

BIO-PATH HOLDINGS, INC.

CODE OF BUSINESS CONDUCT AND ETHICS FOR MEMBERS OF THE BOARD OF DIRECTORS

Effective as February 11, 2014

Introduction

The Board of Directors (the "**Board**") of Bio-Path Holdings, Inc., a corporation organized under the laws of Utah (the "**Company**"), has adopted this Code of Business Conduct and Ethics for Members of the Board of Directors (the "**Board Code of Conduct**"). The Board Code of Conduct applies to all directors (each, a "**Director**" and together, the "**Directors**") of the Company and is intended to advise each Director of key elements of his or her duties and responsibilities as a Director as well as to provide guidance to the Directors to help them recognize and deal with ethical issues, provide a mechanism to report unethical conduct and help foster a culture of honesty and accountability.

Although the Board Code of Conduct cannot anticipate every ethical or legal issue that may arise nor is it feasible to attempt to define a course of action for every situation, each Director should apply to every situation the basic principles of honesty, fairness, integrity, and compliance with the law. In addition to compliance with the requirements of applicable laws and regulations as well as adherence to principles of good corporate governance, the Board Code of Conduct is a product of, and should be read and complied with in the spirit of, the Company's mission statement and commitment to excellence.

Directors who also serve as executive officers of the Company are also covered by, and are expected to comply with, the Company's Employee Code of Business Conduct and Ethics, including the Company's Executive Officer Code of Business Conduct and Ethics (collectively, the "**Employee Code of Conduct**").

Conflicts of Interest

Directors have a paramount interest in promoting and preserving the interests of the Company. Accordingly, Directors are required to perform their respective duties on the basis of the Company's best interests, independent of any personal considerations or relationships. Directors should disclose to the Board any financial interest or other business relationship (such as with a competitor, supplier or customer of the Company) that might interfere with the effective performance of their role as a Director. Any situation that involves, or may reasonably be inferred to involve, a conflict between a Director's material personal interests and the material interests of the Company should be disclosed to the Board or as otherwise required by law. For example, a Director should disclose his or her direct or indirect financial interest, or the direct or indirect financial interest of any member of his or her immediate family, in any transaction under consideration by the Board. In addition, Directors should disclose information on their material financial interests in organizations doing business with the Company. If the Board determines that a matter which has been disclosed to it constitutes a conflict of interest, the Board member

affected by such determination shall take such actions as may be necessary to avoid the conflict of interest.

Improper Conduct and Activities. Directors may not knowingly engage in any conduct or activities that disrupt or impair the Company's relationship with any person or entity (i) with which the Company has a business or contractual relationship (ii) with which the Directors have been advised the Company proposes to enter into a business or contractual relationship or (iii) as to which the Board has expressed an interest in the Company governing the existence or non-existence of a relationship.

Compensation from Non-Company Sources. Directors may not accept compensation (in any form) for services performed for the Company from any source other than the Company in connection with his or her service as a member of the Board (or any committee thereof), unless such compensation is otherwise approved by the Board in advance. "***Compensation***," as used in the foregoing sentence, shall not be deemed to include payments made to a Director (i) by virtue of such Director's status as a shareholder of the Company or (ii) by a shareholder of the Company, or any of such shareholder's affiliates, arising from the Director's position as an employee, officer or equity holder of such shareholder or any of such shareholder's affiliates.

Outside Directorships. Outside directorships can create a conflict of interest situation for a Director. Directors are prohibited from being a director or officer of any entity which they know to be a material customer, supplier or competitor of the Company without the consent of the Board (unless a director was serving in that appointment at the time of his nomination). In addition, prior approval of the Board is required for a director or officer position with a not-for-profit entity which the Company has a business relationship with or if there is an expectation of material financial or other support from the Company.

Gifts. Directors and members of their immediate families may not accept substantial gifts¹ from persons or entities where any such gift is being made in order to influence the Director's actions as a member of the Board (or any committee thereof), or where acceptance of such gifts could create the appearance of a conflict of interest.

Personal Use of Company Assets. Directors should take reasonable steps to promote the protection of the Company's assets and make sure management causes such assets to be used efficiently. Directors may not use Company assets, labor or information for personal use unless such use is approved by the Board, is required in order to discharge their duties, or if such use is part of a compensation or expense reimbursement program available to all Directors.

