



NOVOGRADAC

**CODE OF
BUSINESS ETHICS
& COMPLIANCE
REPORTING POLICY**

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1. Policy Overview

This Compliance Reporting Policy (this "**Policy**") is provided to you as an employee, partner, independent contractor, client, customer, vendor or other stakeholder of Novogradac & Company LLP and its affiliates (collectively, "Novogradac" or the "**Company**"). This policy can be found in the Human Resources NovieNet site and on Paychex Flex (for Novogradac personnel only), or by contacting Human-Resources@novoco.com.

The purpose of this Policy is to reinforce the business integrity of the Company by providing a safe and reliable means for internal and external stakeholders to report concerns they may have about conduct or activities at Novogradac. By following this Policy, you can raise concerns, confidentially and anonymously if desired, and free of any retaliation, discrimination, or harassment.

Whether you are an employee, partner, independent contractor, or someone who does business with us, we ask that you bring to light any good faith concerns regarding Novogradac's business practices.

We ask that you follow this Policy to report your good faith concerns regarding any of the following:

- ◆ Questionable accounting, violations of internal accounting controls, or any other auditing or financial matters, or the reporting of fraudulent financial information, which we refer to in this policy as "**Fraudulent Auditing and Accounting Activities.**"
- ◆ Suspected violations of law, of our Code of Business Ethics & Conduct, or fraudulent activities other than Fraudulent Auditing and Accounting Activities, which we refer to in this policy as "**Ethical or Legal Violations.**"
- ◆ Suspected violations of any other Company policies or procedures, including but not limited to the Company's Discrimination and Harassment-Free Workplace Policy, which we refer to in this policy as "**Company Policy Violations,**" and collectively with Fraudulent Auditing and Accounting Activities" and "Ethical or Legal Violations" are referred to as "**Violations.**"

If requested, we also ask that you provide truthful information in connection with an inquiry or investigation by a court, an agency, law enforcement, or any other governmental body.

2. Stakeholders

This policy applies to all employees, partners, independent contractors, clients, customers, vendors or others conduct business with Novogradac or any of its affiliates, all of whom are referred to collectively as "stakeholders" or "you" throughout this policy. In this policy, “we,” and “our” refers to Novogradac and any of its affiliates.

As a Novogradac stakeholder, if you are aware of a potential Violation and do not report it according to this policy, your inaction may be considered a Violation itself, which may result in disciplinary action, up to and including termination of your employment or such other relationship that you may have with Novogradac.

Novogradac employees and partners have a responsibility to report information regarding any Violation or suspected Violation of the law, this Code of Ethics, or other Novogradac policies in a timely manner.

3. Code of Business Ethics & Conduct

Novogradac is committed to conducting business in an ethical manner. Novogradac expects all employees, partners and other stakeholders to comply with any laws, regulations and/or professional standards applicable to the stakeholder. For example, all accounting professionals must strictly comply with the American Institute of Public Accountants (AICPA) and, where applicable, the PCAOB, or other state boards of accountancy rules. All real estate appraisal professionals must strictly comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

Fraud, bribes, and any other unethical activities can significantly harm Novogradac’s reputation and could expose Novogradac, its employees and partners, and/or other stakeholders to significant civil and criminal liability. Novogradac establishes this Code of Business Ethics & Conduct (“Code of Ethics”) to aid in the detection and prevention of fraud, bribery, corruption, and other unethical acts, or violations of applicable laws and rules, against Novogradac, its clients, vendors and other third parties with whom it transacts business. It is the intent of Novogradac to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Key Terms & Definitions

Bribery: The offering, giving, receiving, or soliciting of any item of value to an official to influence them to any action or inaction in their official capacity. The official may be a governmental official, agent, or employee, or the director, partner, officer, employee, agent, or representative of another company.

Company Policy: Any written policy or procedure to which Novogradac partners, employees, independent contractors, vendors or agents are subject. This includes but is not limited to the Company’s Employee Handbook, Discrimination and Harassment-Free Workplace Policy, and Partner Guidelines.

Corruption: The dishonest or fraudulent discharge of one’s official duties to one’s personal benefit.

