EMPLOYEE HANDBOOK

We are an essential part of a living organization. We adapt. We thrive. We are...

Puerto Rico
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For the purpose of this Handbook and its related documents, “Popular” refers to Popular, Inc. and its subsidiaries and affiliates. Popular reserves the right to amend this Handbook totally or partially at any time. This Employee Handbook does not constitute an explicit or implied contract between employees and Popular. Nothing included in this employee handbook will limit the right of Popular to terminate the employment relationship any given moment without any previous notice, or to modify or eliminate the benefits granted in this Handbook.
Dear colleagues,

Popular is an organization that is known for its high service standards, institutional values and social responsibility. These values guide us in the continuous process of adapting to our times and are strengthened when each employee makes them their own and puts them into practice. For this reason, we continuously evaluate our policies to ensure that they reflect the reality of our environment and our business.

The purpose of our Employee Handbook is to standardize and communicate our practices and policies throughout the organization. Please take the time to read this Handbook in its entirety and share any doubts or comments with your supervisor or with our colleagues at Our People Division.

This is a critical tool that we must study and understand so that, in our day to day activities, we perform our duties according to those policies and, even more importantly, live those values that guide us and make us unique.

Sincerely,

Ignacio Alvarez
President and Chief Executive Officer
Popular, Inc.
CORPORATE IDENTITY
Our Creed

Banco Popular is a local institution dedicating its efforts exclusively to the enhancement of the social and economic conditions in Puerto Rico and inspired by the most sound principles and fundamental practices of good banking.

Banco Popular pledges its efforts and resources to the development of a banking service for Puerto Rico within strict commercial practices and so efficient that it could meet the requirements of the most progressive community in the world.

These words written in 1928 by Rafael Carrión Pacheco, Executive Vice President and President (1927 to 1956), reflect the thought that guides Banco Popular de Puerto Rico and Popular, Inc. in all their markets.

Our People

The men and women who work for our institution, from the highest executive to the employees who handle the most routine tasks, feel a special pride in serving our customers with care and dedication. All of them feel the personal satisfaction of belonging to the “Banco Popular Family”, which fosters affection and understanding among its members, and which at the same time firmly complies with the highest moral and ethical standards of behavior.

These words were written by Rafael Carrión Jr., President and President of the Board of Directors (1956-1991), on the occasion of the 95th anniversary of Banco Popular de Puerto Rico. They show the commitment of Popular employees.
Our Values

Social Commitment
We work hand-in-hand with our communities. We are committed to actively working to promote the social and economic well-being of our communities.

Customer
We develop life-long relationships. Our relationship with the customer takes precedence over any particular transaction. We add value to each interaction by offering high quality personalized service and efficient and innovative solutions.

Integrity
We live up to the trust placed in us. We adhere to the strictest ethical and moral standards through our daily decisions and actions.

Excellence
We strive to excel each day. We believe there is only one way to do things: doing them right from the first time while exceeding expectations.

Innovation
We are a driving force for progress. We foster a constant search for innovative ideas and solutions in everything we do, thus enhancing our competitive advantage.

Our People
We have the best talent. We are leaders and work together as a team in a caring and disciplined environment.

Performance
We are fully committed to our shareholders. We aim to attain a high level of efficiency, both individually and as a team, to achieve superior and consistent financial results based on a long-term vision.

Our corporate values were established by Richard L. Carrión in 1997, which included the principles that characterized our organization since its inception, so that they continue to serve as the basis for our actions and driving our tradition well into the future.
**Our Vision**

To provide an excellent customer experience by offering financial solutions that meet our clients’ needs in a simple way.

<table>
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<tr>
<th>Sustainable Profitable Growth</th>
<th>Growth that balances risk and opportunity to expand within our current customers and markets, to diversify outside of Puerto Rico and into specialized segments, and to grow using our existing capabilities as a launching pad.</th>
</tr>
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<td>Simplicity</td>
<td>The streamlining of business, process and organization through technology enabled automation and process optimization to reduce costs, improve quality and agility, enable a superior customer and employee experience and provide a platform for growth.</td>
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<tr>
<td>Customer Focus</td>
<td>Creates a culture of customer service, empowering employees to make decisions around the customer and designing a seamless, customer focused omnichannel experience to reinforce it.</td>
</tr>
<tr>
<td>Fit for the Future</td>
<td>An initiative that solidifies our foundation by focusing on attracting, developing, and retaining our talent around future capabilities in an environment that promotes wellness and transparency, while also strengthening our internal controls to effectively manage risks.</td>
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INTERNAL JOB MOBILITY

We have the best talent.
We are leaders and work together as a team in a caring and disciplined environment.

Institutional Value - Our People
At Popular, we are committed to provide our employees with opportunities for professional growth and development. To foster this development, we offer our employees mobility alternatives for other duties within our organization in the following areas:

- Within the same work unit
- Among units in the same division/region
- Among divisions/regions of the same organizational group
- Among other divisions/regions of other organizational groups
- Among Popular companies

Mobility within the same unit, division or group is coordinated with the unit supervisor or manager. Mobility among different business groups or among companies is coordinated with the Our People Division, through our job-posting program.

Units must consider the needs of the business, as well as the qualifications, performance and professional interests of the individual when an internal position change is about to be made. However, there are particular business situations that warrant the consideration of external candidates. On the other hand, employees who require reasonable accommodation and comply with the requirements of the Americans with Disabilities Act or any other local law related to disabled individuals, will be considered with priority to fill available positions if they have the required job qualifications.

Although supervisors and managers facilitate the internal mobility and development process of their employees by providing tools and opportunities to acquire new knowledge and responsibilities, the employees themselves must show an interest through their own efforts to attain them.

To be considered for a change in position, the employee must demonstrate a good performance, comply with the Rules of Conduct and the Code of Ethics, in addition to the Corporate Policies and Guidelines, have no disciplinary actions within the past year and occupied the current position for a minimum of two years as a regular employee.

Once the employee has been selected for the change in position, the unit to which the employee belongs will be responsible for diligently coordinating the transfer of the employee to the new unit.
TOTAL COMPENSATION PHILOSOPHY

We strive to excel each day.
We believe there is only one way to do things:
doing them right from the first time while exceeding expectations.

Institutional Value - Excellence
Our total compensation philosophy is aligned with the principles of equal pay for substantially similar work for all our employees and aims to attract, retain and develop the best talent. Various reward elements are included to ensure that our compensation is competitive within the banking industry for positions that require similar skills, abilities and responsibilities to ours. Our system also provides the flexibility to be competitive with prevailing compensation practices in different markets and lines of business, while maintaining consistency throughout the Corporation.

Total compensation considers all forms of monetary compensation, benefits, tangible and intangible services that are aligned with our culture and add value to our people. The compensation components are frequently evaluated to guarantee competitiveness and to ensure that they are flexible enough to meet the employees’ and the organization’s needs. The main elements of our total compensation structure are:

- Base salary and benefits program
- Incentive plans

**Base Salary and Benefits Program**

Popular strives to offer competitive base salaries, taking into consideration the business line, the employee’s role or function. Base compensation is regularly evaluated to ensure its competitiveness against the market. Individual salaries may be reviewed to recognize each employee’s contribution based on demonstrated performance and subject to the available budget.

In addition to salary, the Corporation compensates employees with a comprehensive benefits program. The fundamental purpose of this program is to provide employees with short and long-term protection. The main components of the benefits program are:

- Health and wellness
- Retirement planning
- Regulatory and others

**Incentive Plans**

Incentive plans complement the cash portion of the total compensation for those positions or lines of business in which the need of each business or the practice in the market merit it. These incentive plans can recognize both the individual performance and the team work of our employees to achieve specific objectives.

The incentive plans may be grouped in the following categories:

- Productivity
- Sales
- Service
- Referrals program
- Performance bonus
- Other recognitions
The incentive programs are subject to continuous revision, modification or elimination due to business needs or strategies. Participation on these programs depends on the design and eligibility rules of each incentive plan, and ordinarily, to be eligible to receive an incentive payment the individual must be employed by Popular at the time the incentive is paid. The compensation offered by these plans may not be acquired fraudulently or through manipulation of any data to obtain benefits to which employees are not entitled. Incentive plans may not encourage inappropriate risk taking of improper sales behavior or practices.

Popular may also share its profits depending on the Corporation’s results and performance level, and as determined by the Board of Directors. The payment may be in cash, deferred or both.

Compensation System and Job Classification

Our compensation system establishes procedures to classify, develop and compensate our employees for their knowledge, skills and performance. This system is the base of our jobs and salaries structure. The system is flexible enough to promote internal mobility throughout the Corporation, as well as promotions and change in responsibilities.

To achieve this objective, Popular organizes its jobs in groups and salary bands in accordance with their functions.

There is a set of competencies for each job. We define competencies as the attitudes, knowledge and skills that an employee must have and develop in order to perform as expected.

Performance Review and Recognition Systems

Performance is the individual and collective contribution we make to the business, and it is the basis for recognition and compensation. Annually, each business establishes its work plan, which is aligned with the corporate strategies and goals. Based on this plan, each manager develops the individual goals, and then shares them with all the employees.

Annually, managers will conduct a performance review to assess the results of employees’ work, as well as their demonstrated competencies.

Popular may recognize good performance in many ways, including:

- increase in cash compensation
- opportunities for growth and development
- participation in training programs
- participation in high-impact organizational initiatives, among others

Therefore, the performance evaluation is essential to discuss the achievement of goals and to establish development plans. These tools are important to achieve progress towards our goal of Organizational Excellence.
A violation of the Rules of Conduct, Code of Ethics, Corporate Policies or Guidelines, procedures and instructions established by the Institution will disqualify the employee from participating in promotions, internal mobility, incentives plans and/or merit increases.

**Christmas Bonus**

Employees of Popular companies in Puerto Rico who have worked 700 hours or more within the 12-month period between October 1st of the previous year and September 30th of the current year, may be eligible to receive a Christmas Bonus of at least the amount provided by law, on or before December 15 of the current year.

Employees recruited as of January 1, 2018 who have worked 1,350 hours or more in the 12-month period between October 1st of the previous year and September 30th of the current year may be eligible to receive, on or before of December 15 of the current year, a Christmas bonus of at least the amount established by law.

The grant of this bonus is dependent on any provision or limitation of federal or local applicable law, and its payment is subject to deductions of the employee’s contribution to the Savings and Stock Plan, as well as other deductions required by law.

The grant of a bonus in excess of the amount required by law is not guaranteed or a legal or contractual obligation of Popular and is subject, among others, to the discretion of the Board of Directors, to the individual being employed by Popular at the time the bonus is paid, and to any other legal restriction.
PROFESSIONAL DEVELOPMENT

We have the best talent.
We are leaders and work together as a team in a caring and disciplined environment.

Institutional Value - Our People
We firmly believe that our people are Popular’s most important asset. The Institution continues moving towards a high-performance culture striving to develop the people that day-to-day work hard for the benefit of our Institution.

This is the reason why in Popular we are fully committed to provide the best development opportunities to our employees on a professional, personal and emotional level.

To achieve business goals, we support units by conducting needs assessments, designing employee development strategies, implementing and coordinating development initiatives, and measuring key performance metrics. By doing this, we ensure the achievement of the desired behaviors and adequate return on investment.

The programs and trainings that we offer are aimed at strengthening our employees’ knowledge, skills and abilities that can contribute to the achievement of their goals in line with key business strategies.

We offer the following development Programs and Academies:

- Management Academy
- Professional Academy
- Analytics Academy
- Well Being Academy
- Commercial Business Academy
- Technology and Operational Academy
- Internal Costumer Service Program
- Retail Programs

Most of the development initiatives are held at Popular’s Development Center, where we deliver more than 1,000 training and development sessions annually.

If an employee is not able to attend a previously booked training session, the supervisor must cancel his enrollment 6 days prior to the session date. Non compliance with this policy will result in charges to the business unit’s cost center, according to pre-established training costs.

In addition to the training provided through our course catalogue, employees may also participate in external training and seminars. Such trainings must be geared towards developing our skills and knowledge with regards to our work in Popular and must be approved by our supervisor.

We believe that measuring our learning efforts, through evaluations and feedback, is key to the professional and organizational development. Our supervisors have the responsibility of providing continuous feedback to their employees to improve performance while facilitating development plans aligned with business objectives.
TALENT & ORGANIZATIONAL DEVELOPMENT
In the constant pursuit of organizational excellence, we recognize that attracting, developing and retaining the best talent is a key strategy that our leaders implement. We contribute to our managers’ efforts with tools to facilitate talent management. Some of the tools are aimed at their leadership skills, while others are aimed at increasing the effectiveness of their work teams and the organization. This planned effort is known as Organizational Development.

The focus of organizational development is to support Popular so that we can face the challenges and trends that arise and manage changes effectively. In this way, we can achieve the performance expected from each of us, and therefore the business results.

Regarding Talent Management and based on business goals, we support leaders in talent management through:

- Leadership competencies identification and assessment
- Executive Leadership Academy
- Succession Planning
- Coaching and Manager Mentoring
- Trainees Programs
- Lean Six Sigma Academy
- Coaching for Performance

Based on the business needs we identify and requests from our internal clients, we conduct, among others, the following interventions as part of organizational development:

- Great Place to Work Satisfaction Survey
- Change and transition management
- Team building
- Development, functioning and effectiveness in human relations and processes
- Consulting for restructuring, process analysis and cultural transformation
BENEFITS IN POPULAR
Popular provides us with a valuable and extensive benefits program that complements our regular monetary compensation. The objective is to offer competitive benefits that adapt to the particular Health and Wellness needs of our people and the business reality.

Eligibility for Benefits

Full-time employees, may be eligible for all the benefits described in this Employee Handbook, as soon as they meet the eligibility requirements for each particular benefit. Coverages are available to employees and eligible dependents as defined in the Summary Plan Description for each benefits plan.

Part-time employees also participate in the benefits, including the Family Services initiatives, Physical Training and Sports and Recreation Program. However, they are not eligible for the Health, Pharmacy and Dental Plan, Basic Life Insurance, Accidental Death and Dismemberment, Short-term Disability Plan or the Long-term Disability Plan.

Welfare Benefits

OnSite Health and Wellness Center

The vision of the OnSite Health and Wellness Center is promoting a healthy lifestyle. The Center provides the Annual Preventive Exam, medical assessment, diagnosis, counseling and referrals, among others.

Health, Pharmacy and Dental Plan

Popular provides the employees and their eligible dependents several health, pharmacy and dental plan options. Each employee may select the option that best suits his/her individual and family needs.

For additional information about the Health Plan options, please refer to the Health, Pharmacy and Dental Summary Plan Description, available on ZAPortal/Guidelines, Documents and Forms. If any discrepancies exist between the health plan’s summary plan description and the official plan documents, the official plan documents will prevail.

Continuation of Coverage under COBRA

According to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, in the event of the termination of the employment with Popular, or the loss of eligibility, to remain covered under our group health insurance program, due to a qualified event, employees and their eligible dependents may have the right to continue coverage under our health insurance program. COBRA continuation is for a limited period of time at the employees’ expense.

Employee Assistance Program (EAP)

The Employee Assistance Program (EAP) offers professional help for the employees and their family nucleus for the management of personal problems that affect the ability to function in society, at home or on the job.
The benefit consists of eight (8) visits free of charge for the employee and for each family member. The time used to attend appointments will be charged to the applicable leave of absence.

The employee is not exempt from applicable disciplinary measures for incurring in such conduct that violates the provisions of this Handbook regarding the use of leaves.

It is the supervisor’s responsibility to know how the program works, as well as to maintain in strict confidentiality any related information received from the employee.

**Basic Life Insurance**

Popular provides a life insurance coverage at no cost. In the event of death, beneficiaries will receive an amount equivalent to four times the amount of your base salary (including commissions earned from the past 12 months, if applicable) up to a maximum of $1,000,000. Upon the event of retirement or employment termination, employees can continue with the insurance coverage by electing a conversion to an individual policy within the next 30 days following the termination of employment. You shall request the insurance company the information about the policy conversion and the premium cost. In case of a terminal disease, the life insurance can pay up to 75% of the covered amount in advance, once the employee meets the established requirements.

**Accidental Death & Dismemberment Insurance**

In the event of death, this benefit duplicates the amount of the basic life insurance coverage and the premium is paid by Popular. The beneficiaries will receive an amount equivalent to up to four times the amount of your base salary (including commissions, if applicable), subject to a maximum of $1,000,000.

**Supplemental Life Insurance**

Supplemental Life Insurance and Supplemental Accidental Death and Dismemberment Insurance is a voluntary plan, in which you may choose, through payroll deductions, additional amounts of life insurance for yourself and for your spouse and eligible dependent children under age 26. You must elect supplemental life insurance for yourself in order to elect coverage for your spouse and eligible dependent children.

**Business Travel Life Insurance**

Popular offers an additional source of protection in case of an accident while attending official business which results in the loss of life or dismemberment. The cost of this insurance is paid in total by Popular.

This insurance does not cover any losses related to travel time going to and from home to work, which could be covered by other insurance as, for example, the insurance of the Automobile Accident Compensation Administration (ACAA).
For more information about survivor benefits, please review the Basic Life and Accidental Death & Dismemberment Summary Plan Description available on ZAPortal/Guidelines, Documents & Forms.

**Disability Benefits**

Popular provides protection in the event of loss of income as a result of a disability. An employee can request these benefits when presenting a health condition not related to work, certified by a doctor, that disable the employee to perform work duties temporarily. The request with the medical evidence submitted will be evaluated by the insurance company, which will determine the eligibility for the benefit.

**Non-Occupational Temporary Disability Insurance (SINOT, for its Spanish acronym)**

The employee is eligible for this insurance when presenting a health condition not related to work, certified by a physician, which temporarily makes the employee disabled to perform work duties. In the event of a disability, the accumulated sick leave days will be paid first; then, the vacation leave if requested in writing; and then, the employee is eligible for the Temporary Non-Occupational Disability. This benefit is calculated according to taxable salaries within the last five (5) quarters worked, establishing a minimum of $12 weekly and a maximum of $113. Benefits will be paid for a period not to exceed 26 weeks during any disability period and within any period of 52 consecutive weeks. In case that the employee does not have accumulated sick leave days, the eligibility to receive benefits is on the eighth day of the disability certified by the physician, or from the first day's, in the event of hospitalization.

Popular will reserve the job for a period of one year from the date the disability began. To be eligible for this reinstatement of up to one (1) year while using a non-occupational disability, the employee must request SINOT not later than 3 months from the illness occupied benefit and obtain its approval from the corresponding agency. Once the SINOT benefit request is entirely completed, the employee will be notified in writing the period during which the job will be reserved, subject to SINOT’s approval of the benefit. If the employee is not eligible for the job reservation because he/she did not request the SINOT benefit or SINOT did not approve the same, and the employee is absent for three days without presenting medical evidence, the employee will be subject to disciplinary measures, which could include termination of employment. Concurrently with this disability leave, the employee will exhaust the Family and Medical Leave.

This benefit supplements the Short-Term Disability Plan.

In the event of death, this insurance provides an additional benefit for the spouse and dependent children.

**Occupational Accident or Sickness Insurance (State Insurance Fund; FSE, for its Spanish acronym)**

Popular is committed to the well-being of its employees and promotes a safe work environment
free from risk that could present a threat against health and occupational safety. To reaffirm this commitment, the Corporate Real Estate Division has a Health and Occupational Security Specialist who is responsible for anticipating, recognizing, evaluating and implementing strategies for the prevention and control of potential risks that could affect the safety in our workplace. Any employee that identifies any risk to their health or safety in the workplace, or has ideas to promote a culture focused on the safety and occupational health, can contact the Health and Occupational Specialist at 787-765-9800, ext. (50) 7170.

