

National Securities Corporation

Privacy Policy

National Securities Corporation (NSC) has designed this privacy policy to protect the confidentiality of information we receive about our customers.

Nonpublic Personal Information Collected:

NSC collects nonpublic personal information about you from the following sources: (a) information received from you in connection with applications and other forms for establishing and maintaining your investment accounts; (b) information about your transactions with us, our affiliates, or others; and (c) information we receive from a consumer reporting agency.

Disclosure of Nonpublic Personal Information:

NSC will not disclose any nonpublic personal information collected about you except to nonaffiliated third parties in connection with the creation or maintenance of your investment account(s) and to help us process transactions for your account(s), and to affiliated companies. NSC will disclose nonpublic personal information only to nonaffiliated third parties who are financial service providers, such as custodians, open and closed-end mutual fund companies, variable life insurance companies, or other companies whose products are sold by NSC or companies we may use to provide services for us. Affiliated companies to whom any nonpublic information may be disclosed include entities within NSC's family of financial services companies, including, but not limited to: National Holdings Corporation, National Asset Management, Inc., National Insurance Corporation, vFinance Investments, Inc., Gilman Cioia, Inc., and GC Capital Corporation.

We do not disclose any nonpublic personal information about our customers or former customers to any other persons, except as permitted by law, or with your consent.

Protection of Your Information:

NSC and its affiliates take precautions to ensure your nonpublic personal information is protected and accessed only by authorized individuals or organizations. Within NSC and its affiliates, we restrict access to nonpublic information about you to employees and agents who need to know the information. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

Business Continuity Plan Disclosure

NSC has developed a Business Continuity Plan (BCP) describing how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions are unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our BCP.

Contacting Us

If after a significant business disruption you cannot contact your representative as you usually do, please contact our Seattle or New York office directly or go to our web site at www.nationalsecurities.com. If you cannot access us through either of those means, you should contact the clearing firm that maintains your account, National Financial Services at (800) 801-9942 or COR Clearing LLC at (800) 811-3487, for instructions on how they may assist you by providing prompt access to funds and securities; entering orders; and processing other trade-related, cash, and security transactions.

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our BCP is designed to permit our firm to resume operations as quickly as

possible, given the scope and severity of the significant business disruption.

Our BCP addresses data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities at all times possible.

Our clearing firms back up our records in a geographically separate area. While every emergency situation poses unique problems based on external factors such as time of day and the severity of the disruption, we have been advised by our clearing firms that their objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments as efficiently as possible. Your orders and requests for funds and securities could, however, be delayed during this interim period.

Varying Disruptions

Although significant business disruptions can vary in their scope, such as a single building, a business district, a city or an entire region, NSC maintains principal offices on both the east and west coasts which should minimize the severity of any potential disruption of business and our service to you, our client. In the case of a disruption, our firm should be able to continue to operate out of at least one of the principal offices located in Seattle and New York City. If a significant event occurs, we plan to continue in business, transferring operations to our clearing firm if necessary, and notify you through our web site www.nationalsecurities.com or our customer emergency numbers. If the significant business disruption is so severe that it prevents us from remaining in business, we will make every attempt to provide you prompt access to your account through the firm carrying your account.

For More Information

If you have questions about our business continuity plan, please contact the Seattle office. Our BCP is subject to modification. Updated disclosure statements, as applicable, will be posted to the firm's website and are available via mail upon written request.

Extended Hours Trading Risk Disclosure

You should consider the following points before engaging in extended hours trading. "Extended hours trading" means trading outside of regular trading hours. "Regular trading hours" generally means the time between 9:30 a.m. and 4:00 p.m. Eastern Standard Time.

Risk of Lower Liquidity: Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities and, as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours; as a result, your order may only be partially executed, or not at all.

Risk of Higher Volatility: Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours; as a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

Risk of Changing Prices: The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next

morning; as a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

Risk of Unlinked Markets: Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

Risk of News Announcements: Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

Risk of Wider Spreads: The spread refers to the difference in price between what you can buy a security for (ask) and what you can sell it for (bid). Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"): For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions, an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

Consolidated or Performance Reports

Consolidated reports which combine information regarding customers' holdings within and outside NSC, or report performance of an account may be provided to customers as a service. Customers should be aware that any consolidated or performance reports furnished by NSC are not official account statements, and are provided solely for informational purposes as a courtesy to our customers. The reports are not verified by any third party and are not guaranteed as to accuracy or completeness. We encourage you to review and maintain official account statements and compare them to any reports. The information contained in consolidated reports may include, in addition to assets in a NSC brokerage account, assets held through mutual funds, variable annuities, or custodians other than those used for NSC's accounts, including assets that are not included in NSC's books and records. NSC DOES NOT VERIFY DATA FOR ASSETS HELD OUTSIDE NSC. Those assets may not be covered by SIPC. Further, consolidated reports do not reflect "performance" by NSC or your account representative. Any earnings and/or returns shown in the reports are not intended to predict or guarantee the actual results of any investment product. As with any investments, past performance cannot assure any level of future results.

