaluation by the Committee of board practices at other well-managed companies and emerging corporate governance issues.

2. Primary Functions of the Board of Directors

Each CytRx Director and the CytRx Board are expected to promote the best interest of the shareholders in terms of corporate governance; fiduciary responsibilities; compliance with applicable laws and regulations; and maintenance of accounting, financial, and other controls. Their primary responsibility is to provide effective guidance of the affairs of the Company for the benefit of its shareholders and other constituencies. This includes overseeing the conduct of the Company's financial objectives; major corporate plans; and, strategies and tactics. In addition, the Board selects the Company's Chief Executive Officer ("CEO"), acts as an advisor and counselor to the CEO and senior management, and evaluates the CEO's performance.

3. Size of the Board and Term Limits

The Board is divided into three classes elected for three-year terms, that are to be as equal in size as possible, with the term of one class expiring each year. The ideal size of the Board is currently determined to be six, although an increase in the membership would be appropriate in order to accommodate the availability of an outstanding Board candidate. The Board also believes that as a matter of policy, a majority of the members of the Board should be Independent Directors.

At the end of the term, a Director may stand for re-election at the Company's Annual

Meeting of Shareholders, subject to the recommendation of the Nomination and Governance Committee, by executing the Form of Commitment Letter attached hereto as Exhibit A.

4. Meeting Attendance

Directors are expected to attend the Annual Meeting of the Shareholders and all Board of Directors meetings and meetings of Committees on which a Director serves. If a Director determines that it is not possible to attend a meeting, the Director is expected to give notice of that fact as early as practical. If a Director cannot attend a Board meeting due to an inability to be at the site of that meeting, but is otherwise able to participate, it may be possible for the Director to participate by telephone if advance arrangements are made. Proxy rules require the Company to identify in the Proxy those Directors who did not attend 75% of the scheduled Directors' meetings and any meetings of Committees on which the Director serves.

5. Board Committees

a. A substantial amount of the analysis and work of the Board is done by standing Board Committees. Directors are expected to participate actively in the meetings of each Committee to which the Director is appointed.

The Board has established the following standing Committees:

(1) Audit Committee: The Committee's functions include: recommending to the Board the independent auditors for the Company; establishing and reviewing the activities of the independent auditors; reviewing recommendations of the independent auditors and the responses of management to such recommendations; and, reviewing and discussing with the independent auditors and the Company's management the Company's financial reporting, loss exposures and internal controls. In addition, the Committee reviews and recommends debt and equity financing; and reviews and approves the annual financial and capital plans.

(2) Compensation Committee: The Committee's functions include: approving and reporting to the Board the executive compensation plans and the compensation (including incentive awards) of certain executives; and reviewing and approving the Company's incentive plans. The Committee also grants, approves and reports to the Board concerning employee stock options grants, and other discretionary awards under the Company's stock option or other equity incentive plans. The Committee will also oversee and periodically review the operations of all of the Company's employee benefit plans.

(3) **Nomination and Governance Committee:** The Committee's functions include: evaluating and recommending qualified individuals to the Board; reviewing the qualifications of individuals for election or reelection as members of the Board; and reviewing the charters and membership of the Board's Committees and Board membership guidelines. The Committee will consider persons whom shareholders recommend as candidates for election as Company Directors. Any shareholder wishing to make such a recommendation should submit it to the Secretary of the Company. It also oversees matters of corporate governance including Board performance; evaluation of individual Directors; and these corporate governance guidelines.

Each standing Committee should have a board-approved written charter detailing its duties. In addition, each standing Committee shall perform a self-assessment of its performance on an annual basis.

The Board may also establish other Committees from time to time to deal with specific issues, including by way of example a Committee of Independent Directors to periodically review and evaluate the Company's Long-Term Incentive Plan.

b. **Composition of Committees:** It is the policy of the Board that only Independent Directors serve on the standing Committees. In addition, the composition of the Audit and Compensation Committees will be reviewed annually to ensure that each of its members meet the criteria set forth in applicable SEC, listing exchange, and IRS rules and regulations.

c. **Assignment and Rotation of Committee Members:** The Nomination and Governance Committee, with direct input from the CEO, recommends to the Board the membership of the various Committees and their Chairperson and the Board approves such Committee assignments. In making its recommendations to the Board, the Committee takes into consideration the continuity; subject matter expertise; tenure; and experience of the individual Board members.

d. **Committee Agendas/Reports to the Board:** Appropriate members of management and staff will prepare draft agenda and related background information for each Committee meeting which, to the extent desired by the relevant Committee Chairperson, will be reviewed and approved by such Chairperson in advance of distribution to the other Committee members. Any background materials, together with such agenda, should be distributed to Committee members and Corporate Secretary in advance of the meeting for their review and discussion. In addition, each Committee member is free to suggest items for inclusion on the agenda and to raise at any Committee meeting subjects that are not on the agenda for that meeting.

Reports on the items considered on each Committee meeting are to be furnished to the full Board at its next meeting. In addition, all Directors are to be furnished copies of each Committee's minutes.

