



Employee Handbook

UPDATED JUNE 2018

ABOUT THIS HANDBOOK

This Handbook is provided and intended as a helpful guideline. It is not intended to be comprehensive or to address all possible applications of, or exceptions to, the general policies and procedures described. *This Handbook does not constitute, nor should it be construed to constitute, an agreement or contract of employment, express or implied, or as a promise of treatment in a particular manner in any given situation. Employment is not for any specific time and may be terminated at any time, with or without notice, cause or reason, by the employee or by Carl Marks, unless subject to any written contracts with the Company. Carl Marks may at any time, in its sole discretion and without notice, change, modify, deviate, supplement or revoke anything stated in this Handbook. Such changes shall be effective immediately unless otherwise stated.*

Some matters covered by this Handbook are described in separate Company documents. These official documents always are controlling over any statement made in this Handbook or by any member of Management.

Since this Handbook restates and clarifies existing Company policies, it supersedes all prior Handbooks, manuals, policies and procedures previously issued by the Company. We expect everyone to take the necessary time to read this Handbook and understand that this Handbook applies to all employees regardless of date of hire.

There are numerous references in this Handbook to individuals involved in the Management and administration of Company policies, (hereinafter “Management”) and they are:

Mark L. Cluster	President
Robert A. Speer	Chief Financial Officer
Linda L. Caffin	Chief Administrative Officer

This Handbook and policies contained herein apply to all officers, employees and partners (collectively referred to hereafter as “employees”) of Carl Marks & Co. LP as well as all officers, employees, partners, principals and members of any affiliates of Carl Marks & Co. LP who work at any of the Carl Marks offices.

This Employee Handbook is intended for Carl Marks internal use only.

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I. INTRODUCTION

WELCOME

The Carl Marks family of businesses (collectively “Carl Marks” or the “Company”) values the individual contributions of all our employees. With your loyal support, we collectively work together with a shared interest in building our businesses to assure the continued profitability of our Company and continued opportunity for all of us.

ORGANIZATIONAL PHILOSOPHY

Carl Marks is committed to the philosophy of fair and impartial treatment of our employees at all times. The Company endeavors to treat every employee as an individual and as an important participant in the successful operation of our business.

It is our objective to provide employees with the opportunity to express their problems, suggestions and comments directly to Management. It follows, therefore, that employees may speak to any supervisor, principal or member of the Management team, raise questions and receive answers to anything that may be on their minds. Carl Marks remains committed to listening and responding in a responsible manner.

We strongly believe that individual consideration provides the best climate for our maximum development, teamwork and the attainment of our goals. We enthusiastically embrace our responsibility to provide employees with good working conditions, competitive wages and benefits, fair treatment and the personal respect that is rightfully theirs.

EQUAL EMPLOYMENT POLICY

Carl Marks is an equal opportunity employer. It is the policy of the Company to prohibit discrimination of any type and to afford equal employment opportunities to employees and applicants without regard to race, creed, color, religion, sex, national origin, ancestry, age, alienage or citizenship status, disability or handicap, marital status, familial status, veteran status, sexual orientation, arrest record, genetic information or any other characteristic protected by applicable federal, state or local laws. The Company will conform to both the spirit and letter of all applicable laws and regulations.

The policy of equal employment opportunity and anti-discrimination applies to all aspects of the relationship between the Company and its employees including, but not limited to, recruitment and hiring, employment, placement, promotion, transfer, training, termination, working conditions, compensation, benefits, employee activities and general treatment during employment.

Carl Marks will endeavor to accommodate the sincere religious beliefs of its employees to the extent such an accommodation does not pose an undue hardship on the Company’s operations. If you wish to request such an accommodation, please speak with the Chief Administrative Officer.

Any questions or concerns about equal employment opportunities in the workplace should be brought to the attention of Management. Every report of perceived denial of equal employment opportunity

will be fully investigated and corrective action, up to and including discharge, will be taken where appropriate. Violation of this policy, regardless of whether an actual law has been violated, will not be tolerated. Carl Marks will not allow any form of retaliation against individuals who raise issues of equal employment opportunity or discriminatory practices.

ANTI-HARASSMENT POLICY

Carl Marks strives to create and maintain a work environment characterized by mutual trust and the absence of intimidation, oppression and exploitation. Employees should be able to work, contribute and learn in a safe yet stimulating atmosphere free from harassment, discrimination and improper conduct. Carl Marks will not tolerate harassment, discrimination or improper conduct of any nature. Through enforcement of this policy, we seek to prevent, correct and/or discipline behavior that violates this policy. All employees, regardless of their position, are covered by and are expected to comply with this policy, and to take appropriate measures to ensure that prohibited conduct does not occur. Every report of perceived harassment, discrimination or improper conduct will be promptly and fully investigated and corrective action will be taken where appropriate.

Prohibited Conduct Under This Policy

Workplace Harassment

Workplace harassment, including sexual harassment, is prohibited by federal and state laws. This policy prohibits harassment of any kind, and Carl Marks will take appropriate action swiftly to address any violations of this policy. The definition of harassment is verbal or physical conduct that:

- Denigrates or shows hostility toward an employee because of his or her race, creed, color, religion, sex, national origin, ancestry, age, alienage or citizenship status, disability or handicap, marital status, familial status, veteran status, sexual orientation, arrest record, genetic information or any other characteristic protected by applicable federal, state or local laws
- Has the purpose or effect of substantially interfering with an employee's work performance and
- Creates an intimidating, offensive or hostile work environment

Examples of harassment and/or improper conduct may include, but are not limited to:

- Verbal: Comments, epithets, slurs or negative stereotyping that are derogatory, demeaning or insulting regarding a person's race, creed, color, religion, sex, national origin, ancestry, age, alienage or citizenship status, disability or handicap, marital status, familial status, veteran status, sexual orientation, arrest record, genetic information or any other characteristic protected by applicable federal, state or local laws. Depending upon the circumstances, improper conduct could include sexual joking, vulgar or offensive conversations or jokes, comments regarding one's physical appearance, conversations about one's own or another's sex life, teasing or other conduct directed toward a person because of their gender which is sufficiently severe or pervasive to create an unprofessional and hostile working environment
- Non-verbal: Distribution, display or discussion of any written or graphic material that ridicules,

maligns, insults, belittles or shows hostility or aversion toward an individual or group because of race, creed, color, religion, sex, national origin, ancestry, age, alienage or citizenship status, disability or handicap, marital status, familial status, veteran status, sexual orientation, arrest record, genetic information or any other characteristic protected by applicable federal, state or local laws

Sexual Harassment

Sexual harassment in any form is prohibited under this policy. Sexual harassment is defined as any *unwelcome or unsolicited* sexual advance, request for sexual favors, or any other verbal, nonverbal, or physical conduct of a sexual nature when, for example:

- Submission to the conduct is made either an explicit or implicit condition of employment
- Submission to, or rejection of, the conduct by the employee is the basis for either continued employment or for employment decisions affecting pay, benefits or advancement opportunities or
- Such conduct is severe and pervasive, has the purpose or effect of unreasonably interfering with an employee's work performance or creates an intimidating, hostile or offensive work environment

Examples of conduct that may constitute sexual harassment include, but are not limited to:

- Verbal: Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, lewd remarks, threats; requests for any type of sexual favor (this includes repeated, unwelcome requests for dates); verbal abuse of a sexual nature or "kidding" which is oriented towards a prohibitive form of harassment
- Non-verbal: Distribution, display or discussion of any written or graphic material, including calendars, posters and cartoons, that are sexually suggestive or show hostility toward an individual or group because of sex; suggestive or insulting sounds; leering, staring, whistling or obscene gestures; content in letters and notes, facsimiles and/or email that is sexual in nature
- Physical: Unwelcome, unwanted physical contact including, but not limited to, touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing or fondling; forced sexual intercourse or assault

Normal, courteous, mutually respectful, pleasant, non-coercive interactions between *all* employees, acceptable to and welcomed by both parties, are not considered to be harassment, including sexual harassment.

Individuals and Conduct Covered

This policy prohibits harassment, discrimination and/or retaliation whether engaged in by fellow employees, partners, shareholders, by a supervisor or manager or by someone not directly connected to Carl Marks, such as an outside vendor, consultant or customer.

Conduct prohibited under this policy is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Retaliation

Carl Marks prohibits retaliation against *any* employee who reports harassment, discrimination, improper conduct or who participates in an investigation of such a report. Retaliation against an employee or anyone else for reporting harassment, discrimination, improper conduct or for participating in an investigation of a claim of harassment, discrimination or improper conduct is a serious violation of this policy and be subject to sanctions up to and including termination of employment.

Reporting an Incident of Discrimination, Workplace Harassment, Sexual Harassment or Retaliation

All incidents of harassment, discrimination, improper conduct or retaliation, regardless of the offender's identity or position, must be reported as soon as possible so that rapid and constructive action can be taken. Employees who believe they have experienced conduct they deem is contrary to this policy or who have concerns about such matters should promptly report their complaints or concerns to the Chief Administrative Officer. All complaints or concerns of alleged or possible harassment, discrimination or improper conduct will be taken seriously, no matter how minor or who is involved.

Once made aware of a situation, whether or not there has been a written or formal complaint, Carl Marks will conduct an immediate and impartial investigation and take appropriate action to remediate or prevent the prohibited conduct from continuing. However, employees who make complaints in bad faith may be subject to disciplinary action up to and including termination of employment.

Investigation

Carl Marks seeks to create a safe environment in which individuals are not afraid to discuss concerns and complaints, or to seek general information about discrimination, harassment, improper conduct or retaliation. We recognize that individuals may be concerned about the confidentiality of information they share, and we will strive to preserve confidentiality to the fullest extent possible.

All complaints in the investigation of any harassment, discrimination, improper conduct or retaliation will be treated as confidential to the extent maintaining confidentiality does not impede the Company's ability to investigate and respond to the complaints or concerns. Any reported allegations of harassment, discrimination, improper conduct or retaliation will be investigated promptly, thoroughly and impartially. The investigation may include interviews with parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have relevant knowledge.

These policies should not and may not be used as a basis for excluding or separating employees of a particular gender, or any other protected characteristic, from participating in business or work-related

social activities or discussions in order to avoid allegations of harassment, discrimination or improper conduct. The law and the policies of Carl Marks prohibit disparate treatment on the basis of sex or any other protected characteristic, with regard to terms, conditions, privileges and perquisites of employment.

DISABILITY ACCOMMODATION POLICY

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act, known as the ADAA, are federal laws that require employers with 15 or more employees to not discriminate against applicants and individuals with disabilities and, when needed, to provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the policy of Carl Marks to comply with all federal, state and local laws concerning the employment of persons with disabilities. Furthermore, it is our Company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment.

