

**NEWTEKONE, INC.**

**SECTION 16 OF THE SECURITIES EXCHANGE ACT OF 1934**

**COMPLIANCE PROGRAM:**

**SEC SHORT-SWING PROFIT RULE FILING REQUIREMENTS**

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The following sets forth a Section 16 compliance program to assist NewtekOne, Inc. named executive officers and directors in meeting their filing responsibilities under Section 16(a) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). NewtekOne, a Maryland corporation (the “*Company*”), is implementing compliance procedures, the highlights of which are:

- A. Board resolutions designating “executive” officers for purposes of reporting and liability under Section 16 of the Exchange Act.
- B. Designation of a Filing Coordinator to assist all executive officers and directors in preparing or reviewing all Form 3, Form 4 and Form 5 filings.
- C. Utilization of a knowledgeable broker to assist in helping prevent inadvertent short-swing profit and filing violations.
- D. A Form of Power of Attorney to enable a personal representative (preferably the Filing Coordinator) to sign and timely file the Forms 3, 4 or 5 on behalf of an executive officer or director.

**SECTION I. INTRODUCTION**

Section 16(a) of the Exchange Act imposes reporting requirements on officers and directors and 10% shareholders (such officers, directors and 10% shareholders of the Company also referred to as “*insiders*”). These rules require a company to report in its annual proxy statement and annual report on Form 10-K the names of any executive officers or directors, who during the company’s preceding fiscal year, failed to file a Form 4 or initial Form 3, or who failed to file any Form 3 or Form 4 in a timely manner. The Securities and Exchange Commission (the “*SEC*”) has a year-end filing (Form 5) for deferred reporting of small acquisitions and to report failures to file previously due Forms 3 and 4.

**SECTION II. THE CONSEQUENCES OF DELINQUENT FILINGS**

The consequences of a late filing or a failure to file under the rules are significant:

- A. Public embarrassment to the individual and the Company from the disclosures in the annual proxy statement and the Form 10-K.

Potential fines of up to \$5,000 per day for each filing violation by an executive officer, director or 10% shareholder, and up to \$500,000 for violations by companies under the Securities

Enforcement Remedies and Penny Stock Reform Act of 1990.

## **SECTION III. FILING RESPONSIBILITIES**

Under the rules of the Exchange Act, the preparation and filing of Forms 3, 4 and 5 are the sole responsibility of the individual executive officer, director or 10% shareholder. However, as a practical matter, to avoid embarrassment to executives and the Company (in light of the proxy/10-K disclosure requirement), procedures have been established to help prevent inadvertent violations.

## **SECTION IV. REQUIRED FORMS**

### **A. Form 3 Initial Report**

Form 3, which is filed when a person first becomes a director or executive officer or 10% shareholder and therefore becomes subject to Section 16 of the Exchange Act, reports all equity securities of the Company owned by the insider at that time and must be filed via EDGAR within ten calendar days of assuming the position. It should be noted that the Section 16 reporting requirements require that the insider include all equity securities of the Company held by his or her spouse, minor children and any relative living in the insider's household. A Form 3 must be filed even if the reporting person does not own any equity securities of the Company.

### **B. Form 4**

A Form 4 is required to be filed whenever there is a subsequent acquisition or disposition of equity securities. Form 4 must be filed via EDGAR within *two* business days of the transaction requiring a filing.

### **C. Form 5**

A Form 5 is required to be filed within 45 days after the end of the Company's fiscal year by every executive officer, director and 10% owner to report any transactions in the preceding fiscal year that were not reported on a Form 4, either because they were eligible for deferred reporting on Form 5 or because the insider failed to file a Form 4 or Form 3 that should have been filed. In addition, at year-end executive officers and directors who do not file a Form 5 will be required to provide their companies with a written representation that no Form 5 filing is due (i.e., there are no unreported transactions).

