

### DFC Policy Requirements for Independent Contractors of Root Capital

Root Capital Inc. accepts some of its funding from the United States International Development Finance Corporation (“DFC”). Dependent upon the project, independent contractors of Root Capital may at times be funded, in part or in whole, through the funding of DFC. As such, Root Capital requires each of its independent contractors to abide by the below principles, for the benefit of DFC.

## Annex II

### **DFC Policy Requirements**

1) The Contractor shall:

- a) comply with and conduct its business in compliance with all Applicable Laws, including the applicable requirements of (i) all Corrupt Practices Laws, (ii) the Anti-Money Laundering Laws, (iii) Sanctions, and (iv) all other applicable export control, anti-boycott and sanctions laws relating to its business and facilities.
- b) maintain internal management and accounting practices and controls sufficient to provide reasonable assurances of compliance with applicable Corrupt Practices Laws and the prevention of Prohibited Payments, and neither the Contractor nor any Person acting on behalf of them shall make any Prohibited Payment; and
- c) maintain in full force and effect all necessary Consents.

2) OFAC.

None of the Contractor, its directors, members of its senior management, nor any of its direct or indirect owners of more than 10% of its shares, nor to the knowledge of the Contractor, any of its employees, agents or representatives, shall be a Person that is, or is owned or controlled by Persons that are, included in any OFAC List or otherwise the subject or target of Sanctions.

3) Recordkeeping and Audit.

The Contractor shall require all subcontractors to maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the Contract. These books, records, and other documents shall clearly identify and track the use and expenditure of DFC funds. Such books, records, and documents shall be maintained during the period of performance of work provided for by this Contract, and for a period of three (3) years after final disbursement by DFC. The Contractor and subcontractors shall afford DFC, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

4) Worker Rights.

- i) The Contractor shall:
  - a. not take any actions to prevent Workers from lawfully exercising their rights of association and their right to organize and bargain collectively, including any such actions that may result in the termination, suspension, demotion, blacklisting, or transfer of Workers;

- b. observe Applicable Laws relating to a minimum age for employment of children, acceptable conditions of work with respect to minimum wages, hours of work, and occupational health and safety;
  - c. not use forced or compulsory labor, including, but not limited to any form of slavery, debt bondage or serfdom; and
  - d. not make employment decisions or discriminate with respect to aspects of the employment relationship on the basis of personal characteristics unrelated to inherent job requirements, including gender, race, religion, nationality, political opinion, or social or ethnic origin.
- ii) If information concerning non-compliance or potential non-compliance with the Worker Rights Requirements (a “*Worker Rights Non-Compliance*”) comes to the attention of a responsible officer of the Contractor, the Contractor shall promptly notify DFC’s Director of Labor and Human Rights by email to the following address labor@dfc.gov.
  - iii) Notwithstanding the foregoing, the Contractor shall not be responsible for any Worker Rights Non-Compliance resulting from the actions of the government of any Project Country.

5) Environmental.

The Contractor shall comply with, and conduct its business and operations, and maintain its assets, equipment, property, leaseholds, and other facilities in compliance with Applicable Laws regarding the environment, health and safety, and social performance.

6) U.S. Carriers.

Transportation by air of persons or property in connection with work performed pursuant to this Contract shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations

7) Taxes.

Grant Funds received by the Contractor from DFC shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in any Project Country, except for taxes of a de minimis nature imposed on local lodging, food, transportation, or airport arrivals or departures. The Contractor will not seek reimbursement for taxes, tariffs, duties, fees or other levies, except for taxes of a de minimis nature referenced above.

8) DFC Funding.

The Contractor understands and acknowledges that this Contract has been partially funded by the United States International Development Finance Corporation, an

agency of the United States of America. Pursuant to 22 U.S.C. § 9674, the Contractor may incur criminal liability to the Government of the United States of America for any fraud or willful misrepresentation with respect to performance of this Contract and any application for payment of Grant Funds.

9) Defined Terms Used Herein.

“**Applicable Law**” means, with respect to a given Person on a given date, any constitution, statute, law, rule, regulation, ordinance, judgment, order, decree, Consent of a Governmental Authority, or any published directive, guideline, requirement or other governmental restriction that has the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, that is binding on such Person whether in effect as of the date hereof or as of any date thereafter.