When an individual with a disability is requesting accommodation and can be reasonably accommodated without creating an undue hardship or causing a direct threat to workplace safety, he or she will be given the same consideration for employment as any other applicant. Applicants who pose a direct threat to the health, safety and well-being of themselves or others in the workplace when the threat cannot be eliminated by reasonable accommodation will not be hired.

Pregnant employees or those who have recently given birth will be reasonably accommodated upon request during the pregnancy, childbirth or for related medical conditions, unless doing so would impose an undue hardship. Contact the Chief Administrative Officer with any questions or requests for accommodation.

SUBSTANCE ABUSE POLICY

Carl Marks provides a safe and productive work environment that is free from the effects of drug/alcohol abuse or other substances that adversely affect the ability to perform duties safely and efficiently. It is our policy that employees shall not be involved with the unlawful use, possession, sale or transfer of drugs/narcotics, or alcohol, in any manner that may impair their ability to perform assigned duties or otherwise adversely affect the Company's business.

The unlawful or unauthorized use, abuse, solicitation, theft, possession, transfer, purchase, sale or distribution of controlled substances, drug paraphernalia or alcohol by an individual anywhere on Company premises, while on Company business (whether or not on Company premises) or while representing the Company, is strictly prohibited. Employees and other individuals who work for the Company are prohibited from reporting to work or working while they are using any controlled substances or alcohol, except when the use is pursuant to a licensed medical practitioner's instructions and the licensed medical practitioner authorized the employee or individual to report to work. Use of medical marijuana is not a defense to a policy violation, to the maximum extent permitted by applicable law.

Violation of this policy will result in disciplinary action, up to and including termination of employment.

Notwithstanding this policy, there may be occasions during office social gatherings or events, removed from the usual day-to-day work setting, at which alcohol is served and it is permissible to consume alcohol in moderation, with the Company's approval.

The Company maintains a policy of non-discrimination and will endeavor to make reasonable accommodations to assist individuals recovering from substance and alcohol dependencies, and those who have a medical history that reflects treatment for substance abuse conditions. We encourage employees to seek assistance before their substance abuse or alcohol misuse renders them unable to perform the essential functions of their jobs or jeopardizes the health and safety of any Company employee, including them. Carl Marks will attempt to assist its employees through referrals to counseling, assistance or rehabilitation programs, appropriate leaves of absence and other measures, to the extent these measures do not impose an undue hardship upon the Company, or jeopardize the health and safety of the employee, co-workers or any other individuals with whom the Company has any dealings. Employees, however, may not request a leave to avoid discipline for a policy violation.

WORKPLACE VIOLENCE PREVENTION POLICY

Carl Marks is committed to preventing workplace violence and to maintaining a safe work environment. The purpose of this policy is to minimize the risk of personal injury to employees and damage to Company and personal property. Conduct that threatens, intimidates or coerces others will not be tolerated. For purposes of this policy, a threat includes any verbal or physical harassment or abuse, any attempt at intimidating or instilling fear in others, menacing gestures, flashing of weapons, stalking or any other hostile, aggressive and injurious and/or destructive action undertaken for the purpose of domination or intimidation.

Carl Marks expects and encourages all employees to exercise reasonable judgment in identifying and notifying Management of potentially dangerous situations, and strongly discourages employees from personally engaging in any physical confrontation with a violent or potentially violent individual.

All threats of (or actual) violence, both direct and indirect, should be reported immediately to Management and/or building security. This includes threats by employees, threats by customers, vendors, solicitors or other members of the public, as well as threats or acts of domestic violence. When reporting a threat or act of violence, the employee should be as specific and detailed as possible.

Firearms, handguns, prohibited weapons of any kind and other dangerous/hazardous devices or substances are strictly prohibited from Company premises.

Dangerous/Emergency Situations

In an acute emergency where there is a threat of physical harm, immediately dial 911! Employee safety **always** comes first.

Employees who confront or encounter an armed or dangerous person should not attempt to intercede, challenge or disarm the individual. Employees should remain calm, make constant eye contact and talk to the individual. If someone can be safely notified of the need for assistance without endangering the

safety of anyone, by all means do so. Otherwise, cooperate and follow the instructions given. If the gravity of the circumstances dictates, someone should **immediately call 911 or Building Security at (212) 486-7962**; provide your floor number.

All potentially dangerous situations, including threats by co-workers, should be reported immediately to Management. Carl Marks will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. Reports of threats will be treated as confidential to the extent maintaining confidentiality does not impede the Company's ability to investigate and respond to the complaints. No employee will be subjected to retaliation, intimidation or disciplinary action as a result of reporting a threat in good faith under this policy.

If an investigation confirms that threat of a violent act or violence itself has occurred, the Company will take swift and appropriate corrective action. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending investigation. Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

If an employee is the recipient of a domestic violence threat or a threat by an outside party, please inform Management. It is important for the Company to be aware of any potential danger in our offices in order to take effective measures to protect employees from the threat of a violent act by an employee or by anyone else.

If an employee has any questions about this policy, please speak with the Chief Administrative Officer.

OPEN-DOOR POLICY

Carl Marks proudly maintains an open-door policy whereby employees can talk freely with any members of Management. Management, therefore, is amenable to hear from employees on any subject and fosters an environment in which employees can discuss issues, ask questions and provide ideas/suggestions. We want employees to have every opportunity to freely discuss issues and know that they have been treated fairly.

PROBLEM-SOLVING PROCEDURE

Differences of opinion occasionally arise between individuals in an organization regarding what constitutes fair and equitable treatment. A problem-solving procedure has been established whereby issues, differences of opinion or dissatisfaction can be resolved amicably, satisfactorily and quickly.

A problem can be considered to be any issue or dissatisfaction arising from an application, interpretation or claimed violation of any provisions of Company policies, rules or procedures as well as any dissatisfaction occurring in the work place that an employee thinks is the result of acts or omissions that are unfair or inequitable.

The purpose of the problem-solving procedure is to enable employees to seek a solution to a problem or issue they have with the application of Company rules or policies. This procedure does not apply to

issues covered by separate reporting procedures such as equal employment opportunity and harassment.

The following is the problem-solving procedure:

- If an employee believes that he or she is being treated unfairly, that employee is encouraged to discuss the problem with a manager in his or her group as soon as possible. The manager, after listening and investigating the problem, will provide the employee with an answer in a timely fashion. Should the problem be of a personal nature which may be embarrassing or if, for any reason, the employee does not wish to take his or her problem to a manager, the employee is encouraged to speak with the Chief Administrative Officer.
- If an employee's problem has not been satisfactorily addressed or resolved by a manager in his or her group, the employee should promptly bring it to the attention of the Chief Administrative Officer. The employee will be provided with a timely response.

II. WORK RULES AND EMPLOYMENT GUIDELINES

EMPLOYEE CATEGORIES

Employees at Carl Marks fall into the following categories:

Full-Time Employees

Regular full-time salaried employees work the standard working hours (for these purposes, 7 ½ hours per day, plus lunch) with a minimum of no fewer than 30 hours per week.

- Non-exempt employees are subject to the overtime provisions of the Fair Labor Standards Act ("FLSA") and any applicable state wage/hour laws. Accordingly, they are eligible for overtime pay in accordance with Carl Marks' overtime policy
- Exempt employees are not eligible for overtime pay. Employees classified as exempt receive a salary which is intended to cover all hours worked

Part-Time Employees

Regular part-time salaried employees work fewer than 30 hours per week and are classified as either exempt or non-exempt, depending upon the nature of their work. Exempt part-time employees are paid according to their specifically agreed upon terms of hire, regardless of the number of hours worked. Non-exempt part-time employees are paid for all hours worked, as indicated on their completed and approved timesheets.

Part-time employees who regularly work between 20 and 30 hours per week are eligible for vacation, personal and safe/sick days on a pro-rated basis but are not eligible for any other Company benefits as indicated. Part-time employees working *fewer* than 20 hours per week are paid on an hourly basis for hours worked and may be eligible for safe/sick time (refer to Safe/Sick Days in Section III).

Temporary Employees

Temporary employees are specifically hired to work for the duration of designated projects or assignments. Temporary non-exempt employees are paid by the hour for hours worked as indicated on their completed and approved timesheets, while temporary exempt employees are paid according to their terms of hire. Temporary employees are not eligible for any Company-provided benefits.

These classifications are determined by the nature of the position and terms of employment. Employees will be informed of their classification and status as exempt or non-exempt during the employment process. If an employee receives a promotion, transfers to a new role or there are significant changes in the role and responsibilities, such that there is a change in status or classification, this will be communicated to the affected employee.

SAFE HARBOR POLICY FOR EXEMPT EMPLOYEES

Exempt salaried employees receive a salary which is intended to compensate them for all hours worked for the Company. This salary is established at the time of hire or when classified as an exempt

employee. While it may be subject to review and modification from time to time, the salary is a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work performed.

Under federal and state law, exempt employee salaries are subject to certain deductions. For example, absent contrary state law requirements, these salaries can be reduced for the following reasons:

- Full day absences for personal reasons
- Full day absences for sickness or disability
- Full day disciplinary suspensions for infractions of our written policies and procedures
- To offset amounts received as payment for jury and witness fees or military pay.
- The first or last week of employment in the event an employee works less than a full week

Exempt salaries may also be reduced for certain types of deductions such as for a portion of health, dental or life insurance premiums; state, federal or local taxes, social security; or, voluntary contributions to a 401(k) or pension plan.

In any work week in which work is performed, exempt salaries will not be reduced for any of the following reasons:

- Partial day absences for personal reasons, sickness or disability
- Absences on the day before or after a paid holiday or because the facility is closed on a scheduled work day
- Absences for jury duty, attendance as a witness or military leave in any week in which you have performed any work
- Any other deductions prohibited by state or federal law

However, it is not an improper deduction to reduce an employee's eligible vacation, personal or other forms of paid time off for full or partial day absences for personal reasons, sickness or disability.

If an exempt employee believes he or she has been subject to any improper deductions, he or she should immediately report the matter to the Chief Administrative Officer. Every report will be fully investigated and corrective action will be taken where appropriate, up to and including termination for any employee(s) who violates this policy. In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Company's investigation of such reports. Retaliation is unacceptable and any form of retaliation in violation of this policy will result in disciplinary action up to and including termination of employment.

BUSINESS HOURS

Generally, the work week is 37.5 hours and extends from Monday through Friday. Although Reception opens at 8:30, general office hours are 9:00 a.m. – 5:30 p.m. with an unpaid hour for lunch. Individuals

may work on a variation of this schedule to meet specific business requirements, but this should be discussed and agreed upon ahead of time.

From time to time, it may be necessary to change an employee's work schedule, and cooperation with any such changes is both expected and appreciated. While all efforts will be made to keep unscheduled changes to a minimum, best efforts will be made to provide the affected employee as much advance notice as possible of any changes in his or her work schedule.