## **SECTION V. NO FILING REQUIRED**

Under the rules of the Exchange Act, the following transactions are not required to be reported:

- A. Acquisitions pursuant to dividend or reinvestment plans;

- B. Transactions that change only the form of beneficial ownership; and
- C. Certain transactions by a person who has ceased to be an insider.

Insiders, however, are required to reflect changes in total holdings resulting from such exempt transactions in the total holdings column on the next Form 4 or 5 required to be filed.

## **SECTION VI. THE COMPANY'S SECTION 16 FILING COMPLIANCE PROGRAM – PREVENTIVE PROCEDURES**

In order to assist the Company's executive officers and directors in preventing inadvertent violations of the filing requirements of Section 16(a) of the Exchange Act and the prohibition against "short-swing profits" imposed by Section 16(b) of the Exchange Act, the following compliance procedures have been implemented.

### **A. Designated Filing Coordinator**

We have designated our Chief Administrative Officer as the Filing Coordinator to assist all executive officers and directors in preparing and/or reviewing all Form 3, Form 4 and Form 5 filings.

### **B. Preparing and Reviewing Forms 3, 4 and 5**

The Filing Coordinator will help prepare a Form 3 upon an individual's assumption of executive officer or director status. In addition, the Filing Coordinator will assist all executive officers and directors in preparing a Form 4 whenever there is an acquisition or disposition of equity securities that would require a filing. But, Filing Coordinator will need your input whenever there is any change.

It should be noted that even if an individual is unable to personally sign a Form 3, 4 or 5 (e.g., if you are out of town), the SEC permits the form to be signed by another without a prior or simultaneous filing of a power of attorney as long as a power of attorney is sent "as soon as practicable" thereafter. The SEC will not excuse a late filing simply because the individual is unavailable. We have designed a standing power of attorney giving us the authority to sign a Form 3, 4 or 5 on your behalf in order to facilitate timely filings in your absence. Please sign and return the enclosed form at your earliest convenience.

Forms 4 and 5 for Stock Incentive Plan Awards. Because transactions under employee plans can raise complex reporting issues which insiders are ill-equipped to handle on their own, and because if reported improperly they can create the appearance of short-swing profit violations and trigger communications from plaintiffs' lawyers, the Filing Coordinator will, to the extent the Company issues shares pursuant to a stock option or other employee stock plan, automatically prepare the appropriate Form on your behalf whenever you acquire shares pursuant to an employee stock plan.

## SECTION VII. SHORT-SWING PROFIT RULE PREVENTIVE PROCEDURES

We also have established procedures for preventing violations of Section 16(b) of the Exchange Act, the SEC's short-swing profit rule, which can be potentially much more costly and disruptive. Insiders will be held liable to the Company for any "short-swing profits" resulting from any combination of a non-exempt purchase and sale or sale and purchase within a period of less than six months. To help minimize inadvertent violations we suggest that you take advantage of the following preventive procedures:

### A. Check With The Filing Coordinator First

Prior to engaging in any transaction involving the Company's common stock, we would encourage you to check with the Filing Coordinator who can contact Company counsel, if necessary, to review with you any Section 16(b) matchable transactions within the preceding six months as well as possible transactions within the coming months.

### B. Pre-Clearance Of All Trades By Officers, Directors and Other Key (e.g., financial, legal, etc.) Personnel

To provide assistance in preventing inadvertent Section 16 and insider trading violations, the following procedure has been implemented.

All transactions in the Company's common stock (acquisitions, dispositions, transfers, etc.) by directors and executive officers must be pre-cleared by the Filing Coordinator (see Company Insider Trading Policy). If you contemplate a transaction, you should contact the Filing Coordinator in advance.

## SECTION VIII. THE ULTIMATE RESPONSIBILITY RESTS ON YOU

While the Company has decided to increase its assistance to help its executive officers and directors comply with Section 16 of the Exchange Act, you should recognize that it will remain your obligation to see that your filings are made timely and correctly, and that you do not engage in unlawful short-swing transactions. The Company cannot assume any legal responsibility in this regard.