



PENNROSE

Bricks & Mortar | Heart & Soul

Pennrose Business Partner Code of Conduct

This code serves as a guide to the high standards to which we hold all Pennrose vendors and third party contractors. Developed by the legal council at Pennrose, this policy represents our comprehensive commitment to excellence in business conduct.

Updated August 2025





Pennrose Business Partner Code of Conduct

1. Introduction and Purpose

Pennrose has achieved a national reputation of excellence for real estate development and multifamily property management. We recognize that our legacy will be not only the buildings we develop, but also the neighborhoods they improve, the residents who call them home, and the employees who demonstrate the Pennrose core values to support our mission.

In building our legacy, Pennrose conducts business ethically and within the spirit and letter of all laws of the US and the communities where we operate. We maintain high ethical standards wherever we conduct business. Our values guide our actions, distinguish us from our competitors, and help us deliver superior performance every day.

Pennrose also carefully chooses business partners who share our values and commitment to integrity and promote application of these high standards both within their organization and throughout their business network. Pennrose expects all business partners to act with integrity and demonstrate the same commitment to legal, ethical, safe, fair, and responsible business practices.

To support our business partners in following Pennrose's standards, we have developed this Business Code of Conduct, which outline the expectation that our business partners shall respect and comply with when conducting business with Pennrose.

2. Responsibility and Expectations

This Business Code of Conduct helps Pennrose, and its business partners make the right business decisions that uphold our strong, ethical culture and ensure compliance with all applicable laws and regulations. This Business Code of Conduct applies to all Pennrose business partners, wherever they may conduct business. Pennrose will only do business with business partners who comply with this Business Code of Conduct and all applicable legal and regulatory requirements in the locations where they do business.

It is the responsibility of our business partners to ensure that their leadership, employees, and contractors understand the obligations of this Business Code of Conduct and meet the expectations that Pennrose has for conducting its business.

Our Business Code of Conduct also helps our business partners to know when and how to ask for help or voice a concern and makes clear that any concern raised in good faith will never be retaliated against.

3. The Business Partner Relationship

a. Contracting

New business partners receive a copy of Pennrose's Business Code of Conduct. Compliance with this Business Code of Conduct is in addition to the terms of any agreement or contract between Pennrose and our business partners. Pennrose reserves the right to update this Code, and inform business partners of any such amendments, in a timely manner.

We recognize that some business partners will face more complex issues than others in implementing and meeting the Business Code of Conduct. Pennrose is committed to working with our business partners to deliver effective action plans for change and to help implement the programs required under the Business Code of Conduct.

b. On-Boarding

The on-boarding process for a new business partner is an important opportunity for Pennrose to convey the conduct expected of the new business partner and clarify any questions that the new business partner may have about its contractual obligations and relationship with Pennrose. The on-boarding process also is a valuable time for Pennrose to make clear to the new business partner the highest expectations that Pennrose has for the ethical and compliant conduct of the new business partner in all its business practices.

c. Training

Pennrose will hold periodic training events for business partners. These events are in addition to training events that the business partners may hold to inform their employees and contractors about the expectations in this Business Code of Conduct.

d. On-Going Obligations

Business partners are expected to incorporate the requirements of this Business Code of Conduct into their business, and to develop means to monitor the on-going role and function of compliance in their business. Business partners are required to acknowledge the receipt of this Business Code of Conduct, as well as the efforts undertaken to incorporate these compliance expectations in the business.

4. Compliance Expectations

a. Safety and OSHA Compliance

Pennrose is dedicated to the safety and health of our staff and that of our business partners. Business partners shall make project safety and accident prevention the primary priority in all phases of operations and administration. Business partners shall maintain effective standards in a safety program to guard against injuries and illnesses occurring on the job. All construction activities shall be conducted in accordance with the business partner's Safety Plan, which shall conform to all applicable laws, standards, and regulations.

b. Contract Diversity Compliance

Pennrose has a long history in achieving racial and economic diversity in its development projects. We encourage Small Business Enterprise (SBE), Minority Business Enterprise (MBE) and Woman-owned Business Enterprise (WBE) participation on all of our projects, and we expect our business partners to share this commitment.

Business partners shall ensure that all representations and certifications concerning project inclusion are honest, accurate and complete.

c. Equal Employment Opportunities

Pennrose conducts business with complete respect for diversity and social responsibility and is committed to providing equal employment opportunities. Pennrose prohibits any form of unlawful employee discrimination or harassment by its business partners, who shall not discriminate with regard to race, color, gender, language, religion, union membership or affiliation, political opinion, national origin, sexual orientation, health status, age, disability, marital status or other characteristics protected by law. Harassment and any form of physical or verbal abuse also shall be prohibited.

d. Code Certifications

Pennrose is skilled at leading complex multi-phased projects through the stages of comprehensive community planning, site planning, and implementation. We are proud to have a long and successful history of exceeding goals set by municipalities and regulatory agencies, including complying with all applicable construction and building codes.

Business partners shall comply with all applicable construction and building codes and shall ensure that all representations and certifications concerning such codes are honest, accurate and complete.

e. Davis-Bacon Act

The Davis-Bacon Act applies to contractors and subcontractors performing on federally funded contracts in excess of \$2,000 for construction, alterations, repairs (including painting and decorating) and also, including craft positions such as plumber, carpenter, cement mason/concrete finisher, electrician, insulator, laborer, lather, painter, power equipment operator, roofer, sheet metal worker, truck driver, and welder.