MEAL PERIODS

All employees are entitled to a one-hour unpaid meal period during their work day. All employees should coordinate with their specific managers and teams regarding a mutually agreed upon lunch hour.

PUNCTUALITY AND ATTENDANCE

Daily attendance and punctuality are essential to the efficiency and quality of Carl Marks' operations.

Employees are expected to adhere to the Company's business hours by arriving on time. In the event of an unavoidable lateness due, for example, to a transportation delay, an emergency medical (or other) appointment, etc., non-exempt employees are expected to make up the lateness time within that pay period.

Notification

If unplanned absences or tardiness cannot be avoided, employees are expected to notify their manager within a half hour of their regularly scheduled starting time. Employees should explain the general reason for the delay or absence and indicate the expected arrival time or expected return to work date. Employees are expected to personally connect with their manager and they should not rely on others to communicate their absence unless there are extenuating circumstances. Employees absent for more than three consecutive days due to illness or an emergency should keep their manager apprised of when they likely will return to work.

Any employee who does not report to work for three consecutive days without providing the proper notification may be considered to have voluntarily resigned from his or her employment with Carl Marks.

Disciplinary Measures

Employees with recurring and/or consistently late arrivals/early departures, or who consistently fail to provide proper notification of their late arrivals, are subject to discipline up to and including termination of employment.

Unscheduled absences place an unfair burden on colleagues and should be avoided. Frequent unscheduled absences, or failure to provide proper notification of unscheduled absences, are subject to discipline, up to and including termination of employment.

Timekeeping

In order to maintain accurate records of all hours worked, non-exempt employees are required to sign in and out upon arriving in the morning, upon leaving and returning from lunch and upon leaving in the evening. The timesheet will be located in a convenient place. *All* hours worked within each given time period must be captured on the then-current timesheet.

OVERTIME

The nature of Carl Marks' business occasionally requires that employees work overtime. To the extent possible, employees will be given advance notice when overtime is necessary and their cooperation is expected and appreciated. Non-exempt overtime hours should be discussed and approved ahead of time with one's manager.

Overtime generally refers to actual hours worked over 40 in a given work week. All employees considered non-exempt under federal and state law who are required to work more than 40 hours during a workweek receive overtime at one and a half times their regular hourly rate of pay. Non-exempt employees will be paid regular pay (straight time) for all hours worked between 37.5 and 40 in a workweek. Overtime may be worked only if authorized in advance.

Non-exempt employees should not begin work prior to their scheduled starting time, work through lunch, or work beyond their scheduled time at the end of the day, unless specifically requested by a manager in advance.

If there is a payroll error regarding an overtime payment, please immediately advise the Benefits Manager in order to make any necessary corrections,

PAY PERIOD

Pay periods are bi-weekly and the pay period ends on Friday. Direct deposit of paychecks is the preferred method for all employees and pay stubs are available online on Thursdays. Further details about online access to your payroll account may be obtained from the Benefits Manager.

COMPENSATION

Carl Marks pays salaries commensurate with the qualifications and performance of employees. The salary structure is reviewed periodically to ensure that pay ranges are competitive and salary progress generally is tied to performance. The Company's general practice is to conduct periodic employment reviews and annual salary reviews for employees.

PERSONNEL RECORDS

Any changes in an employee's personal information that might affect an employee's payroll or benefit data should be timely communicated to the Benefits Manager. Unreported changes of this kind of information may affect an employee's withholding tax and/or proper health insurance benefit coverage. These types of changes generally entail the following categories:

- Employee name and/or marital status
- Address and/or telephone numbers
- Beneficiaries
- Number of eligible dependents
- Birth/adoption of child
- W-4 deductions
- Death of an insured family member
- Emergency contacts

PROMOTIONS AND TRANSFERS

Whenever possible, available positions may be filled by internal candidates based on individual qualifications for the particular position to be filled. Ability to do the job and previous job performance are prime considerations in determining whether an internal candidate is qualified for a job transfer and/or promotion.

Employees are encouraged to prepare themselves for positions of greater responsibility by continually enhancing their skills. Any such job promotions are made on the basis of business need, individual qualifications and merit.

TAXI AND CAR SERVICE

Car services (including yellow taxis, Uber, Lyft or the like) may be reimbursable for valid business reasons. Employees who have worked a full day and who are required and/or authorized to work past dark may be reimbursed for car service from the office to their home. If using one of the Company's car services, vouchers may be obtained from the Receptionist.

For reconciliation purposes, a copy of the Company's car service voucher must be given to Accounting, with the requisite department or deal code. If a car service is used for personal reasons, the employee is expected to indicate this on the car service voucher and promptly reimburse the Company, via personal check, upon receipt of the invoice. Other types of car service receipts should be attached to expense reports or petty cash vouchers.

III. TIME OFF

HOLIDAYS

Carl Marks generally grants the following holidays with pay to all regular full-time employees:

- New Year's Day
- Martin Luther King, Jr. Day
- Presidents Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- The day after Thanksgiving
- Christmas Day

If any of these holidays fall on a Saturday, generally the preceding Friday will be the holiday. If any of these holidays fall on a Sunday, generally the following Monday will be the holiday.

Regular part-time employees receive holiday pay if the holiday falls on a day they are normally scheduled to work. Temporary employees are not eligible for holiday pay.

Holiday pay for regular, full-time non-exempt and exempt employees is calculated on the regular base pay rate. Holiday pay for regular part-time employees is calculated by averaging the number of hours the employee worked in the previous four weeks of the day of the week on which the holiday falls.

If a designated holiday falls within an employee's scheduled vacation time, the holiday is not considered a vacation day.

At the sole discretion of Management, the Company may close for a full or partial day immediately before or immediately following major national holidays in which the office is closed. If the Company closes for a full day, any regularly scheduled vacation day will be treated as an office holiday and not deducted from any scheduled vacation time. However, regularly scheduled vacation time taken on a day that the Company elects to close for a partial day will continue to be treated as a vacation day.

VACATION DAYS

Carl Marks recognizes the importance of taking time away from work, for uninterrupted periods of rest and relaxation. Paid vacation is thus provided to all regular full-time and part-time employees, based on length of continuous service.

Vacation Eligibility

For all employees, vacation is accrued monthly.

New employees are eligible for vacation on a pro-rata basis in their first partial calendar year of employment. Vacation time begins accruing in the first full month of employment.

Beginning the new calendar year following the date of hire and going forward, regular full-time employees are eligible for vacation on a pro-rata basis, as set forth below. For example, an employee who started anytime in 2018 is eligible to accrue the full 15 days of vacation on a pro-rata basis as of January 1, 2019.

Length of Service as of January 1st	Annual Vacation Allowance Per Calendar Year
1 to 11 months	Pro-rated, up to 15 days
12 months through end of 5 th calendar year	15 days
Beginning with 6 th calendar year & forward	20 days

Part-Time Employees

Regular part-time employees working a minimum of 20 hours per week accrue an allowance proportional to the allowance for full-time employees. Determining the allowance will be calculated by multiplying a regular full-time employee's vacation entitlement by the percentage of time worked against the 37 ½ hour work week.

Example: An employee with 2 years of service, working 25 hours per week is working a 66% schedule (25 hours divided by the 37 ½ hour work week). If that part-time employee works a full calendar year, (s)he is eligible for up to 10 days (66% x 15 days).

Carry Over of Vacation

Vacation time is intended to be used in the calendar year accrued. If work demands preclude use of taking all eligible vacation time within the calendar year, up to **five** vacation days may be carried over into the new calendar year. In all instances, carried over days must be used within the carried over calendar year or they will be forfeited.

Vacation Pay

Vacation pay is calculated at each employee's regular base pay rate for each vacation day used.

Leave Status

During any unpaid leave, employees are not eligible to accrue vacation time that would otherwise accrue if not on leave.

Vacation Notice

Vacation days may be taken in half day increments. Requests for vacation time must be approved in advance by the employee's manager, who will take into account preferences as well as business

factors. Vacation time does not entitle employees to take time off without notice and such actions can lead to disciplinary action up to and including termination of employment.

Being Sick During Vacation

Bona fide illness incurred during a scheduled vacation may be charged to sick days, depending upon the circumstances.

Unpaid Vacation

Employees may not request unpaid vacation time if they are otherwise eligible for paid vacation days.

Termination or Resignation

Employees leaving Carl Marks for reasons other than violation of policies, as determined by Carl Marks in its sole discretion, who provide two weeks' notice, will receive vacation pay for accrued but unused vacation days.

Employees who do not provide the requisite notice of at least two weeks upon resignation generally may not be paid for accrued, unused vacation pay.

PERSONAL DAYS

Carl Marks provides regular full-time employees three paid personal days per calendar year during each full calendar year of continuous employment. Regular part-time employees working at least 20 hours per week are eligible for personal days on a pro-rata basis in accordance with the amount of time they work. New employees are eligible for personal days on a pro-rated basis in the hired calendar year.

Use of Personal Days

Personal days may be used at the employee's discretion for religious holidays and/or personal matters (e.g., legal or financial affairs, home repairs, non-family member funeral).

Personal days may be taken in either full or half day increments. Employees who have taken all their personal days will be required to use vacation days for subsequent personal-related absences provided there are any vacation days remaining. If no vacation time is remaining, that time for personal-related absence will be unpaid to the extent permitted by law.

Unused Personal Days

Unused personal days cannot be carried over into the next calendar year and there is no payment for unused personal days at separation.

Notification for Personal Days

To the extent possible, advance notice for Personal Days is to be provided to all appropriate parties.

Payment for Personal Days

Payment for personal days taken is calculated at each employee's regular base pay rate for each day taken.

SAFE/SICK TIME (UPDATED)

When employees are unable to work due either to their own or a family member's illness, injury or health condition, or after being the victim of domestic violence or a sexual offense and needing assistance or any other reason required by applicable law, paid safe/sick time is provided.

Safe/Sick Time Eligibility & Accrual

Employees who work more than 80 hours in a calendar year are eligible for safe/sick time.

Regular full-time employees are eligible to take up to a maximum of 10 safe/sick days at the start of each calendar year. For new employees, safe/sick days are pro-rated based on the date of hire (but in no event will they receive fewer than 5 days at the start of employment).

Regular part-time employees working between 20 and 30 hours per week are provided with a pro-rata amount of safe/sick days each calendar year based on their work schedule as compared to that of a regular full-time employee and are provided with a pro-rata amount at the start of employment based on the date of hire (but in no event will they receive fewer than 5 days at the start of employment or at the start of each calendar). Regular part-time employees working between 20 and 30 hours per week are eligible to take the full amount of safe/sick days provided at the start of employment and at the start of each calendar year and are not subject to any waiting period for usage.