In the event of a work-related accident or sickness, the employee must immediately notify the supervisor. Popular’s employees, are covered by the State Insurance Fund. The purpose of the State Insurance Fund is to benefit employees who suffer an accident, injury or loss of life in any function inherent to his/her employment and that occurs while performing it. Among other benefits, the law provides total medical care, payments for temporary or permanent disability, and pensions for the widow or widower and children in the event of death.

In the event of occupational disability, the sick leave days and accumulated vacation time will be paid first, and then the employee is eligible for the Short-Term Disability Insurance.

Popular will reserve the job for a period of six months from the date the disability began. Reinstatement will be subject to the following conditions: that the reinstatement be requested within 15 days after being released, provided it is within six months of the disability; that the employee is mentally and physically able to return to position; and that the position exists at the moment of requesting reinstatement. Concurrently with this disability leave, the employee will exhaust the Family and Medical Leave.

**Insurance of the Automobile Accident Compensation Administration** *(ACAA, for its Spanish acronym)*

In the event of a traffic accident, an employee may qualify for the insurance provided by the Automobile Accident Compensation Administration (ACAA, for its Spanish acronym). In case of disability as a result of an accident, sick leave days and accumulated vacation time will be paid first and then the employee is eligible for the Short-Term Disability Plan.

Popular will reserve the job for a period of six months from the date the disability began. Reinstatement will be subject to the following conditions: that the reinstatement be requested within 15 days after being released, provided it is within six months of the disability; that the employee is mentally and physically able to return to position; and that the position exists at the moment of requesting reinstatement. Concurrently with this disability leave, the employee will exhaust the Family and Medical Leave.

**Driver’s Insurance**

If Popular requires or allows an employee to drive a motor vehicle on a regular basis in the performance of your work duties, the employee will be covered by the Driver’s Insurance. This insurance covers
in the event of disability as a result of a health condition or non-occupational accident. The sick leave days will be paid first, followed by the vacation time if requested in writing, and then the employee is eligible for the Short-Term Disability Plan. Concurrently with this disability leave, the employee will exhaust the Family and Medical Leave. The benefits under the Driver’s Insurance are similar to those under the Temporary Non-Occupational Disability (SINOT, for its Spanish acronym).

**Short-Term Disability Plan (STD)**

The Short-Term Disability Plan provides 65% of your basic weekly salary (not including bonuses, incentives, discretionary, performance, or overtime), up to a maximum of $1,000, whichever is less. If the insurance Company approves your application, the benefits will continue to be paid while the remain disabled for up to a maximum of 180 days (six months). Payments under this plan will be coordinated with other disability benefits to which you may be entitled, such as SINOT, State Insurance Fund, ACAA and Driver’s Insurance.

This benefit is complementary to what the law provides, and an independent medical certification may be required for its approval and continuation of benefits. If the required certifications are not provided, the employee will no longer continue to benefit from the Plan.

Your medical, pharmacy and dental plan coverage will continue during the period that the employment is reserved because of a disability, as long as you continue to pay your contributions.

For additional information about this benefit, please refer to the Disability Benefits Summary Plan Description available on ZAPortal/ESS. If discrepancies exist between the descriptive summary of the benefits plans and the official plan documents, the official plan documents will prevail.

**Long-Term Disability Plan (LTD)**

The Long-Term Disability Plan provides benefits up to 60% of your pre-disability base salary earnings, up to a monthly maximum of $15,000. LTD benefit will start after 180 days (6 months) of continuous total or partial disability or when the Short-Term Disability Plan terminates, whichever occurs later. LTD benefits can be paid until age 65.

For additional information about this benefit, please refer to the Disability Benefits Summary Plan Description available on ZAPortal/ESS. If discrepancies exist between the descriptive summary of the benefits plans and the official plan documents, the official plan documents will prevail.

**Health and Wellness**

Popular provides initiatives focused on improving the health, physical, emotional and financial well-being of our people and their families, such as:

- **Health Coordinators Academy**: It trains and certifies employees throughout the organization in the management of medical emergencies that may occur in the work place. Also promote initiatives for the adequate management of health conditions, promotion of preventive health, vaccination events and mammography clinics, among others.
**BENEFITS IN POPULAR**

- **Physical Training and Sports:** Administers the sports facilities, gymnasiums and offers different types of exercises in various Popular units. In addition, we support the sports leagues, events and sports tournaments.

- **Family:** It offers initiatives, such as Summer and Christmas Camps, Leaders Institute, and Líder Pop with the main objective to develop personal and community leadership skills of the employees' and retirees’ children. Also, manages initiatives that promote the physical and mental activity of employees, retirees and eligible dependents, such as tennis and swimming classes.

- **Financial planning and personal finance workshops**

**Corporate Image Activities**

Through this program, a series of projects and activities are carried out with the purpose of strengthening the sense of belonging and identification of the employees with Popular.

- Corporate Image
- Recognition for uninterrupted years of service in Popular
- Anniversary Celebration
- Make a Difference Day
- Christmas Celebration

**Retirement Benefits**

**Savings and Investment Plan**

Through this Plan, Popular helps you ensure a financial stability when you retire. The Savings and Investment Plan allows you to make pre-tax contributions from 1% up to 70% of your salary, subject to limits required by law, and up to an additional 10% of your post-tax salary. The amount of the annual pre-tax contributions may not exceed $15,000 or the maximum amount established by the Internal Revenue Code of the Puerto Rico Treasury Department.

- Participants with 50 years of age or older may contribute up to an additional $1,500 to the maximum established, as stated in the previous paragraph.

- Popular provides a match of your pre-tax contributions to the Plan. Each payroll period the Company matches 50 cents for every $1.00 you contribute to the Plan before taxes, until you reach the 8% of your compensation. (Formula prevailing at the date of publication of this handbook).

- Popular established annual automatic contribution increase. Each year your contribution will increase 1% until your rate of contribution reaches 8%. This is a simple, automatic and effective way to increase your personal contribution and to optimize Popular’s matching contribution of 4%.

The Savings and Investment Plan offers a variety of investment alternatives for employees with much or little experience in investments.
For additional information about this Plan, please refer to the Savings and Investment Summary Plan Description. If discrepancies exist between the summary plan description and the official plan documents, the official documents will prevail.

**Other Benefits**

**Profit Sharing Plan**

The Plan’s primary objective is to promote the high-performance organization that we all want for Popular. Profit sharing is a system in which the employees participate in the earnings of their company. Each year, the Board of Directors reviews the Corporation’s performance as compared to the goals and objectives, and may authorized the payment of a monetary compensation to its employees. The Profit Sharing Plan enables Popular to:

- Recognize all of our employees for results that exceed the expectations established by company management
- Promote collaboration among all units of Popular
- Motivate our employees to positively influence the Corporation’s income and operational expenses
- Extend our incentive plans to those groups that do not currently participate in any variable pay programs
- Contribute to our employees’ savings in the Savings and Investment Plan

**How will the Plan work?**

The Profit Sharing Plan will apply at the beginning of each calendar year. The payment, if any, will be made after the authorization of the Board of Directors and the Management of Popular.

A participant may receive between 2% and 8% of his/her total cash compensation, including base pay, bonuses and commissions. An individual’s eligible compensation will be capped at $70,000 for purposes of calculating any payments under the Plan.

The first 4% of profit sharing awarded will be paid in cash, whereas any amount beyond 4% will be paid as a contribution by Popular to each employee’s account in the Savings and Investment Plan.

**Awards will be based upon:**

The extent to which the Corporation exceeds 103% of the annual budgeted after-tax net income, up to a maximum 115% level of achievement versus the goal. At 103% of achievement, a bonus of 2% would be awarded. For each percentage achieved above 103%, the corresponding award increases by 0.5%, up to a maximum possible award of 8% at 115% of achievement.

Consideration of other factors, such as risk management and credit quality results, and accomplishments in major corporate initiatives related to growth and efficiency, among others.
**Checking Account and Banking Services**

Popular offers a checking and/or savings account for employees, with the advantage that both the account and the use of the ATH card in Popular machines are free of the monthly charge for service. You may have other accounts with Popular, but the regular service charges will apply.

As a Popular employee, you are required to maintain an adequate management of your account. You must reconcile it, since a charge will be imposed for each overdraft. In addition, the improper use of the checking and/or savings account for employees may result in disciplinary actions, as established in the [Personal Finances and Investments Corporate Guideline](#), and the Rules of Conduct.

The employee’s account cannot be used for businesses, including but not limited to those classified under the category of corporations, “Doing Business As” (DBA), partnerships or special partnerships that the employee and his spouse may have.

Other banking services offered at a reduced cost are manager’s checks, money orders, wire transfers, travelers’ checks and car plate stickers.

If our employment relationship with Popular ends, our checking account and banking services will be subject to the terms and conditions applicable to regular customers of Popular.

**Loans and Other Credits**

Popular offers us the same credit facilities as those offered to our customers, with a preferred interest rate, depending on the product. The preferred rate consists on a discount of Popular’s regular rate, which could change from time to time.

The credit facilities are limited to non-commercial activities of employees and are subject to federal and state regulations and to the credit policy of Popular.

Every application must be referred to Staff Loans at the Individual Credit Center of Banco Popular, where it will be evaluated and the decision will be in accordance to the rules established.

If our employment relationship with Popular ends, the preferential interest rates on mortgage, auto and personal loans, remain as contracted until the account is settled. The same applies to credit cards, in which the preferential interest balance, if any, is maintained at the time of our termination of employment, and any new balance is subject to the interest rate applicable to regular customers.

**Employees Club**

The Club, whose membership is composed of employees and retirees, promotes recreational, educational, cultural and social activities that contribute to the well-being and improvement of the employee and his/her family. Membership is voluntary with a minimum monthly quota. It has a board of directors that manages the Club’s funds and objectives.
Rafael Carrión Jr. Scholarship

Through a legacy, Don Rafael Carrión Jr. left resources to establish a scholarship fund for the children of employees and retirees, which is managed by the Fundación Banco Popular. This way, children of employees and retirees have received supplementary financial aid for college studies. To qualify, applicants must demonstrate, among other things, academic diligence, financial need and a genuine interest in their integral development. Specific requirements for qualification, as well as the documents that must be presented, are detailed in the annual invitation.

Employee Emergency Assistance Fund (Juan Cruz)

Fundación Banco Popular maintains a fund to offer emergency financial assistance to Popular employees in Puerto Rico who confront a verifiable emergency.

Eligibility

The following requirements must be met in order for an employee to be eligible to benefit from the Employee Emergency Assistance Fund:

• The employee must be a regular full-time or part-time employee of one of Popular’s companies in Puerto Rico;

• Must be facing a significant and verifiable emergency situation caused by circumstances out of his or her control as a result of one of the following:
  - Natural disaster (such as hurricane, flood, etc.)
  - Fire in primary residence
  - Death in the immediate family (father, mother, spouse and dependent children). Expenses related to flower arrangements and obituaries will not be covered.
  - Medical expenses of a member of the immediate family not covered by health insurance (father, mother, spouse and dependent children)
  - The employee has a need for financial assistance, which may not be satisfied through other means available to the employee, including any hardship withdrawal program under the Savings and Investment Plan. The fund will not cover expenses related to excessive debt nor those that are considered optional / luxurious in nature.
  - Other hardship considered eligible by the Economic Emergency Assistance Committee (as defined hereinafter).

Required Documents

Any applicant must fill out the Application for the Employee Emergency Assistance Fund and must provide the required documents.

The application and procedure to request the assistance is available through the employee self-service module ZAPortal/ESS.
Our People Service Center

Popular has designated a unit to provide guidance and assistance on benefits and services to which you are eligible as an employee.

Our People Service Center provides guidance and support in terms of benefits programs, payroll, time management, training, professional development, ZAPortal/ESS, MSS, SAP Finance and SuccessFactors and other processes or guides related to Our People Division.

The Service Center is available Monday through Friday, from 8:00 a.m. to 5:00 p.m. You can contact us by calling to (787) 756-2774, extension (63) 2774 or 1-866-303-2774. Also accessing our website Our People Service Portal.
LEAVES OF ABSENCE
LEAVES OF ABSENCE

Required Absences

Popular, Inc., Banco Popular de Puerto Rico and Popular Auto employees must enjoy an annual leave of, at least, 10 consecutive working days. To calculate these consecutive days, employees' absences due to vacations, holidays, external trainings and those days in which the employees are absent due to another authorized leave, such as, sick leave, Family and Medical Leave, SINOT, State Insurance Fund (FSE), maternity leave, bonding time leave, military leave, or any other leave paid or unpaid will be considered. However, the days in which the employee is not schedule to work will be excluded from this calculation. In the case of full-time employees under flexible work arrangements, the aforementioned rules will be applicable, except that those days in which the employee is not on schedule to work will also be considered for the calculation of the 10 consecutive days.

Part-time employees as well as Popular Securities, Popular Insurance and Popular Risk Services employees, must enjoy an annual leave of, at least, 5 consecutive working days. To calculate these consecutive days, employees’ absences due to vacations, external trainings and those days in which the employees are absent due to another authorized leave, such as, sick leave, SINOT, State Insurance Fund (FSE), maternity leave, bonding time leave, military leave, or any other leave paid or unpaid will be considered. Holidays and employees’ days off will be excluded from this calculation.

During this period of absences, the employees may not access the institution’s systems and registers, including through remote accesses. The supervisor will seek to ensure that during this period of absences the employee does not access the institution’s systems. However, during this period, employees may use their mobile telephones and access Popular’s electronic mail system.

Vacation Leave

The objective for the vacation leave is to take a break from our daily work and pursue personal interests. For this reason, Popular encourages that we all enjoy this benefit.

The following table presents the vacation accumulation for every Popular employee:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Employees hired</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>on or before May 31, 1995</td>
</tr>
<tr>
<td>Non-exempt less than 10 years</td>
<td>18 days</td>
</tr>
<tr>
<td>Non-exempt between 10 - 15 years</td>
<td>20 days</td>
</tr>
<tr>
<td>Non-exempt 15 years or more</td>
<td>22 days</td>
</tr>
<tr>
<td>Exempt</td>
<td>22 days</td>
</tr>
</tbody>
</table>

Supervisors will prepare an annual vacation plan for the employees under their supervision so the
operations of the working area are not affected. Although our preferences will be taken into consideration, vacation leave will be granted according to the unit's operational needs.

Non-exempt employees

Non-exempt full-time employees accrual 1.25, 1.5, 1.67 or 1.83 days for each month they work a minimum of 100 hours. The accrual of vacation days will depend on the years of service and the date the employee was hired, as detailed in the previous table. For an employee who works in a compressed schedule, the benefit is calculated based on a working schedule of 40 hours per week. For employees who work a reduced schedule, the benefit is calculated in proportion of their weekly work schedule. For example, if the reduced schedule consists of 32 hours per week, the employee will be working 80% of the time of a 40-hour a week schedule and, therefore, he/she will proportionally accumulate 80% of what an employee who works 40 hours a week would otherwise accumulate for vacation leave.

Non-exempt part-time employees’ accrual will be according to the employee’s defined work schedule and the amount of hours worked in the month.

Vacation leave may be requested after having completed one year of service. The vacation time will be used consecutively, unless the employee and the supervisor agree otherwise. However, non-exempt employees must use at least five consecutive vacation days.

If termination of employment occurs, the accumulated vacation leave balance will be paid off. Payment of the leave will be based on a variable based pay which considers base salary plus other payments, if applicable.

Exempt employees

On January 1st of each year, active exempt employees will have available the totality of the vacation days that correspond to the calendar year. The accrual will depend on the years of service and the date the employee was hired, as detailed in the previous table. The calculation of the days per month is based on the assumption that the employee works a minimum of 100 hours per month. For an employee who works in a compressed schedule, the benefit is calculated based on a working schedule of 40 hours per week. For employees who work a reduced schedule, the benefit is calculated in proportion of their weekly work schedule. For example, if the reduced schedule consists of 32 hours per week, the employee will be working 80% of the time of a 40-hour a week schedule and, therefore, he/she will proportionally accumulate 80% of what an employee who works 40 hours a week would otherwise accumulate for vacation leave.

New hired employees will be eligible to receive the accrual for the month in which they were hired, even if they do not work 100 hours.

The vacation leave will be available for employees from the beginning of their employment at Popular and subject to the approval of their supervisor. Exempt employees must take their vacation during the year in which it is accrued. These employees may not carry over to subsequent years vacation.
leaves of absence that they have accrued and not yet taken. Vacation must be taken by December 31 of each year. Payment for vacation leave will be made considering only the employees’ base pay (except in the case of outside salespersons for whom the payment will be based on a variable pay, which considers base salary, plus other payments, if applicable). Employees who terminate their employment with Popular for any reason and who have taken vacation days not yet accrued by the time of their termination must reimburse the amount equivalent to such vacation time taken.

If there is a pending balance accrued but not used, the available hours will be paid proportionally to the termination date. For new hired employees, the accrued vacation leave balance will be paid off if they have approved the probationary period.

**Sick Leave**

Employees accrue 1.25 sick leave days during each month in which they work a minimum of 100 hours. The sick leave not used during the year is accumulated for successive years up to 25 days. For an employee who works in a compressed schedule, the benefit is calculated based on a working schedule of 40 hours per week. For employees who work a reduced schedule, the benefit is calculated in proportion of their weekly work schedule. For example, if the reduced schedule consists of 32 hours per week, the employee will be working 80% of the time of a 40-hour a week schedule and, therefore, he/she will proportionally accumulate 80% of what an employee who works 40 hours a week would otherwise accumulate for sick leave.

When employees are absent from work due to sickness, they must contact the immediate supervisor the same day during the first hour of the work shift, in conformity with the instructions established in the unit. This leave provides financial income when the absence is due to sickness. The leave cannot be used in procedures that are not medically necessary. If the absence is for three consecutive days or more, the employee must present a medical certificate. This must include a diagnosis (or the equivalent medical code), length of absence, doctor’s signature and license number. Documents of absences for three days or less must be sent to the Employees File using the internal mail code 926. Documents pertaining to absences of four consecutive days or more, or related to an active leave, must be sent through the service Leave Request Documents on ZAPortal (for additional information the employee should refer to the guide available in Guidelines, Documents & Forms). If the medical certificate is not presented with the required specifications, the time off will not be deducted from the sick leave balance. If the certificate is not presented after the three days of absence, disciplinary actions may be imposed.

The use of sick leave does not excuse from complying with Popular’s attendance and punctuality rules. In the event of an absence for a period of more than 15 working days, a medical certificate must be sent to the supervisor or the Our People Operations Department before returning to work, which must include the date of return to work and confirm the fitness for duty.
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Dependent Illness

Up to five days a year can be used to care because of illness for children, spouse, parents, as well as minors, advanced-age persons (60 years of age or older) or persons with disabilities under custody or legal guardianship (‘family member or eligible person”) as long as a balance of at least five days to attend to any health situation of their own is maintained.

If the family member or eligible person is a participant of the Popular Health Plan, it will not be necessary to present evidence that certifies the family, custody or guardianship bond when requesting this leave. On the contrary, if the family member or eligible person is not a participant of the Health Plan, then will be necessary to present the applicable evidence when requesting the leave.

