

Novogradac & Company LLP Transportation Fringe Benefit Plan Plan Summary

INTRODUCTION

Novogradac & Company LLP is pleased to sponsor a Transportation Fringe Benefits Plan called the GoNavia Program (the "Program"). The Program allows you to use pre-tax dollars to pay for Eligible Transportation Expenses associated with your travel to and from work.

This Summary Plan Description describes the basic features of the Program, how the Program operates, and how you can maximize the Program's benefits. This document is only a summary of the key parts of your benefit and provides a brief description of your rights as a participant. The Summary Plan Description is not a part of the official Plan Document. In the event of a conflict between the Summary Plan Description and the Plan Document, the Plan Document will supersede.

QUESTIONS & ANSWERS

What is the Purpose of the Program?

The Transportation Fringe Benefit Plan allows eligible employees to use pre-tax dollars provided by the Employer, employee salary redirections, or a combination thereof to pay for Eligible Transportation Expenses as set forth in Section 132(f) of the IRC.

Am I eligible to participate in the Program?

Employees are eligible to participate in the Program upon date of hire. Your entry date into the Program will be the first day of the month coinciding with or following the date you met the eligibility requirements.

Additionally, employees are eligible to participate in the Plan if they performed an average of at least ten (10) hours of work per week within the geographic boundaries of San Francisco during the previous calendar month. Your entry date into the Plan will be the first day of the month coinciding with or following the date you met the eligibility requirements.

Furthermore, employees are eligible to participate in the Plan if they performed an average of at least twenty (20) hours of work per week within the nine Bay Area Counties during the previous calendar month. Your entry date into the Plan will be the first day of the month coinciding with or following the date you met the eligibility requirements.

Individuals who are partners in a partnership, sole proprietors, or independent contractors are also not eligible to participate in the Program. In addition, under section 1372(a), more than 2-percent shareholders of S corporations are treated as partners for fringe benefit purposes. Thus, an individual who is both a 2-percent shareholder of an S corporation and a common law employee of that S corporation is not considered an employee for purposes of section 132(f) and, therefore, also not eligible to participate in the Program.

Why should I enroll?

The Program allows you to use pre-tax dollars to pay for Eligible Transportation Expenses; therefore, you do not pay FICA (Social Security) and federal income withholding tax. The savings you realize is due to the use of pre-tax dollars that typically would have been paid out for FICA and federal income withholding tax.

What is the GoNavia Program?

The GoNavia Program is an online commuter benefits platform. The GoNavia Program allows you to allocate pre-tax dollars from your paycheck to a benefits debit card for Eligible Transportation Expenses. There are specific ordering deadlines and delivery timelines, please see your online account for details.

Once the card is loaded, you may use the card to purchase Eligible Transportation Expenses (smart cards, bus passes, monthly parking permits, etc.). If you already have a benefits debit card your GoNavia funds will be loaded to your current card. If you do not already have a card, upon placing your first order your new card should

arrive within 7-10 business days. All subsequent orders will be loaded onto the same card. This benefit platform eliminates the need to send paper claims and wait for reimbursement.

Pay Me Directly

Your employer permits direct payment for Eligible Transportation Expenses when receipts are not provided in the ordinary course of business or the debit card is not accepted by your vendor. Simply sign on to your online account and elect this option.

Now that I've elected and my benefit is available, what expenses are eligible?

Eligible Transportation Expenses means Transportation Fringe Benefits; (a) qualified parking, (b) transit pass (c) transportation in a commuter highway vehicle if such transportation is in connection with travel between the employee's residence and the place of employment and (d) bicycle commuting expense.

Eligible Parking Expenses means parking provided to an employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by transportation provided by mass transit, a commuter highway vehicle, or by carpool. An Eligible Parking Expense shall not include any parking on or near property used by the employee for residential purposes.

Eligible Mass Transit Expenses means any pass, token, farecard, voucher, or similar item entitling a person to transportation (or transportation at a reduced price) if such transportation is—

- a. on mass transit facilities, or
- b. provided by any person in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle that has a seating capacity of which is at least 6 adults (not including the driver), and
 - i. 80% of the mileage must be for the purposes of transporting eligible employees between their residences and their place of employment, and
 - ii. At least half the capacity must be utilized by eligible employees for the purpose of transportation to and from work.

Vanpools or Commuter Highway Vehicles associated with the travel to and from your work premises, or to or from a location that you commute from on mass transit, are eligible expenses under the Mass Transit Account. The Vanpool must meet the following three (3) criteria to be an eligible expense.

- a. the vehicle must have a seating capacity of at least six (6) adults excluding the driver
- b. 80% of the mileage must be for the purposes of transporting eligible employees
- c. At least half the capacity must be utilized by eligible employees for the purpose of transportation to and from work.

Keep in mind due to the practical restrictions surrounding payment of Vanpool, this platform may not be ideal for vanpool and commuter highway vehicle users.

What is the maximum pre-tax amount I can allocate towards Eligible Transportation Expenses?

IRS sets the pre-tax maximums that you may redirect from your salary towards Eligible Parking and/or Mass Transit Expenses. The maximums are established by the IRS and may be adjusted each year.

What happens to the funds that are redirected for the GoNavia Program?

Each month Navia sends a payroll deduction report to your employer based upon the orders placed. Your employer then deducts those amounts accordingly. If the amount ordered exceeds the pre-tax maximums, the remaining amount will be deducted post-tax.

What if I do not receive my debit card?

If your debit card is returned to Navia as undeliverable Navia will attempt to confirm your current mailing address with you or your employer in order to resend the card.

Can I use the GoNavia Program after I have terminated?

No, upon your termination date your eligibility will cease and you will not be able to allocate funds from your paycheck to your debit card.

Additionally, if you terminate participation in the GoNavia Program (either by termination of employment or by becoming ineligible for the benefit) any balance remaining on the debit card will be forfeited to the employer and unavailable to you.

Will my Social Security Benefits be affected?

Participating in a pre-tax reimbursement account may reduce your future Social Security earnings. If you are concerned about your future benefit, please see your tax advisor.

MISCELLANEOUS INFORMATION

Plan Name

Novogradac & Company LLP Transportation Fringe Benefit Plan

The Effective Date: January 1, 2016

Plan Administrator

Novogradac & Company LLP