Part-time employees working fewer than 20 hours per week and temporary employees, in accordance with New York City law, are eligible for paid safe/sick time provided they work more than 80 hours in a calendar year. Employees in this category will accrue one hour of sick time for every 30 hours worked, up to a maximum accrual of 40 hours each calendar year. Further, they may not use more than 40 hours of accrued safe/sick time in any calendar year, assuming that 120 days have passed from the employee's date of hire.

For purposes of this policy, a calendar year is the 12 consecutive-month period beginning January 1st and ending December 31st.

Use of Safe/Sick Time

For all employees, safe/sick time may be used for:

1. Diagnosis, care or treatment of – or recovery from - an employee's own mental or physical illness, including preventive medical care.
2. Care for an employee's family member (i.e., child, spouse, domestic partner, parent, sibling [including half siblings, step siblings or siblings related through adoption], grandchild, grandparent or the child or parent of the employee's spouse or domestic partner, any other individual related by blood to the employee, and any other individual whose close association with the employee is the equivalent of a family relationship) for the diagnosis, care or

treatment of – or recovery from – the family member’s mental or physical illness, including preventive care.

3. Up to five days in the event of business closure by order of a public official due to a public health emergency or such employee’s need to care for a child whose school or childcare provider has been closed by order of a public health official due to a public health emergency.
4. Up to five days if the employee or a family member of the employee is the victim of a family offense matter, sexual offense, stalking or human trafficking:
 - To obtain services from a domestic violence shelter, rape crisis center or other shelter or services program for relief;
 - To participate in safety planning, temporarily relocate or take other actions to increase the safety of the employee or employee’s family members;
 - To meet with a civil attorney or other social service provider to obtain information and advice on and prepare for or participate in any criminal or civil proceeding;
 - To file a complaint or domestic incident report with law enforcement;
 - To meet with a district attorney’s office;
 - To enroll children in a new school; or
 - To take other actions necessary to maintain, improve or restore the physical, psychological or economic health or safety of the employee or employee’s family member or to protect those who associate or work with the employee.

Safe/sick time may be taken in a minimum increment of four (4) hours, provided this is reasonable under the circumstances. For uses beyond four (4) hours, paid safe/sick time may be used in thirty (30) minute increments (e.g., 4.5 hours, 5 hours, 5.5 hours).

Notification for Safe/Sick Time

Employees must provide seven (7) days advance notice of the need to use paid safe/sick time to their manager if the need is foreseeable.

Where the need for safe/sick time is unforeseeable, an employee should provide notice as soon as practicable. An employee unable to report to work is responsible for contacting the office, each day of an absence, within 1/2 hour of regular starting time, provided this is reasonable under the circumstances. If an employee is incapacitated and unable to call, a relative [or another responsible person] should promptly contact the employee’s manager. Failure to communicate an unforeseeable safe/sick day absence may result in ineligibility to receive payment for that day and/or appropriate disciplinary action up to and including termination of employment.

If more than three consecutive work days are taken for safe/sick uses, the employee may be requested to provide supporting documentation. For paid safe/sick time used for reasons (1) or (2) above, documentation signed by a licensed health care provider indicating the need for the amount of paid safe/sick time taken and that paid safe/sick time was used for a covered reason under this policy

and/or applicable law will be considered reasonable documentation, and such documentation need not specify the nature of the employee's or the employee's family member's injury, illness or condition, except as required by law. For safe/sick used time used for reason (4) above, documentation signed by an employee, agent or volunteer of a victim services organization, an attorney, a member of the clergy or a medical or other professional service provider from whom the employee or that employee's family member has sought assistance in addressing family offense matters, sex offenses, stalking or human trafficking and their effects; a police or court record; or a notarized letter from the employee explaining the need for such time will be considered reasonable documentation, and such documentation need not specify the details of the family offense matter, sexual offense, stalking or human trafficking. Failure to provide requested documentation for paid safe/sick time taken under this policy within seven (7) days of returning to work may result in disciplinary action, up to and including termination.

- The Company may take disciplinary action, up to and including termination, against an employee who uses safe/sick time provided under this policy for purposes other than those described above. Indications of abuse of safe/sick time may include, but are not limited to, a pattern of: (1) use of unscheduled safe/sick time on or adjacent to weekends, regularly scheduled days off, holidays, vacation or pay day, (2) taking scheduled safe/sick time on days when other leave has been denied, or (3) taking safe/sick time on days when the employee is scheduled to work a shift or perform duties perceived as undesirable.

For extended absences due to serious illness, injury, accident, pregnancy or surgery, please refer to the next section pertaining to Leaves of Absence.

Additionally, the Company may require an employee to provide written confirmation that an employee used paid safe/sick time in accordance with applicable law. In those circumstances, a copy of the required form will be provided.

Excess Safe/Sick Time

In the event that safe/sick time is exhausted within a calendar year, any remaining personal days and then vacation days will be applied toward safe/sick time-related absences. If there are no remaining personal and vacation days, in some instances subsequent safe/sick time-related absences within that calendar year will be unpaid.

Payment for Safe/Sick Time

Payment for safe/sick time is calculated at an employee's regular base pay rate at the time the employee uses such time, but no less than the applicable minimum wage. Use of paid safe/sick time is not considered hours worked for purposes of calculating overtime.

Unused Safe/Sick Time

Unused safe/sick time can neither be rolled over nor added to safe/sick time in subsequent years. There is no payment for unused safe/sick time at separation.

IV. LEAVES OF ABSENCE

FAMILY AND MEDICAL LEAVE OF ABSENCE POLICY

General

Carl Marks recognizes that there are times an employee may need to be absent from work due to qualifying events under the Federal Family and Medical Leave Act (“FMLA”). Accordingly, Carl Marks will provide eligible employees up to a combined total of twelve (12) weeks of unpaid FMLA leave per leave year (as defined below) for the following reasons and for any other leave authorized under FMLA:

- **Parental Leave:** To care for the employee’s child after birth, placement for adoption or foster care
- **Personal Medical Leave:** When an employee is unable to work due to his or her own serious health condition;
- **Family Care Leave:** To care for a spouse, child or parent with a serious health condition;
- **Military Exigency Leave:** When an employee’s spouse, parent, son/daughter (of any age) experiences a qualifying exigency resulting from military service (applies to active service members deployed to a foreign country, National Guard and Reservists);
- **Military Care Leave:** To care for an employee’s spouse, parent, son/daughter (of any age) or next of kin who requires care due to an injury or illness incurred while on active duty or was exacerbated while on active duty. NOTE: A leave of up to 26 weeks of leave per 12-month period may be taken to care for the injured/ill service member

Key FMLA Policy Definitions

- **Eligible employees** are those who have been employed by Carl Marks for at least 12 months (need not be consecutive months and, under some circumstances, hours missed from work due to military call-up will also be counted), have performed at least 1,250 hours of service in the 12-month period immediately preceding the date leave is to begin, and are employed at a worksite where 50 or more employees are located within 75 miles of the worksite
- **Leave year** shall be a rolling 12-month period measured backward from the date an employee uses any FMLA leave
- **Spouse** means a husband or wife as recognized under state law for the purposes of marriage in the state or other territory or country where the marriage arose
- **Son/Daughter** means a biological, adopted, foster child, stepchild, legal ward or child of person standing in loco-parentis who is under age 18 or age 18 and older and incapable of self-care because of a mental or physical disability. A son/daughter for the purposes of military exigency or military care leave can be of any age

- **Parent** means a biological parent, adoptive parent, step or foster parent, parent-in-law, resource family parent or legal guardian having a “parent-child relationship” with a child as defined by law, or having sole or joint legal or physical custody, care, guardianship or visitation with a child
- **Next-of-kin**, for purposes of military care leave, means a blood relative other than a spouse, parent, or child in the following order: brothers and sisters, grandparents, aunts and uncles and first cousins. If a military service member designates in writing another blood relative as his or her caregiver, that individual shall be the only next-of-kin. In appropriate circumstances, employees may be required to provide documentation of next-of-kin status
- **Serious health condition** is an illness, injury, impairment or physical or mental condition that involves either inpatient care or continuing treatment by a health care provider (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) that makes the employee unable to perform one or more of the essential functions of the employee’s job or prevents the qualified family member from participating in school or other daily activities. Other conditions may meet the definition of continuing treatment. Ordinarily, unless complications arise, cosmetic treatments and minor conditions such as a cold, flu, ear aches, upset stomach, minor ulcers, headaches (other than migraines) and routine dental problems are examples of conditions that are not serious health conditions under this policy
- **Health care provider** is a medical doctor or doctor of osteopathy, physician’s assistant, podiatrist, dentist, clinical psychologist, optometrist, nurse practitioner, nurse-midwife, clinical social worker or licensed Christian Science practitioner. Under limited circumstances, a chiropractor or other provider recognized by the health insurance plan for purposes of certifying a claim for benefits may also be considered a health care provider
- **Qualifying exigencies** for military exigency leave include
 - Short-notice call-ups/deployments of seven days or less (Note: Leave for this exigency is available for up to seven days beginning the date of call-up notice)
 - Attending official ceremonies, programs or military events
 - Special child care needs created by a military call-up including making alternative child care arrangements, handling urgent and non-routine child care situations, arranging for school transfers or attending school or daycare meetings
 - Making financial and legal arrangements
 - Attending counseling sessions for military service member, the employee, or the military service members’ son/daughter who is under 18 years of age or 18 or older but incapable of self-care because of a mental or physical disability
 - Rest and recuperation (Note: Fifteen days of leave is available for this exigency per event)

- Post-deployment activities such as arrival ceremonies, re-integration briefings, and other official ceremonies sponsored by the military (Note: Leave for these events is available during a period of 90 days following the termination of active duty status). This type of leave may also be taken to address circumstances arising from the death of a covered military member while on active duty
- Parental care when the military family member is needed to care for a parent who is incapable of self-care (e.g., arranging for alternative care or transfer to a care facility)
- Other exigencies that arise that are agreed to by both Carl Marks and the employee
- ***Serious injury/illness*** incurred by a service member in the line of active duty or that is exacerbated by active duty is any injury or illness that renders the service member unfit to perform the duties of his or her office, grade, rank or rating

Notice and Leave Request Process

Foreseeable Need for Leave: If the need for leave is foreseeable because of an expected birth or adoption or planned medical treatment, employees must give at least 30 days' notice. If 30 days' notice is not practicable, notice must be given as soon as possible. Employees are expected to complete and return a leave request form prior to the beginning of the leave. Failure to provide appropriate notice and/or complete the necessary paperwork may result in the delay or denial of leave.

Unforeseeable Need for Leave: If the need for leave is unforeseeable, notice must be provided as soon as practicable and possible under the circumstances. Normal call-in procedures apply to all absences from work including those for which leave under this policy may be requested. Employees are expected to complete and return the necessary leave request form as soon as possible, in order to obtain the leave. Failure to provide the appropriate notice and/or complete and return the necessary paperwork on a timely basis may result in the delay or denial of leave.