If the absence related to a dependent medical care is for three consecutive days or more, the employee must present a medical certificate. This must include a diagnosis (or the equivalent medical code), length of absence, doctor’s signature and license number. Documents of absences for three days or less must be sent to the Employees File using the internal mail code 926. Documents pertaining to absences of four consecutive days or more, or related to an active leave, must be sent through the service Leave Request Documents on ZAPortal (for additional information the employee should refer to the guide available in Guidelines, Documents & Forms). If the medical certificate is not presented with the required specifications, the time off will not be deducted from the sick leave balance. If the certificate is not presented after the three days of absence, disciplinary actions may be imposed.

The use of dependent sickness leave does not excuse from compliance with Popular’s attendance and punctuality standards.

Serious Illness

We may use up to six days a year to care for an employee’s own illness that is currently listed in Act 28 of 2018, known as “Special Leave Act for Employees with Serious Illnesses of Catastrophic Nature”. This leave may be used as long as we have used all of our available sick leave balance. It may be used in full days or segmented into hours. The days granted may not be carried over into subsequent years and will not be paid in cash at the time our employment with Popular ends.

For more information regarding requirements and benefits under this leave, please refer to the Our People Service Center at 8 (63) 2774 or 1 (866) 303-2774.

Personal Time

As part of Popular’s commitment to promote a balance between work and family, and provide flexible benefits to our people, we offer you a leave for personal time. This leave provides employees time to manage personal matters not related to planned vacations or other situations covered by their sick leave, without affecting their compensation. This leave cannot be used to extend other leaves of absence.
The personal time leave provides eligible regular employee two days with pay available at the beginning of each year, to be used for personal matters. The employee must be active by January 1st of each year in order to be eligible. These days must be coordinated with the supervisor and may be enjoyed in full days or segmented into hours. The days granted for personal time will not be carried over to the next year and will not be paid in cash at the time our employment with Popular ends. For an employee who works in a compressed schedule, the benefit is calculated based on a working schedule of 40 hours per week. For employees who work a reduced schedule, the benefit is calculated in proportion of their weekly work schedule. For example, if the reduced schedule consists of 32 hours per week, the employee will be working 80% of the time of a 40-hour a week schedule and, therefore, he/she will proportionally accumulate 80% of what an employee who works 40 hours a week would otherwise accumulate for personal time leave.

Written warnings related to the Attendance and Punctuality rule will disqualify employees to use this leave for a period of 12 months from the date of the warning.

Time for Community Service

Popular is fully committed to our community and social work. That is why we have granted time for community service. The same is with pay and employees may use it to provide community service in a non-profit entity or in a community, either with other peers or individually. This time must be previously requested and approved by your supervisor.

All regular employees (full-time and part-time) are eligible to benefit from Time for Community Service, as long as they meet the following requirements:

- Have completed their probationary period.
- Be in compliance with the Rules of Conduct, particularly attendance and punctuality, during the twelve (12) months prior to the date of doing their community work.
- Comply with expected performance.
- Obtain the supervisor’s authorization.

Eligible employees will have their Community Service Time available at the beginning of each calendar year and will not be accumulated or transferred to the next year. Full-time regular employees may use up to eight (8) hours and regular part-time employees who have a twenty (20) hour schedule per week may use up to four (4) hours.

Every eligible employee is responsible for:

- Choosing a non-profit organization, community or charity project of your choice
LEAVES OF ABSENCE

to work together with other members of Popular, or individually.

• Always behaving in a manner consistent with the Popular Code of Ethics, the Employee Handbook and all other policies, guidelines and procedures, as applicable.

For more information, you can access the Community Time Request Guide available on ZAPortal/ESS.

Health & Wellness Day

All full-time employees may use up to a maximum of eight hours with pay, once a year, regardless of your work schedule, to complete the Annual Preventive Exam on the OnSite Health & Wellness Center or through the contracted facilities. This paid leave may be enjoyed in full days or segmented into hours. The remaining balance, if any, will not be carry over to the next year, and will not be paid at the end of the employment with Popular.

Maternity and Adoption Leave

Employees who are pregnant may enjoy a maternity leave of 8 weeks with 100% of their salary. This leave begins 4 weeks prior to the expected date of delivery and extends for up to 4 weeks after the delivery. The employee may opt to take only one (1) week of pre-natal rest and extend the leave for up to 7 weeks after the delivery, as long as she submits a medical certificate stating that she is able to work until one week prior to the delivery.

The employee may choose to receive payment for this leave in one of two ways:

a. through biweekly payments according to the established payroll periods or

b. through a single payment (lump sum) during the next payroll period following the beginning of the maternity leave.

To choose the lump sum option, the employee must complete the corresponding form available on ZAPortal/ESS, and submit the same to the Our People Operations Department. Otherwise, the leave will be paid biweekly.

To request this leave, the employee needs to submit a medical certificate indicating the expected date of delivery. The medical certificate must be handed in to the supervisor at least 7 weeks before the expected delivery date. This leave will run concurrently with the Family and Medical Leave.

Any employee who adopts a child under the age of five that is not enrolled in school will enjoy a maternity leave of 8 weeks with 100% of their salary. In this case, the maternity leave will start once the child is placed with the employee. To enjoy this leave, the employee must notify her supervisor at least 30 days in advance about her intention to adopt a minor, take the maternity leave and her plans to return to work. She must also submit supporting evidence about the adoption procedures. This leave will run concurrently with the Family and Medical Leave.

If the employee suffers an abortion, the leave will be granted for up to a maximum of 8 weeks. The
employee must submit to her supervisor a medical certificate confirming the diagnosis, as well as the recommended rest period. This leave will run concurrently with the Family and Medical Leave.

**Bonding Time Leave**

All regular employees are eligible to take 4 consecutive weeks with pay as bonding time for the birth of a child or adoption of a preschooler (a child under 5 years of age who is not enrolled in school). Employees may take this leave during the first 3 months after the child’s birth or adoption. Mothers may take this leave consecutively after their maternity or adoption leave ends.

Employees must notify their supervisors at least 30 days prior to the expected date of birth or adoption, or when it is foreseeable. In addition, they must submit supporting evidence of the child’s birth or adoption to Our People Operations through mail code 926. This leave will run concurrently with the Family and Medical Leave.

**Breastfeeding**

Female employees with a daily work schedule of 7.5 hours or more may take a paid break of up to one hour per work shift to breastfeed or express breast milk, for a maximum of 12 months following the return to their duties after taking their maternity or bonding time leave. This break may be used consecutively, but not at the beginning or at the end of the work shift and may be distributed in two periods of 30 minutes or three periods of 20 minutes during the day, in agreement with the nursing mother.

Female employees who work more than 4 hours a day may take a paid break of up to 30 minutes for each period of four consecutive hours worked to breastfeed or express breast milk, for up to 12 months following the return to their duties after taking their maternity leave or bonding time. This break must be taken consecutively, but not at the beginning or at the end of the work shift.

To enjoy this break, the employees must submit a medical certificate no later than the fifth day of the fourth and eighth month of the child’s life, as evidence that she continues nursing her baby.

Supervisors must register the breastfeeding period on ZAP for all exempt and nonexempt female employees.

**Family and Medical Leave**

Pursuant to the Family and Medical Leave Act (FMLA), eligible employees are entitled to 12-weeks of leave of absence during any 12-month period, for one or more of the following reasons:

- Care for the employee’s child after birth or adoption;
- Placement of a child with the employee for adoption or foster care;
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- Disability due to pregnancy;
- Prenatal medical care or child birth;
- Care of employee’s spouse¹, son, daughter, or parent with a serious health condition;
- Care for an employee’s own serious health condition that prevents him/her from performing his/her essential functions;
- Due to any qualifying exigency arising out of the fact that the spouse, a son, a daughter, or parent of the employee is on active duty or has been notified of an impending call or order to active duty in the National Guard or Reserves in support of a contingency operation, Armed Forces, or is deployed to a foreign country.

The entitlement to leave for the birth of a child or placement for adoption/foster care may only be used consecutively and expires at the end of the 12-month period beginning on the date of such birth or placement with the employee. ²

Eligible employees are entitled to up to 26 weeks of leave during any 12-month period for the following reason:

- To care for the employee’s spouse, son or daughter, parent or next of kin who is a member of the Armed Forces, National Guard or Reserves and is recovering from a serious illness or injury related to the military service.

This military caregiver leave may be requested within 5 years of the date the military member first undergoes medical treatment or therapy for a service-related illness or injury and covers the aggravation of a family member’s existing or preexisting injuries in the line of duty while on active service.

These provisions do not substitute any local law, if any, that provide benefits or rights greater than those listed here.

Eligibility

Popular employees are eligible for Family and Medical Leave of absence (FMLA leave) if they have been employed with Popular for at least 12 months and have worked a minimum of 1,250 hours during the past 12 months. The time spent by employees on Military Leave will be credited as working time.

Rehired employees will also be eligible even if at the time of the leave request they have not been employed for 12 consecutive months due to a service interruption of less than seven years, as long as prior to the service interruption the employees have worked 12 consecutive months at any time, if during that period the employees have worked a minimum of 1,250 hours. In this case, the

¹ Under the FMLA, “spouse” includes any person who has been legally married in any jurisdiction where the marriage is valid with another person of the same sex or the opposite sex. (The applicant must submit a copy of the marriage certificate)

² Subject to the provisions of applicable laws, if both spouses work for the same Popular company, their total FMLA leave in any 12-month period may be limited to an aggregate of 12 weeks if the leave is taken for either the birth/adoption/placement in foster care of a child or to an aggregate of 26 weeks to care for a family member who is covered military service member with a serious injury or illness related to their active military service.
minimum 1,250 hours are counted as of the date of rehire. If the interruption of service lasted than seven years or more due to military leave the same considerations will apply.

Employees who apply for and are granted FMLA leave must meet notification and documentation requirements, as outlined further in this section. Failure to meet these requirements may result in the denial or revocation of FMLA leave.

**Calculation of Leave**

An employee’s annual 12 or 26-week entitlement of FMLA leave will be calculated using a rolling calendar method. This means that Popular will look back 12 months from the date the employee uses FMLA leave to determine the amount of leave to which the employee will be entitled, up to a maximum of 12 or 26 weeks in any 12-month period.

**Intermittent or Reduced Leave**

Employees may opt to take FMLA leave for serious health conditions, as described above, on an intermittent basis when medically necessary. However, Popular may require an employee on intermittent leave to transfer to an available alternative position for which the employee is qualified, if the position has equivalent pay and benefits and better accommodates recurring periods of leave than the employee’s regular position.

Employees may not take intermittent leave for birth, adoption, or foster care purposes, unless the employee and Popular agree otherwise. If approved, the employee must take this leave during the first year in which the birth or placement occurs.

By agreement between Popular and an employee, an employee may choose to take FMLA leave on a reduced schedule. This schedule may involve reducing the employee's usual number of hours per workday or work week during the leave. The duration of any reduced leave schedule will remain at a 12-week maximum. The use of the intermittent leave does not eliminate the need to comply with your 10 (or 5 as applicable) consecutive days of required absences.

**Paid or Unpaid Leave**

The FMLA leave is an unpaid leave. However, this leave can be used concurrently with any other leave to which the employee has a right; some of which can be a paid leave, including sick and vacations leave. In this instance, the employee exhausts the paid time and the remainder of leave under FMLA will be unpaid.

**Employee Notice and Scheduling Requirements under FMLA Leave**

All employees of Popular who request FMLA leave when the need is foreseeable are required to give 30-day notice prior to commencement of leave. When the need for leave is not foreseeable, employees must provide notice the same day or the next business day about the need for leave. Notice may be given by a spouse, family member or other representative if the employee is unable to do so personally. Popular will send a written response to each request for leave. Additionally, employees must attempt to schedule planned medical treatment or intermittent leave so as to avoid undue work related disruption.
**LEAVES OF ABSENCE**

**Medical Certificate and Notification Requirements**

Popular requires that an employee requesting FMLA leave related to a serious health condition obtains a certificate issued by the health care provider.

The certificate shall include:

- The date on which the serious health condition commenced;
- The probable duration of the condition;
- The appropriate medical facts within the knowledge of the health care provider regarding the condition;
- A statement that the employee is needed to care for the son, daughter, spouse, or parent; and
- An estimate of the amount of time that the employee is needed to care for the son, daughter, spouse, or parent.
- When applicable a health care provider statement indicating that due to medical necessity, employee requires an intermittent or reduced schedule leave;
- Health care provider’s specialty, license number, signature and contact information.

If Popular questions the validity of the certificate, it may require, at Popular’s expense, that the employee obtains a second opinion. If the second opinion conflicts with the original opinion, Popular may require, at its expense, that the employee obtains the opinion of a third health care provider designated or approved jointly by Popular and the employee. This third opinion will be considered final and binding on both parties.

Popular may require medical certificates within reasonable time periods.

Employees under the military family leave will have to submit evidence that justifies such leave as for example: medical certificates, evidence that the family member is in the military service, copy of military orders, among others.

Employees on FMLA leave must notify their supervisors or Our People Division every 30 days of their status and intention to return to work.

**Reinstatement to Position**

When an employee returns to work following FMLA leave, Popular may:

- Reinstate the employee to the position the employee held when the leave began; or
- Reinstate the employee to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

Only employees who return to work from FMLA leave within or on the day following the expiration of the 12 weeks are entitled to return to their previous position or an equivalent position without loss of benefits or pay.

If an employee would have been laid off had he/she not been on FMLA leave, any right to reinstatement will be whatever it would have been had the employee not been on a leave of absence when the layoff occurred.
LEAVES OF ABSENCE

Effect on Accrued Benefits

Taking FMLA leave will not result in the loss of any employee benefit accrued prior to the date on which the leave began. However, vacation and sick leave benefits do not accrue during the period of FMLA leave, if this leave is without pay. An employee will not accrue any right, benefit or position of employment other than the ones to which they would have been entitled if a leave had not been taken.

Continuation of Employee Insurance Benefits

Employees on FMLA leave may continue to participate in Popular’s employee benefit plans throughout the duration of the leave, as if actively employed. The employee will be required to pay the same cost of coverage as if actively at work. Failure to pay premiums while on FMLA leave may result in a loss of coverage.

Popular may require employees who do not return from FMLA leave to reimburse Popular for all insurance premiums it incurred during the leave period.

For more information regarding requirements and benefits under this leave, please refer to the Our People Service Center at 8 (63) 2774 or 1 (866) 303-2774.

The FMLA form is available on ZAPortal/Employee Self Services - Guidelines, Documents and Forms, to be duly completed.

Special Leave for Violence Situations and Other Related Matters

Popular is firmly committed to promote a safe and healthy work environment for its employees, customers and visitors. Aligned with this, regular employees (full time or part time) and temporary employees, may use up to a maximum of fifteen (15) days a year without pay to handle their relatives’, or their own, situations of domestic or gender violence, child abuse, sexual harassment in employment, sexual assault, lascivious acts or stalking in its serious modality, (as long as they are not responsible for that situation).

You may use this leave to seek guidance and obtain a protection order or any court order; seek and obtain legal assistance; find a safe housing or space in a shelter; visit any clinic, hospital or associate medical appointment; and seek or benefit from any other type of assistance or services. In addition, you may request flexible working conditions or a reasonable accommodation to deal with such matters.

Whenever it is foreseeable, you must request the leave with at least two working days in advance and provide evidence to demonstrate that you have used the leave for its intended purpose, such as a protection order, an affidavit, a certification provided by an authorized counsel, a complaint or a medical certification. It should state the time you had to dedicate to address the situation, with description of days and hours.
LEAVES OF ABSENCE

Any unused days under this leave will not be accrued or carried over to the following year, nor will be paid out if you terminate your employment with Popular.

For more information about the requirements and benefits provided by this leave, you may contact the Our People Service Center by calling (63) 2774 or 1 (866) 303-2774. In addition, you may access the Domestic Violence and Stalking Prevention Protocol available on ZAPortal / Employee Self Service.

Military Leave and Reserve Duty

As an employee, you have the right to an unpaid military leave, whether as a volunteer or non-volunteer, for military service, up to a maximum cumulative period of five years. Popular will keep the position and you will have the right to be reinstated once the active duty ends, provided you have been honorably discharged, are qualified to perform the required duties of the position and request reinstatement according to applicable laws. The reinstatement must be coordinated through the Our People Operations Department.

Should employees be hospitalized or recovering from an illness or injury sustained while on military duty, they must request reinstatement after the recovery period once they are fit to return to work. The recovery period must not exceed two years.

If military service is less than 90 days, employees have the right to be reinstated in the same position they would have held had they continued to work without interruption or to a similar one. If military service exceeds 90 days, employees have the right to be reinstated to the same position or a similar one.

Benefits will continue and salary will include all merit and benefit revisions that the employees would reasonably be entitled to, had they not been on a leave.

Coverage under the health plan and other benefits will cease during the leave period. After returning from a military leave, our benefits program eligibility will resume. In regard to the health plan coverage while on leave, you may continue under COBRA continuation coverage at your own expense, up to 24 months or the day following the last day to request re-employment, whichever comes first. This benefit applies to you and your eligible dependents who were covered under the plan at the commencement of the military leave.

Employees on National Guard or Military Reserve Duty have the right to an unpaid leave to attend the annual military camp. Employees are required to provide advance notice, when practical, prior to taking military leave to allow for work coverage during such absences.

Employees may use accrued vacation time while on military leave if they wish; however, they are not required to do so. The request must be in writing and copy of the military service official notification should be included.
LEAVES OF ABSENCE

Sports Leave

Popular provides an unpaid Sports Leave to any employee who is a sportsman/sportswoman certified by the Puerto Rico Olympic Committee who is selected to represent Puerto Rico in Olympic Games, Pan American Games, Central American Games and regional and world championships. Sportsman/sportswoman includes athletes, judges, referees, delegates or any other person certified as such by the Puerto Rico Olympic Committee.

To be eligible for a Sports Leave, an official certification from the Puerto Rico Olympic Committee must be presented with at least 10 days prior to the beginning of the leave. This certification must include that the person will represent Puerto Rico in one of the above-mentioned events and the specific dates of the competition in which he/she will participate.

You may use this leave for a period of 30 days, which you may extend to a maximum of 45 days. The Sports Leave is an unpaid leave, but it may be charged to your accrued vacation leave.

Jury Duty

Every regular employee is eligible for a leave to serve as a juror in a local or federal court. The employee will receive 100% of the salary while on this leave. If we are called for jury or witness duty, we will need to present a copy of the written notice to our supervisor as soon as possible so that arrangements can be made to cover our responsibilities during the absence. The jury duty concludes when the court’s petition to serve as a juror ends. The employee must request reinstatement within the next 48 hours after finishing jury duty.

If the employee is scheduled to serve as a juror, and the court decides that his/her services as a juror will not be required that day, he/she must immediately return to his/her regular work shift.

Witness in Criminal Cases

Popular also authorizes a paid leave to those employees who serve as witnesses in criminal cases when duly summoned by the court. We must present to our supervisors a certificate from the Clerk of the court indicating the time, days and hours spent in court. Employees must notify their supervisors that they will serve as witnesses at least two days in advance of the hearing date, if possible.

Other Appearances in Civil Cases

Popular grants an unpaid leave to attend and testify at a legislative, administrative or judicial forum in civil cases. However, the time used for this activity may be charged to the accumulated vacation leave. If you have no vacation balance, the leave is unpaid.
Death of Immediate Relative

As a special benefit, Popular provides up to three business days paid leave in the event of a death in our immediate family: spouse, parents, children or siblings. Also, Popular grants a maximum of two business days paid as leave in the event of a death of grandparents, grandchildren and father/mother in law.