“**Anti-Money Laundering Laws**” means (a) the Bank Secrecy Act of 1970, Pub. L. No. 91-508, 84 Stat. 1114 to 1124 (codified as amended in scattered sections of 12 U.S.C., 15 U.S.C., and 31 U.S.C.) as amended by, *inter alia*, the USA PATRIOT Act of 2001, Pub. L. No. 107-56 (codified as amended in scattered sections of the U.S.C.), (b) the Money Laundering Control Act of 1986, 18 U.S.C. §§ 1956 and 1957, and (c) any other law, regulation, order, decree or directive of any relevant jurisdiction having the force of law and relating to anti-money laundering.

“**Consent**” means any registration, declaration, filing, consent, license, right, approval, authorization, or permit.

“**Corrupt Practices Laws**” means (a) the Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1 *et seq.*, and (b) any other Applicable Law relating to bribery, corruption, kick-backs, or similar business practices.

“**Governmental Authority**” means (a) a national, state, county, city, town, village, municipal or local government, or any political subdivision thereof, (b) a department, commission, board, bureau, agency, authority or instrumentality, whether civilian or military, of any of the foregoing, or (c) a government-owned, government-run or government-controlled association, organization, business, or enterprise.

“**OFAC**” means the Office of Foreign Assets Control of the U.S. Department of the Treasury, which administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted individuals, organizations, and foreign countries and regimes.

“**OFAC Lists**” means the Specially Designated Nationals and Blocked Persons List and any other lists administered or enforced by OFAC, including but not limited to the Sectoral Sanctions Identifications List, the Foreign Sanctions Evaders List, the Palestinian Legislative Council List, and the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions, in each case as published by OFAC from time to time.

“**Official**” means (a) an employee, officer, or representative of, or any person otherwise acting in an official capacity for or on behalf of a Governmental Authority, (b) any

person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any Governmental Authority, (c) a candidate for political office, (d) an individual who holds any other official, ceremonial, or other appointed or inherited position with a government or any of its agencies, or (e) an officer or employee of a public international organization.

“**Person**” means an individual, a legal entity, including, a partnership, a joint venture, a corporation, a trust, and an unincorporated organization, and a government or any department or agency thereof.

“**Prohibited Payment**” means the giving or making by any Person (such Person, the “Payor”) of any offer, gift, payment, promise to pay or authorization of the payment of any money or anything of value, directly or indirectly, to or for the use or benefit of any Official (including to or for the use or benefit of any other Person if the Payor knows, or has reasonable grounds for believing, that the other Person would use such offer, gift, payment, promise or authorization of payment for the benefit of any such Official), for the purpose of influencing any act or decision or omission of any Official in order to obtain, retain or direct business to, or to secure any improper benefit or advantage for, the Grantee or the Project, or any other Person; *provided* that any such offer, gift, payment, promise or authorization of payment shall not be considered a Prohibited Payment if it is expressly permitted by written Applicable Law.

“**Project**” means the Grantee’s proposed efforts to increase the development impact of DFC’s guaranty facility to an affiliate of the Grantee by supporting the delivery of gender equity, agronomic & climate resilience, and business management advisory services.

“**Project Countries**” means, collectively, Benín, Burkina Faso, Colombia, Costa Rica, the Democratic Republic of the Congo, Côte d’Ivoire, El Salvador, Ghana, Guatemala, Honduras, Indonesia, Kenya, Madagascar, Malawi, Mali, Mexico, Perú, Rwanda, Senegal, Tanzania, Timor-Leste, Uganda, and Zambia, and each a “**Project Country**”.

“**Sanctioned Territory**” means any country or territory that is the subject or target of Sanctions.

“**Sanctions**” means any economic or financial sanctions, or trade embargoes or restrictive measures, implemented, administered or enforced by OFAC, the U.S. Department of State or the U.S. Department of Commerce, including through rules, regulations or directives, and any U.S. Executive Orders imposing economic or financial sanctions on any individuals, entities or foreign countries or regimes.

“**U.S.**” means the United States of America.

“**Workers**” means, collectively, (a) individuals that are employed directly by the Contractor, and (b) individuals that, under a Project Contract, perform continuous on-site work that either (i) is of substantial duration, or (ii) is material to the primary operations of the Services.