Leave Request Process: To request leave under this policy, obtain, complete and return a leave request form. If the need for leave is unforeseeable and employees will be absent for more than three days, employees should contact the Chief Administrative Officer to request a form. If the need for leave will be fewer than three days, employees must complete and return the leave request form upon returning to work.

Employees must provide sufficient information to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave, if known. Sufficient information may include that the employee is unable to perform job functions, that the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Calling in "sick" without providing reasons for the needed leave will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to any questions posed to determine if absences are potentially FMLA-qualifying. If employees fail to explain the reasons for the FMLA leave, the leave may be denied.

Leave Increments

Parental Leave: Leave for the birth or placement of a child after said event must be taken in a single block and cannot be taken on an intermittent or reduced schedule basis. Parental leave must be completed within 12 months of the birth or placement of the child; however, employees may use parental leave before the placement of an adopted or foster child to consult with attorneys, appear in court, attend counseling sessions, etc.

Family Care, Personal Medical, Military Exigency and Military Care Leave: Leave taken for these reasons may be taken in a block or blocks of time. In addition, if a health care provider deems it necessary or if the nature of a qualifying exigency requires, leave for these reasons may be taken on an intermittent (in half-day increments) or reduced-schedule basis.

Pay, Benefits and Protections

Employees taking FMLA leave must apply all eligible sick, personal and accrued unused vacation time while taking unpaid FMLA leave. The substitution of paid time for unpaid FMLA time does not extend the 12-week FMLA leave time period.

If eligible, Salary Continuation will provide paid time up to 12 weeks, inclusive of the eligible sick, personal and accrued unused vacation time applied during this period. Any payroll deductions (e.g., FSA, 401(k), garnishments,) in effect before commencement of leave will continue during any period of paid FMLA leave.

In all instances, paid time, inclusive of eligible sick, personal and accrued unused vacation as well as Salary Continuation, will run concurrently with an employee's FMLA leave entitlement and not extend the length of the leave.

During a paid period of leave, including any period in which Workers Compensation or Paid Family Leave benefits are being received, employees and the Company can agree to supplement the paid benefit with sick, personal and accrued unused vacation time up to the 12-week FMLA time period.

To the maximum extent permitted by law ALL leaves run concurrently, including Paid Family Leave and Parental Leave. Failure to apply for Paid Family Leave, which runs concurrently, will result in such time being counted against the Paid Family Leave entitlement to the maximum extent permitted by applicable law.

Benefits will continue to accrue while on FMLA leave that runs concurrent with Salary Continuation.

During FMLA leave, Carl Marks will maintain group health coverage on the same terms and conditions as if the employee was not on leave. This includes medical, dental, life, long-term disability and any elected voluntary benefits. When applicable, the employee must continue to pay his or her portion of benefits made via payroll deduction or by check, which must be submitted each pay period unless other arrangements have been made. If an employee fails to pay his or her portion of those benefits for more than 30 days, that coverage will be terminated whereupon the employee will be offered COBRA, at the employee's cost, to continue the medical and/or dental portion of benefits.

Certification and Fitness for Duty Requirements

Employees requesting family care, personal medical or military care leave must provide certification from a health care provider to qualify for leave. Such certification must be provided within 15 days of the request for leave unless it is not practicable under the circumstances, despite an employee's diligent efforts. Failure to timely provide certification may result in leave being delayed, denied or revoked. In Carl Marks' discretion, employees may also be required to obtain a second and third certification from another health care provider (at Carl Marks' expense), except for military care leave. Recertification of the continuance of a serious health condition or an injury/illness of a military service member will also be required at appropriate intervals. Employees will be notified if recertification is required and employees will be given at least 15 calendar days to provide medical recertification.

Employees requesting a military exigency leave may also be required to provide appropriate active duty orders and subsequent information concerning particular qualifying exigencies involved.

If the employee's leave resulted from a workers' compensation injury, the employee's health care provider should send an updated medical work status form to the employee's Worker's Compensation Case Manager as soon the employee's return to work date is known, even if less than two business days before the employee's return to work. Employees may obtain Return to Work Medical Certification Forms from Management. Job restoration may be delayed and/or denied until employees provide return to work/fitness for duty certifications.

Scheduling Leave

Where possible, employees should attempt to schedule leave in advance, so as not to unduly disrupt operations.

Return to Work

Employees returning from FMLA leave are required to provide notice at least five workdays prior to the actual date they intend to report back to work. Employees returning from a medical leave for their own serious health condition must provide certification from their health care provider with a return-to-work/fitness for duty certification, with or without reasonable accommodation.

Upon return from leave, generally employees will be restored to their original or equivalent positions with equivalent pay, benefits and other employment terms. If an employee requests an extension of leave beyond the federal, state or local provisions, there is no guarantee of reinstatement to the former or an equivalent position. At the conclusion of FMLA leave, an employee's failure to communicate his or her availability to return to work, failure to return to work when notified, or an employee's continued absence will be considered a voluntary resignation of employment.

Miscellaneous

While on FMLA and receiving Salary Continuation related to an employee's serious health condition, any payment received by the employee under Workers' Compensation or New York State ("NYS") statutory short-term disability is to be remitted to Carl Marks in a timely manner.

While on paid Parental Leave, employees must complete and submit the necessary paperwork for both NYS statutory short-term disability payments (where applicable) and for NYS PFL payments. Both of these payments are then to be remitted to Carl Marks. In no instance will an employee receive more than 100% of his or her salary.

Employees with disabilities anticipated to extend beyond 12 weeks should also timely apply for Social Security, Medicare or other disability coverage.

Employees on an approved FMLA are not permitted to engage in other employment while they are absent from the Firm under this policy, except when the leave is for military or public service or when there has been prior written approval from Management. Employees who begin employment elsewhere while on LOA, except military reserve or public service duty, will be considered to have voluntarily quit.

Any employee who fraudulently obtains FMLA leave will be subject to immediate discipline, up to and including termination.

An employee's failure to inform Management of his or her availability to return to work, failure to return to work when notified, or continued absence from work beyond the FMLA leave, barring extenuating circumstances, will be considered a voluntary resignation of employment.

FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

Employer's Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for ineligibility.

Covered employers must inform employees if leave will be designated as FMLA protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- Interfere with, restrain or deny the exercise of any right provided under FMLA
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA

Concerns regarding a possible violation with respect to either of these obligations should be reported to Management.

Enforcement

Employees may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

NON-FMLA LEAVE OF ABSENCE

General

Employees ineligible for a leave under FMLA or state law may under certain circumstances apply for a Non-FMLA leave of absence.

Notice and Leave Request

Employees must provide 30 days' advance notice of the need to take a Non-FMLA leave when the need is foreseeable. When 30 days' notice is not possible, employees must provide notice as soon as possible. Employees need to complete and submit the requisite leave forms prior to the beginning of the leave. Failure to provide appropriate notice and/or complete the necessary paperwork may result in the delay or denial of leave. Depending upon the circumstances of the Non-FMLA leave, the Company may require submission of medical certifications at various times during the leave.

Pay, Benefits and Protections

Employees taking Non-FMLA leave must apply all eligible sick, personal and accrued unused vacation time at the beginning of this leave. Any additional time taken thereafter will be unpaid unless eligible for Salary Continuation. If applicable, Salary Continuation will provide additional paid time up to a maximum of 12 weeks, inclusive of sick, personal and accrued unused vacation days applied during this time. (Refer to the section on Salary Continuation for more detail regarding paid benefits.) Any payroll deductions (e.g., FSA, 401(k), garnishments) in effect before commencement of Non-FMLA leave will continue during any period of paid leave.

Group health coverage will continue if receiving Salary Continuation while on Non-FMLA leave. This includes medical, dental, life, long-term disability and any elected voluntary benefits. When applicable, the employee must continue to pay his or her portion of benefits made via payroll deduction or by check, which must be submitted each pay period unless other arrangements have been made. If an employee fails to pay his or her portion of those benefits for more than 30 days, that coverage will be terminated whereupon the employee will be offered COBRA, at the employee's cost, to continue the medical and/or dental portion of benefits.

During any **unpaid** Non-FMLA leave, after eligible paid time off has been exhausted and/or when there is no (or no further) Salary Continuation:

- Employees may continue their group medical and dental insurance coverage if they elect COBRA and pay their total monthly premium(s) as prescribed under COBRA. Arrangements should be made with the Benefits Manager prior to the leave or as soon as practically feasible
- No benefits will accrue. Except for military reserve duty and otherwise as required by law, time spent on a leave will not be counted as time employed in determining an employee's eligibility for benefits that accrue on the basis of length of employment
- Any payroll deductions for group health and/or voluntary coverage will cease

- No contributions will be made to the Flexible Spending Account (FSA) program and the employee will only receive reimbursement equal to the amount contributed up until that point
- Employees are responsible for reimbursing the company for any other voluntary benefits while on unpaid FMLA leave
- If an employee is currently enrolled in the Dependent Care FSA program, contributions cannot be made during the unpaid leave period and the employee will only receive reimbursement equal to the amount contributed up until that point
- No contributions will be made to the 401(k) Plan nor can funds be borrowed. Upon returning from any unpaid Non-FMLA leave, an employee must re-elect 401(k) Plan contributions

Return Following Non-FMLA Leave

Employees returning from Non-FMLA leave are required to provide notice at least five workdays prior to the actual date they intend to report to work. Employees returning from a medical leave for their own serious health condition must provide certification from their health care provider with a return-to-work/fitness for duty certification, with or without reasonable accommodation.

Miscellaneous

Employees with disabilities that are anticipated to extend beyond 12 weeks should also immediately apply for Social Security, Medicare or other disability coverage.

While on Non-FMLA Salary Continuation related to an employee's pregnancy or own serious health condition, any payment received by the employee under Workers' Compensation, or NYS statutory short-term disability is to be remitted to Carl Marks in a timely manner.

Employees are not permitted to engage in other employment while they are absent from the Firm under this policy, except when the leave is for military or public service or when there has been prior written approval from Management. Employees who begin employment elsewhere while on leave, except military reserve or public service duty, will be considered to have voluntarily quit.

Any employee who fraudulently obtains Non-FMLA leave will be subject to immediate discipline, up to and including dismissal.

Carl Marks will endeavor to reinstate employees returning from a Non-FMLA leave to their original job or to a similar position, subject to prevailing business considerations. Reinstatement, however, is not guaranteed, unless required by law.

Employees' failure to inform Management of their availability to return to work, failure to return to work when notified, or continued absence from work beyond the time approved by the Company will be considered a voluntary resignation of employment.