If the death of an immediate family member occurs while on vacation, our vacation leave will be interrupted and the days will be granted under this leave.

We need to notify our supervisor of the death as soon as possible. The supervisor could request the death certificate of the family member.

If we benefit from any leave of absence authorized by law during our probationary period, such period may be automatically interrupted and it will continue for the remaining term, once we return to work from any such leave.

During any leave of absence we must periodically submit medical evidence, or any other applicable evidence, to justify its continuation. We must present updated evidence during the three days following the expiration of the absence period provided in the most recent certificate we have submitted. The failure to tender such certificate in the aforementioned period, may result in disciplinary actions, up to and including termination of employment.

The leaves provided by Popular must be used in an honest manner. Under no circumstance may we benefit from these leaves by providing misleading or false information. To engage in such conduct may result in disciplinary actions, up to and including termination of employment.
CODE OF ETHICS

We live up to the trust placed in us. We adhere to the strictest ethical and moral standards through our daily decisions and actions.

Institutional Value - Integrity
Introduction

The communities we serve recognize that Popular, Inc. (the “Corporation”) and its subsidiaries (collectively, “Popular”) are respected institutions that have always been examples of professional conduct in business practice. Our high standards of ethics, integrity and honesty define our corporate culture. Popular’s Code of Ethics (the “Code”) reaffirms such high standards and provides the general rules to be followed by our directors and employees in order to fulfill their duties in accordance with our ethical principles.

The Code has been adopted by the Corporation’s Board of Directors and applies to every employee and director of Popular. All Popular employees must read and comply with this Code along with their Employee Manual, corporate policies and guidelines. The Code does not constitute nor should be construed to constitute an employment agreement. While the Code provides guiding principles to help us recognize and understand what constitutes ethical and unethical, illegal or inappropriate behavior, it is not intended to establish rules governing every possible situation that could potentially affect the reputation of Popular.

If you have any questions regarding the best course of action in a particular situation, seek guidance as outlined below. When it comes to ethics, our best guide is our common sense, prudence and clarity of intention.

Administration of the Code

Overall responsibility for interpreting and applying the Code rests with the Corporate Ethics Officer, whose work is overseen by the Corporation’s Chief Legal Officer and the Board of Directors.

Compliance with Laws, Rules and Regulations

Popular is committed to complying with all applicable laws, rules and regulations. Therefore, we must adhere to the standards and restrictions imposed by them. Portions of this Code may be supplemented or superseded by the laws or regulations of any relevant jurisdiction.

Waivers of this Code

Popular may, from time to time, waive some provisions of the Code. If you believe that a waiver may be called for, contact the Corporate Ethics Officer. Under the rules of the NASDAQ Stock Market, waivers to the Code requested by Popular’s executive officers or directors may only be approved by the independent members of the Corporation’s Board of Directors and, if granted, must be promptly disclosed to stockholders. Therefore, any executive officer or director of Popular who believes that a waiver concerning any provision of the Code may be called for, must immediately contact the Corporation’s Chief Legal Officer.

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1 Employees whose positions are governed by licensing or other certification requirements, including but not limited to FINRA, may be subjected to additional rules that may be more restrictive than this Code’s provisions. Those employees are also required to comply with such additional rules.

2 A waiver is a concession made to an employee, executive officer or director to exempt or excuse his/her compliance with a provision or obligation imposed by the Code.
Observance of the Code and Training

Observance of the Code is extremely important to Popular. Any violation will be regarded as a serious offense and may constitute grounds for disciplinary actions, up to and including termination of employment or relationship with Popular. On an annual basis, employees must certify that they have read the Code and must complete a declaration on possible conflicts of interest. Employees must take the appropriate Code training as required by Popular on a timely basis.

Leaders’ Responsibilities

Managers and supervisors are additionally accountable for leading by example, acting with integrity and modeling the highest standards of ethical behavior. They shall be thoroughly familiar with the provisions of this Code and ensure that the employees they supervise comply with our Code of Ethics, Code training and any related polices or guidelines. Our managers are responsible for fostering an environment in which employees are comfortable raising concerns without fear of retaliation. Any ethical concern or suspected violation brought to our leaders’ attention shall be immediately reported to the Corporate Ethics Officer or the Our People Division for proper investigation.

Your Responsibilities to Popular

Whistleblowing - Reporting Ethical Concerns

Popular has established procedures for the reporting of information or concerns (“whistleblowing”) regarding acts or omissions that are reasonably believed to constitute illegality, fraud, unfair or unethical conduct, mismanagement, abuse of power, unsafe, dangerous, or other wrongful conduct, including, but not limited to, conduct that may affect the safety, soundness or reputation of Popular, or harm Popular’s customers or employees. Popular’s whistleblowing program allows for the confidential and anonymous submission, receipt, retention and treatment of complaints regarding accounting, auditing or financial reporting; Bank Secrecy Act (BSA) and Anti-Money Laundering laws (AML); unfair, deceptive or abusive acts or practices against consumers (including sales practices); employment matters; procurement and purchasing practices; and actual or potential violations of other compliance-related policies, procedures or regulatory requirements, or other applicable policies, laws or regulations.

We are all responsible for upholding Popular’s ethical standards, and for coming forward and reporting unlawful or unethical conduct. If you observe or become aware of behavior that concerns you, or that may represent a violation of the Code, raise the issue promptly. Doing so will allow Popular an opportunity to deal with the situation and correct it, ideally before it becomes a violation of law or a risk to Popular’s customers,
employees or reputation. Failure to report any such actual or potential violations is in itself a violation of the Code.

If at any time you are unsure of what to do in any situation, use your judgment and common sense, and seek additional guidance and information before you act. If you have a complaint or concern regarding any possible Code violation, promptly contact any of the following:

- Your supervisor or unit’s manager
- Our People Division
- Corporate Ethics Officer
- Chief Legal Officer
- EthicsPoint

**EthicsPoint**

EthicsPoint is a system that allows our employees, suppliers, customers, investors and community to report situations or concerns associated with unethical or illegal conduct at Popular. Information provided through EthicsPoint is confidential and submissions may be made anonymously, unless the reporter elects otherwise.

EthicsPoint is available 24 hours a day, seven days a week and may be accessed via the internet at [www.popular.com/ethicspoint-en](http://www.popular.com/ethicspoint-en) (English), [www.popular.com/ethicspoint](http://www.popular.com/ethicspoint) (Spanish); or by toll-free phone number at 1-866-737-6813 from Puerto Rico or the United States, or 866-737-6850 (preceded by the country’s long distance code) if you are elsewhere. Information about EthicsPoint may also be found on Popular’s website, our intranet and on visible posters in our branches and offices.

### The following are examples of situations which may be reported through EthicsPoint:

| Accounting, Auditing or Financial Reporting | Employment-related matters, including: |
| Bank Secrecy Act (BSA) and Anti-Money Laundering Laws (AML) | - Conflicts of Interest |
| Unfair, Deceptive or Abusive Acts or Practices against Consumers (including Sales Practices) | - Discrimination or Harassment |
| Procurement and Purchasing Practices | - Retaliation |
| Other Matters, Policies, Laws and Regulations | - Unsafe Working Conditions |
| | - Improper Use of Electronic Systems |
| | - Other Employment-related Matters |

Reports received through EthicsPoint are routed to the appropriate internal, independent and unconflicted personnel such that an investigation into the matter is conducted. Also, a record is maintained of any such reports and oversight is provided by senior managers, auditors, and/or the Board of Directors, as warranted and applicable.

### Non-Retaliation Commitment

Popular values the help of those who identify actual or potential problems that need to be addressed, and strongly encourages all employees
to raise concerns so that any corrective action is taken. Popular prohibits all forms of retaliation, harassment or discrimination against employees who raise good faith complaints or concerns regarding any illegal or protected activity, or who provide information or assist in investigations by law enforcement or regulatory agencies, or other governmental bodies. Anyone who retaliates against someone who has reported a complaint or concern in good faith is subject to disciplinary actions, up to and including termination of employment or relationship with Popular.

**Investigations Concerning Ethical Issues and Other Matters**

Popular needs our employees’ cooperation with all authorized internal or external investigations related to possible ethical violations, dishonest acts or the infringement of policies, laws or regulations. Employees must always provide truthful information and may never withhold or fail to communicate facts regarding those matters. Employees must also provide truthful information or testimony, in their individual capacity, to any governmental or regulatory agency or in a court of law on behalf of themselves or co-workers, where protected by applicable law. Employees who make false accusations, provide false information to, interfere with, lie to or withhold relevant information from investigators, Popular’s representatives, governmental agencies, regulators or courts of law will be subject to disciplinary actions, up to and including termination of employment or other relationship with Popular, and may also be subject to criminal charges.

**Popular’s Assets**

We must all protect Popular’s tangible and intangible assets, which include cash, securities, business plans, intellectual property, physical property and services, technology (software, hardware, e-mail, internet portal access, information systems), as well as those of its customers, and suppliers that are under our control. Our time at work is an asset as well, and we are expected to use such time responsibly. Popular’s assets may only be used for proper corporate purposes. Misappropriation of those assets is a breach of our duties to Popular and may constitute an act punishable by law. Engaging in carelessness or waste in the management of Popular’s assets is also a breach of our responsibilities to Popular.

Employees must also protect Popular’s information systems from the threat of cyber attacks. We should never install unauthorized software, applications, hardware or storage devices on our company computers or access Popular’s network through unauthorized applications or devices. Employees must prevent the theft, loss or unauthorized use of electronic information and systems by: using extreme caution when opening e-mail attachments or clicking links from unknown or suspicious senders; protecting passwords and personal identifiers and not sharing them with others; and ensuring the physical security of information or hardware assigned to us.

Popular’s telephone, e-mail, voice mail and any other equipment or computer system provided by Popular are primarily for business purposes and may not be used in a manner that could be detrimental or embarrassing to Popular. Personal
communications using these systems must be kept to a minimum. Popular’s Information Systems Use and Information Security Policies, as well as the Guideline on the Use of Social Media, must be followed at all times.

Employees may not use Popular’s facilities or relationships to benefit themselves or others. The use of such facilities or relationships for anything other than to conduct regular business operations must be approved by your manager. Also, employees may not use Popular’s name (including its logos) without the prior approval from the Marketing and Customer Knowledge Division.

Expenditures

Popular’s resources may only be expended prudently to fulfill legitimate business purposes. Corporate funds may not be spent in a manner which is excessive, extravagant or that may otherwise create a substantial risk or significant damage to Popular’s reputation.

Office and Facility Renovations

Renovations of facilities and office spaces are approved through Popular’s budgeting process and, in general, are annually planned and approved expenditures made in accordance with applicable guidelines and procedures that require, among others, different levels of authorization depending on the expenditure amount. Any office or facility renovation that is not in the annual plan or budget must also be evaluated further to such guidelines and procedures. Exceptions to this may be allowed to deal, for example with emergency situations, including acts of nature.

Entertainment

Popular expects that all expenses incurred or charged to the organization are reasonable and for corporate purposes. Occasional entertainment of customers, prospective customers and others with whom we do business is permitted, only if they are reasonable and prudent. Popular’s Guideline on Conflicts of Interest must be observed at all times.

Events or Conferences

Popular encourages our employees, officers and Board members to attend events that provide appropriate professional development and educational opportunities. These events must be related to Popular’s business and have a direct correlation to the individual’s duties at Popular. Attendance to events or sponsorships of any kind must be approved by the employee’s Division or Group Manager.

Aviation or Other Transportation Services

Transportation for Popular’s directors, officers and employees to outlying locations, including Popular’s locations, conferences or other business-related travel, must be conducted in the most cost effective manner for the organization and using our best judgment. The use of transportation services will factor in the cost, efficiency and timeliness of travel, and shall be made in accordance with Popular’s guidelines and procedures on this subject. Private air services are not allowed without the Chief Executive Officer’s prior approval.

Corporate Credit Cards

Corporate credit cards must be used solely for authorized business purposes and not for
personal expenses or to obtain unauthorized cash advances. All employees must comply with Popular’s applicable guidelines and procedures on the appropriate use of corporate credit cards. If the card is used for any unauthorized purpose, Popular reserves the right to recover any monies from the employee cardholder, cancel the card and withdraw corporate credit card privileges, and apply disciplinary actions, up to and including termination of employment.

**Other Expenditures**

Expenditures for other items, activities or events must be reasonable and have a legitimate business purpose. Any expenditure that is excessive or lavish will not be authorized or reimbursed by Popular. All employees must comply with Popular’s applicable guidelines and procedures on personnel expenses. Failure to do so may result in disciplinary actions, up to and including termination of employment.

**Intellectual Property**

Intellectual property includes ideas, formulas, works of authorship and marks protected by patent, trademark or copyright law. Popular is devoted to protecting its intellectual property rights, as well as those of its competitors, suppliers and customers, and expects its employees to do the same.

Popular takes very seriously the protection of its marks from illegal copying or use, and prosecutes those who illegally utilize them. To assist Popular in safeguarding its marks from misuse, employees must ensure that when using Popular’s marks, they affix such marks with the appropriate trademark, service mark or symbol. Questions regarding which symbol applies to a particular instance must be referred to your Company’s Legal Division. Also, employees are expected to immediately report to their Company’s Legal Division any suspected intellectual property rights violations, so that Popular may appropriately defend from the purported wrongdoer.

Employees must disclose, assign and transfer to Popular all rights, titles and interests in any invention, improvement, discovery or work of authorship made, invented, prepared, developed, conceived, implemented, reduced to practice, discovered, collected or otherwise created by them, either singly or jointly with any other person, in connection with their employment with Popular and/or which in any way relates to, is derivative from or was otherwise created in whole or in part with the use of any confidential, proprietary non-public information, resource or any intellectual property of Popular. If your employment is terminated, all rights to property and information generated or obtained as part of your employment relationship with Popular will remain the exclusive property of Popular.

Before using or sharing any article, or other written material, picture or video created by a third party outside of Popular, employees must make sure that they are authorized to do so. Popular has secured a blanket copyright license that allows employees to make limited copies of certain publications for internal use. Prior to using or sharing by copy, distribution, display or modification any copyrighted publication or material – in paper or electronic format – for internal use, employees must obtain the owner’s consent or verify whether
it is covered by this license. To the extent that employees wish to use any copyrighted material in the course of their duties in Popular, they must verify the authorized use and licensing rights of such material. For information regarding the verification process, please access your Company’s intranet.

Remember that any violation or infringement of the rights of an intellectual property owner could expose Popular to litigation and monetary sanctions. Popular expects its employees to respect intellectual property rights of Popular and others at all times. Employees who illegally duplicate, modify, alter or reproduce in full or in part any copyrighted material, as well as those who authorize the illegal use of Popular’s intellectual property, may be subject to disciplinary actions, up to and including termination of employment.

**Popular’s Records and Reports**

The records, data and information that Popular owns, collects, uses and manages must be precise and complete. We are all personally responsible for the integrity of those under our control. Records must be preserved in sufficient detail as to accurately reflect all of Popular’s transactions. Any alteration, omission or falsification of Popular’s records, reports or personal information provided by employees to Popular is prohibited.

Financial statements must always be prepared in accordance with generally accepted accounting principles and fairly illustrate, in all material respects, Popular’s financial condition and results. Furthermore, Popular is committed to preparing and maintaining accurate tax-related records, and to submitting tax reports and returns, as well as paying taxes, on a timely basis and in compliance with all applicable laws.

When creating business records and other documents (including e-mails) that may be retained by Popular or a third party, we must use common sense and observe standards of good taste regarding content and language. Remember that in the future, Popular or a third party may have to rely on or interpret the records or documents.

We are expected to comply with Popular’s [Record Retention](#) Policy at all times. In doing so, we must be especially cognizant of our obligation to preserve documents that could be potentially relevant to any litigation or any pending, threatened or foreseeable government investigation or proceeding.

**Disclosure of Financial Information**

Popular makes, through our senior financial officers, full, fair, accurate, timely and understandable disclosure of information that must be made public pursuant to federal securities laws.

Employees and directors involved in the disclosure process of Popular’s financial information are required to be familiar and comply with this Code, the disclosure controls and procedures, and all internal controls over financial reporting procedures. These individuals must also: (a) be aware of the disclosure requirements applicable to Popular, as well as of the business and financial operations of Popular;
(b) not knowingly misrepresent, or cause others to misrepresent, facts about Popular, whether within or outside Popular, including to Popular’s independent auditors, governmental regulators and self-regulatory organizations; (c) not take any action to fraudulently coerce or manipulate our independent auditors in any way that could render our financial statements misleading; and (d) properly review and critically analyze proposed disclosures for accuracy and completeness (or, where appropriate, delegate this task to others).

Popular is committed to fully comply with the Securities and Exchange Commission’s regulations pertaining to disclosure of information, including Regulation FD (Fair Disclosure). To ensure compliance with such Regulation, employees must consult with the Corporation’s Chief Financial Officer prior to arranging or participating in any investor or analyst meeting.

Workplace Responsibilities

Diversity, Inclusion and Fair Employment Practices

Diversity and inclusion are central to our Corporate Values. We promote a work environment where diversity is embraced, and our differences are valued and respected. Popular’s commitment to diversity and inclusion focuses on three main areas: (a) attracting, retaining and developing a diverse employment population; (b) fostering and procuring a work environment where employees are treated with respect and their differences are valued; and (3) seeking, creating and maintaining mutually beneficial business relationships with diverse suppliers.

We also provide equal employment opportunities and comply with the full range of fair employment practices and non-discrimination laws. We must all be familiar and comply with Popular’s Diversity and Inclusion Policy, our Guidelines on Equal Employment Opportunity and our Affirmative Action Programs.

Discrimination and Harassment

Popular promotes a work environment where every individual feels safe, valued, respected and protected. We do not tolerate discrimination or harassment, whether based on a person’s race, color, religion, sex, pregnancy, sexual orientation, gender identity, age, national origin, political affiliation or beliefs, social condition, marital status, disability, status as an eligible veteran or as a victim of domestic violence, genetic information or any other legally protected status, to be committed by or against any colleague, applicant, customer, consultant, supplier or visitor.

Popular also prohibits sexual harassment and any other sexually inappropriate behavior, particularly when: (a) submission to such conduct is an express or implied term or condition of employment; (b) submission to or rejection of such conduct is used as the basis for employment decisions affecting the individual; or (c) the conduct has the purpose or effect of unreasonably interfering with an individual’s work performance, or creating an intimidating or hostile work environment.
All acts of discrimination or harassment are strictly prohibited, regardless of whether they occur in the workplace or during work-related activities outside of the workplace. Also, we do not retaliate nor allow retaliation against any individual for raising good faith claims of discrimination or harassment. Any employee who feels discriminated, harassed or retaliated, or who has knowledge that others are being or have been subject to any such conduct, must promptly report the situation to the Our People Division, the Corporate Ethics Officer or, anonymously, through EthicsPoint. Popular takes all reported incidents and allegations very seriously, and investigates them in an impartial, prompt and diligent manner.

Engaging in discrimination, harassment or retaliation can lead to disciplinary actions, up to and including termination of employment or relationship with Popular. We must all become familiar and comply with Popular’s Guidelines on Discrimination and Harassment, as well as on Equal Employment Opportunity.

**Relationship Between Colleagues**

Popular maintains a respectful and professional work environment. Accordingly, we must all avoid excessive familiarity, obscene or disrespectful behavior, language and improper jokes or comments, such as those with a racial, sexual, political or religious content or in reference to a person’s age, national origin or disability, among others. Personal relationships between colleagues should not create a conflict with our duties and performance at Popular. If you are either a relative of, or in a personal or romantic relationship with, a colleague within the same division, or if you believe the relationship creates or may create a conflict, promptly notify the Our People Division in order to determine how to handle the situation and avoid any possible conflict of interest.

