

PHASERX, INC.

WHISTLEBLOWER POLICY

General

The PhaseRx, Inc. (the “**Company**”) Code of Ethics and Business Conduct for Officers, Directors and Employees (the “**Code**”) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Company, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

This Whistleblower Policy is subject to repeal and amendment at any time by the Board of Directors.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations of the Code, including those violations relating to accounting, internal controls and auditing matters, in accordance with this Whistleblower Policy.

No Retaliation

No director, officer or employee who in good faith reports a violation or suspected violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation or suspected violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Company prior to seeking resolution outside the Company.

Reporting Violations

The Code addresses the Company’s open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee’s supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor’s response, you are encouraged to speak with anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report violations and suspected violations of the Code to the Company’s VP, Finance or Audit Committee, as applicable, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or are uncomfortable with following the Company’s open door policy, individuals should contact the Company’s VP, Finance directly. Reports of violations or suspected violations of the Code by any employee of the Company other than an executive officer or a director should be in writing, marked confidential and addressed to the VP, Finance. Reports of violations or suspected violations of the Code by an executive officer or a director of the Company should be in writing, marked confidential and addressed to the Audit Committee.

You may also contact our toll-free Corporate Compliance/Whistleblower Hotline, which is administered through a third party. Use the following contact information, on a confidential, anonymous basis if you so desire, to report any good faith questions, concerns, suggestions or complaints regarding violations or suspected violations of the Code:

Phone number: 1-844-490-0002

Website: www.lighthouse-services.com/phaserx

Role of Audit Committee/VP, Finance

The Company has established an Audit Committee empowered to enforce this Code. The Audit Committee will report to the Board of Directors at least once each year regarding the general effectiveness of the Code, the Company's controls and reporting procedures and the Company's business conduct. The Company's VP, Finance is responsible for investigating all reported complaints and allegations concerning violations of the Code and, at his or her discretion, shall advise the Audit Committee. However, any reported complaints and allegations regarding an executive officer or a director shall be sent to the Audit Committee. The VP, Finance has direct access to the Audit Committee and is required to report to the Audit Committee at least annually on compliance activity.

Accounting and Auditing Matters

The Audit Committee of the Board of Directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The VP, Finance shall immediately notify the Audit Committee of any such complaint and work with the Audit Committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must act in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality and Anonymity

Violations or suspected violations may be submitted on a confidential or anonymous basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Also, legal or business requirements may not allow for complete anonymity. In some cases it may not be possible to proceed with or properly conduct a complete investigation unless the complainant identifies himself or herself.

Handling of Reported Violations

The VP, Finance will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.