

**CYTOSORBENTS CORPORATION
CORPORATE GOVERNANCE GUIDELINES**

As adopted on October 20, 2014

I. Introduction.

The policy of the Board of Directors (the “**Board**”) of CytoSorbents Corporation (the “**Company**”) is that the Company shall take all necessary action to comply fully with all applicable provisions of the Sarbanes-Oxley Act of 2002, regulations of the Securities and Exchange Commission (the “**SEC**”) and the NASDAQ Stock Market (“**NASDAQ**”), and to adopt practices and procedures designed to assure that the Company conducts its business in accordance with all applicable laws and regulations and best corporate governance practices. These guidelines have been prepared by the Nominating and Corporate Governance Committee of the Board, in consultation with counsel, and approved by the Board, and are intended to establish practices and procedures designed to implement this policy. These guidelines supplement the Company’s existing policies and the charters of the committees of the Board and are subject in all respects to the provisions of the Company’s Articles of Incorporation and Bylaws.

II. The Role of the Board of Directors.

A. Director Responsibilities.

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. In discharging this responsibility, the Board will provide oversight, counseling and direction to the management of the Company in the interest and for the benefit of the Company’s stockholders and, unless prohibited by applicable law or regulation or NASDAQ, may delegate responsibility for such oversight, counseling and direction to one or more committees of the Board. In addition, the directors may reasonably rely on information, opinions, reports or statements presented to the Board by the Company’s senior management or employees, Board committees, and expert legal, accounting, financial and other advisors as to the matters the director reasonably believes are within such other person’s professional or expert competence.

The Board believes that management of the Company should speak for the Company. Although individual directors may occasionally meet or otherwise communicate with stockholders, customers and others with whom the Company deals regarding Company matters, absent unusual circumstances or as contemplated by the charters of the Board’s various committees, such communications should be undertaken only with the knowledge of management and, in most instances, at the request of management.

B. Oversight.

The Company’s business is conducted by its employees, managers and officers, under the direction of the Company’s Chief Executive Officer and the oversight of the Board, to enhance

the long-term value of the Company for its stockholders. The Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. In order to effectively do so, the Board must (a) ensure the Company operates in a legal, ethical, and socially responsible manner, (b) review, approve, and monitor fundamental financial and business strategies and major corporate actions, (c) oversee the Company's capital structure and financial policies and practices, (d) provide counsel and oversight on the selection, evaluation, development and compensation of executive officers and provide critical and candid feedback on their successes and failures, and (e) oversee the Company's risk management, assess major risks facing the Company, and review options for the mitigation of such risks, as discussed further below.

The Company faces a number of risks, including general economic risks, operational risks, financial risks, competitive risks and reputational risks. While management is responsible for the day-to-day management of those risks, the Board has ultimate oversight responsibility for risk management and committees of the Board have responsibilities with respect to various aspects of risk oversight. In particular, the Audit Committee plays a significant role in monitoring and assessing the Company's financial reporting. The Audit Committee reviews and discusses with management areas of financial risk and exposure and steps management has taken to monitor and control such exposure. The Audit Committee is also responsible for reviewing and approving transactions between the Company and any related parties. The Compensation Committee monitors and assesses risks associated with the Company's compensation policies, and oversees the development of incentives that encourage a level of risk-taking consistent with the Company's overall strategy. The Nominating and Corporate Governance Committee has oversight responsibility for corporate governance risks.

C. Board Meetings.

Regular meetings of the Board shall be held at least four times per year, and special meetings shall be held as required. Without limiting the foregoing, the Board shall meet as frequently as necessary for the directors to properly discharge their responsibilities and ensure appropriate oversight of the Company. Every effort should be made to schedule meetings sufficiently in advance to ensure maximum attendance at each meeting. All directors are expected to (a) review all relevant materials in advance of each Board meeting, (b) prepare properly for all Board meetings, and discussions with management of the Company, (c) participate, whether telephonically or in person, in all Board meetings, (d) serve on Board committees, and (e) devote such time and attention as is necessary to properly discharge his or her responsibilities as a director.