If you become aware of any employee conduct that adversely impacts Popular’s best interests, promptly contact your immediate supervisor, the Our People Division, the Corporate Ethics Officer or EthicsPoint.

**Substance Abuse**

Popular is committed to maintaining a healthy and productive work environment. Therefore, misusing controlled substances or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs on the job is prohibited. We must all be familiar with and comply with Popular’s Guideline on a Drug-Free Workplace and any other internal policies or rules on this subject.

Our employees may not make excessive or inappropriate use of alcohol during working hours or while conducting business for, or operating any vehicle, machinery, tool or equipment of, Popular. The same applies when we work at or attend official company activities (such as sales campaigns, promotions, presentations, among others) even if off working hours. Remember that when we participate in activities or meetings on behalf of Popular, we may not compromise our performance...
or corporate image, nor risk our security or that of others.

Except where prior approval from the Our People Division or your Division Manager is obtained, employees may not celebrate activities, either on or around company premises, in which alcohol is served. Should alcohol beverages be authorized for any activity on or outside Popular’s premises, consumption at any such event is voluntary, should always be in moderation and never in a manner that could affect Popular’s reputation.

**Health and Safety in the Workplace**

Popular is committed to improving the well-being, health and safety of our people. Thus, we constantly strive to maintain a safe work environment, free from threats, intimidation, physically harmful behavior and other risks. Popular condemns any act of domestic or other forms of violence or stalking and recognizes that such behavior has the potential to create workplace violence risks. Accordingly, Popular will take the necessary measures to maintain a safe environment for those employees who are victims of any such conduct and who notify any such situation through the channels provided by the company and/or as established by applicable law.

Moreover, except for law enforcement officials or specifically designated security personnel, employees may not possess, carry or use weapons while at work, on Popular’s property, while performing work-related duties or during work-related activities in or outside the workplace or during company-sponsored events. Failure to comply with this will result in disciplinary actions, up to and including termination of employment.

It is very important that, like Popular, you become familiar and comply with all applicable health and safety laws and regulations, as well as with the internal policies or rules of your business area.

**Social Responsibility**

Further to our Institutional Values, Popular encourages our employees to participate in organizations that promote the well-being of our communities. Accordingly, philanthropic initiatives such as volunteer activities are in many instances supported.

Remember that the public perceives our employees and directors as representatives of Popular. Inasmuch as our conduct outside of work may positively or negatively impact the image of Popular and the trust that our clients or potential clients may have in Popular, each employee and director must lead a decorous and respectable community life.
Investments and Conflicts of Interest

Insider Trading

Insider trading is illegal and is prohibited at Popular. Insider trading is defined as the purchase, sale, recommendation or transfer of a security, in breach of fiduciary duty or other relationship of trust and confidence, while in possession of “material nonpublic information” about such security. When in doubt as to whether information in our possession could be considered material and nonpublic, we should assume it is, and contact the Legal Division for guidance. Criminal and/or civil liability may be imposed on any person who engages in insider trading, regardless of his/her position at Popular, or whether or not the person makes a profit in the transaction. These penalties may also be imposed on Popular if we fail to take reasonable steps to prevent insider trading.

It is against Popular’s policy for anyone who may have inside or non-public information about Popular, our customers, partners, competitors, suppliers or any other company, to purchase or sell securities of those companies -- either directly or through or on behalf of others -- while in possession of such information. These prohibitions apply to transactions for any Popular account, customer account, personal account or any account where the beneficiary is a family member of the Popular employee. These prohibitions also extend, for example and without limitation, to an employee’s initial election to participate in plans that allow the purchase of shares of Popular stock, such as the Savings and Investment Plan, as well as to any changes in the instructions regarding the purchase and/or sale of shares of Popular stock under such plans.

Inside information may not be disclosed or “tipped” to other Popular employees, their family members, friends or others. Also, material nonpublic information may not be discussed in public places where others may overhear, might make improper use of the same in violation of the applicable securities laws and regulations, or might disclose it to others who could make improper use of the information.

Certain officers and employees of Popular have been, or may be, identified from time to time as specifically-designated employees (“SDEs”) given their access to financial and other sensitive information about Popular. SDEs are subject to additional restrictions, including blackout periods and pre-clearance requirements, regarding transactions involving Popular’s securities. Employees identified as SDEs are notified about such designation by the Legal Division. Popular Securities’ employees are subject to additional

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1 Material nonpublic information refers to information that has not been disclosed broadly to the marketplace which a reasonable investor would consider important in making a decision to buy, hold or sell securities, or information that, if disclosed, would be expected to significantly change the total mix of the information in the marketplace about Popular. Any information that could be expected to affect Popular’s stock price, whether it is positive or negative, should be considered material.
trading restrictions and procedures included in Popular Securities’ Compliance Manual.

Popular has an Insider Trading Policy that specifically addresses what we expect from our employees, executive officers, directors and those associated with Popular. Although some of the most important precepts of the Policy are described in this section, it is your responsibility to review and comply with Popular’s Insider Trading Policy, as well as with Popular’s Insider Trading Procedures, as they include additional requirements, restrictions and procedures that may be applicable to you. Failure to comply with the Insider Trading Policy and Procedures on this matter, and/or with any related law or regulation, may result in disciplinary actions, up to and including termination of employment.

Conflicts of Interest

A conflict of interest occurs when an individual’s personal interests affect his/her impartiality or interfere or appear to interfere with the interests of Popular. Conflicts of interest are prohibited as a matter of corporate policy. In particular, employees or directors must never use or attempt to use their position at Popular to obtain improper personal benefits for themselves, their relatives or others.

Popular has a Corporate Guideline on Conflicts of Interest which applies to all employees. Additional rules are applicable to executive officers and directors. We are all responsible for knowing and complying with the Corporate Guideline on Conflicts of Interest, as well as with all other relevant policies or procedures applicable to our business areas.

Because it is impossible to describe every potential conflict, Popular must rely on our commitment to exercise sound judgment. Should you become aware of a conflict of interest or if you are concerned that a conflict might develop, bring the matter promptly to the attention of the Our People Division, or directly to the Corporate Ethics Officer. You must also disclose to the Our People Division or to the Corporate Ethics Officer any material transaction or relationship that could reasonably be expected to give rise to such a conflict. Examples of the most common areas in which real or perceived conflicts of interest may arise follow.

Gifts and Entertainment

With certain exceptions, we may not accept or provide gifts or other articles of value, including entertainment, from or to current or prospective Popular customers or suppliers, particularly if by doing so we may create the impression that our business judgment has been or could be compromised. Similarly, we may not accept or allow close family members to accept or provide gifts, services, loans or other articles of value from or to customers, suppliers or others in exchange for a past, current or future business relationship with Popular. In addition, we may not accept articles of value or donations from any individual, entity, customer or supplier, on behalf of Popular, unless we report the situation to, and obtain prior written approval from, the Corporate Ethics Officer.

We are expected to comply with Popular’s Corporate Guideline on Conflicts of Interest, which
covers, among others, the matter of gifts and entertainment.

**Outside Business Activities**

Popular encourages our participation in unaffiliated non-profit and certain for-profit companies or organizations. However, in order to avoid even the appearance of a conflict of interest with Popular, you must notify the Corporate Ethics Officer and/or the Our People Division, and disclose in the Declaration of Possible Conflicts of Interest, if you are a director, officer, employee, agent, consultant or advisor in any such company or organization. If the entity is a competitor, supplier or prospective supplier of Popular, specifically request the approval of the Corporate Ethics Officer before participating or collaborating with any such entity. If, upon complying with this Code, you accept an appointment to an unaffiliated entity, you must ensure the proper treatment of confidential information you receive from such entity.

All employees must disclose and request approval from the Corporate Ethics Officer prior to using a professional license, including but not limited to those issued by FINRA or to serve as a real estate or insurance broker, appraiser, certified public accountant, attorney and notary public, for purposes not related to their duties at Popular.

**Additional Employments, Other Businesses and Political Appointments**

Any employee who wishes to maintain additional employment to that held at Popular or operate a business outside Popular must request prior approval from the Corporate Ethics Officer and/or the Our People Division. The additional employment or business may not create a conflict of interest with the employee’s duties and responsibilities at Popular nor affect the employee’s performance or efficiency, and must be reported in the employee’s Declaration of Possible Conflicts of Interest after obtaining the corresponding authorization. The work at Popular must be the employee’s priority at all times.

Our employees may not accept political appointments or positions that may interfere with their responsibilities at Popular, affect or jeopardize Popular’s image or reputation, or identify Popular with any political party, candidate or political organization (such as, but not limited to, a position as Municipal Legislator). Before accepting any appointment with a governmental entity or any other affiliation with a governmental or quasi-governmental entity, employees must notify and request approval from the Corporate Ethics Officer. For additional related information, please refer to this Code’s section on Political Activities, Contributions and Lobbying.
Corporate Opportunities
Our employees and directors have the duty to advance Popular’s business interests when the opportunity to do so arises. Accordingly, we may not take or direct to a third party any business opportunity that is discovered through the use of corporate property, information or position, unless Popular has already been offered the opportunity and turned it down in writing. More generally, we are prohibited from using corporate property, information or our position to compete with Popular or for personal gain.

Sometimes the line between personal and company benefits is difficult to draw, and occasionally there are both personal and company benefits in certain activities. The only prudent course of action is to make sure that any use of Popular’s property or services that is not solely for the benefit of Popular is approved beforehand by the Corporate Ethics Officer.

Related Party Business Dealings
Our employees must notify their managers or the Corporate Ethics Officer of any business relationship or proposed business transaction Popular may have with any company in which they or a related party has a direct or indirect interest, or from which they or their related parties may derive a benefit, or in which the related party is employed, if such relationship or transaction might give rise to the appearance of a conflict of interest. This could arise, for example, in situations where Popular is buying or selling property owned by a member of your family or a corporation you own or control. These types of transactions must be notified to your manager or to the Corporate Ethics Officer.

Directors and executive officers must be familiar and comply with the Audit Committee’s Related Party Transaction Procedures. These procedures require the approval of the Audit Committee of the Corporation’s Board of Directors before any director or executive officer engages in certain transactions with Popular.

Personal Financial Services
Subject to any internal guidelines from your Popular Company, you and your family are encouraged to use Popular as your provider of personal financial services. These services are offered on the same terms as they are provided to all Popular employees. Any business arrangements between you and Popular which are non-standard or that are not available to similarly situated employees must have the prior approval of the manager of your business area and the Corporate Ethics Officer. Unless preferential treatment is available on the same terms to similarly situated employees or persons within the same business industry, you should not receive preferential treatment from suppliers or customers without prior approval from the manager of your business area and the Corporate Ethics Officer.
Representing Popular

Fair Dealing

Popular has a history of success and good reputation through honest business competition and by not seeking competitive advantages through illegal or unethical business practices. We must deal fairly with Popular’s customers, suppliers, competitors and employees, and may not discriminate on account of any prohibited characteristic or take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair or illegal dealing practice.

Sales Practices

 Popular is committed to offering our customers products and services that meet their financial needs. Sales efforts must be made, and advice regarding our products and services must be given, regardless of whether directly by our employees or through suppliers, in an ethical, fair, transparent and accurate manner based on customer needs or requests, and should never be the result of efforts to promote unwanted or inappropriate products or services to meet sales goals, incentives or recognition goals. Incentive gaming (manipulating pay-for-performance plans in ways that increase employees’ compensation without benefiting the customer) and unfair, deceptive or abusive sales practices are strictly prohibited. We must never manipulate or falsify applications or any other documents or records, open unauthorized or sham accounts, enroll customers in services without their consent, transfer funds between customers’ accounts without their consent, or distort performance results for our own benefit or for the benefit of other employees in any way for any reason.

We must all be familiar with Popular’s Sales Practices Policy and promptly report any customer or employee complaints related to Sales Practices as directed in said Policy.

Anti-Tying

Popular facilitates the acquisition of high quality products and services from all of our companies. Section 106 of the federal Bank Holding Company Act of 1970, also known as the Anti-Tying Provisions, restricts bank holding companies, their affiliates and subsidiaries from varying the price or condition of a product or service offered by tying their availability to the purchase of another product or service offered by a bank affiliate or subsidiary. There are exceptions to such restrictions, which may be reviewed in Popular’s Anti-Tying Policy.

Media, Publishing and Public Appearances

Popular’s ability to maintain a good reputation and image in the community is of utmost importance to its success as a business. To ensure that such ability is not compromised, all inquiries from the media that relate to Popular’s position regarding any issue must be referred to the Corporate Communications Division. Only officially designated spokespersons may provide comments to the media or materials for publication on behalf of Popular.
Before publishing or posting any material in written or electronic format (including on the internet and/or any form of multi-media and social networking sites, blogs, wikis, podcasts, forums, content communities, microblogs or any other form of social media), making speeches, giving interviews, appearing at depositions, hearings or making similar appearances in your capacity as a Popular employee and on behalf of Popular, or responding, on behalf of Popular, to media inquiries (including blogs or any other Internet forum) that relate to Popular, our operations, customers or employees, you must first notify the manager of your business area and obtain approval from your Communications and Legal Divisions. Approval is required regardless of whether or not Popular equipment is used.

Employees must be mindful of the potential impact that their use of social media may have on Popular’s brand, image and reputation. When using social media, e-mail or other digital communication methods as part of their duties for Popular and also in their personal capacity, employees must comply with the Code, and with all corporate policies, guidelines, applicable laws and regulations, including but not limited to copyright, confidentiality, privacy, fair use and financial disclosure laws. Employees must be aware that they are personally responsible for the content they publish in internet postings and must refrain from publishing confidential information, even in connection with a protected activity, using discriminatory slurs or remarks, personal insults or obscenity, or engaging in any conduct that would be unacceptable in the workplace. Popular’s expectations in relation to digital communications and social media apply to all employees wherever they happen to be, in the workplace or not. Other than when engaging in activities protected by applicable employment, labor, securities or other applicable laws, rules and regulations, employees may not upload or publish online images in which they appear wearing Popular’s uniforms or identifiers in non-work activities without the prior consent of the Our People Division. Also, for security reasons employees may not publish pictures of areas restricted to the public. We must all be familiar with Popular’s Guideline on the Use of Social Media and any other relevant policies or guidelines.

Activities Outside of Work

Employees are expected to act in a manner that is consistent with Popular’s high standards of ethics and professional conduct. Our actions outside of work may impact our role at Popular or the company’s reputation, brand and relationship with our coworkers, customers, suppliers and the public in general. If our activities outside of work are associated with Popular, even if the association is unintended, a real or perceived conflict of interest or misconduct may arise, particularly if the actions conflict with our corporate values or this Code. Any outside work activities or actions (including communications or images on social media or other digital means) that create a real or perceived conflict of interest or constitute misconduct, excluding any protected activity under applicable law, may result in disciplinary actions, up to and including termination of employment.
Dealing with Suppliers

Popular purchases all goods and services on the basis of price, quality, availability, terms and service in order to make the best use of its assets and deliver value to its customers and shareholders. Suppliers must comply with all applicable laws, as well as with Popular’s applicable policies, including the Code of Ethics for Popular Suppliers, and agree to keep any relationship with Popular confidential, unless disclosure is approved by an authorized representative of Popular. Persons engaged in our procurement decisions must be guided at all times by the best interests of Popular, and avoid undue influences, real or perceived conflicts of interest, or the appearance of impropriety.

Political Activities, Contributions and Lobbying

We have the right to voluntarily participate in the political process. However, we may do so in our individual capacity, and not as company representatives. Popular’s name or property may not be used for political activities or fund-raisers, and we may not work on any such activities while on company time. Furthermore, we may never pressure or direct our colleagues to join us in such activities or penalize them in any way as a result of their decision not to participate in or make personal financial contributions to such activities. Any overt, visible and partisan political activity that may cause someone to believe that our actions reflect the views or position of Popular requires the prior approval of the Corporation’s Chief Legal Officer. If you choose to contribute individually to a political group or candidate, you must comply with the laws and regulations applicable to political contributions. Popular may not require you to contribute, support or oppose any political group or candidate.

Any participation in a political process is to be undertaken as an individual – not as a representative of Popular. Moreover, in the event of an appointment to public office, public corporation or government agency, you must obtain the prior approval from Popular’s Board of Directors through the Corporate Ethics Officer. No one can engage in lobbying activities on behalf of Popular without the prior approval of the Corporation’s Chief Legal Officer.

We remind you that Popular has a Policy on Political Contributions with which we must all comply. Any questions regarding said Policy must be directed to the Corporation’s Chief Legal Officer.

Confidentiality and Privacy

Confidential and Proprietary Information

In carrying out Popular’s business, we often learn confidential or proprietary information about Popular, our customers, suppliers or joint venture parties. Confidential information includes, but is not limited to: (a) proprietary or non-public information of Popular, our customers, potential customers,
suppliers or joint venture parties, including that which would be useful or helpful to competitors or others if disclosed; (b) work product developed by employees, either singly or jointly with others, that is non-public, valuable and confidential, or that is based on or incorporates other confidential information; (c) all internal information acquired in connection with our employment, as well as any information that is not generally known, readily ascertainable or that has not been made available to the public, competitors or others outside Popular, such as information about customers, customers lists, prices, products, plans, techniques, data, programs, ideas, documentation, processes, know-how and financial information, among others.

We may not disclose, record in any way or retain confidential or proprietary information so entrusted to us, except when authorized or legally mandated. Our responsibility is to protect the confidentiality of non-public information obtained in connection with our activities at Popular while working for or associated with Popular, and continues after we cease our employment or association with Popular.

Nothing in this section prevents employees from providing truthful information or testimony, in their individual capacity, to a governmental or regulatory agency or in a court of law on behalf of themselves or co-workers, where protected by applicable law.

Privacy of Customer Information and Protection of Data

Popular is committed to keeping customer information secure and using it appropriately. Therefore, any confidential information that our customers share with us must be properly safeguarded and may only be used for the reasons for which it was gathered, unless further use is allowed by law or by the customer. We may not disclose to colleagues, relatives, friends or others outside Popular, nor use for anything other than official and authorized purpose, customer and/or confidential information, including but not limited to social security numbers, personal information, account balances, credit history, savings and investment reports and other information, nor matters brought to our attention by our customers or prospective customers, except when strictly necessary for official purposes or if we are specifically authorized to do so. Any unauthorized access to or disclosure of our customers’ confidential information may result in termination of employment or other relationship with Popular.

We must all comply with Popular’s Privacy Policy, which details our commitment to our customers and the processes that define, document, monitor and manage the security of information. It is also vital that we all comply with U.S. Securities Laws when we handle, acquire or develop confidential information about our customers. Any fraudulent or improper use of this type of information is strictly prohibited.
Privacy of Employee Information

Popular recognizes that certain employee information may be private and confidential, and is committed to protect the same. Confidential employee information may not be shared or discussed outside Popular, except as authorized by the employee or as required or allowed by law, rule, regulation, subpoena or order issued by a court of competent jurisdiction or as requested by a judicial, administrative or legislative body. Under any other circumstances, the Chief Legal Officer must approve requests for such records from anyone outside Popular.

Privacy of Previously Known Confidential Information

Popular respects the confidential and proprietary information (including intellectual property) of others. Employees may not use or disclose to anyone at Popular as part of, or during, their employment with Popular, any confidential or proprietary information of others including, but not limited to, that which they may have acquired from other employers before joining Popular, unless they obtain prior written authorization from such third party or if permitted by applicable law or regulation.