NY STATE PAID FAMILY LEAVE (“PFL”) (NEW)

Eligibility Requirements

Employees who have a regular work schedule of 20 or more hours per week and have been employed at least 26 consecutive weeks prior to the date when paid family leave (“PFL”) begins (or who have a regular work schedule of less than 20 hours per week and have worked at least 175 days prior to the date when PFL begins) are eligible for PFL. An employee has the option to file a waiver of PFL and therefore not be subject to payroll deductions when his or her regular employment is: (i) 20 or more hours per week but the employee will not work 26 consecutive weeks; or (ii) less than 20 hours per week and the employee will not work 175 days in a 52-consecutive week period.

Definition and Entitlement

PFL is available to eligible employees for up to eight (8) weeks* within any 52 consecutive-week period:

- to participate in providing care, including physical or psychological care, for the employee’s family member (child, spouse, domestic partner, parent, grandchild, grandparent or parent-in-law of) with a serious health condition; or
- to bond with the employee’s child during the first twelve months after the child’s birth, adoption or foster care placement; or
- for qualifying exigencies, as interpreted by the Family and Medical Leave Act (FMLA), arising out of the fact that the employee’s spouse, domestic partner, child or parent is on active duty (or has been notified of an impending call or order to active duty) in the armed forces of the United States.

The 52 consecutive-week period is determined retroactively with respect to each day for which PFL benefits are currently being claimed.

PFL benefits are financed solely through employee contributions via payroll deductions. The weekly monetary benefit will be 50% of the employee’s average weekly wage or 50% of the state average weekly wage, whichever is less.[†]

Carl Marks and an employee may agree to allow the employee to supplement PFL benefits up to his or her full salary with all eligible sick and personal time, as well as accrued unused vacation time, to the maximum extent permitted by applicable law.

Employees who are eligible for both statutory short-term disability benefits and PFL during the same period of 52 consecutive calendar weeks may not receive more than 26 total weeks of disability and PFL benefits during that period of time. Statutory short-term disability benefits and PFL benefits may *not* be used concurrently.

* PFL will increase up to ten (10) weeks on or after January 1, 2019 and up to twelve (12) weeks on or after January 1, 2021.

† PFL monetary benefit increases to 55% on or after January 1, 2019, 60% on or after January 1, 2020 and 67% on or after January 1, 2021.

Definition of a Serious Health Condition

A serious health condition is an illness, injury, impairment or physical or mental condition that involves:

- Inpatient care in a hospital, hospice or residential health care facility or
- Continuing treatment or continuing supervision by a health care provider. Subject to certain conditions, the continuing treatment or continuing supervision requirement may be met by a period of incapacity of more than three (3) consecutive full days during which a family member is unable to work, attend school, perform regular daily activities or is otherwise incapacitated due to illness, injury, impairment or physical or mental conditions and any subsequent treatment or period of incapacity relating to the same condition, that also involves treatment
 - Two or more times by a health care provider or
 - On at least one occasion by a health care provider, which results in a regimen of continuing treatment under the supervision of the health care provider. The continuing treatment or continuing supervision requirement also may be met by any period during which a family member is unable to work, attend school, perform regular daily activities or is otherwise incapacitated due to a chronic serious health condition or an illness, injury, impairment or physical or mental condition for which treatment may not be effective

A chronic serious health condition is one which:

- Requires periodic visits for treatment by a health care provider
- Continues over an extended period of time (including recurring episodes of a single underlying condition) and
- May cause episodic rather than a continuing period of incapacity

Examples of such episodic incapacity include but are not limited to asthma, diabetes and epilepsy. Other conditions may meet the definition of continuing treatment.

Use of Leave

Employees do not need to use this leave entitlement in one block. Leave can be taken intermittently in increments of at least one full day or on a reduced leave schedule, except that an employee may only take intermittent or reduced leave to care for a family member with a serious health condition where it is shown to be medically necessary. Employees must make reasonable efforts to schedule intermittent or reduced leave so as not to unduly disrupt Carl Marks's operations. Leave taken on an intermittent or reduced leave schedule will not result in a reduction of the total amount of leave to which an employee is entitled beyond the amount of leave actually taken.

Employee Responsibilities

Employees must provide thirty (30) days' advance notice before the date leave is to begin if the qualifying event is foreseeable. When thirty (30) days' notice is not practicable for reasons such as lack of knowledge of approximately when the leave will be required to begin, a change in circumstances or a medical emergency, employees must provide notice as soon as practicable. Failure by employees to

provide (30) days' advance notice of a foreseeable event may result in partial denial of the employees' benefits for a period of up to thirty (30) days from the date notice is provided.

Employees must provide sufficient information to make Carl Marks aware of the qualifying event and the anticipated timing and duration of the leave. Employees must specifically identify the type of family leave requested. Employees also must provide medical certifications and periodic recertification or other supporting documentation or certifications supporting the need for leave. Employees requesting PFL must submit a completed Request for Paid Family Leave or PFL-1 form and additional certification form(s) as follows to the Chief Administrative Officer (1) Bonding Certification: PFL-2 Form plus documentation; (2) Health Care Provider Certification: PFL-4 Form plus Personal Health Information (PHI) Release (PFL-3 Form); or (3) Military Qualifying Event: PFL-5 Form plus documentation.

Job Benefits and Protection

During any PFL taken pursuant to this policy, Carl Marks will maintain coverage under any existing group health insurance benefits plan as if employee had continued to work. Employees will continue to accrue benefits while on PFL.

Employees must make arrangements prior to taking leave to pay their portion of any applicable health insurance premiums each month.

Carl Marks' obligation to maintain health insurance coverage ceases if an employee's premium payment is more than 30 days late. If an employee's payment is more than 15 days late, Carl Marks will notify employee that coverage will be dropped on a specified date unless the co-payment is received before that date.

Employees who exercise their rights to PFL will, upon the expiration of that leave, be entitled to be restored to the position held when the leave commenced, or to a comparable position with comparable benefits, pay and other terms and conditions of employment. The taking of leave covered by PFL will not result in the loss of any employment benefit accrued prior to the date on which the leave commenced.

Leave Concurrent with FMLA

Carl Marks will require employees who are entitled to leave under the FMLA and PFL, to take PFL concurrently with any leave taken pursuant to the FMLA. When the total hours taken for FMLA in less than full-day increments reach the number of hours in an employee's usual workday, Carl Marks may deduct one (1) day of PFL from an employee's annual available PFL.

PFL will run concurrently with all of the Company's leave policies, inclusive of Parental Leave. If employees have any questions regarding this policy, they should contact the Chief Administrative Officer.

PARENTAL LEAVE **(NEW)**

Purpose

Carl Marks will provide fully paid parental leave to eligible employees following the birth of an employee's child or the placement of a child with an employee in connection with adoption or foster care. The purpose of paid parental leave is to enable employees to care and bond with a newborn or newly adopted/placed child. This policy is effective for births, adoptions or placements of foster care occurring on or after October 1, 2017. This policy will run concurrently with the Family and Medical Leave Act (FMLA), New York State PFL and any other applicable laws.

Eligibility

- Regular, full-time employees who have been with Carl Marks for at least 12 consecutive months and
- Have worked at least 1,250 hours during the 12 consecutive months immediately preceding the date leave would begin
- Additionally, employees must meet one of the following criteria:
 - Have given birth to a child
 - Be a biological parent of a child
 - Be a spouse or committed partner of a female who has given birth to a child or
 - Have adopted a child or have been placed with a foster child (in either case, the child must be age 17 or younger).

"Primary" caregiver is generally defined as a parent who, after the birth, adoption or foster placement of a child, has exclusive care responsibility for the child for a significant fraction of the day during the regular work week. This definition will vary across family situations as determined by Carl Marks. "Non-primary" caregiver is the parent who is not the primary caregiver.

Policy

Primary caregivers may take up to fourteen (14) weeks of fully paid leave immediately following the birth or adoption/placement of a child.

Non-primary caregivers may take up to four (4) weeks of fully paid leave after the birth or adoption/placement of a child, in no shorter than weekly increments, at any time within 12 months following the birth, adoption or foster placement of a child. If the non-primary caregiver wishes to take unpaid FMLA time, it must be taken consecutively with the paid time off unless approved for additional unpaid time off in separate blocks of time or on an intermittent or reduced-schedule basis. If a non-primary caregiver becomes the primary caregiver during the fourteen (14) weeks after the birth, adoption or foster placement of a child, the new primary caregiver is eligible to receive the balance of the primary caregiver paid parental leave remaining from the date of the birth, adoption or foster placement.

Paid parental leave will be paid on the same biweekly basis on regularly scheduled pay dates, at the employee's regular biweekly pay rate.

The company will maintain all benefits for eligible employees during the paid parental leave period, including accrual of time. Employees will continue to receive deductions for any benefits, including health insurance and other elected voluntary benefits.

If a company holiday occurs while the employee is on paid parental leave, such day will be charged to holiday pay. However, such holiday pay will not extend the total paid parental leave entitlement.

Any unused paid parental leave, whether for the primary or non-primary caregiver, will be forfeited at the end of the twelve-month period following the birth, adoption or foster placement. Upon termination of employment, neither the primary nor non-primary caregiver will be paid for any unused paid parental leave for which he or she was eligible.

When planning paid parental leave, employees should provide at least one month's prior notice of the request for leave (or if not foreseeable, as soon as possible). Completion of the necessary paperwork, provided to you by Carl Marks, is necessary in order to commence paid parental leave. Employees will be required to attest whether they are the primary or non-primary caregiver and whether that changes during the leave period.

Upon expiration of paid parental leave, affected employees will be reinstated to the same or equivalent position, with no greater right to reinstatement than if continuously employed rather than on leave.

While on paid Parental Leave, employees must complete and submit the necessary paperwork for both NYS statutory short-term disability payments (where applicable) and for NYS PFL payments. Both of these payments are then to be remitted to Carl Marks. In no instance will an employee receive more than 100% of his or her salary.

Any employee who fraudulently obtains paid parental leave is not protected by job restoration or maintenance of benefits.

SALARY CONTINUATION

Employees (a) on FMLA leave for the employee's own serious health condition or (b) on approved Non-FMLA medical leave, are eligible for Salary Continuation.

Salary Continuation runs concurrently with both FMLA and Non-FMLA medical leave, up to a maximum of 12 weeks inclusive of sick, personal and accrued unused vacation time applied during this period.

Salary Continuation is a monetary entitlement for regular full-time employees who have completed a minimum of six months of continuous full-time employment as outlined below.

Salary Continuation is based upon the length of time needed, certified as medically necessary by the employee's healthcare provider, as follows:

Employment Tenure [‡]	6 to 23 months	24 to 59 months	60+ months
Full Pay	Up to 4 weeks	Up to 8 weeks	Up to 12 weeks
Half Pay	Up to 8 weeks	Up to 4 weeks	N/A

While on Salary Continuation, any payment received by the employee under Workers' Compensation or NYS statutory short-term disability is to be remitted to Carl Marks in a timely manner.