Director as a Representative of a Shareholder of the Company. In certain instances, a Director of the Company may also be an officer, director or employee of a shareholder of the Company. A Director who serves in such capacity shall not be deemed to violate this Board Code of Conduct by virtue of such service. However, in instances where there is an apparent conflict of interest between the Company and such shareholder, it is anticipated that such

¹ For purposes of this Board Code of Conduct, the term "**substantial gifts**" shall mean (i) gifts of more than token value, (ii) entertainment, the cost of which is in excess of what is considered reasonable, customary and accepted business practice, (iii) loans made on preferential terms, or (iv) other substantial favors.

Director will disclose to the members of the Board the nature of such conflict and the personal financial or other interest of such Director in the shareholder and, where deemed necessary or appropriate, abstain from the consideration and approval of such matter.

Director as a Representative of a Lender to the Company. In certain instances, a Director of the Company may also be an officer, director or employee of a lender to the Company. A Director who serves in such capacity shall not be deemed to violate this Board Code of Conduct by virtue of such service. However, in instances where there is an apparent conflict of interest between the Company and the lender, it is anticipated that such Director will disclose to the members of the Board the nature of such conflict and the personal financial or other interest of such Director in the lender and, where deemed necessary or appropriate, abstain from the consideration and approval of such matter.

Corporate Opportunities

Directors are prohibited from (i) taking for himself or herself opportunities which may be appropriate for the Company to pursue that are discovered by such Director through the use of Company property, information or his or her position as a Director, (ii) using Company property, information or position for personal gain, or (iii) competing with the Company; provided, however, if a majority of the disinterested Directors determine that the Company will not pursue an opportunity that relates to the Company's business and they have been notified of a Director's intent to pursue such opportunity, a Director may do so and none of the Director's activities as at the time of his appointment shall be deemed to contravene these requirements.

Compliance with Laws, Rules and Regulations

Directors shall use their reasonable efforts to promote compliance by Company employees, officers and other Directors, with laws, rules and regulations applicable to the Company, including without limitation, to the extent applicable, insider trading laws.

Confidential and Proprietary Information

Directors have an ethical and, in many cases, a legal duty not to use for their own benefit or disclose confidential, non-public, proprietary information concerning the Company, customers, business partners, suppliers and others with whom the Company does business. Directors should maintain the confidentiality of information entrusted to them by the Company and any other confidential information they may receive in their capacity as Directors, from whatever source, (and not use for their own benefit) except when disclosure is expressly authorized or legally mandated.

Fair Dealing

Directors shall endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. Directors shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Encouraging the Reporting of Illegal or Unethical Behavior

Directors should use their reasonable efforts to promote ethical behavior and encourage an environment in which the Company (i) encourages employees to talk to supervisors, managers and other appropriate personnel (including the Board, committees of the Board or individual directors where appropriate) when in doubt about the best course of action in a particular situation, (ii) encourages employees to report violations of laws, rules, regulations or the Employee Code of Conduct to appropriate personnel (including the Board, committees of the Board or individual directors where appropriate), and (iii) informs employees that the Company will not allow retaliation for reports made in good faith.

Communications on Behalf of the Company

The Board believes that the Chief Executive Officer and his or her designees generally speak for the Company. Directors should not speak for the Company unless requested to do so by the Board or the Chief Executive Officer or unless the Board or the Chief Executive Officer has previously approved of the communication.

Corporate Compliance and Procedures for Reporting Violations

Directors should communicate any actual or suspected violations of the Board Code of Conduct promptly by telephone, in person or in writing to the Chairman of the Board. If a suspected violation involves the Chairman of the Board, such violation should be communicated to the Chairman of the Audit Committee. Violations of the Board Code of Conduct will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event of any violations of the Board Code of Conduct.

Amendments and Waivers

Any amendments or waivers to the Board Code of Conduct must be approved by the Board, the Audit Committee or such other Board committee as the Board may authorize from time to time. The Company will publicly disclose any amendments or waivers, including any implicit waivers, of the Board Code of Conduct in accordance with the requirements of applicable law or regulatory requirements.

Definition

For purposes of this Board Code of Conduct, references to "**competitors**" or entities "**competing**" with the Company shall refer to a person who is, either directly or individually through one or more subsidiaries or affiliates, engaged in the business of providing therapeutic products focused on cancer, except to the extent that a majority of disinterested directors may determine that a particular business of providing therapeutic products focused on cancer is not in competition with the products then engaged in by the Company and its subsidiaries. Provided that a Director's direct and indirect ownership of voting securities of a competitor represents less than 5% of such competitor's securities outstanding, the mere ownership, as a sole factor, will not cause the Director to be deemed to be "competing" with the Company.