

**REXAHN PHARMACEUTICALS, INC.**

**CODE OF ETHICS AND BUSINESS CONDUCT  
(Reviewed and approved as of September 1, 2014)**

The following policies and procedures contained in this Code of Ethics and Business Conduct (the “Code”) have been adopted by the Board of Directors (the “Board”) of Rexahn Pharmaceuticals, Inc. (the “Company”) and represent both the code of ethics for the principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions (collectively, the “Financial Officers”) as defined under Securities and Exchange Commission (“SEC”) rules, and a more general code of business conduct and ethics for members of the Board (each, a “Director,” and collectively, the “Directors”), officers and employees. The Code applies to all Directors, officers and employees. The Audit Committee of the Board (the “Audit Committee”) is authorized to review any issues under the Code, retain legal counsel and report its findings to the Board.

The Code is posted on the Company’s Internet web site at [www.rexahn.com](http://www.rexahn.com). The Company will also disclose on its Internet web site any amendments to the Code. The Board does not envision that any waivers of the Code will be granted, but should a waiver be granted for any Director or executive officer, it will be promptly disclosed on a Form 8-K filed with the SEC.

Each Director, officer and employee is expected to (1) read and understand the Code and its application to the performance of his or her business responsibilities, and (2) conduct himself or herself in accordance with the Code and seek to avoid even the appearance of wrongdoing or improper behavior. The Company may adopt other policies from time to time that govern the conduct of Directors, officers and employees and which supplement and are in addition to the Code.

After carefully reviewing the Code, each Director, officer and employee must sign an acknowledgement provided by the Company on an annual basis or as otherwise required by the Company indicating that they have received, read, understand and agree to comply with the Code.

**Ethics Policy**

Obeying the law both in letter and in spirit is the foundation on which the Company’s ethical standards are built. It is the policy of the Company to comply with all governmental laws, rules and regulations of the jurisdictions in which the Company operates and the rules and regulations applicable to its business. As a public reporting company with its stock trading on a national stock exchange, the Company is also subject to regulation by the SEC and the applicable listing standards of that stock exchange. Disregard of the law will not be tolerated. Violation of domestic or foreign laws, rules and regulations may subject an individual, as well as the Company, to civil or criminal penalties. Although each Director, officer and employee is not expected to know the details of the laws, rules and regulations to which the Company is subject, it is important to understand enough to determine when it is necessary or appropriate to seek advice from supervisors, managers or other persons who can provide guidance on such matters.

The Company cares how results are obtained, not just that they are obtained. Directors, officers and employees should deal fairly with each other, with the Company's customers and with other third parties. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited. Directors, officers and employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

The Company expects compliance with its standard of integrity throughout the organization and will not tolerate employees who achieve results at the cost of violation of law or this Code. The Company's Directors and officers support, and expect the Company's employees to support, any employee who passes up an opportunity or advantage that would sacrifice ethical standards.

It is the Company's policy to comply fully with all applicable financial reporting and accounting regulations and that all transactions will be accurately reflected in its books and records. This, of course, means that falsification of books and records and the creation or maintenance of any off-the-record bank account is strictly prohibited. Employees are required to record all transactions accurately in the Company's books and records, and to be honest and forthcoming with the Company's internal and independent auditors. Directors, officers and employees must comply at all times with all laws, rules and regulations relating to the preservation of records, all records retention policies and all document or record preservation notices. Directors, officers and employees should be aware that conduct and records, including e-mails, are subject to internal and external audits and to discovery by third parties in the event of a government investigation or civil litigation.

The Company expects candor from employees at all levels and adherence to its policies and internal controls. A harm that results when employees conceal information from higher management or the Company's auditors is that other employees think they are being given a signal that the Company's policies and internal controls can be ignored when they are inconvenient. That can result in corruption and demoralization of an organization. The Company's system of management will not work without honesty.

It is the Company's policy to make full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with the SEC and in other public communications. All employees are responsible for reporting relevant material information known to them to higher management so that the information will be available to senior executives responsible for making disclosure decisions. The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing effective disclosure controls and procedures and internal controls over financial reporting within the meaning of applicable SEC rules and regulations. The Company expects the Chief Executive Officer and Chief Financial Officer to take a leadership role in implementing such controls and procedures and to position the Company to comply fully with its disclosure obligations within the timeframe required under applicable SEC rules and regulations. No Director, officer or employee should interfere with, hinder or obstruct the Company's efforts to meet the standards for public disclosure set forth above.