Residents of New York Purchasing Insurance Products

If you are a resident of New York and purchase an insurance product through a person associated with our firm, that person is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in

any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation. The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Entity Disclosure

National Holdings Corporation (NASDAQ: NHLD) is the parent corporation of a number of affiliated financial services companies. NSC is a full service brokerage firm, operated primarily through independent registered representatives, and offers securities, including variable insurance products, and investment banking services. vFinance Investments, Inc. (vFinance) is a market making and institutional trading firm.

Fee-based investment advisory services are offered through National Asset Management, Inc., an SEC registered investment advisor. Insurance products, including fixed indexed annuities (but not variable products), are offered through National Insurance Corporation. Gilman Ciocia, Inc. provides accounting services, tax planning and preparation. Gilman Ciocia is also a Registered Mortgage Broker with the NYS Banking Department and provides a variety of lending services including mortgages, equipment leasing, and business financing. GC Capital Corporation is a licensed mortgage brokerage business with the Florida State Banking Department.

Registered representatives associated with any NHLD affiliated entity may also have outside business interests or do business under the name of an entity that is not affiliated with NHLD. Any products offered by, or activities of a representative through, an outside business interest or an entity not listed above may not be supervised by any NHLD affiliate. If you have any questions regarding the products offered by an affiliate of NHLD and whether any product is offered through a particular corporation, please contact NSCs Compliance Department at 206-622-7200. Fortress Biotech, Inc (NASDAQ: FBIO) through its affiliate FBIO Acquisition, Inc., is a majority shareholder of NHLD.

MSRB Disclosure

National Securities Corporation is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board (MSRB). The website address for the MSRB is www.msrb.org. A municipal advisory client brochure, which describes the protections that may be provided by the MSRB and how to file a complaint with an appropriate regulatory authority, is available on the website of the MSRB.

Order Handling

Orders for customer accounts that meet the definition of an "institutional account" as defined in Rule 4512(c), or for orders of 10,000 shares or more (unless such orders are less than \$100,000 in value), NSC may trade the security on the same side of the market for its own account at a price that may satisfy such customer order. Should the customer choose not to allow such trading to occur on orders meeting the above specifications they should inform the individual accepting the order in question at the time of entry or contact NSCs Compliance Department at 206-622-7200, prior to placing such an order.

Order Routing Disclosures

NSC and its clearing firms may receive compensation or other consideration for routing orders to particular broker/dealers or market centers for execution. We provide quarterly reports (Rule 606 reports) regarding our order routing practices, which identify the significant venues, as defined in the rule, where orders were routed in listed equity securities and listed options, as well as order routing details. The quarterly routing reports are available on our website, www.nationalsecurities.com. If you do not have access to the Internet, you may request a printed copy of the report from your Investment Representative, or by contacting NSC directly. You may also request your specific order routing and execution information in writing for the preceding six (6) months from the date of request. This will include the identity of the marketplace where the orders were routed for execution, whether the orders were directed or non-directed, and, if executed, the time of the execution.

SIPC Disclosure

NSC is a member of the Securities Investor Protection Corporation (SIPC). Customers may obtain the brochure and information about SIPC by contacting them by telephone at (202)371-8300, or visit them online at www.sipc.org.

Direct Business Customer Checks

Customers should be aware that, in some instances, customer checks submitted in connection with subscription-way documents may be held by the firm for up to seven business days while a suitability review is performed. Those checks are held in a secure location until they are forwarded to the payee.

Customer Inquiries

It is important that you review your account statements and confirmations upon receipt. Additionally, we recommend that you monitor the activity in your account online. Please contact your representative to request log on credentials. You may contact NSC directly for account information, to report a discrepancy/complaint or if you are unable to reach your representative. Our contact information is below:

National Securities Corporation
Attn: Compliance Dept.
One Union Square
600 University Street, Suite 2900
Seattle, WA 98101
(206) 622-7200

Important Information

Disclosure Information and Notices Regarding Your Account



Member FINRA/SIPC. Established 1947.