Salary Continuation will not be approved and processed until the requisite Carl Marks forms are completed and returned by the employee's healthcare provider in a timely manner.

STATUTORY WORKERS' COMPENSATION AND SHORT-TERM DISABILITY

Employees are covered under the statutory state Workers' Compensation law, which compensates employees for lost time, medical expenses and loss of life or dismemberment from an injury arising out of or in the course of work. Should employees sustain any work-related injury it is necessary to immediately notify the Chief Administrative Officer.

Employees are also eligible for NYS statutory short-term disability for non-work-related illness or injury. If on Salary Continuation, any payment received by employees under Workers' Compensation or statutory short-term disability leave is to be remitted to Carl Marks in a timely manner.

Workers' Compensation or statutory short-term disability are solely monetary benefits and not leaves of absence.

LONG-TERM DISABILITY ("LTD")

Carl Marks offers long-term disability income protection to regular full-time employees who are unable to work due to a disability. Upon completion of a claim form and approval by the third-party provider, eligible employee will receive 60% of their earnings up to a maximum of \$13,000 per month. In most instances, payment is taxable income. The benefit duration is to age 65 with a sliding scale benefit if an employee becomes disabled at any age after 59.

Provided a long-term claim is submitted and thereafter approved by the third-party provider, LTD payments will begin after 90 days and sent directly from the provider. If a medical leave of absence transitions into a long-term disability, it may then either be an unpaid leave or a voluntary resignation. Further details about this may be obtained from the Chief Administrative Officer.

While receiving LTD income continuation from the third-party provider, an employee may continue his or her group medical and dental insurance coverage by paying the total monthly premium as prescribed under COBRA. Arrangements should be made with the Benefits Manager prior to the start of the LTD leave or as soon as practically feasible. LTD is solely a monetary benefit.

[‡] Month of hire is determinative for employment tenure purposes.

BEREAVEMENT

In the unfortunate event of a death in the immediate family, regular full-time employees are granted paid bereavement leave up to five days. Regular part-time employees are granted a pro-rata number of days.

Members of an employee's immediate family include:

- spouse/significant other/domestic partner
- grandparents (including in-laws)
- parent/step-parent (including in-laws)
- child/step-child
- siblings/step-siblings (including in-laws)

Bereavement days must be taken consecutively and may not be split or postponed.

In the instance of a death of a more distant relative (e.g., uncle, aunt, cousin), employees are granted one paid day to attend the funeral. Employees should notify their manager as soon as possible. In certain instances, proof of death and/or relationship to the deceased may be requested.

MILITARY DUTY

Extended Military Leave

An employee called into active military service or who enlists in the uniformed services will be eligible to receive an unpaid military leave of absence. The employee must provide advance notice of his or her service obligations by completing the Leave of Absence Request form, unless prevented from providing such notice by military necessity or it is otherwise impossible or unreasonable to provide such notice. This type of LOA will start on the date of the request or date of need and the employee need not first exhaust vacation or personal days for which he or she may be eligible. Provided the military absence does not exceed applicable statutory limitations, the employee will retain reemployment rights and accrue seniority and benefits in accordance with applicable federal and state laws. For further information about eligibility for military leave, please speak with the Chief Administrative Officer.

Temporary Military Leave

If an employee is required to attend yearly Reserves or National Guard duty, he or she can apply for an unpaid temporary military leave of absence not to exceed the number of days allowed by law (including travel). The employee should give Management as much advance notice of this need for military leave as possible in order to maintain coverage during this time.

Benefits

Employees on military leave of more than 31 days may continue their health insurance coverage for themselves and/or covered dependents by paying the premiums, as set forth under USERRA.

Employees do not accrue vacation, personal or sick time while on military leave of absence status.

For purposes of vesting, employees will be credited with time spent in military service and will be treated as not having incurred a break in service.

Group life insurance (if applicable) terminates the day the employee is activated in the military.

JURY DUTY

Carl Marks recognizes that employees have a civic and legal responsibility to serve jury duty or appear as a witness when asked to do so. Employees will be granted the necessary time off for the period of service.

Regular full-time and part-time employees will receive their base salary while on jury duty for a reasonable period of time, subject to any additional federal or state law requirements. Other employees will be paid as required by law. Employees will continue to receive benefits during any period of jury duty or Call to Witness Leave.

Documentation of court attendance is required. Any fees received by regular full or part-time employees, as a result of serving on jury duty, must be turned over to the Company.

An employee on jury duty is expected to report to work any day (or major portion of the day) he or she is excused by the court. If the required absence presents a serious conflict for the Company, an employee may be asked to try to postpone jury duty and the employee is expected to cooperate with this request.

Upon receipt of the notice to serve jury duty, employees should immediately notify his or her manager. A copy should be provided to the Chief Administrative Officer.

V. BENEFITS (UPDATED)

The Company offers a variety of benefits, including group medical and dental insurance, group life, 401(k), long-term disability income protection, medical and dependent care flexible spending accounts ("FSA"), transit and commuter benefits, vision coverage, AFLAC cancer care, identity-theft protection, a work-life balance program and a worldwide travel assistance program. For detailed information about the specific Carl Marks benefits, please speak with either the Benefits Manager or the Chief Administrative Officer.

Carl Marks (including the officers and administrators who are responsible for administering the plans) retains full discretionary authority to interpret the terms of the plans, as well as full discretionary authority with regard to administrative matters arising in connection with the plans and all issues concerning benefit eligibility and entitlement. While Carl Marks intends to maintain the employee benefits programs, it reserves the absolute right to modify, amend or terminate these benefit offerings at any time and for any reason, without notice.

VI. RULES AND REGULATIONS

CODE OF CONDUCT / BUSINESS ETHICS

Carl Marks prides itself on the highest standards of conduct and business ethics embodied by our operating principles and on maintaining a professional and congenial work environment. All employees and those representing Carl Marks are expected to exercise good judgment and diligence in the performance of their responsibilities. Employees are expected to act at all times in ways reflecting favorably on themselves, co-workers and Carl Marks. No one should engage in activities that constitute a conflict of interest or that may be perceived as constituting a conflict of interest. These standards of conduct and business ethics demand integrity and fairness in dealing with co-workers, colleagues and clients.

All employees who suspect violations of this code have an obligation to report their concerns to Management. All allegations of improper or illegal behavior will be investigated promptly and thoroughly. The investigation shall remain as confidential as practicable and those conducting the investigation shall respect the privacy of all persons involved. Retaliation is prohibited, as required by law. While an investigation will be facilitated if the employee identifies himself or herself, the Company will accept and investigate matters submitted anonymously.

Violation of our Code of Conduct or any other Company policy will lead to disciplinary action which, based on the circumstances of the individual case, could result in corrective and/or disciplinary action up to and including termination of employment. The Company may consider an employee's job performance, prior violation of our work rules and other relevant circumstances in determining whether to counsel, warn, suspend or discharge an employee.

CONFIDENTIAL INFORMATION

By virtue of employment at Carl Marks, all employees are exposed to and have access to confidential business information regarding the business activities of the Company and its affiliates. It is the duty of each employee to protect such confidential business information. Employees may not use or disclose any confidential information except as necessary in the performance of their duties. Confidential business materials, files or other papers must be shredded before being disposed. Employees should refer outside inquiries for comments or statements from the Company regarding its official position on matters relating to the Company's operations to the persons in the Company authorized to respond to the particular inquiry.

Employees who improperly use or disclose confidential business information in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

Carl Marks reserves the right to ask each employee, as a condition of continued employment, to sign a separate, more formal confidentiality agreement setting forth these obligations in further detail.

INSIDER TRADING

If an employee is in possession of material, nonpublic information about a company or the market for a company's securities, the employee **must** refrain from trading on that information. You may not communicate inside information to a second person who has no official need to know the information.

Carl Marks considers confidential all information concerning clients and investors including, for instance, names of investors and investor information or a client engagement and details of the engagement. It is not illegal to learn inside information in the process of engaging with investors and clients. However, it is illegal to trade on such information or to pass it on to others who have no legitimate business reason for receiving such information. If you believe you have learned inside information other than in the ordinary course of business, inform Management immediately so that any potential insider trading issues are addressed and the integrity of Carl Marks is preserved. Do not trade on that information or discuss the possible inside information. If you become aware of a breach of these policies or a leak of inside information, immediately advise Management.

It is of utmost priority to protect the reputation and longstanding integrity of Carl Marks. Follow these steps to preserve the confidentiality of the inside information.

1. Material inside information should be communicated only when there exists a justifiable reason to do so on a “need-to-know” basis inside or outside of Carl Marks. Before such information is communicated, contact a senior person in your group or Management.
2. Do not discuss confidential matters in elevators, hallways, restaurants, airplanes, taxis or any public place the conversation can be overheard.
3. Do not leave sensitive materials on desks or in other places where they can be read by others. Do not leave a computer screen without exiting the open file.
4. Do not read confidential documents in public places or discard them where they can be retrieved by others.
5. Do not carry confidential documents in an exposed manner.
6. Do not discuss confidential business information with spouses, other relatives or friends.
7. Protect electronic information on laptops and other portable devices by encrypting confidential data.
8. Avoid even the appearance of impropriety. Serious repercussions may follow from insider trading and note that the law proscribing insider trading is subject to change. Since it is often difficult to determine what constitutes insider trading, consult with Management if there are any questions on this subject.

Any employee who engages in this practice or fails to comply with the aforementioned steps designed to preserve confidentiality of inside information will be subject to disciplinary action which, based on the circumstances of the individual case, could result in corrective and/or disciplinary action up to and including termination of employment.

DISCLOSURE OF PERSONAL RETAIL STOCK TRADES

Prior to any retail stock trades in one's personal portfolio, employees are required to notify the Chief Financial Officer ("CFO") by e-mail, which must include the name of the security, whether it is a purchase or sale and the date of the trade.

ELECTRONIC MEDIA

Carl Marks utilizes and maintains various electronic media for communication and information exchange that provide employees with the tools to maximize their ability to perform their jobs. Accordingly, employees have access to one or more forms of electronic media and services including, but not limited, to computers, email, phones (landlines and cell/smart phones), voicemail, fax machines, online services and the Internet. Carl Marks encourages the use of these media and associated services because they make communication more efficient and effective and because they are valuable resources. These various forms of electronic media and services provided by the Company are Company property and their purpose is to facilitate and support Company business. Accordingly, their primary use is for business purposes.