The Chairman of the Board (the "***Chairman***"), in consultation with members of management, shall set the agenda for each meeting. All directors should be given the opportunity to raise items for consideration to be placed on the agenda by contacting the Chairman in advance. To the extent practicable, management and any committees of the Board should provide directors with materials concerning matters to be acted upon in advance of the applicable meeting.

D. Conduct of Meetings.

The Chairman shall preside over Board meetings, which shall be conducted in accordance with customary practice in a manner that ensures open communication, meaningful participation, and timely resolution of issues.

E. Executive Sessions of the Independent Directors.

The independent directors will meet periodically in executive session. In normal circumstances, executive sessions shall be scheduled as a part of all regular Board meetings, and, in any event, such sessions shall be held not less than twice during each calendar year. Executive sessions shall be chaired by the Chairman if he or she is an independent director, or, if not, by any independent director designated by the other independent directors. The chairman of each executive session will report to the Chief Executive Officer, as appropriate, regarding relevant matters discussed in the executive session.

III. Composition of the Board of Directors.

A. Director Qualifications.

The Nominating and Governance Committee is responsible for, among other things, the selection and recommendation to the Board of nominees for election as directors.

When considering the nominees for election as directors at an annual meeting or to fill an existing vacancy, the Nominating and Corporate Governance Committee reviews the needs of the Board for various skills, background, experience and expected contributions and the qualification standards established from time to time by the Committee. When reviewing potential nominees, including incumbents, the Nominating and Corporate Governance Committee considers the perceived needs of the Board as a whole, the candidate's relevant background, experience and skills and expected contributions to the Board.

The Nominating and Corporate Governance Committee's goal is to assemble a board of directors that brings to the Company a diversity of experience in areas that are relevant to the Company's activities. Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the stockholders. They must have an inquisitive and objective outlook and mature judgment. They must also have experience in positions with a high degree of responsibility and be leaders in the companies and institutions with which they are, or have been, affiliated. While the Company does not have a specific policy regarding diversity, when considering the nomination of directors, the Nominating and Corporate Governance Committee does consider the diversity of its directors and nominees in terms of knowledge, experience, background, skills, expertise and other demographic factors.

Director candidates must have sufficient time available in the judgment of the Nominating and Corporate Governance Committee to perform all Board and committee responsibilities that will be expected of them. Members of the Board are expected to rigorously prepare for, attend and participate in all meetings of the Board and applicable committees.

B. Director Independence.

A majority of the directors shall satisfy the independence requirements of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and the rules of the SEC and NASDAQ.

C. Conflicts of Interest.

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company or gives the appearance of such a conflict. The Company will annually solicit information from directors in order to monitor potential conflicts of interest and directors are expected to be mindful of their fiduciary obligations to the Company.

D. Change in Director Circumstances.

A director who experiences any significant change in his or her personal circumstances, including a change in the director’s principal occupation or job responsibilities, shall consult with the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee regarding the impact of such change on the director’s ability to continue to carry out his or her duties and responsibilities effectively and whether continued Board service is appropriate. Where appropriate, the Nominating and Corporate Governance Committee shall review such change in circumstances and make its recommendation to the Board.

E. Mandatory Retirement Age.

The Board does not believe that a fixed retirement age for directors is appropriate.

F. Term Limits.

The Board does not believe it is appropriate to establish term limits for service as a director. Although term limits could help ensure that fresh ideas and viewpoints are available to the Board, they have the disadvantage of forcing the loss of directors who have been able to develop, over a period of time, valuable insight into the Company and its operations and who, therefore, provide an increasingly valuable contribution to the Board as a whole.

G. Size of Board.

The Board will periodically evaluate the appropriate size of the Board and make any changes it deems appropriate.

IV. Chairman of the Board

The Company’s Bylaws provide that the directors may elect a Chairman from among the directors. The Board has no policy mandating the separation of the offices of the Chairman and the Chief Executive Officer.

The Chairman of the Board, if one is elected, shall receive, distribute to the Board and arrange responses to communications from stockholders and shall be identified as the recipient of such communications in the annual meeting proxy statement.

