



PENNROSE

Bricks & Mortar | Heart & Soul

Anti-Corruption, Political Contribution, Expenditure, & Activity Policy

This policy clearly outlines the expectations of all Pennrose associates to operate fairly and lawfully in all business dealings. Developed by the legal council at Pennrose, this code represents our commitment to excellence in fair and ethical conduct.

Updated August 2024



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Introduction and Purpose

At Penrose, we are deeply committed to maintaining the highest standards of ethical conduct in all our business practices. As a leading affordable housing development and property management company, we recognize our responsibility to act with integrity, fairness, and transparency in all of our endeavors. Our commitment to ethical behavior is unwavering, and we strive to ensure that all Penrose associates uphold these values in their daily activities. We strictly prohibit any form of bribery or corruption, and we diligently follow all applicable laws and regulations to avoid conflicts of interest, inappropriate gifts, and political activities. By fostering a culture rooted in the highest ethical expectations, we aim to build trust with our partners, residents, and communities, ensuring that our actions consistently reflect our core values. As stated in our Business Code of Conduct, Penrose takes firm stances on the following topics:

Bribery / Kickbacks

Bribery can be understood as “the offering, promising giving, accepting or soliciting of an advantage as an inducement for an action which is illegal or a breach of trust.” It covers a broad range of activities, including abuse of office and illegal acts by employees acting on behalf of Penrose, solicitation, fees, and commission, among others. Bribery can be both active and passive.

Penrose associates shall not engage in any form of bribery or corruption, including the giving or receiving of any payment or anything of value, including voluntary contributions and sponsorships, in order to influence the behavior of a public official with the intention of obtaining an improper benefit or advantage in a business transaction.

Penrose associates also shall abide by all applicable laws and regulations concerning commercial bribery. This includes any form of “kickback,” which is the payment of anything of value to another person with the goal of influencing that individual’s decision or job performance.

Gifts and Entertainment

Business gifts and entertainment, when exchanged appropriately, can build goodwill, and help develop and enhance key business relationships. Gifts and entertainment, however, also can be perceived to create conflicts of interest under some circumstances. Pennrose associates shall follow all applicable laws and regulations concerning the providing of gifts and entertainment, particularly when public officials are involved. Some states and localities have strict prohibitions or limitations on providing gifts or entertainment to public officials, and associates shall understand and follow any such restriction.

To avoid any conflict, Pennrose associates shall not accept business entertainment if such business entertainment is worth more than a nominal amount (see definition and amount below), unless such business entertainment is specifically approved in advance and in writing by the Compliance Officer.

- “Business entertainment” is a meal or entertainment provided for/by anyone who does business with or seeks to do business with Pennrose or who is a resident of a Pennrose-managed property. In the case of business entertainment or a gift, “nominal” generally means less than \$250 per person and such business entertainment or gift is ordinarily used in establishing or maintaining business relationships or in a sales promotion, such as typical business meals and reasonable entertainment, services, or gifts consistent with local, social, and business customs. If larger, it must be approved by Compliance Officer.
- In the event of any inadvertent or unintentional acceptance of business entertainment in violation of this directive, the associate shall have seven days within which to make full written disclosure of the circumstances to the Compliance Officer.

Pennrose associates also shall not accept a gift (see definition below) worth more than a nominal amount (as defined above) unless such gift is specifically approved in advance and in writing by the Compliance Officer.

- A “gift” is a service or gift from anyone who does business with or seeks to do business with Pennrose or who is a resident of a Pennrose-managed property.
- In the event of any inadvertent or unintentional acceptance of a gift in violation of this directive, the associate shall have seven days within which to make full written disclosure of the circumstances to the Compliance Officer.

Conflicts of Interest

Pennrose associates shall avoid any conflict of interest in their work with Pennrose, shall avoid any appearance of impropriety involving an actual or potential conflict of interest, and shall conduct Pennrose's business in an honest and ethical manner.

Reporting conflicts of interest in the workplace is an essential practice for maintaining a transparent and ethical working environment. A conflict of interest can arise when an employee's personal interests or relationships interfere with their ability to perform their duties impartially. Examples of conflicts of interest can include accepting gifts or favors from clients, having a financial interest in a supplier or competitor, or having a close personal relationship with a colleague. By promptly reporting any potential conflicts of interest, employees can help their organization to identify and address these issues before they can cause harm to the organization's reputation or legal standing. It is essential that all employees are aware of their responsibility to report any conflicts of interest and understand the consequences of failing to do so. A robust reporting process can ensure that conflicts of interest are identified and resolved in a timely and appropriate manner.

Before making any investment, accepting any position or benefits, participating in any transaction or business arrangement, or otherwise acting in a manner that creates or appears to create a conflict of interest, Pennrose associates shall make full disclosure to and obtain prior written approval of the Compliance Officer, unless otherwise specified below.

In avoiding conflicts of interests and protecting Pennrose's assets, associates also may not, unless disclosed in writing and approved by the Compliance Officer:

- Accept any payment or gratuity from anyone who does business or seeks to do business with Pennrose or is a resident of a Pennrose-managed property.
- Engage in any activity that would conflict with or detract from an associate's ability to carry out assigned duties and responsibilities.
- Do business with or authorize a property to do business with any vendor who employs a relative of yours without notifying and receiving prior written approval from the Compliance Officer.
- Have any material personal interest in any vendor who does business with any Pennrose property.
- Participate in any outside business activity with a person met through employment at Pennrose without notifying and receiving prior written approval from the Compliance Officer.
- Use or take any property belonging to Pennrose or one of its properties without proper authorization. Associates must comply in all ways with the Pennrose Company Property policy.

- Solicit vendors or contractors for donations without prior approval from the Compliance Officer.

Political Activity and Contributions

In accordance with our Political Contribution Expenditure and Activity Policy, Pennrose does not use corporate funds or resources for direct contributions to federal political candidates, parties, or campaigns.

Occasionally, with prior approval of the Vice President of Compliance & Legal, we may contribute to a political action committee, advocate for a position, express a view or take other appropriate action with respect to legislative or political matters affecting our company or our interests in compliance with applicable laws and regulations. Political contributions, expenditures and activities of certain officers and employees providing real estate investment advisory services for private capital sources through our Pennrose Investment Management business are subject to additional restrictions, certifications, and training requirements.

“Pennrose respects the right of associates to participate in the political process as permitted by applicable laws. In some jurisdictions, corporations are prohibited from making political contributions. When political contributions are permitted, under no circumstances will political contributions be made or conditioned upon a recipient’s agreement or understanding to take or refrain from taking any particular governmental action on behalf of Pennrose or any Pennrose associate. All political contributions shall be accurately and fully disclosed according to all applicable laws.

No associate shall require any person to contribute to, support or oppose any political group or candidate. No associate shall make any political contributions for, on behalf of, or in the name of Pennrose or seek direct or indirect reimbursement for contributions. Any political activity by associates must be performed strictly in their individual and private capacity and not on behalf of Pennrose or with the use of Pennrose’s resources.”

Charitable Contributions.

Pennrose is proud to have established and provide support for the Pennrose Foundation to give back to the residents and communities that we serve, particularly our residents who are working to pursue academic achievement. Pennrose also contributes to other registered charities and foundations and encourages our associates to have similar community involvement.

Our corporate and site initiatives have come together under one unified program to inspire and engage employees to support the causes they care about through matching gifts, volunteer time off, and community service. Pennrose employees have donated their time and monetary support to non-profit organizations in the communities where we live and work.

Charitable giving, however, must never be used for the purpose of improperly influencing business decisions associated with Pennrose, its associates or its business partners.