Supervisory Information from Regulatory Authorities

Supervisory information received from our regulatory authorities must be treated as confidential, unless otherwise specified. Depending on the agency, such information may be considered government property that Popular would not be authorized to disseminate without express written consent. Information received from regulatory authorities must be kept secure and not be disclosed outside of Popular without proper authorization. This information should only be shared within the Corporation with other employees on a “need to know” basis.

Other Legal and Compliance Matters

The following discussion highlights other laws and issues of general application, but does not attempt to cover every circumstance that may arise in business transactions. When in doubt, you are urged to consult the Chief Legal Officer.

Enterprise-Wide Anti-Money Laundering & Counter Terrorist Financing Policy

Popular is committed to assisting governments, international organizations and other members of the financial services industry in the struggle to close the channels used by money launderers. Therefore, Popular requires its businesses to develop and implement effective anti-money laundering programs to comply with applicable laws and to shield Popular from being used as a money laundering conduit. We must know and comply with our business’ specific anti-money laundering policies, programs and procedures.
After all, no business opportunity is worth compromising our commitment to combat money laundering.

The Bank Secrecy Act, the USA PATRIOT Act and other related laws impose specific requirements for financial institutions to know their customers. We must follow Popular’s Enterprise-Wide Anti-Money Laundering & Counter Terrorist Financing Policy, which also includes the Know Your Customer Program (available on your Company’s intranet), as well as any particular procedure specific to our business. Failure to comply with these policies, procedures and any related law may result in disciplinary actions, up to and including termination of employment.

Any questions regarding Popular’s anti-money laundering and know your customer efforts may be clarified with your AML Compliance Officer. Unusual activities regarding money laundering or terrorism financing must be reported to your AML Compliance Officer or anonymously through EthicsPoint.

Anti-Bribery/Anti-Corruption

In certain circumstances, giving gifts or entertainment may be perceived by others as a conflict of interest or as a form of bribery. If giving any gift or entertainment may be seen as consideration for a corporate or government business or favor, you must not accord the gift or entertainment.

Employees may not give, promise or offer anything of value, either directly or indirectly, to any customer, public official or any other person for the purpose of improperly influencing a decision, securing an advantage, avoiding a disadvantage or obtaining or retaining business. “Anything of value” refers to anything that may be of value to the recipient including cash, non-cash benefits, or other forms of favors or advantage. The term “public official” may be broadly applied to include any officer or employee of any agency, corporation, instrumentality, subdivision or department that belongs to, or is controlled by, the government of Puerto Rico, the United States (including the federal government, the government of any of the states, territories or possessions) or of any other country.

Employees must comply with Popular’s Anti-Corruption Policy, the Corporate Guideline on Conflicts of Interest, the Foreign Corrupt Practices Act, as well as with all other anti-bribery and anti-corruption laws. Failure to do so not only exposes yourself and Popular to civil and/or criminal liability and significant reputational harm, but also undermines the trust of our customers, shareholders and communities. Any such behavior from an employee may also result in termination of employment.

On an annual basis, employees must complete the Anti-Corruption Policy Certification available through ZAPortal. In addition, employees must report any improper conduct which may involve bribery or corruption, and direct any questions regarding these matters to the Corporate Ethics Officer or anonymously through EthicsPoint.
Restrictions on Popular’s Activities

The U.S. Bank Holding Company Act and other banking laws impose various requirements and restrictions on Popular’s activities. In order to ensure compliance with them, you must consult with your Company’s Legal Division in the event of proposed acquisitions, investments or divestiture of businesses or assets, or to discuss any interest in providing new products or services.

Conclusion

Popular has always been recognized by its great professionalism and excellent reputation. Integrity is the value that describes the essence of our professional conduct and serves as the foundation for the execution of our business practices and the strengthening of our customers’ trust.

Every year we must read the Code of Ethics and certify that we have read, understood and agree to comply with it. We trust that you will promptly apprise us of any real or potential violations to our ethical standards. This is essential in order to assist Popular to maintain the highest level of integrity at all times.
Appendix

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SUMMARY OF OUR POLICIES
Popular is committed to securing compliance with all applicable laws and regulations. We are also committed to ensuring that our employees become and remain aware of the laws and regulations that govern the way we do business, as well as the processes we have developed to identify, assess and monitor our principal risks. Popular has established a series of corporate policies that generally describe what is expected from our employees in terms of complying with applicable laws and regulations and our key risk management processes. We should all seek to understand and abide by these corporate policies at all times.

Following is a list of our corporate policies, as well as a summary of the key issues they address, and the divisions to contact for questions or concerns regarding each policy. All corporate policies are currently published in SED. We strongly encourage you to read them carefully, particularly those that are more relevant to your business. You should also be aware of and comply with any other policies and procedures particular to your functions at Popular. Failure to abide by Popular’s policies may result in disciplinary actions, up to and including termination of employment. In addition, because certain policies implement legal and regulatory requirements or restrictions, failure to comply with the policies may also lead to civil liability and/or criminal prosecution.

We count on your continued cooperation and commitment to comply with these policies.

### Acquisitions, Corporate Investments and Divestitures Policy

Establishes a process that ensures that each acquisition, capital investment and/or divestiture carried out by Popular or any of its subsidiaries is fully evaluated on its own risks and merits, as well as within the corporate strategy. Popular has delegated the responsibility to manage the business acquisition and/or divestiture activities related to Popular’s strategic objectives to the Acquisition and Corporate Investments Division (the “M&A Division”). The M&A Division will provide for an integral coordination of the process and will be responsible for the maintenance of adequate quality controls, including the evaluation of the risks of the transaction. (M&A Division)

### Allowance for Loan Losses Policy and Process

Establishes and documents the process and methodology pursuant to which Popular will determine the amount of the allowance for loan lease losses. This methodology seeks to maintain an allowance at a level sufficient to provide for estimated loan losses based on evaluations of known and inherent risks in the loan portfolio and is designed to provide management with a consistent set of credit-quality measures across the subsidiaries and business units of Popular, based on which management establishes the level of reserves deemed appropriate for each entity. The
policy details the manner in which an impairment is measured as well as the criteria to establish reserves. At least once a year, management is required to perform an allowance methodology review and calibrate any allowance methodology assumptions related to models. Validation of management’s allowance methodology by an independent party and testing by the Internal Audit Division is also required. (Corporate Credit Risk Management Division)

**Anti-Corruption Policy**

Ensures that Popular as well as its employees comply with anti-corruption and anti-bribery laws applicable in the jurisdictions where Popular does business. It establishes general standards of conduct and practices that must be followed when conducting business with domestic and foreign government entities and their officials, including those required under the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”). A common denominator in anti-corruption and anti-bribery laws at the jurisdictions that we operate is that the payment of a bribe to a public official is a violation that could give rise to significant criminal or civil sanctions and penalties for both Popular and the individual employee. In addition, the policy describes accounting and record keeping obligations imposed by FCPA. Popular has adopted a risk-based approach in establishing procedures and controls directed at preventing, detecting, and remediating bribery and recordkeeping law violations and requires that employees provide an annual certification that they have read, understood and complied with Popular’s Code of Ethics, which includes anti-corruption and anti-bribery provisions, as well as with this policy. The policy also requires that employees immediately report any suspected violation of the policy to the Corporate Ethics Officer in a confidential manner. (Legal Division)

**Anti-Tying Policy**

Defines the concept of tying arrangements and provides examples of prohibited arrangements as per applicable law. Unless an exception applies, the availability of a product or service may not be subject to the condition that a customer obtain another product or service, or on the customer’s agreement not to use a competitor’s services or products. Popular’s subsidiaries are required to establish procedures for the receipt, handling and resolution of customer complaints alleging a violation of anti-tying statutes. (Regulatory and Financial Compliance Division)

**Audit and Non-Audit Pre-Approval Policy and Procedures**

Establishes the process to be followed to ensure compliance with applicable laws and regulations that require Audit Committee pre-approval of services to be provided by Popular’s Independent Auditor as well as certain services to be provided by other registered public accounting firms. The Audit Committee is required to approve in advance
all audit, audit related, tax and any permissible non-audit services provided by Popular’s independent auditor to ensure that the proposed services do not impair the auditor’s independence. The Audit Committee is also responsible for the appointment, compensation, retention and oversight of any registered public accounting firm, other than the Independent Auditor, which performs audit, review or attest services for Popular, even if the firm is not involved in the audit of financial statements filed with the Securities and Exchange Commission and even if the work is not used in any way by the independent auditor. (Corporate Comptroller Division)

**Balance Sheet Management Policy**

Delineates the framework for the management of all risks associated with the balance sheet, including but not limited to: interest rate risk, market risk and liquidity risk. It includes guidelines in connection with investments and transactions involving counterparty risk, including a pre-transaction due diligence procedures and on-going monitoring of holdings and positions to ensure that the credit situation is reviewed regularly and updated in a timely fashion. In addition, it includes dispositions with respect to limits of authority. (Corporate Treasury)

**Business Continuity and Disaster Recovery Policy**

Establishes guiding principles for the enterprise wide business continuity planning and processes necessary to minimize losses and ensure continuity of the critical business functions of Popular in the event of disasters or adverse events. The policy covers the prioritization of business objectives and critical operations that are essential for the recovery of mission critical business functions, and the restoration of essential information technology systems and services. (Financial and Operational Risk Management Division)

**Code of Ethics**

Provides the general rules to be followed in the handling of diverse compliance and ethics matters, such as our compliance with laws and regulations; our workplace responsibilities; our investments; our ability to recognize and avoid conflicts of interest; our responsibilities as Popular representatives; our handling of confidential and privacy matters, and the reporting of ethical issues. The Code provides general rules to help us recognize and understand what constitutes ethical and unethical, illegal or inappropriate behavior.

It is our responsibility to make sure we understand and abide by all the principles set forth in the Code, as our failure to abide by them could result in sanctions, including termination of employment, and expose us to civil and criminal penalties. (Corporate Ethics Officer)
SUMMARY OF OUR POLICIES

Code of Ethics for Popular Suppliers

Provides the general compliance and ethics rules to be followed by our suppliers when doing business with Popular, including the protection of our tangible and intangible assets; the avoidance of real and potential conflicts of interest; dealing fairly with Popular’s customers, service providers, suppliers, competitors and employees; the handling of confidential and proprietary information; compliance with all applicable laws, rules and regulations; and the reporting of ethical issues.

We must ensure that all suppliers with whom we do business on a regular basis are aware of this Code, which is posted on our web site, and agree to abide by it. If unsure whether this policy applies to a particular supplier, we should contact the Corporate Ethics Officer or our Legal Division. Contracts with suppliers should include compliance with this Code among its material terms and conditions. (Corporate Ethics Officer and Corporate Legal Division)

Commercial Loans and OREO Appraisal Policy and Procedures

Establishes bank policy concerning the appraisal of real estate, personal or intangible property in order to comply with the dispositions of the various federal regulations which pertain to the collateral valuation function. It also sets forth the procedures that are to be followed when ordering or reviewing appraisals, and when managing the list of authorized appraisers. The policy applies to commercial assets (loans and OREOs) and Puerto Rico mortgage OREOs owned by Banco Popular de Puerto Rico (and managed by deShow), and to commercial assets pertaining to Popular Bank. (Corporate Credit Risk Management Division)

Community Reinvestment Act Policy

Provides Popular, the Board of Directors, management and all Popular personnel with information regarding Community Reinvestment Act (“CRA”) requirements and Popular’s expectations regarding adherence to the same. It sets forth the governing principles and standards that Popular should adopt in connection with its community development and community related support activities. It also describes the general risk management framework for the oversight of Popular’s obligations under the CRA. (Regulatory and Financial Compliance Division)

Consumer Compliance Complaints Management Policy

Sets forth the governing principles and framework to guide the identification and management of complaints or expressions of dissatisfaction that communicate suspicion of wrongful conduct or violation of a consumer compliance law or regulation by Popular, either directly or through employees or third parties. It also provides for the escalation
of complaints within Popular, as appropriate. This Policy applies to all Popular employees, as well as to Third Parties. This Policy does not address the management of inquiries, claims or disputes, which are governed by separate management and escalation processes. (Regulatory and Financial Compliance Division)

**Consumer Compliance Issues Management Policy**

Establishes the governing principles and framework for the identification and management of deficient practices, including control deficiencies or failures, that result in the actual or potential non-compliance with any consumer compliance law or regulation (the “Issues”). The policy ensures that all Issues are identified and managed in a prompt, effective and efficient manner; that they are escalated to management and the Board, as appropriate; and that any actual harm to affected consumers is appropriately remediated as fairly and promptly as possible. (Regulatory and Financial Compliance Division)

**Corporate Credit Policy**

Provides a general direction and guidance for Popular’s underwriting and credit approval process and offers governance guidance to control the quality of major earning assets. It establishes credit authority levels and delegates the authority to extend loans under specific guidelines and underwriting standards to the Corporation’s subsidiaries and affiliates, who are responsible for the development of credit procedures and policies consistent with the policy. It also covers various topics, including compliance with the Fair Lending, Regulation O, Related Party Transaction, Transactions with Affiliates and New Product Development. Each banking subsidiary has its own commercial credit policy. (Corporate Credit Risk Management Division)

**Corporate Information and Cyber Security Policy**

Establishes guidelines as well as roles and responsibilities in connection with the protection of information assets and information-technology resources at Popular. It covers information in any form and medium that is related to Popular, its employees, customers, and suppliers. Maintaining adequate security is the responsibility of all Popular employees. Employees must comply with applicable policies, standards, procedures, regulations, and business-specific security requirements, including the maintenance of data confidentiality and data integrity and the privacy of Popular’s customers, employees, associates, suppliers, and the Board of Directors. Each employee must: (i) be responsible for the operational security of the information systems they use; (ii) adhere to applicable remote access practices for gaining access to Popular corporate networks when connecting remotely; (iii) protect and control access in accordance with the principle of least-privilege and follow access control policies and standards created by the applicable security organization; (iv) follow
appropriate security practices when using mobile computing devices such as phones, tablets, and laptops, to protect against the risks of using mobile equipment; (v) employ appropriate cryptography to protect the confidentiality of sensitive information when being transmitted and/or stored on Popular information resources; (vi) when media is no longer required, securely dispose of media based on the classification of the information it contains; (vii) where personal information is being processed, adhere to Popular policies and procedures governing privacy. All employees are responsible to notify promptly any information security violations or suspicious events. Penalties for non-compliance with this policy and its standards may include disciplinary actions, termination of employment, and/or criminal prosecution, depending upon the severity of the incident. (Corporate Security Group)

Corporate Operational Risk Monitoring Policy

Provides the framework and direction for the identification, assessment, monitoring, mitigation and supervision of operational risk activities at Popular, including efforts to minimize losses through the early identification of risks and the establishment of an effective internal controls system. Formalizes the roles and responsibilities of the Operational Risk Management Committee, as well as the Finance and Operational Risk Management Division of the Risk Management Group. Employees are responsible for complying with the standards, guidelines and procedures developed to manage operational risk. (Financial and Operational Risk Management Division)

Corporate Insurance Management Policy

Provides direction for the control and supervision of insurance risk management at Popular and formalizes the roles and responsibilities of the Finance and Operational Risk Management Division and the different companies of Popular with respect to insurance matters. Business units’ managers are responsible to ensure that appropriate internal controls are in place to minimize risk occurrence and loss exposures in compliance with corporate policies and procedures. (Financial and Operational Risk Management Division)

Corporate Problem Loan Policy and Procedures

Provides guidance regarding the identification of problem loans, including classified loans and loans individually assessed under ASC 310-10. It establishes procedures to be followed in connection with restructurings, including troubled debts, and explains the process to be followed in connection with the splitting of problem loans. It also states Popular’s non-accrual policy and contains guidelines for charging-off loans. (Corporate Credit Risk Management Division)
SUMMARY OF OUR POLICIES

Credit Risk Tolerance Limits Policy

Requires that credit limits be measured regularly to monitor the amount of risk that the Corporation is willing to accept in pursuit of its strategic objectives. The credit risk limits were created with the objective of translating the qualitative risk appetite into clear thresholds and performance metrics for risk tolerance, which would assist in communicating portfolio strategic objectives along with risk appetite and limits. It defines credit risk tolerances in three dimensions and proposes key metrics for each of the dimensions along with key considerations and a proposed approach to defining tolerances. It also establishes risk tolerance levels, remedial actions in the event of a breach of one or more of the risk metrics, portfolio monitoring requirements, and the obligation to notify underwriting policy exceptions to the Credit Strategy Committee and the Risk Management Committee. (Corporate Credit Risk Management Division)

Diversity and Inclusion Policy

Describes Popular’s commitment to broaden the inclusion, employment, advancement and development of minorities and women in the workplace, as well as the utilization of suppliers owned, controlled or operated by minorities and/ or women. Creates the framework for Popular’s diversity strategy and related initiatives, which are focused on three main areas: attracting, retaining and developing a diverse employment population; fostering and procuring a work environment where employees are treated with respect and their differences are valued; and seeking, creating and maintaining mutually beneficial business relationships with diverse suppliers. (BPPR’s Our People and Strategic Sourcing and Procurement Divisions)

Director and Executive Officer Guide to Complying with Certain Provisions of the U.S. Federal Securities Laws

Provides directors and executive officers with information on the U.S. federal securities laws and the Securities and Exchange Commission regulations applicable to them. Some of the matters addressed in the Guide include the following: filing of reports under Section 16(a) of the Securities and Exchange Act of 1934; short-swing profits; insider trading; tipping and Regulation FD; sales under the Rule 144 safe harbor; ownership, hedging and pledging of Popular stock; employee and director stock plans; loans to directors and executive officers; and conflicts of interest and corporate opportunities. (Legal Division)

Elder Financial Abuse Policy

Establishes the guiding principles and processes to prevent, detect and report the financial exploitation of Popular’s elderly customers. This policy also outlines Popular’s responsibility for reporting suspected financial exploitation of elderly customers and affirms Popular’s obligation to train its employees about how to detect elder
financial abuse and how to comply with reporting requirements in the event an employee suspects a party may be exploiting an elderly customer. (Fraud Prevention Division)

**Enterprise-Wide Anti-Money Laundering and Counter Terrorist Financing Compliance Policy**

Establishes the general framework, governing principles, standards, and structure to detect, prevent, and report money laundering activities, terrorist funding activities and other related suspicious activities in compliance with applicable laws and regulations. Popular’s employees and directors are required to fully understand the actions and omissions that may constitute instances of non-compliance with applicable anti-money laundering statutes and regulations, and to report any potential violation in the manner set forth in the policy and procedures developed by each subsidiary of Popular. Actions, such as structuring transactions to avoid anti-money laundering and Bank Secrecy Act reporting requirements, failing to prepare or file required reports, preparing inaccurate reports, money laundering, attempted money laundering, and advising customers in any of these activities are violations or potential violations of law. Supervisors must ensure that Popular’s employees under their supervision are fully informed regarding this policy, any related programs and the applicable internal controls and procedures. (Financial Crimes Compliance Division)

**Enterprise-Wide Sanctions Compliance Policy**

Establishes the general framework, governing principles, standards and structure to detect, prevent and report sanctions violations activities. Each subsidiary and foreign branch of Popular is required to develop and implement an appropriate and effective set of sanctions controls and procedures to comply with applicable laws, regulations, and guidelines, including those from the U.S. Department of Treasury Office of Foreign Assets Control (OFAC). The policy designates the personnel responsible for its implementation, describes the framework for the internal controls of the Sanctions Program and establishes training, record-keeping and independent testing requirements. (Financial Crimes Compliance Division)