6. Board Membership Criteria and Selection of New Director Candidates

The Nomination and Governance Committee is responsible for reviewing and recommending to the Board candidates for election as members of the Board. Consideration of potential candidates is based upon the assessment of the individual's background, skills, and abilities and such characteristics that qualify the individual to fulfill the needs of the Board at that time. The Board has delegated to the Nomination and Governance Committee responsibility for developing a screening process involved in identifying and selecting Director candidates for recommendation to the Board. The Board, however, has the final responsibility of approving the individual's selection or nomination.

7. Evaluation of the Board

The Nomination and Governance Committee is responsible for conducting an assessment of the conduct of the Board, as well as reviewing with the Board the results of these assessments, at least on an annual basis. The Committee is also responsible for assessing the effectiveness of the processes used by the Board. In preparing these assessments, the Committee develops and circulates to each Director a questionnaire through which each Director can provide input.

8. Change in Status

The Board of Directors has determined that a change in employment status should not affect a Director's status as a member of the Board unless the change in employment status creates a conflict of interest or prevents a Director from performing his or her duties as a Director. A Director whose employment status has changed is to inform the Chairperson of the Nomination and Governance Committee and the CEO of the change in status.

9. Membership on Other Boards

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively and avoid actual or potential conflicts of interest that may arise from serving on other boards of directors. To that end, each Director has the responsibility to inform the Chairperson of the Nomination and Governance Committee and the CEO prior to accepting invitations to serve as a director on other boards of

directors.

10. Board Access to Senior Management and Independent Advisors

Directors have complete access to Company's management. Each Director has the responsibility to inform the CEO of the nature of communications with management and to provide copies of any written communication to the CEO.

The Board encourages management to bring managers into Board meetings who (a) can provide additional insight into the items being discussed because of personal involvement in these areas and/or (b) represent managers with future potential that management believes should be given exposure to the Board.

The Board, at its discretion, may engage and consult with independent advisors to assist the Board in carrying out its oversight responsibilities.

11. Board Interaction with Institutional Investors

The Board believes that the management speaks for the Company and it is inappropriate for individual Directors to communicate separately to investors except with the full knowledge and at the request of management. Directors who receive inquiries should direct the investor to the Chief Executive Officer.

12. Director Compensation

The Compensation Committee reviews the non-employee Director compensation program annually with respect to competitiveness and appropriateness of compensation levels and program design. The Committee then makes recommendations to the Board for action. Compensation paid by peers representing the Company's core business competitors should be among the data considered in establishing compensation levels for the Directors.

Stock-based compensation has been and is an important component of the non-employee Director compensation program. Stock-based compensation is designed to promote stock ownership and align Director interests with those of shareholders.

13. Related Party Transactions

The Company's Audit Committee will be responsible for reviewing all related party transactions. A related party is one who can exercise control or significant influence over the Company to the extent that either the related party or the Company may be prevented from pursuing its own separate interest.

14. Evaluation of CEO

The Chair of the Compensation Committee is responsible for conducting an assessment of the performance of the CEO at least on an annual basis. However, it is expected that his compensation shall be reviewed on an annual basis. The results of the evaluation should be communicated to the CEO by the Chair of the Committee. The evaluation should be based on objective criteria which should include the performance of the Company; accomplishment of financial and strategic objectives; and the successful development of management.

15. Executive Sessions

Executive sessions or meetings of outside Directors without management present are held regularly to review the report of the independent auditor, the criteria upon which the performance of the CEO and other senior managers is based, the performance of the CEO against such criteria, the compensation of the CEO and other senior managers, and any other relevant matter. Meetings are held from time to time with the CEO for a general discussion of relevant subjects.

16. Corporate Governance Processes

a. Corporate Secretary. The Corporate Secretary shall be the officer responsible for ensuring the distribution of and ongoing compliance with the Guidelines within the Company.

b. Annual Review of the Guidelines. The Nomination and Governance Committee of the Board will annually review these Guidelines to consider whether they continue to reflect the goals, functions and needs of the company, the Board and stockholders. The Nomination and Governance Committee will recommend any changes to the Board for approval.

Exhibit A – Form of Commitment Letter

[Date]

[Address of Director]

Dear _____,

As we prepare for our upcoming ____ Annual Stockholders Meeting, we will be sending out our proxy statement with our slate of Class ____ director nominees. As a Class __ director, your term expires at that meeting.

CytRx is delighted that you have been serving as one of our directors. At this time we want to confirm with you your interest in standing for re-election this year.

We are hoping that your schedule will permit you to continue as one of our directors. If that is the case and you wish to continue on the Board, we would ask that you sign this letter in the space provided below and return it to me.

Best regards,

Very truly yours,

Chairman, Nomination and Governance
Committee

I hereby agree to stand for re-election as a Class __ CytRx director, and if elected, I intend to attend in person or by telephone all or substantially all CytRx Board meetings, barring any unforeseen and extraordinary business or personal circumstances that would prevent me from attending those meetings. I understand that CytRx's Nomination and Governance Committee is relying on this representation in nominating me as a Class __ CytRx director.

[Director's name and signature]

[Date Signed]