V. Stockholder Communications with Directors.

Stockholders may communicate with the Board, or any individual director, by transmitting correspondence by mail or email, addressed as follows: Board of Directors or individual director, c/o **[individual acting as Corporate Secretary]**, 7 Deer Park Drive, Suite K, Monmouth Junction, NJ 08852; **[Email Address: _____@_____]**. The **[individual acting as Corporate Secretary]** will maintain a log of such communications and will transmit as soon as practicable such communications to the Board or to the identified director(s), although communications that are abusive, in bad taste or that present safety or security concerns may be handled differently, as determined by the **[individual acting as Corporate Secretary]**.

All directors are encouraged to attend the Company's annual meeting of stockholders.

VI. Directors' Access to Management.

The directors shall have complete access to the Company's senior management. Directors shall use their judgment to ensure that contacts with Company personnel are not disruptive to the Company's operations. Except for contacts specifically approved by the Board or the Audit Committee, directors will inform the Chief Executive Officer of the general nature of all communications with Company personnel.

The Board encourages the Chief Executive Officer to invite members of the Company's management to attend Board meetings in order to (a) provide the Board with additional insight into matters discussed during the meeting or (b) expose to the Board key employees with future potential as senior managers of the Company.

VII. Assessment of Board and Committee Performance.

The Nominating and Corporate Governance Committee is responsible for conducting an annual evaluation of the performance of the full Board and reporting its conclusions to the Board. The Nominating and Corporate Governance Committee's report should generally include an assessment of the Board's compliance with the principles set forth in these guidelines, as well as identification of areas in which the Board could improve its performance. Each of the Audit, Compensation and Nominating and Corporate Governance Committee will also conduct an annual evaluation and assessment of the effectiveness of the performance of such committee.

VIII. Retention of Advisors and Consultants.

The Board and each committee of the Board shall have the authority to retain outside financial, legal or other advisors as they deem appropriate, and shall have the authority to obtain advice, reports or opinions from internal and external counsel and advisors, without consulting with or obtaining approval from any officer of the Company. The Company shall provide

appropriate funding, as determined by the Audit, Compensation, and Nominating and Corporate Governance Committees to any advisors engaged by such committee.

IX. Director Compensation.

Non-employee directors may receive reasonable compensation for their services on the Board and its committees, as may be determined from time to time by the Compensation Committee. Compensation for non-employee directors, if paid, shall be consistent with the market practices of other similarly situated companies.

X. Director Stock Ownership.

While the Board has not established a required level of share ownership for individual directors, the Board believes that directors should be stockholders in order to better align their interests with the long-term interests of the Company's stockholders.

XI. Director Education and Orientation.

The Company will develop and maintain an orientation program for new directors that shall include meetings with senior management and visits to the Company's facilities. Incumbent directors shall also be invited to attend the orientation program. All directors will comply with any continuing education requirements developed by NASDAQ.

XII. Committees of the Board.

The Board will at all times maintain an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All members of these committees will be independent directors under the criteria established by the Exchange Act and the rules of the SEC and NASDAQ. From time to time, the Board may establish such other standing or special committees as it may deem to be necessary or appropriate to carry out its responsibilities. Committee members will be appointed by the Board. Each committee will have its own charter which will set forth the purposes, duties and responsibilities of the committee.

XIII. Executive Compensation.

The Compensation Committee shall annually review and make recommendations to the Board regarding executive compensation. As part of its evaluation process, the Compensation Committee shall meet or confer with the Chief Executive Officer and other senior executive as it deems appropriate. The evaluation shall be based upon objective criteria, including the Company's financial performance, accomplishment of strategic objectives and the development of management.

XIV. Succession Planning.

The Board is responsible for planning for the succession of the position of the Chief Executive Officer and other senior management positions. To assist the Board, the Chief Executive Officer shall report periodically to the Board on succession planning. The independent directors shall consult with the Chief Executive Officer to (i) develop plans for

interim succession of the Chief Executive Officer in the event that such officer should become unable to perform his or her duties and (ii) assess the qualification of senior officers as potential successors to the Chief Executive Officer.