**Fair Lending Policy**

Sets forth the governing principles and fair lending standards that have been adopted by Popular. These principles and standards extend to all aspects of Popular’s lending activities and related operations including product design, marketing and solicitation strategies, credit policies, underwriting and pricing practices, customer service, complaints, third party relationships/vendor management, compensation arrangements, servicing, collections, loss mitigation and foreclosure. In addition, Popular has developed and implemented a Fair Lending Program that incorporates the general risk management framework for the oversight of Popular’s fair lending risks, including appropriate
processes, procedures and controls to mitigate fair lending risks and to ensure compliance with the fair lending laws and regulations. Popular is committed to making its credit products and related services available on an equal basis to all qualified applicants, potential applicants and borrowers. No applicant shall be discriminated against nor discouraged from the submission of an application based on the prohibited factors set forth in the fair lending laws and regulations. (Regulatory and Financial Compliance Division)

**Information Systems Use Policy**

Outlines Popular’s expectations regarding employee use of its systems and what constitutes appropriate and inappropriate use. Employees should have no privacy expectations as to Popular’s information systems. Personal use of Popular’s systems should be occasional in nature and, wherever possible, limited to outside of work hours without impacting the employees’ abilities to meet their work commitments nor infringing other Popular policies and guidelines. In addition, employees must not access social media during working hours and through Popular’s information systems. When using social-media and unless otherwise specified with respect to certain employees, employees must do so in their personal capacity, on their own free time and not as representatives of Popular. Employees will be held personally accountable for the content they publish in social-media even during their off-duty web activities. Also, when using social-media in their personal capacity, employees must not disclose confidential or proprietary information about Popular, its customers, suppliers or competitors. (Financial and Operational Risk Management Division and Corporate Ethics Officer)

**Information Technology Policy**

Establishes guidelines and objectives for the management of the Information Technology (“IT”) strategy, IT systems and infrastructure, IT projects and technology resources at Popular. The policy delineates management responsibilities and requires guidelines that address the governance program standards, organizational structure and strategy, as well as the monitoring, tracking reporting and management of IT risk. (Technology Management Division)

**Insider Trading Policy**

States that directors, officers or employees who are aware of material non-public information relating to Popular may not – either directly or through or on behalf of family members or other persons or entities – (a) buy, sell or transfer (including donations and gifts) securities of Popular, or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside Popular, including, but not limited to, family members, clients, colleagues and friends, whether through a tip, recommendation or opinion, until the information becomes public or is no longer material. The same prohibition applies with respect to the trading of stock of another
issuer when directors, officers or employers gain access to material non-public information of such other issuer. In addition, the policy establishes that directors and certain Popular employees are subject to pre-clearance procedures and must obtain pre-approval from their Legal Division before trading Popular’s securities. The ultimate responsibility for compliance with this policy lies with each employee, director or officer and the provisions of the policy apply beyond termination of employment relationship or directorship with Popular. (Legal Division)

**Investor Relations Policy**

Establishes the principles and framework that guide Investor Relations’ efforts and communications with investors, analysts and other market participants in compliance with the U.S. Securities and Exchange Commission’s (“SEC”) Fair Disclosure Regulation (“Regulation FD”), the listing rules of The Nasdaq Stock Market and applicable federal and Commonwealth of Puerto Rico securities laws. Directors, officers and employees of Popular and its subsidiaries may not disclose internal matters or developments which relate in any way to material, nonpublic information with anyone outside Popular (including, without limitation, family members, relatives and friends), except as required in the performance of such individual’s duties and in accordance with the policy and the applicable provisions of the Corporation’s Code of Ethics and Employee Manual. The policy identifies the Corporation’s authorized spokespersons and establishes the manner in which all material, nonpublic information pertaining to the Corporation should initially be disclosed. It also provides guidance in connection with the issuance of press releases, investor meetings and conferences, forward-looking information and earnings guidance, rumors and leaks. In addition, the policy establishes a “quiet period” with respect to communications with the investment community in advance of the earnings release. (Investor Relations Department)

**Model Governance & Validation Policy**

Establishes the framework for managing the risks embedded in the use of models by Popular. The policy includes the definition of model and a tool for Popular, requires the creation of an inventory of existing models and tools and delineates responsibilities to ensure that all models are validated commensurate with their level of risk and their relative importance to Popular’s decision making and risk management process. The policy also assigns responsibility within the Board and management hierarchies as it relates to models. (Corporate Risk Reviews Division)

**Mortgage Loans Appraisal Policy and Procedures**

Outlines the process to be followed by the Popular Mortgage, Mortgage Servicing and deShow Divisions of Banco Popular de Puerto Rico to carry out the appraisals made in connection with
residential mortgage assets. It covers the appraisal process as it relates to loan origination and other real estate owned, as well as re-appraisal (loss mitigation, loss management and foreclosure situations). (Corporate Credit Risk Management Division)

**Outsourcing Risk Management Policy**

Establishes a corporate wide risk management process to manage risks related to the outsourcing of technology services and other significant operating functions and activities with suppliers contracted by Popular. For purposes of this policy, significant operating functions and activities is defined as activities that: could have a substantial impact on Popular’s financial condition; are critical to Popular’s ongoing operations; involve sensitive customer information or new bank products or services; or pose material compliance risk. Employees must ensure that suppliers that fall within the categories specified in the policy go through the required risk assessment, due diligence and contractual processes set forth in the policy. (Financial and Operational Risk Management)

**Political Contributions Policy**

Establishes Popular’s policy with respect to political contributions, namely, that Popular will not make political contributions in connection with any election, whether at the federal, state, Puerto Rico or local level, or whether made directly, indirectly or through a PAC. This is regardless of whether the political contribution would be allowable under federal, state, Puerto Rico or local law. Employing devices to make political contributions disguised as compensatory bonuses to employees, improperly designated expense accounts, excessive fees or salaries paid to employees, and low to zero interest rate loans is also strictly prohibited and represents a clear departure from the policy and Popular’s
ethical standards. The policy also discusses the Municipal Securities Rulemaking Board regulations regarding political contributions by broker-dealers. (Legal Division)

**Policy Statement Regarding the Retail Sale of Non-Deposit Investment Products**

Addresses the retail offering, recommendation and sale of non-deposit investment products by employees of Popular or third parties within Popular’s premises. It also covers any sales resulting from a referral of a retail customer to a third party. Customers have to be clearly and fully informed of the nature and risks associated with these products. In particular, Popular has to inform the customer that the products: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or obligations of the depository institution and are not guaranteed by it; and (iii) are subject to investment risks, including possible loss of the principal invested. The policy instructs each of the areas at Popular conducting activities related to the sale of non-deposit investment products to develop and adopt procedures to govern such activities. (Regulatory and Financial Compliance Division)

**Privacy Policy**

Provides guidance and sets standards for the collection, use, sharing and security of customer information, including the circumstances in which Popular may share such information with third parties and subsidiaries. Employees must ensure that they protect the confidentiality, security and integrity of Popular’s customers’ information. (Regulatory and Financial Compliance Division)

**Record Retention Policy**

Establishes the minimum requirements that govern the Record Retention Program, including ensuring that records are retained and destroyed as required by law. Establishes roles and responsibilities of the retention committees, officers, representatives and employees. Employees are responsible for creating, using, storing, retaining and destroying records in accordance with the policy. In addition, as soon as a litigation hold notice is received, employees must refrain from destroying any records subject to such notice. (Operations Division)

**Regulation O Policy**

Establishes the process to be followed, lending limits and requirements imposed on Popular’s banking subsidiaries when extending credit to insiders. Insiders, as defined in the policy, include any executive officer, director or principal shareholder and their related interests, among others. Each insider must promptly notify the Regulatory and Financial Compliance Division of any extension of credit which such insider, or a related interest of such insider, is requesting from the bank. In most instances, an extension of credit to an insider requires prior approval of the Board of Directors. All extensions of credit to the insiders must be
made on substantially the same terms, including interest rates and collateral, as a loan made to an unrelated party. Loans to insiders must also be subject to the same credit underwriting procedures as comparable transactions made between the bank and persons not subject to Regulation O of the Federal Reserve. The bank must maintain adequate documentation, such as comparisons with specific transactions with unrelated parties or rate sheets, to evidence compliance with the foregoing. Each banking subsidiary has its own Regulation O Policy. The Popular Bank policy also imposes certain restrictions, including Board of Director approval for certain non-credit related transactions by insiders. (Legal Division)

**Risk Management Policy**

Identifies the critical risks that have been incorporated into our risk management program and establishes the framework under which such risks will be identified, assessed and managed. Describes management’s strategy for implementing the risk management process and sets forth the importance of being aware of the different types of critical risks relevant to a financial institution such as Popular. (Risk Management Group)

**Risk Management in the Development of Products and Services Policy**

Establishes that the products and services to be offered by Popular’s businesses, including initiatives related to the delivery of such products and services, are subject to an evaluation and approval process to ensure that significant associated risks are identified, evaluated, and controls to mitigate such risks are identified, designed, and implemented prior to launching. Modifications to existing products, services, and related initiatives that materially alter the current risk profile or require additional risk controls are also subject to the aforementioned evaluation and approval process. Employees must ensure that any products, services or initiatives being offered for the first time to customers or in new markets, as well as modifications to existing products and services that affect their pricing, terms or risks, go through the review and approval processes established in the policy. (Regulatory and Financial Compliance Division)
Sales Practices Policy

Establishes a corporate-wide risk management framework to ensure that Popular’s sales practices: comply with consumer protection laws, regulations and their underlying principles; are aligned with Popular’s existing risk management framework and risk appetite, as well as its Institutional Values; and reduce Popular’s exposure to sales practices-related risk through effective risk identification and management practices. The policy strictly prohibits certain unfair, deceptive or abusive sales practices including: incentive gaming, manipulation or falsification of documents or records, opening of unauthorized or sham accounts, enrollment of customers in products or services without their consent, transfer of funds between customer accounts without their consent, or the distortion of performance results for an employee’s own benefit or for the benefit of other employees. In addition, the policy establishes oversight responsibilities, employee training requirements, the implementation of written procedures outlining the sales practices related process, the obligation to monitor sales practices and the obligation to monitor and investigate complaints. (Financial and Operational Risk Management Division)

Social-Media Policy

Establishes the framework to assess and manage the compliance, legal, reputational and operational risks associated with activities conducted via social-media. It also identifies who are the employees authorized to engage in social-media on behalf of Popular, as well as their duties and responsibilities. The policy establishes Popular’s strategic objectives in the use of social-media, as well as monitoring and reporting mechanisms. It requires the implementation of a procedure that governs the use of all social-media channels. (Marketing & Customer Knowledge Division)

Stress Testing Policy

Presents the principles and guidelines adopted by Popular to manage stress testing at Popular and its banking subsidiaries. It establishes management’s responsibility to apply stress testing techniques to assess the adequacy of capital and liquidity. Model validations and evaluation of the stress testing framework by the Internal Audit Division are required pursuant to the policy. (Risk Management Group)

Telephone Consumer Protection Act Policy

Establishes the standards and principles to be followed by Popular in order to comply with the Telephone Consumer Protection Act (“TCPA”) and the Federal Communications Commission rules implementing the TCPA, which require consent for informational calls (including collection calls) and express written consent for telemarketing calls. Each subsidiary is responsible for ensuring that appropriate controls and procedures are established and maintained in order to comply with the requirements of the policy. Employees must
**Transactions with Affiliates Policy**

Outlines the guidelines for conducting transactions between Popular’s banks and their affiliates to ensure compliance with Sections 23A & 23B of the Federal Reserve Act and its Regulation W and identifies minimum monitoring activities to be maintained by the banks and their affiliates to ensure such compliance. The purpose of the policy is to protect Popular’s banking subsidiaries from suffering losses when engaging in transactions with their affiliates. It also limits the ability of the banking subsidiaries to transfer to their affiliates the subsidy arising from their access to the Federal safety net. Certain transactions involving any of our banks and any of our affiliates need to reviewed and pre-approved by those divisions responsible for the review and approval of such transactions, including the appropriate compliance and legal personnel. (Regulatory and Financial Compliance and Legal Divisions)

**Unfair, Deceptive, or Abusive Acts or Practices ("UDAAP") Policy**

Promotes the fair, transparent and consistent treatment of consumers in compliance with applicable laws and regulations. This includes ensuring that our employees and suppliers understand the requirements and restrictions that must be adhered to in any transaction with a consumer of a financial product or service, or while offering a consumer financial product or service. No officer, employee, agent or supplier of Popular may engage in any act or practice related to a transaction with a customer which could be regarded as unfair, deceptive, or abusive. (Regulatory and Financial Compliance Division)
CORPORATE GUIDELINES
Anti-Money Laundering and Counter Terrorist Financing

Popular is committed to assisting governments, international organizations and other members of the financial services industry in the struggle to close the channels used by money launderers. The applicable anti-money laundering (AML) statutes and regulations, such as the Bank Secrecy Act, the Office of Foreign Assets Control (OFAC) sanction programs, the USA PATRIOT Act and other related laws and regulations, impose specific requirements for financial institutions to implement appropriate and effective anti-money laundering and anti-terrorism financing internal controls and procedures.

Popular has developed and implemented effective anti-money laundering internal controls and procedures to comply with applicable laws and to shield Popular from being used as a money laundering conduit. Employees must know and comply with their business’ specific anti-money laundering policies, programs and procedures. After all, no business opportunity is worth compromising our commitment to combat money laundering.

Specifically, all Popular employees must follow the Enterprise-Wide Anti-Money Laundering and Counter-Terrorism Financing Policy, which also includes, among others, Popular’s AML Program, the Know Your Customer Program, OFAC-related internal controls and the suspicious activity reporting (SAR) requirements (available on your company’s intranet), as well as any particular procedure specific to our business. Failure to comply with these policies, procedures or any related law or regulation may result in disciplinary actions, including the termination of employment.

Questions regarding Popular’s Enterprise-Wide Anti-Money Laundering and Counter-Terrorism Financing Policy Program efforts may be clarified with the AML Compliance Officer of the Popular company in which the employee works. Unusual activities regarding money laundering or terrorism financing must also be reported to the AML Compliance Officer or anonymously through EthicsPoint at www.popular.com/ethicspoint-en, or by calling 1-866-737-6813 from Puerto Rico or the United States, or 866-737-6850 (preceded by the country’s long distance code) if you are elsewhere.

Conflicts of Interest

Further to our Code of Ethics, all employees must avoid any conduct that conflicts with the interests of Popular. The Code provides that a conflict of interest occurs when the personal interests of an individual affect his/her impartiality, or interfere or appear to interfere with the interests of Popular.

The purpose of this Corporate Guideline on Conflicts of Interest is to set forth the rules that govern all employees in their relationship with our customers, prospective customers, suppliers, competitors, colleagues, relatives and those close to the employees in order to avoid conflicts of interest. This guideline is not intended to include an exhaustive list of the conduct that may create
a conflict with Popular. Each situation will be evaluated, and guidance will be provided, based on its particularities. Failure to comply with this guideline will result in disciplinary action, up to and including termination of employment.

All situations of potential conflicts of interest must be referred to the Our People Division or the Corporate Ethics Officer. Employees may refer the matter via e-mail to the Labor Consulting address, asesorialaboral@popular.com, and describe the situation to be evaluated, as well as their position and duties currently performed at Popular. The Our People Division will analyze the situation with the Corporate Ethics Officer to determine if an actual or potential conflict of interest exists.

To avoid conflicts of interest

• Employees may not directly or indirectly request, obtain, borrow or lend money from or to co-workers, customers, prospective customers or suppliers, unless (i) the loan is from or to a family member or friend with whom a personal and close relationship exists independently of Popular’s business, or (ii) the loan is from an institution normally engaged in the business of lending. Occasional loans of nominal value (such as to pay for lunch) to and from another employee or acquaintance are acceptable, as long as no interest is charged.

• Employees may not accept favors, benefits or goods, including commissions or other forms of payment or gratuities, for business or transactions with Popular, its customers, prospective customers or suppliers. Employees may not receive any compensation, benefit or goods from a customer or from third parties for duties that they perform for Popular, except as provided in these guidelines or as specifically authorized.

• Employees may not accept, on behalf of Popular, any articles of value or donations from any individual, entity, customer or supplier, unless they report the situation to, and obtain written approval from, the Corporate Ethics Officer.

• Employees may not bribe or offer favors or articles of value, either directly or indirectly, to individuals, organizations or government officials in order to influence a decision, or obtain business or benefits for Popular or for any other reason. This prohibition also governs our relationship with employees of other financial institutions.

• When dealing with federal, state or local government agencies in their role as customers of Popular, employees must apply the same high standards of excellence, integrity and fairness used with all other customers.

• Employees may not participate in business activities unrelated to Popular with customers or suppliers with whom they deal directly or indirectly as part of their responsibilities, except for those activities of a civic or nonprofit nature.

• No favoritism will exist with suppliers. Purchases from vendors or suppliers, and the terms of service agreements, will be based on merit, always safeguarding the best interests of Popular.
• While employed at Popular, employees may have access to information and products that belong exclusively to Popular, including, but not limited to, information about our customers and others described in our Code of Ethics (hereinafter “Confidential Information”). All Confidential Information, including that mentioned herein and any other material that Popular specifies from time to time, that employees learn or use in the exercise of their duties or as a result of the same belongs exclusively to Popular, may not be used for any purpose that is not related to their employment, and may not be disclosed without the express written authorization of the employee’s supervisor.

• Employees may not participate, intervene or influence any business deal or transaction with Popular, which involves their interests or those of their spouse, relatives, those in a close relationship with the employees, or businesses or organizations in which the employees have an interest or participation. An employee’s own transactions or business, or those of the employee’s spouse, relatives, or those in a close relationship with the employee must be handled by an office or branch in which the employee does not work, and which does not directly or indirectly supervise the employee.

If a transaction or business with a spouse or relative cannot be referred to another office or unit, the employee will not participate and will refer the matter to another employee who holds a higher position. The person who ultimately handles the business or transaction may not grant preferential treatment to the employee, relative, business or organization in which the employee has an interest or in which the employee participates and must evaluate the situation solely on its merits.

• Employees may not participate in the hiring of an employee or supplier who is their spouse or relative, intervene in matters regarding orders for goods or services related to said hiring or evaluate compliance with the contract. The hiring of a spouse or relative within the same office or branch is prohibited.

• Employees may not induce any customer, potential customer or supplier, including relatives, to conceal or misrepresent any information submitted to Popular in order to obtain any form of credit or service from Popular.

• Employees may not serve as custodians, executors, trustees or legal representatives in their personal capacity, even if said services are related to goods of, or persons in, their family, without first notifying the Our People Division.

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1 As an exception, Popular Securities’ Financial Consultants may handle their own transactions and/or accounts, subject to specific disclosure and approval rules.

2 As an exception, transactions involving the spouse, relatives or those in a close relationship with an employee from Popular Securities, Popular Insurance or Popular Risk Services may be handled by the employee subject to specific disclosure and approval rules. Although as an exception employee from BPPR’s Wealth Management Division may handle the financial planning of their spouse, relatives or those in a close relationship with them and participate in their joint accounts handled by Popular Securities, Popular Insurance or Popular Risk Services, they shall not be assigned to handle the banking relationships of their spouse, relatives or those in a close relationship with them.
• Employees who wish to maintain a business or employment additional to that held with Popular must request prior approval from the Our People Division or the Corporate Ethics Officer. The additional employment or business may not create a conflict of interest with Popular’s business, their duties and responsibilities as Popular employees, nor decrease their capacity and efficiency. At all times, the employees’ priority must be their work for Popular, and the matters related to the business or additional employment may not interfere with their duties and responsibilities during their working hours at Popular. When the circumstances of the additional employment or business lead to a possible conflict of interest, employees must immediately report the situation to the Our People Division or to the Corporate Ethics Officer.