Fraud: The misrepresentation or omission of a material fact intended to induce reliance by a third party, who relies upon the misrepresentation or omission to their detriment and suffers damage. Fraud includes but is not limited to the following:

- Any dishonest or fraudulent act;
- Forgery or alteration of any document or account;
- Forgery or alteration of a check, bank draft, or any other financial document;
- Fraudulent misuse of Company facilities or equipment (i.e. vehicles, telephones, computers, email);
- Misappropriation of funds, securities, supplies, or other assets;
- Accepting or seeking anything of substantial value from contractors, vendors or persons providing services/materials to Company;
- Authorizing or receiving payment for goods not received or services not performed;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of Company activities or activities of Company’s clients and customers; and
- Theft, destruction, removal or fraudulent use of Company records, furniture, fixtures, intellectual property and equipment;

Irregularity: Any item, payment, datum, entry, process, or any other thing that is not in keeping with Novogradac’s established procedures, processes, policies, or standard business practices.

Unethical Act: Any action or inaction that would harm the moral, ethical, or professional reputation of Novogradac, its employees, partners, clients or customers. This includes any instance of fraud, bribery, or corruption. **This also includes any violation of any professional rule or of any Company policy.**

4. Prevention

4.1 Responsibilities

Novogradac does not tolerate of any violation of this Code of Ethics.

All employees, partners, independent contractors, vendors and agents (referred to collectively for purposes of this policy as “employees”) are required to comply with this Policy at all times. No employee will offer or give a bribe, engage in fraudulent or corrupt activity, or commit any other unethical act at any time. Any unethical act is a violation of this Policy, including an act committed during non-working hours or offsite of Company locations.

Each member of the Company’s management will be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indication of Irregularity. Management will ensure appropriate training for employees and staff within their teams and/or departments.

Any violation of this Code of Ethics that is detected or suspected must be reported immediately in accordance with the procedures outlined in Section 4.3 “Reporting & Investigation.”

4.2 Preventing Fraud and Corruption

4.2.1. Novogradac has established internal controls and procedures to deter, prevent, and detect Fraud and Corruption. These procedures include but are not limited to:

- 4.2.1.1 A clear delegation of authority matrix concerning (i) partner and employee spending authority and (ii) designating individuals who may approve and/or sign contracts and other documents to bind the Company. The approving party may not also be the requesting party.

The matrix also sets forth delegation of authority on the disposal of physical assets and inventory process. Physical assets are tagged and tracked from purchase to disposal with approval logs and disposal approval documented to prevent fraudulent redirection.

- 4.2.1.2 Policies concerning limits on the use of company credit cards based upon the delegation of authority matrix, and concerning expense reimbursements requiring clear documentation of approved expenses.
- 4.2.1.3. Bank account activity is reviewed on a weekly basis by the General Ledger Accountant. Any unusual transactions are reported to the Controller, who promptly communicates any issues to the bank. Bank statements are received monthly and the ending balances reconciled against the General Ledger. Additionally, a member of the Company's Internal Audit Committee receives a secondary copy of the monthly bank statements
- 4.2.1.4. Process for vetting clients, vendors, (sub)contractors, and suppliers to confirm that they are active, in good standing, and authorized to transact business. Clients, vendors, contractors, and suppliers are subject to screening, including verification of the individual's or company's status as a suspended or debarred party, if applicable.
- 4.2.1.5 All partners and employees of Novogradac must complete annually an Independence, Integrity and Objectivity Representation in order to identify conflicts of interest and/or potential self-dealing with Novogradac clients.
- 4.2.1.6 Novogradac maintains and adheres to a comprehensive Information and Security Policy with the purpose of establishing Novogradac's technical policy for securing electronic information resources and to identify roles and responsibilities at all levels in Novogradac's organizational structure.

4.2.2. Novogradac conducts background checks on all new hires as a condition of employment. Background checks are also conducted for certain employee promotions and position changes, including for promotions of individuals to the position of principal and partner. Where applicable or deemed necessary by the Chief Risk Officer, background checks may be performed on contractors and vendors.

4.2.3. Novogradac's audit committee offers fraud training every year to CPA-licensed employees and partners on auditor responsibilities with respect to client fraud and its impact on the financial statements under audit.

