



THE
GREEN
CITIES
COMPANY



Responsible Contractor Policy

GREEN CITIES INVESTMENT MANAGEMENT

Responsible Contractor Policy

I. PURPOSE

This Responsible Contractor Policy is designed to outline general principles relating to the selection of general contractors and their subcontractors (collectively, “Contractors”) who (i) provide construction, repair, maintenance and infrastructure operating services (each individually, a “Service”) to the Partnership, operating companies or other business entities in which the Partnership may make investments (collectively, “Operating Companies”) or (ii) enter into contractual relationships with the Partnership or Operating Companies for such Service. These principles are subject to the fiduciary duties of the General Partner which are owed to the Partnership’s investors and the General Partner’s requirement to be prudent in managing the Partnership’s investments. This Responsible Contractor Policy outlines that the selection process for Contractors should include, among other things, an investigation of a Contractor’s ability to provide cost-effective, reliable and high quality Services (as evidenced, for example, by such Contractor’s compliance with applicable statutes and regulations, payment of “fair wages” and “fair benefits” to employees, relevant experience, reputation, dependability and efficiency).

II. INTRODUCTION

The Partnership supports a safe, healthy and profitable business environment, and the General Partner believes that selective negotiation, market competition, small business development and control of operating costs can contribute to the development of such an environment. The Partnership and its investment strategy also support and encourage “fair wages” and “fair benefits” for workers employed by Contractors.

This Responsible Contractor Policy is intended to support and promote the engagement of Contractors who the General Partner believes will provide both competitive and high quality Services to the Partnership’s investments, utilizing appropriately trained employees who receive “fair wages and benefits” and who are reliable and efficient. The General Partner believes that the utilization of such Contractors will add value to the Partnership’s investments by ensuring that Services are provided by adequately trained, experienced and motivated workers who deliver high-quality products and Services.

III. OBJECTIVES OF THE RESPONSIBLE CONTRACTOR POLICY

This Responsible Contractor Policy provides the following objectives, subject to the General Partner's fiduciary duties owed to the Partnership's investors:

- A. **BEST PRACTICES:** Contractors shall be selected through a process that includes consideration of maximization of risk-adjusted returns, demonstrated skill, experience, reputation, dependability, fees, safety record and adherence to this Responsible Contractor Policy and applicable laws.
- B. **LOCAL, STATE AND NATIONAL LAWS:** Observance by Contractors of all local, state and national laws and regulations (including, but not limited to, those pertaining to insurance, withholding taxes, minimum wage, immigration, labor relations, health and occupational safety).

IV. SELECTION OF RESPONSIBLE CONTRACTOR

This Responsible Contractor Policy requires the hiring of a Responsible Contractor (as defined below). The foregoing requirement may be waived with the approval of 70% of the members of the Advisory Committee with respect to any transaction, in consultation with the General Partner.

V. DEFINITION OF A RESPONSIBLE CONTRACTOR

A "Responsible Contractor" is a Contractor who provides high-quality Services to Operating Companies or the Partnership on a comparable and relevant basis in the applicable local market consistent with the desired contracting criteria as set forth in this Responsible Contractor Policy including Section III above, and pays workers "fair wages and benefits" (taken as a whole), as evidenced by payroll and employee records. "Fair benefits" include employer-sponsored family health care coverage, defined benefit pension benefits, and training and/or apprenticeship programs. What constitutes a "fair wage" will depend on the wages paid on comparable construction projects, local market factors that include the nature of the project (e.g., municipal or commercial; public or private), comparable job or trade classifications and the scope and complexity of Services provided. In determining "fair wages" concerning a specific contract in a specific market, items that shall be considered are the applicable state, federal or local prevailing wages, whichever is higher.

VI. ADMINISTRATIVE PROCEDURES

- A. **NOTIFICATION:** The General Partner, on behalf of the Partnership, shall encourage each Operating Company and Contractor to provide a copy of this Responsible Contractor Policy to the senior executives of such Operating Company and Contractor.
- B. **CONTRACTS AND RENEWALS:** Business arrangements entered into by the Partnership and Operating Companies that are entered into after the effective date of this Responsible Contractor Policy shall make reference to or incorporate the general terms of this Responsible Contractor Policy, and all Contractors shall agree to be bound to this Responsible Contractor Policy. Responsible Contractor compliance shall be considered as part of the contract renewal negotiation process.
- C. **MONITORING:** The Partnership will maintain a list of all investments in or alongside Operating Companies. The list will include the Operating Company name and address, the name of the Operating Company manager and a phone number of the Operating Company manager.
- D. **SELECTION PROCESS:** Given the time and expense required to solicit and evaluate potential Contractors, it is not essential that Operating Companies solicit all potential Contractors. The General Partner should consult with Operating Companies and advise them, to the extent commercially reasonable and practical, to adopt a selection process that is reasonably designed to be inclusive of potentially eligible Responsible Contractors. The General Partner shall seek to have approval rights with respect to the Operating Companies' selection of Contractors.
- E. **NEUTRALITY:** The Partnership supports a position of neutrality in the event there is a legitimate attempt by a labor organization to organize workers performing Services of a Contractor. Accordingly, the Partnership expects Contractors to honor the legal rights of their workers to self-organization and union representation. Resolution of any inter-jurisdictional trade disputes shall be the responsibility of the trades. This Responsible Contractor Policy does not require any involvement by the Partnership, an Operating Company, or any Contractor in inter-jurisdictional trade disputes.