

## Goodwell Exclusion List

This exclusion list defines the types of projects that Goodwell DOES NOT finance.

Goodwell shall not provide funding or support to Investee Companies engaged in the following projects:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
- Production or trade in weapons and munitions.<sup>i</sup>
- Production or trade in alcoholic beverages (excluding beer and wine).<sup>i</sup>
- Production or trade in tobacco.<sup>i</sup>
- Gambling, casinos and equivalent enterprises.<sup>i</sup>
- Trade in wildlife or wildlife products regulated under CITES.<sup>ii</sup>
- Production or trade in radioactive materials.<sup>iii</sup>
- Production or trade in or use of unbonded asbestos fibers.<sup>iv</sup>
- Purchase of logging equipment for use in primary tropical moist forest.
- Production or trade in pharmaceuticals subject to international phase outs or bans.<sup>v</sup>
- Production or trade in pesticides/herbicides subject to international phase outs or bans.<sup>vi</sup>
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- Production or activities involving harmful or exploitative forms of forced labor<sup>vii</sup>/harmful child labor.<sup>viii</sup>
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in products containing PCBs.<sup>ix</sup>
- Production or trade in ozone depleting substances subject to international phase out.<sup>x</sup>
- Production or activities involving harmful or exploitative forms of forced labor<sup>vii</sup>/harmful child labor.<sup>viii</sup>
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in products containing PCBs.<sup>ix</sup>
- Production or trade in ozone depleting substances subject to international phase out.<sup>x</sup>
- Production or trade in wood or other forestry products from unmanaged forests.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals.<sup>xi</sup>
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

### Footnotes

<sup>i</sup> This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

<sup>ii</sup> CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. A list of CITES listed species is available from the Environment Division.

<sup>iii</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where Goodwell considers the radioactive source to be trivial and/or adequately shielded.

- <sup>iv</sup> This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- <sup>v</sup> A list of pharmaceutical products subject to phase outs or bans is available from the Environment Division of IFC (if needed).
- <sup>vi</sup> A list of pesticides and herbicides subject to phase outs or bans is available from the Environment Division of IFC (if needed).
- <sup>vii</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.
- <sup>viii</sup> Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.
- <sup>ix</sup> PCBs: Polychlorinated biphenyls - a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.
- <sup>x</sup> Ozone Depleting Substances (ODS): Chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. A list of the chemical compounds regulated by the Montreal Protocol, which includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents, together with details of signatory countries and phase out target dates, is available from the Environment Division.
- <sup>xi</sup> A list of hazardous chemicals is available from the Environment Division. Hazardous chemicals include gasoline, kerosene and other petroleum products.

## Goodwell's Anti Money Laundering Guidelines

For every investment vehicle, Goodwell will appoint an AML/CFT Officer who will be a part of the Investment Committee and whose duties will include oversight and supervision of the AML/CFT Procedures (defined below) with regard to the Investee Companies and the Company.

*"AML/CFT Procedures"*: the relevant part of the overall management system of the Company, including the organizational structure, responsibilities, procedures and resources, and following national law and best international standards, including the Wolfsberg Principles, to:

1. prevent the Company from being used for money laundering, the financing of terrorist activity, fraud, or other corrupt or illegal purposes or practices;
2. ensure that the Company will not enter into any transaction with, or for the benefit of, any of the individuals or institutions named on lists of sanctioned persons promulgated by the United Nations Security Council or its committees pursuant to Security Council Resolutions 1267 (1999), 1373 (2001) or related or successor resolutions in connection with money laundering or anti-terrorism matters;
3. institute, maintain and comply with the AML/CFT Procedures to the satisfaction of the shareholders of GOODWELL and cause each of its Investee Companies to institute, maintain and comply with the AML/CFT Procedures to the satisfaction of the shareholders of GOODWELL; and
4. prepare and sign off on an annual compliance report, in a form specified by the Board, which will provide a summary of the performance of the AML/CFT Procedures.

## Goodwell's Anti-Corruption Guidelines

The purpose of these Guidelines is to clarify the meaning of the terms "Corrupt Practices", "Fraudulent Practices", "Coercive Practices," "Collusive Practices" and "Obstructive Practices" in the context of Goodwell's operations (see also the Goodwell Code of Conduct).

### 1. CORRUPT PRACTICES

A "Corrupt Practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

#### INTERPRETATION

- A. Corrupt practices are understood as kickbacks and bribery. The conduct in question must involve the use of improper means (such as bribery) to violate or derogate a duty owed by the recipient in order for the payor to obtain an undue advantage or to avoid an obligation. Antitrust, securities and other violations of law that are not of this nature are excluded from the definition of corrupt practices.
- B. It is acknowledged that foreign investment agreements, concessions and other types of contracts commonly require investors to make contributions for bona fide social development purposes or to provide funding for infrastructure unrelated to the project. Similarly, investors are often required or expected to make contributions to bona fide local charities. These practices are not viewed as Corrupt Practices for purposes of these definitions, so long as they are permitted under local law and fully disclosed in the payer's books and records.
- C. Similarly, an investor will not be held liable for corrupt or fraudulent practices committed by entities that administer bona fide social development funds or charitable contributions.
- D. In the context of conduct between private parties, the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary by internationally- accepted industry standards shall not constitute corrupt practices unless the action violates applicable law.
- E. Payment by private sector persons of the reasonable travel and entertainment expenses of public officials that are consistent with existing practice under relevant law and international conventions will not be viewed as Corrupt Practices.
- F. Goodwell nor its investment advisors and sub-advisors do condone facilitation payments. For the purposes of implementation, the interpretation of "Corrupt Practices" relating to facilitation payments will take into account relevant law and international conventions pertaining to corruption.

## 2. FRAUDULENT PRACTICES

A “Fraudulent Practice” is any action or omission, including misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial benefit or to avoid an obligation.

### INTERPRETATION

- A. An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless indifference as to whether it is true or false. Mere inaccuracy in such information, committed through simple negligence, is not enough to constitute a “Fraudulent Practice”.
- B. Fraudulent Practices are intended to cover actions or omissions that are directed to or against a Goodwell Group entity (including sub-advisors). It also covers Fraudulent Practices directed to or against a country in connection with the award or implementation of a government contract or concession in a project financed by Goodwell. Frauds on other third parties are not condoned but are not specifically sanctioned by Goodwell. Similarly, other illegal behavior is not condoned, but will not be sanctioned as a Fraudulent Practice.

## 3. COERCIVE PRACTICES

A “Coercive Practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

### INTERPRETATION

- A. Coercive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.
- B. Coercive Practices are threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an obligation. It is not intended to cover hard bargaining, the exercise of legal or contractual remedies or litigation.

## 4. COLLUSIVE PRACTICES

A “Collusive Practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

### INTERPRETATION

Collusive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

## 5. OBSTRUCTIVE PRACTICES

An "Obstructive Practice" is (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede a World Bank Group

investigation into allegations of a corrupt, fraudulent, coercive or collusive practice, and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) acts intended to materially impede the exercise of Goodwell's access to contractually required information in connection with a Goodwell investigation into allegations of a corrupt, fraudulent, coercive or collusive practice .

#### INTERPRETATION

Any action legally or otherwise properly taken by a party to maintain or preserve its regulatory, legal or constitutional rights such as the attorney-client privilege, regardless of whether such action had the effect of impeding an investigation, does not constitute an Obstructive Practice.

#### GENERAL INTERPRETATION

A person should not be liable for actions taken by unrelated third parties unless the first party participated in the prohibited act in question.