4.2.4. Novogradac employees receive mandatory information security training to detect and prevent compromises in data security. New hires receive this training as part of their orientation at the commencement of employment with at least one refreshment training conducted throughout the year. Information security training includes proper processes for handling of Company and client data, as well as various information security threats and vulnerabilities. Novogradac's IT department also regularly conducts anti-phishing and social engineering awareness tests on a no less than quarterly basis to verify Novogradac's information and security and fraud prevention readiness. Novogradac's VPN is protected by a two-step logging in process (multi-factor authentication) involving both a password and a second factor token.

4.2.5. To assist in investigations as needed, Novogradac maintains an archive of all email communications for three years. Additionally, systems that are capable of exporting syslog information are fed into the Company's security information and event management ("SIEM") platform. This SIEM platform archives log files for one year, and can be used to provide syslog based evidence in an investigation, if necessary.

4.3 Reporting & Investigation

If you believe that any Violation has occurred or is occurring, or you have a good faith concern regarding conduct that you reasonably believe may be a Violation, we encourage you to promptly take one or more of the following actions:

- ◆ Discuss the situation with your manager or a partner with whom you are comfortable approaching.
- ◆ If you are uncomfortable speaking with your manager or believe your manager has not properly handled your concern, or is involved in the Violation, contact the General Counsel and Chief Risk Officer.
- ◆ If you do not believe your concern is being adequately addressed, or you are not comfortable speaking with one of the above-noted contacts, report your concern using one of the methods listed below, through which you may choose to identify yourself or remain anonymous:
 - **Website:** www.lighthouse-services.com/novoco
 - **Anonymous Reporting App:** Download from the **Apple** or **Google Play App Store** and enter keyword: **novoco**
 - Detailed app instructions [here](#)
 - **Toll-Free Telephone:**
 - English speaking USA and Canada: 877-222-1857
 - Spanish speaking USA and Canada: 800-216-1288
 - **E-mail:** reports@lighthouse-services.com (must include company name with report)
 - **Fax:** 215-689-3885 (must include company name with report)

Reports submitted through Lighthouse Services will allow the submitter of information to communicate with the investigator assigned to the matter anonymously if desired. Receipt of the report will be acknowledged to the sender within a reasonable period following receipt if the sender supplied an address for response.

All good faith reports of a Violation will be taken seriously and will be promptly and thoroughly investigated. The specific action taken in any particular case depends on the nature and gravity of the conduct or circumstances reported and the results of the investigation.

If a Violation has been reported, investigated, and confirmed, the Company will take corrective action proportionate to the seriousness of the alleged offense. This action may include disciplinary action against the accused party, up to and including termination of employment or any other working relationship that the offending party may have with Novogradac. Reasonable and necessary steps will also be taken to prevent any further Violation.

If a Fraud or Violation is determined by Novogradac to have an impact on data belonging to a Company's client and/or on Company's ability to provide contracted services to a client, the Company shall promptly

notify the client's representative(s) of record, as well as any applicable insurance carrier. Novogradac will work with the client and/or the applicable insurance carrier(s) to mitigate potential damages and resolve issues stemming from the Fraud or Violation.

A party who knowingly and intentionally files a false report or provides false or deliberately misleading information in connection with an investigation of a report may face disciplinary action, up to and including termination of employment or other legal proceedings.

5. Handling Reports

Reports of Violations or other questionable conduct that are submitted by any means specified in this Policy will be handled as follows:

All reports received will be entered into the Company's confidential case management system (CMS), which will include, among other things: (1) the date the report was received, (2) a description of the report, (3) the reporting party (if provided), and (4) the status and disposition of an investigation of the report. The CMS is managed by a third-party provider and access is provided to select Novogradac Human Resources and/or Legal personnel designated as administrators and/or investigators on a least-access-necessary basis.

The General Counsel/Chief Risk Officer, who will be notified of report intake into the CMS, will promptly report alleged violations as follows:

1. reports of Ethical or Legal Violations to the Executive Committee;
2. reports of Fraudulent Auditing and Accounting Activity to the Executive Committee, Internal Audit Committee, and Chief Financial Officer;
3. reports of violations of Company Policy or other types of reports to the Executive Committee.