## **Special Guidelines for Financial Officers**

Each Financial Officer is additionally required to comply with the following guidelines in order to fulfill the public disclosure requirements included in the Company's Ethics Policy:

- (1) Carefully review drafts of reports and documents the Company is required to file with, or submit to, the SEC before they are filed or submitted, and Company press releases or other public communications before they are released to the public, with particular focus on disclosures each Financial Officer does not understand or agree with and on information known to the Financial Officer that is not reflected in the report, document, press release or public communication;
- (2) Comply with the Company's disclosure controls and procedures and internal controls over financial reporting as in effect from time to time, which have been designed to ensure that the information required to be disclosed by the Company in its SEC filings is collected, processed, summarized and disclosed in a timely fashion and accumulated and communicated to the appropriate persons;
- (3) Promptly bring to the attention of the Company's management and the Audit Committee any material information of which a Financial Officer may become aware that affects the disclosures made by the Company in its public filings, any material information that may assist the Company's management and the Audit Committee in fulfilling its responsibilities, matters that a Financial Officer feels could compromise the integrity of the Company's financial reports or disagreements on accounting matters; and
- (4) Always act with the highest standards of personal and professional integrity and do not tolerate others who attempt to deceive or evade responsibility for actions.

## **Conflicts of Interest/Corporate Opportunity Policy**

It is the Company's policy that Directors, officers and employees are expected to avoid any actual or apparent conflict between their own personal interests and the interests of the Company. Directors, officers and employees may not participate in a joint venture, partnership or other business arrangement with the Company without the prior approval of the Board. Transactions or arrangements that involve a conflict of interest are prohibited unless they have been specifically approved in advance by the Board. A conflict of interest can arise when a Director, officer or employee takes actions or has personal interests that may interfere with the effective performance of work for the Company. Conflicts of interest also arise when a Director, officer or employee, or any family member (including a spouse, parents, children or siblings, whether by blood, marriage or adoption, or anyone residing in such person's home) of such person, receives improper personal benefits as a result of his or her position at the Company. Loans to, other than those made in the ordinary course of business, or guarantees or obligations of, employees or their family members may also create a conflict of interest.

Directors, officers and employees are required to refrain from taking for themselves opportunities discovered through their use of corporate assets or information or through their position(s) with the Company unless such opportunities are first presented to the Board and the Board declines to pursue such opportunities. Directors, officers and employees are prohibited

from using corporate property, information or position for personal gain. In accordance with the Company's Insider Trading Policy, Directors, officers and employees are required to avoid securities transactions based on material, nonpublic information learned through their positions with the Company. Directors, officers and employees are required to refrain from competing with the Company.

### **Corporate Assets Policy**

It is the Company's policy that Directors, officers and employees are expected to protect the assets of the Company and use them efficiently to advance the Company's interests. Those assets include tangible assets and intangible assets, such as confidential information of the Company. No Director, officer or employee should use or disclose at any time during or subsequent to employment or other service to the Company, without proper authority or mandate, confidential information obtained from any source in the course of the Company's business. Examples of confidential information include nonpublic information about the Company's business, plans, earnings, financial forecasts, business forecasts, discoveries, competitive bids, technologies and personnel. Any suspected incident of fraud or theft of Company assets should be immediately reported to a supervisor.

### **Directorships Policy**

It is the Company's policy to restrict the holding by officers and employees of directorships in nonaffiliated for-profit organizations and to prohibit the acceptance by any officer or employee of such directorships that could involve a conflict of interest with, or interfere with, the discharge of the officer's or employee's duties to the Company. Any officer or employee may hold directorships in nonaffiliated non-profit organizations, unless such directorships would involve a conflict of interest with, or interfere with, the discharge of the officer's or employee's duties to the Company, or obligate the Company to provide support to the nonaffiliated non-profit organizations. Officers and employees may serve as directors of affiliated companies and such service may be part of their normal work assignments.

All directorships in public companies held by Directors are subject to review and approval by the Board. In all other cases, directorships in nonaffiliated, for-profit organizations are subject to review and approval by the management of the Company, as directed by the Company's Chairman of the Board.

### **Procedures and Open Door Communication Policy**

The Company encourages employees to ask questions, voice concerns and make appropriate suggestions regarding the business practices of the Company. Employees are expected to report promptly to management suspected violations of the Code, applicable law and the Company's policies and internal control procedures so that management can take appropriate corrective action. The Company understands that there may be some situations in which it is difficult to know right from wrong. If something you have seen, heard or been asked to do (or not do) seems illegal, unethical or improper, it may very well be. Each Director, officer and employee should use his or her judgment before taking any action that could be deemed a violation of the Code, applicable law or the Company's policies and internal controls.

**The Company will not tolerate any retaliation against any Director, officer or employee for raising, in good faith, a possible violation of this Code, applicable law or the Company's policies and internal control procedures. Retaliation for reporting a federal offense is illegal under federal law. Any person who participates in retaliatory conduct will be subject to disciplinary action, up to and including termination. Misusing the Code by knowingly or recklessly providing false information to the Company may also result in appropriate disciplinary action.**

Normally, an employee should first discuss suspected violations of the Code, applicable law, policies or internal control procedures with the employee's immediate supervisor. Each supervisor is expected to be available to subordinates for that purpose. If an employee is dissatisfied following such a discussion with the employee's immediate supervisor, or if an employee's immediate supervisor is involved in the matter giving rise to the suspected violation, the employee is encouraged to request further reviews, in the presence of the supervisor or otherwise. Reviews should continue to the level of management appropriate to resolve the issue. Reports may be made, under any circumstance and without the need to first discuss the matter with a supervisor, directly as follows:

**To the Chief Financial Officer:**

Rexahn Pharmaceuticals, Inc.  
15245 Shady Grove Road, Suite 455  
Rockville, MD 20850  
Attention: Chief Financial Officer

**To the Audit Committee:**

Audit Committee  
Rexahn Pharmaceuticals, Inc.  
15245 Shady Grove Road, Suite 455  
Rockville, MD 20850  
Attention: Audit Committee Chair

**Through the Compliance Hotline:**

Or

**To the Company's outside legal counsel:**

(410) 659-2700 (ask for Asher M. Rubin)

**Suspected violations of the Code, applicable law or the Company's policies involving a Director or executive officer, as well as any concern regarding questionable accounting or auditing matters ("Accounting and Auditing Matters"), may also be referred directly to the Audit Committee or the Chief Financial Officer.** Complaints or concerns regarding Accounting and Auditing Matters include, without limitation, (1) fraud or deliberate error in the preparation, evaluation, review or audit of any Company financial statement, (2) fraud or deliberate error in the accounting of, or the recording and maintaining of, the Company's financial

records, (3) deficiencies in, or noncompliance with, the Company's internal accounting controls, (4) misrepresentation or false statements to or by a Company employee or Company accountant or auditor regarding a matter contained in the Company's financial records, financial reports or audit reports, (5) violations of state or federal securities laws, including, but not limited to, the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act, and (6) deviation from full and fair reporting of the Company's financial condition. The Audit Committee is authorized to review and direct the investigation of all issues involving Directors, executive officers and Accounting and Auditing Matters, and, in its sole discretion, may refer any or all such issues to the Board, outside legal counsel or third party investigative services. The Audit Committee will maintain, or cause to be maintained, a log of all complaints or concerns regarding Accounting and Auditing Matters, tracking their receipt, investigation and resolution.

Employees wishing to make complaints without identifying themselves may do so by writing the Audit Committee at the addresses listed above or telephoning the Company's Compliance Hotline. The Company will use reasonable efforts to protect the identity of any Director, officer or employee who reports potential misconduct and the identity of the person about or against whom an allegation is brought, unless and until it is determined that a violation has occurred. All persons responding to employees' questions, concerns, complaints and suggestions are expected to use appropriate discretion regarding anonymity and confidentiality, although the preservation of anonymity and confidentiality may or may not be practical, depending on the circumstances. For example, investigations of significant complaints typically necessitate revealing to others information about the complaint and complainant. Similarly, disclosure can result from government investigations and litigation.

The intent of the Company is to investigate promptly reports of suspected violations of the Code, applicable law, policies and internal control procedures. All concerns will be taken seriously by the Company and, when appropriate, the Company will fully investigate each allegation. Management and the Audit Committee are ultimately responsible for the investigation of and appropriate response to reports of suspected violations of the Code, applicable law, policies and internal control procedures. The persons who investigate suspected violations are expected to exercise independent and objective judgment. Towards this end, most investigations will be conducted by outside legal counsel at the direction of the Audit Committee.

All employees must cooperate fully with any and all investigations relating to a potential violation of this Code, applicable law, policies and internal control procedures. Such cooperation shall include, without limitation, being accessible to answer questions, disclosing relevant information and generally aiding the investigation in any reasonable manner requested.

Upon completion and resolution of any investigation, the report or complaint and all information and documentation relating to the investigation shall promptly be archived by the Company in accordance with applicable law and any applicable document retention policies.

## **Waivers**

Only the Board has the authority to make exceptions or grant waivers to these policies. If there is an exception or waiver granted, the Board will specifically find that such a waiver or

exception is warranted and is being granted and shall promptly disclose such information to shareholders. In those instances where the Company, through the Board after review, approves an activity or situation, including without limitation a related party transaction, without specifically citing a waiver or exception to these policies, the Company is not granting an exception or waiver but is determining that there is no policy violation. It is recognized that there will be questions about the application of the policies to specific activities and situations. In cases of doubt, Directors, officers and employees are expected to seek clarification and guidance from the Board or the Audit Committee. If the Company determines that there is or would be a policy violation, appropriate action will be taken.

### **Enforcement Policy**

Failure to comply with the Code, including, without limitation, failure to (1) behave honestly, (2) comply with applicable law, the Company's policies or internal control procedures, or (3) cooperate fully with any and all investigations initiated pursuant to the Code, may result in disciplinary action up to and including termination.

Ultimate responsibility for enforcement of the Code shall lie with the Audit Committee, with the assistance of the management of the Company. Management of the Company, working at the direction of the Audit Committee, shall work with outside counsel to provide legal advice as to the interpretation of the Code. The Audit Committee shall have the authority to direct investigations initiated pursuant to the Code and take such actions as are necessary to end any conduct found to be in violation of the Code. No inquiry or investigation shall be commenced unless authorized and requested by the Audit Committee, which may instruct internal Company personnel, an outside law firm or other unrelated entity to perform such inquiry or investigation.

Please note that the Code is not intended to and does not create a contract of employment between employees and the Company, and compliance with the Code is expected, but does not guarantee that employment with the Company will continue.

Effective: September 1, 2014