Pennrose business partners shall pay their laborers and mechanics employed under federal funded contracts no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. Certifications of compliance with the Davis-Bacon Act shall be provided by business partners upon request. Business partners also shall maintain appropriate business records for three years documenting compliance with these requirements.

f. Bribery / Kickbacks

Pennrose business partners 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.

Business partners 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.

g. Bidding/Tendering

Pennrose follows specific procedures to ensure that contracts are awarded fairly, and all relevant bidding and tendering laws are met. Business partners are expected to be open and honest in dealings with us in any bid or tender process. Business partners shall see that all information in bids and tenders is complete and accurate. Business partners also shall not collaborate with any other bidder in any way intended to manipulate, fix, or rig the bid result. Business partners also shall not share or obtain prior, during, or after a bid any confidential information associated with that bid in violation of any applicable tendering laws and procedures. Business partner shall not submit any non-competitive bid.

h. Gifts and Entertainment

Business gifts and entertainment, when exchanged appropriately, can build goodwill and help develop and enhance business relationships. Gifts and entertainment, however, also can be perceived to create conflicts of interest under some circumstances. Business

partners 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 business partners shall understand and follow any such restrictions.

Even if allowed under applicable laws and regulations, business partners shall only provide gifts that are not extravagant and travel or entertainment that is reasonable and appropriate. Any gifts, travel and entertainment shall not be for the purposes of corruptly influencing any public official in their duties or to secure an unfair business advantage.

i. Political Contributions

Pennrose respects the right of its business partners and their employees 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 business partner. All political contributions shall be accurately and fully disclosed according to all applicable laws. No business partner shall require any person to contribute to, support, or oppose any political group or candidate.

j. Charitable Contributions.

Pennrose is proud to have established and provided 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 business partners to have similar community involvement.

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

k. Environment

Pennrose leads the way in the development of buildings that preserve our natural resources while providing efficiencies that create value. Green building is about reducing energy needs, lowering carbon footprints, and preserving the quality of our communities.

Consistent with the Pennrose commitment, business partners shall be committed to full compliance with all applicable environmental laws and regulations, and to administer a comprehensive environmental management system. Business partners also shall work

systematically to prevent, minimize, and remedy adverse environmental impacts, such as air, noise, ground, and water pollution, from their activities, products, and services by means of a proactive approach and management of their environmental responsibilities.

l. Recordkeeping

Pennrose business partners shall create, retain, and dispose of business records in full compliance with all applicable legal and regulatory requirements. Falsification of records or making any misrepresentation in records is prohibited.

m. Hotline

Pennrose business partners shall have a process through which employees and contractors can raise workplace concerns without fear of retaliation. This complaint mechanism should be transparent and understandable to all employees and should recognize the sensitivities associated with lodging a concern, especially by employees or contractors who are women, minorities, or people with disabilities.

Pennrose also has a private and confidential “hotline” phone service for reporting purposes that may be used by business partners and their employees and contractors to make good faith reports of suspected improper conduct. Business partners shall cooperate with Pennrose in the investigation of any such report.

The hotline number is 267-386-8700.

Business partners shall not interfere with the good faith report of suspected improper conduct. Business partners shall not retaliate in any way against any person making a good faith report of suspected improper conduct.

5. Business Partner Management Program

a. Business Data Reporting

Pennrose may request periodic reporting of business data from business partners. Business partners shall promptly, completely and accurately respond to such requests.

b. Business Reviews

Pennrose will hold periodic business review meetings with business partners to review open issues on projects and the status of the business partner's compliance with contract obligations and the Business Code of Conduct.

c. Compliance Certifications

Business partners shall complete an annual certification, indicating that the business partner is following its contract obligations and the Business Code of Conduct. The format for the certification is attached as Appendix A to the Business Code of Conduct.

d. Audit

Pennrose may ask its business partners to participate in an audit of the business partner's operations and compliance with contract obligations and the Business Code of Conduct. Pennrose will work with its business partners to ensure that the scope and nature of the audit is mutually understood and provide information about any audit findings so that any open issues can be addressed and appropriate adjustments to operations can be made.

e. Training

Pennrose may provide opportunities for compliance training for its business partners on Pennrose compliance expectations. Business partners shall keep records of attendance at each training session.

6. Remediation

Business partners are expected promptly to notify Pennrose of any breach of the contract obligations and the Business Code of Conduct. Pennrose expects that business partners will promptly provide an improvement plan for any such breach, including a timetable for implementation of the improvement plan. Pennrose reserves that right to provide comment on the proposed improvement plan, receive updates and reports on the remediation process, and audit the results.

Where breaches of the contract obligations or Business Code of Conduct persist, and Pennrose finds that the business partner is not committed to resolving them, Pennrose reserves the right to terminate the business relationship. Where business partners are unwilling or unable to share information relating to their management processes, Pennrose also will consider termination of the business relationship.

Pennrose also reserves that right to terminate the business relationship with any business partner in the event of serious breaches of the contract obligations, this Business Code of conduct and other potentially unlawful activity.