This policy applies to all electronic media and services that are:

- Accessed on or from Company premises
- Accessed using Company computer equipment or via Company-paid access methods or
- Used in a manner that identifies the individual with Carl Marks

Prohibited Communications

Electronic media cannot be used for knowingly transmitting, retrieving or storing any communication that is:

- In violation of any laws or public policy
- In violation of the Company's harassment prevention policy
- Derogatory to any individual or group
- Offensive or obscene
- Used to solicit for religious or political causes, outside organizations or other non-work-related solicitations
- Defamatory or threatening or
- Engaged in for any purpose that is illegal or contrary to Carl Marks' policies or business interests

Personal Use

Electronic media and services are provided by Carl Marks primarily for employees' Company use. Limited or incidental use of electronic media (sending/receiving) for personal, non-Company purposes

is understandable and acceptable. However, employees are expected to demonstrate a sense of responsibility and not abuse this privilege.

Employees have no right of personal privacy in any matter stored in, created, received or sent via Carl Marks' electronic media channels. Passwords are not an indicator of personal privacy. All employees, upon request, must inform Management of any private access codes or passwords.

Access to Electronic Communications

Management may access, review and/or audit electronic information created and/or communicated by employees using, but not limited to, computers, email, phones (landlines and cell/smart phones), voicemail, fax machines, online services and Internet usage, and obtain the communications within the systems, without notice to employees and other users, in the ordinary course of business when the Company deems it appropriate to do so. The reasons for which the Company may obtain such access include, but are not limited to:

- Administering and/or maintaining the system
- Preventing or investigating allegations of system abuse or misuse
- Assuring compliance with software copyright laws, any other applicable laws, and with Company policies
- Complying with legal and regulatory compliance or requests for information or
- Ensuring that the Company's operations continue appropriately during an employee's absence

The Company may store electronic communications for a period of time after the communication is created. From time to time, copies of communications may be deleted in accordance with Company policy.

Notification During Absences

During any vacation, personal or sick day absence of a day or longer, employees are expected to change their Carl Marks voicemail and email messages to reflect their absence.

Appropriate Use

Employees are expected to respect the confidentiality of others and are prohibited from engaging in, or attempting to engage in:

- Access, or attempt to obtain access, to another employee's computer systems without appropriate authorization
- Monitoring or intercepting electronic communications of others or third parties
- Hacking or obtaining access to systems or accounts they are not authorized to use
- Using another employee's log-in password

- Using any type of camera (or any device with a camera) to take pictures of others without their knowledge and consent or
- Breaching, testing or monitoring computer or network security measures

Any electronic access to other companies' or individuals' materials must respect all copyrights and one cannot copy, retrieve, modify or forward copyrighted materials except as permitted by copyright owner.

Policy Violations

Violation of this policy subjects the employee-user to immediate revocation of system privileges and may result in disciplinary action up to and including termination of employment. Inappropriate usage in possible violation of software copyright laws or any other applicable laws will be referred to the proper legal authorities.

SOCIAL MEDIA POLICY

Carl Marks respects employee rights to use social media and has developed this policy for all employees and affiliates who participate in online commentary, with the expectation that employees understand and adhere to these important guidelines.

Nothing contained within this policy is intended to interfere with employee rights under the National Labor Relations Act, including but not limited to employees' right to discuss the terms and/or conditions of their employment or other laws protecting lawful job-related activities, nor would it be interpreted or applied so as to interfere with employee rights to self-organize, form, join or assist labor organizations, to bargain collectively through representatives of their choosing, or to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, or to refrain from engaging in such activities.

Social media can take many different forms including but certainly not limited to chat forums, blogs, microblogs, online profiles, wikis, public forums, podcasts, pictures and videos, email, snap-chats, instant messaging, music-sharing and voice-over IP.

Strictly avoid disclosing any business information that is confidential or proprietary to Carl Marks and/or any of its affiliates or to any third parties such as, but not limited to, accounting and unpublished financial information, profits, business plans, markets, methods, names of clients, client lists and confidential client information, in any social media format, including private messages between site members who have authorized access to the information.

General guidelines if participating in any social media format:

- If you reference your employment or affiliation with Carl Marks, directly or indirectly, and express an opinion regarding the Company's positions or actions that could pose a conflict of interest with the Company, identify yourself as a Carl Marks employee or affiliate and use a disclaimer to make it clear that all views expressed are *yours* and neither represent nor have been reviewed or approved by Carl Marks, using language identical to or substantially similar

to: *“The opinions expressed on this site are my own and do not necessarily represent the views of Carl Marks.”*

- If you are advocating the Company’s services on social media identify yourself as an employee
- Be respectful of yourself, your audience and the subject matters you address. Carl Marks does not condone, excuse, immunize or ignore any activity, whether done through social media or otherwise, that is discriminatory, defamatory, libelous, threatening, abusive, maliciously false, obscene or vulgar to colleagues, clients, partners, affiliates, competitors or anyone else
- Carl Marks expects that all employees and affiliates will conduct themselves in accordance with these general guidelines when such conduct may impact colleagues, clients, partners, affiliates, competitors or anyone else
- Carl Marks expects employees and affiliates to understand that these guidelines apply whether one is explicitly identifying him/herself by name while using social media or using social media anonymously or through pseudonyms. While some may wish to use such media without explicitly identifying themselves, Carl Marks does not condone, excuse, immunize or ignore any activity, anonymous or not, that may contradict these guidelines
- Most social networking sites require that when signing up, users agree to abide by a “Terms of Service” (ToS) document. Employees and affiliates are thus responsible for reading, knowing and complying with the ToS of the sites they use

Carl Marks may monitor content on the web such that any information created, transmitted, downloaded, exchanged or discussed on any social media site may be accessed by the Company at any time without prior notice.

If social media activity is deemed as in violation of this policy, Carl Marks may request a cessation of such commentary and/or reserves the right to take legally allowable disciplinary steps, up to and including termination, should employees or affiliates fail to adhere to this policy.

USE OF COMPANY EQUIPMENT AND RESOURCES

Judicious use of Company resources in terms of capital equipment, cash expenditures and commitments for services underlies each person's responsibility. When using Company equipment and resources, employees are expected to exercise reasonableness and due care.

The improper, careless, negligent, destructive or unsafe use of Company equipment or resources will result in disciplinary action, up to and including termination of employment.

INSPECTION POLICY

Carl Marks reserves the right to require employees while on Company property to agree to inspection of their person, personal possessions and property, personal vehicles parked on Company property (or in parking garages paid for by the Company) and work areas. This includes desks, file drawers, cabinets, workstations, packages, handbags, briefcases, vehicles and other personal possessions or places of

concealment, as well as personal mail sent to the Company. Such searches may be conducted at any time without advance notice.

Employees are prohibited from using personal locks on Company property unless specifically authorized by Management to do so. The Company shall retain a copy of keys to or a combination of all locks.

SOLICITATION AND DISTRIBUTION

To avoid distractions, the Company requests solicitation during the non-working time of both the soliciting and solicited employee. The distribution of materials such as handbills or printed or written material of any kind is prohibited at all times in work areas. Solicitation, trespass and/or distribution of material by non-employees on Company premises are prohibited at all times.

OFFICE APPEARANCE

Carl Marks takes pride in maintaining a professional office environment that is always client-presentable.

Conference rooms should always be client-ready. Employees are expected to straighten out conference rooms after their use, such that papers/personal effects are removed, trash is discarded, tables/chairs wiped clean and chairs realigned.

Common areas such as reception and hallways should always be neat and orderly. Other common space such as copy areas and the mailroom should be organized and clutter-free.

Similarly, employees are responsible for maintaining their office and/or work area in a neat and orderly manner. At the end of each day, papers and files should not be haphazardly strewn about and confidential information should not be left out in plain view.

Kitchen facilities are provided for the convenience of all employees. It is everyone's responsibility to help maintain these shared areas in a neat and orderly manner. Employees are expected to discard their own trash, wipe things up that spill on the counters or in the microwave and generally clean up any messes they create. Please refrigerate and/or discard leftover food and do not leave out any food at the end of the day. At the end of each week, all perishable food in the refrigerators (other than bottled beverages, condiments and dressings) will be discarded.

AIR TRAVEL POLICY

The Company appreciates employees' time and effort expended when traveling on business. It is expected that all business air travel will be coach class.

DRESS CODE POLICY (UPDATED)

Carl Marks strives to create a comfortable and an enjoyable work environment for all employees, where open communication occurs across all levels. To help meet these goals, the Company has adopted a business casual dress code policy.

Even with a business casual dress code it is important for all employees to consistently project a professional image of Carl Marks, whether within or outside the office. Common sense, good judgment and professionalism are the expected standard. During business hours or when representing the Company, employees are expected to present a clean, neat and polished appearance.

Of course, there will be times when more customary and traditional business attire is appropriate and employees should dress accordingly on those occasions.

This policy does not require employees to purchase or wear business casual attire. Employees who prefer to dress in more traditional business attire should feel free to do so. Reasonable accommodation will be made for an employee's medical, cultural and/or religious needs.

Personal cleanliness and hygiene is a necessity and employees are asked to be considerate of co-workers, particularly regarding sensitivities of others to perfumes and colognes.

Management reserves the right to use its discretion in all matters of professionalism and appearance. A rule of thumb is that if uncertain about whether an article of clothing is appropriate business casual attire, select something else more suitable.

SMOKE-FREE WORKPLACE POLICY (UPDATED)

Smoking of any nature, in any form, through the use of tobacco (or tobacco-like) products is prohibited at Carl Marks offices. This includes traditional cigarettes, e-cigarettes (or vapors), cigars, pipes and any other substances. Compliance with this policy is mandatory for all employees and persons visiting the Company, with no exceptions. Employees who violate this policy are subject to disciplinary action. Any disputes involving smoking and any employees with questions should discuss their issues/concerns with the Chief Administrative Officer. Employees will not be subject to retaliation for reporting violations of this policy in good faith.

SEPARATION FROM THE COMPANY

As previously noted, employment with the Company is not for a set period of time. Just as employees are free to resign their position at any time, with or without notice, cause or reason, the Company is free to terminate employment at any time, with or without notice, cause or reason.

When an employee decides to leave for any reason, it is requested that the employee provide the Company with a written two-week advance notice period. Carl Marks will compensate employees only for unused, eligible vacation when the employee provides the requisite two-week notice and works throughout the notice period or is terminated for reasons other than violation of policies, as determined by Carl Marks in its sole discretion; otherwise, unused vacation time will be forfeited. If, as sometimes happens, it is in everyone's best interest for the employee to leave prior to the end of the two-weeks' notice period, at the discretion of Management the employee may be advised not to report to work but paid for the remainder of that period.

Should an employee have a negative balance with his or her vacation days, personal days or sick days, the employee will need to reimburse the Company for those excess days taken.

VII. CLOSING WORDS

This Handbook is intended to provide a broad summary of things to know about Carl Marks. If questions arise, Management should be consulted for further details. While we intend to continue the policies and benefits described in this Handbook, the Company may always modify or vary from the matters set forth in this Handbook in its sole discretion. Please do not hesitate to speak to Management if you have any questions.

This Employee Handbook is intended for Carl Marks internal use only.