National Securities Corporation

Member FINRA/SIPC

Seattle Headquarters

One Union Square
600 University Street, Suite 2900
Seattle, WA 98101
(800) 552-7574 or (206) 622-7200

New York Headquarters

200 Vesey Street, 25th Floor
New York, NY 10281
(800) 742-7730 or (212) 417-8000

www.nationalsecurities.com

Investor Education & Protection

To further its objective of investor protection, the Financial Industry Regulatory Authority (FINRA) offers access to BrokerCheck; a Public Disclosure Program.

Through BrokerCheck, investors can:

- Search for both brokers and brokerage firms
- Obtain online delivery of a background report
- View explanatory information to help them better understand the content, context and source of the information provided
- See links to additional resources and tools

This free tool helps investors research the professional backgrounds of current and former FINRA registered brokerage firms and brokers. You may access FINRA BrokerCheck online at, www.finra.org/Investors/ToolsCalculators/BrokerCheck/index.html or for more detailed information call the FINRA BrokerCheck Hotline at (800)289-9999.

European Union General Data Protection Regulation Privacy Notice

This Privacy Notice describes how National Securities Corporation; National Asset Management, Inc., National Insurance Corporation (together "National" "we," or "our") treat personal data of individuals in the European Union). The information in this Notice is provided pursuant to the European Union's General Data Protection Regulation (GDPR) and is in addition to other privacy notices we may provide.

The authorized representative of National in the European Union is activeMind.legal. You may also contact National at privacyofficer@nhldcorp.com. Contacting National through other means could impact your rights and National's obligations under the GDPR.

Basis for and Purposes of Data Processing

We collect and process your personal data in order to provide services to you and perform our obligations under our contract with you. You are required to provide personal data to enter into a contract with us, and we are required to obtain certain personal data in order to comply with applicable regulations. If we do not receive the information that we request, we may not be able to provide the requested services.

Depending on the services you subscribe to, your contract is with one or more of the following National companies identified in your contracts and account materials:

- National Securities Corporation provides investment services and products, including brokerage accounts.
- National Insurance Inc., provides insurance related services and products.
- National Asset Management, Inc. provides investment advisory services.

We also collect and process your personal data in order to comply with applicable U.S. laws. The basis for such processing is our legitimate interests, as we could not provide you with the required contractual services unless we complied with U.S. laws. We do not collect sensitive personal data under GDPR (e.g., information related to racial or ethnic origin, political opinions, religion or other beliefs, health, biometrics or genetic characteristics, criminal background or trade union membership). Please do not send us any such sensitive information.

Personal Data Not Obtained From You

We obtain personal information about you from other sources, including those publicly accessible, and use that information to assist us in verifying your identity and for other purposes described in this notice.

Recipients of Personal Data

We share your personal data with unaffiliated service providers in connection with the performance of our contract with you. Our service providers provide services such as: (a) professional, audit, accounting, and tax services; (b) network and trading platforms; (c) clearing and settlement (d) record retention, (e) administrative services, such as printing and mailing; (f) deal transaction participants and (g) legal, governmental, and regulatory support. Some of your personal data may be processed outside of the European Economic Area.

Disclosures of your personal data which we make to our third party service providers will be made subject to conditions of confidentiality and security as we may consider appropriate to the specific circumstances of each disclosure. We also share your personal data with affiliated companies, and with third parties other than service providers, including regulatory authorities and law enforcement agencies, consumer reporting agencies, in connection with litigation, in the event of a reorganization, acquisition, disposition or similar transaction, and in other events where it is permitted by law or where we have your consent.

International Transfers

The National companies listed above are based in the U.S. (a country for which the EEA has not issued an adequacy decision on the protection of personal data). We may transmit data to you and vice versa as necessary for the performance of our contract with you.

Data Storage Period

We will retain personal data for as long as needed or permitted in light of the purpose(s) for which it was obtained. The criteria used to determine our retention periods include: (i) the length of time we have an ongoing relationship with you and provide the services; (ii) whether there is a legal obligation to which we are subject; and (iii) whether retention is advisable in light of our legal position (such as in regard to applicable statutes of limitations, litigation or regulatory investigations).

Your GDPR Rights

You can exercise or address these rights (subject to retention and other requirements under applicable law) by contacting us or our representative as provided in the beginning of this Notice.