The General Counsel/Chief Risk Officer shall direct and oversee an investigation of such reports, and may also delegate the oversight and investigation of such reports to management, including the other members of the Legal & Risk Department, the Human Resources Department, the Executive Committee, other department heads or C-Level Officers, or outside advisors, as appropriate. To the extent deemed necessary by the General Counsel/Chief Risk Officer and/or the Company's Executive Committee, the oversight and/or management of an investigation may be delegated to a different individual, such as a third party vendor, to avoid an actual or perceived conflict of interest.

Discrimination and harassment reports will be delegated to the Human Resources Department to investigate.

Notwithstanding the foregoing, if any individual is the subject of, or could potentially have a bias in connection with, a reported violation, such individual should not be assigned as an investigator or play a role in the oversight and investigation of said report.

All other reports will be logged separately and shall be reviewed under the direction and oversight of the General Counsel/Chief Risk Officer, and they will be forwarded to the appropriate person or department for investigation.

6. Confidentiality

Information disclosed during the course of the investigation will, to the extent practical and appropriate, remain confidential in compliance with the Company's Code of Ethics and Business Conduct, except as may be reasonably necessary under the circumstances to facilitate the investigation, take remedial action, or comply with applicable law.

For any Violation, we will advise the reporting party that the Violation has been addressed and, if we can, of the specific resolution. However, due to confidentiality obligations, there may be times when we cannot provide the details regarding the corrective or disciplinary action that was taken.

7. No Retaliation

Novogradac strictly prohibits and does not tolerate unlawful retaliation against any employee, partner, client, customer, independent contractor or other stakeholder for making **a good faith report of an actual or suspected Violation or otherwise cooperating in an investigation of a Violation**. All forms of unlawful retaliation are prohibited, including any form of adverse action, discipline, threats, intimidation, or other form of retaliation for reporting under or complying with this Policy. Novogradac considers retaliation a Violation itself, which will result in disciplinary action, up to and including termination of employment or any other working relationship with Novogradac.

If you have been subject to any conduct that you believe constitutes retaliation for having made a report in compliance with this Policy or for having participated in any investigation relating to an alleged Violation, please immediately report the alleged retaliation to the General Counsel/Chief Risk Officer or Director of Human Resources, ideally within ten (10) days of the offending conduct. If, for any reason, you do not feel comfortable discussing the alleged retaliation with these people, please report the alleged retaliation anonymously through the CMS as described above. These individuals will ensure that an investigation is conducted in a timely fashion.

Your complaint should be as detailed as possible, including the names of all individuals involved and any witnesses. Novogradac will investigate the facts and circumstances of all perceived retaliation and will take prompt corrective action, if appropriate.

Additionally, any manager or supervisor who observes or is made aware of retaliatory conduct must report the conduct to the Director of Human Resources and General Counsel/Chief Risk Officer so that an investigation can be made and corrective action taken, if appropriate.

Bringing any alleged retaliation to our attention promptly enables us to honor our values, and to promptly and appropriately investigate the reported retaliation in accordance with the procedures outlined above.

Any stakeholder, regardless of position, title or relationship with the Company, who has been determined to have engaged in retaliation in violation of this Policy, will be subject to appropriate disciplinary action, up to and including termination of employment or any other business relationship with Novogradac.

No stakeholder will be subject to liability or retaliation for disclosing a trade secret if it is done in compliance with 18 U.S.C. §1833 and is made either:

- ◆ In confidence to a federal, state, or local government official or to an attorney solely for the purpose of making a report in compliance with this Policy or participating in any investigation relating to an alleged Violation; or
- ◆ In a complaint or other document filed in a lawsuit or other proceeding under seal.

8. Modification

The Company expressly reserves the right to change, modify, or delete the provisions of this Policy without notice.

9. Administration

The Legal & Risk and Human Resources Departments are jointly responsible for the administration of this Policy. All employees, partners, independent contractors and vendors are responsible for consulting and complying with the most current version of this Policy. If you have any questions regarding this Policy or concerning the scope or delegation of authority, please contact Legal-Support@novoco.com.

10. Effective Date

This policy is effective as of May 19, 2022