1. Access. You have the right to obtain access to your personal data.
2. Rectification. You have the right to ask for incorrect, inaccurate, or incomplete personal data to be corrected.
3. Erasure. You have the right to request that personal data be erased. Please note that we may need to retain certain information for recordkeeping purposes and/or to complete any transactions that you began prior to requesting a change or deletion. There may also be residual information that will remain within our databases and other records, which will not be removed.
4. Restriction on processing. You have the right to request the restriction of the processing of your personal data in specific cases.
5. Objection to processing. You have the right to object to the processing of your personal data for marketing purposes or on grounds relating to your particular situation.
6. Portability. You have the right to receive your personal data in a machine-readable format and send it to another controller.
7. Lodging a complaint with a Supervisory Authority. You have the right to lodge a complaint with a Supervisory Authority within your Member State.



Building an Ethical Workplace Together

ETHICS HOTLINE POLICY

SCOPE:

This policy applies to all individuals associated with National Holdings Corporation, its subsidiaries and independent branch offices, including full, part time, and temporary employees and independent contractors.

PURPOSE:

National Holdings Corporation is committed to the highest possible standards of ethical, moral and legal business conduct. In conjunction with this commitment and National Holdings Corporation's commitment to open communication, this policy aims to provide an avenue for all associated persons to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith. However, if any associated person feels that their anonymity is not required then they may contact their supervisor, Compliance, Human Resources, or any member of the Senior Management Team.

POLICY:

The whistleblowing policy is intended to cover serious concerns that could have a large impact on National Holdings Corporation, such as actions that:

- May lead to incorrect financial reporting;
- Are unlawful;
- Are not in line with Company policies; or
- Otherwise amount to serious improper conduct.

Regular business matters that do not require anonymity should be directed to the associated person's supervisor and are not addressed by this policy.

SAFEGUARDS:

Harassment or Victimization

Harassment or victimization of individuals submitting hotline reports will not be tolerated.

Confidentiality

Every effort will be made to protect the reporter's identity by our hotline vendor. Please note that the information provided in a hotline report may be the basis of an internal and/or external investigation by our Company into the issue being reported. It is possible that, as a result of the information provided in a report, the reporter's identity may become known to us during the course of our investigation.

Anonymous Allegations

The policy allows individuals to remain anonymous at their option. Concerns expressed anonymously will be investigated, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

Malicious Allegations

Malicious allegations may result in disciplinary action.

PROCEDURE:

Reporting

The whistleblowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct, should be reported in either of the following ways:

- **Website:** www.lighthouse-services.com/nhldcorp
- **English speaking USA and Canada: 844-440-0023**

- Spanish speaking USA and Canada: **800-216-1288**
- Spanish speaking Mexico: **01-800-681-5340**
- French speaking Canada: **855-725-0002**
- **E-mail:** reports@lighthouse-services.com (must include company name with report)
- **Fax:** (215) 689-3885 (must include company name with report)

Reporters to the hotline will have the ability to remain anonymous if they choose. Please note that the information provided by the reporter may be the basis of an internal and/or external investigation into the issue he or she is reporting and his or her anonymity will be protected to the extent possible by law. However, an individual's identity may become known during the course of the investigation because of the information he or she provided. Reports are submitted by Lighthouse to National Holdings Corporation Management Team or Audit Committee, and may or may not be investigated at the sole discretion of the Company.

Employment-related concerns should continue to be reported through your normal channels such as your supervisor, your Human Resources Department, or any member of Management.

Timing

The earlier a concern is expressed, the easier it is for us to take action.

Evidence

Although it is not expected that a reporter prove the truth of an allegation, the person submitting a report needs to demonstrate in their hotline report that there are sufficient grounds for concern.

HOW THE REPORT WILL BE HANDLED:

The action taken will depend on the nature of the concern. The Audit Committee of National Holdings Corporation Board of Directors receives case report data and follow up reports on actions taken by the Company.

Initial Inquiries

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed upon action without the need for an investigation.

Feedback to Reporter

Whether reported directly to National Holdings Corporation personnel or through the hotline, the individual submitting a report will be given the opportunity to receive follow-up on their concern:

- * Acknowledging that the concern was received;
- * Indicating how the matter will be dealt with;
- * Giving an estimate of the time that it will take for a final response;
- * Telling them whether initial inquiries have been made;
- * Telling them whether further investigations will follow, and if not, why not.

Further Information

The amount of contact between the individual submitting a report and the body investigating the concern will depend on the nature of the issue, the clarity of information provided, and whether the reporter remains accessible for follow-up. Further information may be sought from the reporter.

Outcome of an Investigation

At the discretion of the Company and subject to legal and other constraints, the reporter may be entitled to receive information about the outcome of an investigation.

National Holdings Corporation reserves the right to modify or amend this policy at any time as it may deem necessary.