• All employees must disclose and request approval from the Corporate Ethics Officer prior to using a professional license, including but not limited to those issued by FINRA or authorizing them to serve as a real estate or insurance broker, appraiser, certified public accountant, attorney or, in Puerto Rico, as notary public, for purposes not related to their duties at Popular.

  - Popular Mortgage and BPPR Mortgage Servicing employees may not work as real estate brokers.

  - In general, while employed at Popular, individuals who are attorneys in any jurisdiction or who are authorized to serve as notary public in Puerto Rico may not serve in such capacities in their free time, unless required by law or a competent entity. As an exception, those employees may, for example, sporadically and as a favor, authorize affidavits, but not as part of a common or lucrative practice.

• Popular encourages its employees to participate in organizations that promote the communities’ well-being. However, before accepting a position on the board of directors or any other position in for-profit or non-profit organizations, even when said position is without pay, employees must make sure that this does not conflict with Popular’s best interests or affect its image or reputation. In such cases, employees must immediately report their aspiration to hold the position to the Our People Division or to the Corporate Ethics Officer.

• Employees may not solicit donations or assistance for those organizations or others from Popular’s customers or suppliers, except with the written authorization from the Our People Division. Special instructions will be issued for civic campaigns promoted by Popular and the persons in charge will be identified.

• Employees may not have an affiliation that could create a conflict of interest with Popular. An affiliation may create a conflict of interest, and the situation must, therefore, be discussed with the Our People Division or with the Corporate Ethics Officer, when the employee holds a position, whether as an officer, director, executor, partner (general or limited), owner, employee or agent, with an organization, business or occupation unrelated to Popular.
• Employees may not identify Popular with any candidate for public office, political party or organization, nor accept a political position that may interfere with their responsibilities at Popular and/or adversely affect or compromise Popular’s image and reputation. This includes, but is not limited to, accepting the position of Municipal Legislator, as well as any other position that identifies or may identify Popular with a candidate for public office, or political party or organization.

• Employees may not contribute, on behalf of Popular, with money, stocks, property or our people for the benefit of a political party, organization or candidate. Employees are, however, free to exercise their right to vote and to contribute in their personal capacity to the political party, candidate or organization of their preference.

• Employees will offer advice to customers only within the scope of their duties, authority and expertise. Employees may not advise customers on matters related to investments, with the exception of employees of Popular companies whose work specifically consists of providing such advice.

• Any business-related charge or expense shall be prudent, reasonable, authorized, related to our duties at Popular, for legitimate business purposes, may not create a conflict of interest and must comply with any internal guideline or procedure related to employee expenses.

• Employees may not directly or indirectly accept or provide cash gifts or their equivalent, including gift cards or vouchers, from or to customers, prospective customers or suppliers. Employees who receive anything of this nature must immediately report the situation to the Our People Division, who will, in turn, indicate the course to follow.

• When not prohibited by any applicable law, noncash gifts may be accepted if:
  - their value is $150 or less for employees, or $500 or less for officers covered by Regulation O¹; and
  - they are unsolicited, occasional, reasonable, appropriate and customary; or they are offered because of a: (a) family or personal relationships clearly not intended to influence Popular’s activities or; (b) special occasion, such as the Holidays, a wedding or the birth of a child.

If the failure to accept a gift may affect Popular’s relationship with the customer, the gift should be disposed of by donating it to a charitable entity, with the Banco Popular Foundation as the first option, or could be placed on display at Popular. The employee must disclose the gift acceptance on the Declaration on Code of Ethics, Anti-Corruption Policy and Possible Conflict of Interest and consult with the Our People Division on its proper disposition.

¹ As determined in the corresponding Resolutions of Banco Popular de Puerto Rico’s and Popular Bank’s the Board of Directors, Regulation O applies to the Executive Chairman of the Board of Directors of Popular, Inc., to the members of the Senior Management Team in Puerto Rico and United States, the Manager of Popular, Inc.’s Legal Division and the Corporate Comptroller.
Employees may not accept invitations or receive gifts consisting of travel or lodging from customers, prospective customers or suppliers, unless they receive the prior approval from the Our People Division or Corporate Ethics Officer, and they disclose the invitation or gift on the Declaration of Possible Conflicts of Interest.

In the absence of any situation that shows the existence of a conflict of interest, the following will not be considered personal benefits from, or given to, customers, potential customers, suppliers, as may be applicable:

- Gifts, gratuities, entertainment or favors due to family ties, whether from a spouse, child or parent of a Popular employee, provided that the gift is due to the family relationship and not because the person is doing business with Popular.

- Traditional courtesies in business, such as occasional and unsolicited meals or entertainment (including golf games, cultural and sporting events), provided that the employee has not requested the courtesies, they are occasional and the giver is present.

- The Our People Division, along with the Corporate Ethics Officer, will evaluate the payment of common incentives by industry. These incentives may be accepted, provided that the company offering the incentive regularly does business with Popular and can certify that the incentive is granted following rules that apply similarly to all eligible members of the particular industry.

- Advertising and promotional material, valued at less than $25, such as pens, pencils, key chains, calendars and similar articles.

- Per diems, fees or other compensation received by the employee for performing any work outside Popular, provided that this work is previously approved in accordance with this guideline.

- If a customer, prospective customer or supplier sells goods or services to an employee, said employee shall not accept discounts on the price that are not available to the general public or to similarly situated employees of the company for which he/she works.

- Employees may occasionally provide noncash gifts to customers, prospective customers or suppliers only for legitimate business reasons, if doing so does not violate any laws, industry-specific regulations or policies of the recipient and when this gesture is not intended to, or does not reasonably appear as intended to, obtain an improper business advantage or influence someone to do something improper. Any such gifts may not be extravagant or lavish, but reasonable and customary in the financial services industry. These restrictions do not apply to gifts or entertainment offered based on family or personal relationships where the circumstances make clear that it is such relationship, rather than Popular’s business, the motivating factor for providing the gift.

All situations of actual or potential conflicts of interest must be promptly disclosed to the Our People Division or to the Corporate Ethics Officer. Moreover, the Our People Division or the Corporate Ethics Officer must approve any exception or waiver to this guideline.
Declaration of Possible Conflicts of Interest

All employees must complete annually and continuously update the Declaration on Code of Ethics, Anti-Corruption Policy and Possible Conflict of Interest a. In said document, employees must declare affiliations, other employments, businesses, additional income, gifts received from customers, prospective customers or suppliers, all deposit accounts outside of Popular (such as in the Cooperativa de Ahorro y Crédito Rafel Carrión Jr., among other financial institutions) and any other relationship that does not comply with the parameters set forth in this guideline.

Personal Finances and Investments

The communities we serve recognize that Popular is a respected and highly professional institution, which has always been an example of outstanding professional conduct in business practice. Moreover, our integrity as a financial services institution has distinguished us in all the markets in which we operate.

As employees of a financial institution, we must set an example in the management of our personal finances and investments. The purpose of this guideline is to establish rules that reflect Popular’s principles in the management of our personal finances and investments.

Popular’s guidelines on said matter are the following:

- Employees must avoid excessive and constant loans, transactions that may be disadvantageous to Popular in order to benefit themselves, and excessive amounts of debt. They should also avoid failing to meet their financial commitments or participating in any other situation that is contrary to Popular’s sound credit policy.

- Employees may not buy or hold a direct or indirect interest in the purchase of promissory notes or other negotiable instruments issued by Popular (except stocks and issues of bonds), for an amount that is less than the face value of the promissory note or instrument, or for less than its market value.

- Employees may not perform or handle transactions regarding their own accounts, the accounts of their spouse or those of family members, except for employees of the Wealth Management Division, Popular Securities and Popular Insurance, who may handle accounts of their spouse or family members, if they have previously notified the same to their supervisor and complied with any other established requirement.

- Employees must only request and obtain loans from financial institutions.

- Employees must be aware of, and will comply with, the responsibility they assume when acting as a lender or cosigner for loans contracted by other individuals.

- Employees must regularly review their bank account statements and verify their accuracy.
They must be aware that issuing or endorsing checks with insufficient funds is an offense punishable by fine and/or incarceration.

• In line with the “Know Your Employee” federal guideline, employees must declare their deposit accounts outside of Popular. It is not necessary to disclose the balances in those accounts. This information should be noted in our Declaration on Code of Ethics, Anti-Corruption Policy and Possible Conflicts of Interest. Employees whose benefits include a deposit account must understand that the account is for the exclusive use of the employee and his/her spouse, and that said deposit account may only be used for personal matters, including payroll deposits. Employees must avoid overdrafts on their deposit accounts and must be aware that improper use of the accounts may be grounds for disciplinary measures. The account may not be used for any business that falls under the category of a corporation, DBA (Doing Business As) or partnership that the employee or spouse may have.

Popular reserves the right to monitor any account that the employee keeps with any of our Companies.

All employees must comply with this guideline and refer any questions to the Our People Division. Any violations to the guideline may be grounds for disciplinary measures, including termination of employment.

**Conflict Management**

Popular employees are one of our greatest assets. When conflicts arise, we want them to be addressed promptly and professionally. The purpose of this guideline is to advise employees and supervisors on the internal procedures for managing conflicts that may arise in the workplace.

**Procedure for employees to follow in filing an internal complaint**

• Popular encourages open and direct communication between employees and supervisors. If an employee has concerns about a situation or wishes to present an internal complaint, he/she should do so directly through the employee’s immediate supervisor, unless the employee wishes to present a claim for harassment, discrimination, retaliation or fraudulent activities, which must be directly and promptly referred to the Our People Division.

• If the employee is not satisfied with the action taken by the supervisor or if the complaint is related to the employee’s supervisor, he/she must contact the unit manager directly.

• If the employee feels that the complaint is not being addressed or is not satisfied with the action taken by the unit manager, the situation must be channeled through the Our People Division.

• All complaints of discrimination, harassment, retaliation or fraudulent activities, must be presented through the Our People Division.
The employee may also channel complaints on the above-mentioned matters or any other through EthicsPoint. This system allows employees to safely, reliably and anonymously report issues or concerns associated with unethical or illegal conduct, or situations that may affect our work environment in Popular under the different categories available through the system. EthicsPoint may be accessed at [www.popular.com/ethicspoint-en](http://www.popular.com/ethicspoint-en), or by calling 1-866-737-6813 from Puerto Rico or the United States, or 866-737-6850 (preceded by the country’s long distance code) if elsewhere. The reports filed through EthicsPoint are entered directly on said company’s secure server, which does not identify the computer or telephone number used to file the report, even if connected to Popular’s network.

- Popular will not, and will not allow others to, retaliate against any employee who submits a good faith complaint or who serves as a witness during an investigation of a complaint.

**Procedure to be followed by supervisors in managing conflicts**

- Identify the situation and persons involved, gather and analyze the information obtained, ascertain the misconduct and its seriousness, and refer to the Code of Ethics, Corporate Guidelines and Policies, Rules of Conduct (if applicable), Employee Handbook and any other applicable documents and procedures. Supervisors should request guidance from the Our People Division.

- Meet with the implicated employees to explain how the situation affects their performance or that of others, as well as the normal operation of any Popular unit. Supervisors should explain the disciplinary actions that will be taken, urge the employees to correct their behavior and explain the possible consequences of failing to do so.

- If the situation requires a written or final warning, the supervisor must prepare the same, discuss it with the Our People Division, hand it to and discuss it with the employee, and obtain an acknowledgement of receipt. If the situation requires a verbal warning, the supervisor must document the same on the employee's personnel file. In the case of Popular companies in Puerto Rico and the Virgin Islands, all disciplinary actions must be registered on ZAPortal/Manager’s Self Service. A copy of the documentation must also be sent to the Our People Division.

- Follow up on the employee’s performance after disciplinary action is taken. If the behavior does not improve, the disciplinary action must continue in a progressive manner. Supervisors must consult with the Our People Division if the disciplinary action to be taken calls for dismissal.

- Follow up on the employee’s performance after disciplinary action is taken. If the behavior does not improve, the disciplinary action must continue in a progressive manner. Supervisors must consult with the Our People Division if the disciplinary action to be taken calls for employment termination.

- When the situation cannot be resolved in the work unit, the supervisor must refer the same to the next supervisory level or to the Our People Division. Discrimination, harassment or retaliation complaints must be immediately referred to the Our People Division. In such cases, supervisors or managers do not have the authority to conduct investigations on their own.
Responsibilities of the Our People Division in conflict management

- Advise supervisors about the organization’s rules, guidelines and policies, and employment laws and regulations.
- Conduct a prompt, sensitive and fair investigation of the internal complaint related to discrimination, harassment, retaliation or any other matter. The investigation must be conducted in a discreet and professional manner.
- Keep the employee informed about the status, progress and results of the investigation.
- Document the findings of the investigation and recommend the actions to be taken based on the gathered data.
- Communicate the findings to the complainant and the person against whom the complaint was made.
- Discipline any employee or witness who submits false information during the filing or investigation of a complaint. This may include employment termination.

Equal Employment Opportunity

Popular promotes diversity and inclusion, and provides Equal Employment Opportunities and does not discriminate against any employee or applicant for employment based on race, color, religion, sex, pregnancy, sexual orientation, gender identity, age, national origin, political affiliation or beliefs, social condition, marital status, disability, status as an eligible veteran or as a victim of domestic violence or stalking, genetic information about the individual and/or family members, or any other legally protected status.

Likewise, Popular prohibits discrimination in terms of salary on the basis of sex or any other protected class against employees who perform comparable work with equal duties, which requires the same skills, effort and responsibilities under similar work conditions, unless any difference is due to legitimate reasons under applicable laws.

Accordingly, Popular has an Affirmative Action Plan intended to avoid employment practices that may conflict with our antidiscrimination policies. Popular takes affirmative action in the following areas: hiring, promotions, demotions, transfers, evaluations, trainings, layoffs, terminations, compensation and benefits, among others. All managers and supervisors must make decisions in accordance with our Equal Employment Opportunity Guideline. All employees and applicants for employment may request a copy of our Affirmative Action Programs and Policies by visiting the Our People Division located on the 5th floor of the Banco Popular Building, 1500 Ponce de Leon Avenue, Santurce, from Monday through Friday during business hours.

Moreover, Popular will not discharge, discriminate or retaliate against employees or applicants because they have inquired about, discussed, or disclosed their compensation or the compensation of other employees or applicants. However, employees who, as part of their essential job functions, have access to information about the compensation of
other employees or applicants cannot disclose said information about other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with Popular’s legal duty to furnish information.

Employees who understand that a violation of the Equal Employment Opportunity Guideline has occurred, who would like to present a claim related to this topic, or who want to identify themselves as individuals with a disability, as qualified disabled veterans, or as otherwise protected qualified veterans, must contact the Our People Division. Complaints on the above-mentioned matters may also be presented through EthicsPoint at www.popular.com/ethicspoint-en, or by calling 1-866-737-6813 from Puerto Rico or the United States, or 866-737-6850 (preceded by the country’s long distance code) if elsewhere.

Popular prohibits retaliation against employees who, in good faith, present a complaint of discrimination according to this Guideline or participate in any related investigation.

**Discrimination and Harassment**

Popular is committed to providing a work environment of respect for diversity and free from discrimination or harassment, whether of a sexual nature or based on a person’s race, color, religion, sex, pregnancy, sexual orientation, gender identity, age, national origin, political affiliation or beliefs, social condition, marital status, disability, status as an eligible veteran or as a victim of domestic violence or stalking, genetic information about the individual and/or family members, salary or any other legally protected status.

Harassment is defined as any discriminatory treatment by reason of race, color, religion, sex, pregnancy, sexual orientation, gender identity, age, national origin, political affiliation or beliefs, social condition, marital status, disability, status as an eligible veteran or as a victim of domestic violence or stalking, or any other legally protected status when the discriminatory conduct is of such magnitude that it affects the working conditions of the victim of harassment. The working conditions of a victim of harassment will be considered affected when the circumstances related to the victim’s recruitment, advancement, demotions, reassignments, changes in benefits or termination of employment, among others, are altered or when the discriminatory treatment creates a hostile work environment.

Acts of discrimination or harassment could come from supervisors, managers, co-workers or third parties, such as consultants and suppliers, customers or visitors. Said acts could occur not only in the workplace, but in work-related activities and events outside of the workplace. Discrimination or harassment could also take place through electronic or voice communications. Therefore, that type of media may not be used to disseminate communications that may be interpreted as
discriminatory or harassing for any of the reasons mentioned above.

Sexual harassment is unlawful and may exist when there is any type of unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature including those made through virtual medium (covering without limitation electronic communications or through the internet), when one or more of the following circumstances occur: (a) submission to such conduct is an express or implied condition of an employee’s receipt of a job benefit, including advancement or continued employment; (b) submission to or rejection of such conduct is used as the basis for employment decisions affecting the individual; or (c) the conduct has the purpose or effect of unreasonably interfering with an individual’s work performance, or creating an intimidating or hostile work environment.

Sometimes, certain phrases of affection, comments on the physical attributes or attractiveness of an employee, or jokes and gestures of a sexual nature, may lead to wrong interpretations, even if not ill-intended. Therefore, Popular encourages all employees to avoid excessive familiarity and maintain work relations at a professional and respectful level.

Popular does not tolerate any act of discrimination or harassment and requires all employees to comply with this guideline and to refrain from the conduct described above. Any person involved in an act of workplace discrimination or harassment does so in violation of Popular’s rules that prohibit this type of behavior, does not act as a Popular agent, does not have authority as an officer or supervisor, and does not represent Popular in any way. Rather, a person acting in such manner may be subjected to disciplinary action, up to and including termination of employment or relationship with Popular.

Popular provides an unpaid leave of up to 15 days per year that employees may use to handle their relatives’, or their own, situations of domestic or gender violence, child abuse, sexual harassment in employment, sexual assault, lascivious acts or stalking in its serious modality (as long as they are not responsible for that situation). As long as employees provide the corresponding evidence, they may use this leave to seek guidance and obtain a protection order or any court order; seek and obtain legal assistance; find a safe housing or space in a shelter; visit any clinic, hospital or associate medical appointment; and seek or benefit from any other type of assistance or services. In addition, they may request a reasonable accommodation or flexible working conditions that allow them to address these kind of situations.

Guidelines for presenting complaints

Any employee who feels discriminated or harassed, or who has knowledge that others are being or have been subject to any such conduct, must promptly report the situation to the Labor Consulting Department from the Our People Division, the Corporate Ethics Officer at ethicsofficer@popular.com, or anonymously, through EthicsPoint at www.popular.com/ethicspoint-en or by calling 1-866-737-6813 from Puerto Rico or the United States, or 866-737-6850 (preceded by the country’s long distance code) if you are elsewhere.
Popular takes all reported incidents and allegations on discrimination or harassment very seriously and investigates them in an impartial, prompt and diligent manner. To the extent possible, the investigation will be confidential, and sensitive information regarding the same will only be communicated to those directly involved in the process.

If an investigation shows that a supervisor or employee has committed or been subjected to any act of discrimination or harassment, appropriate corrective measures and disciplinary action will be taken, up to and including the termination of employment of the harasser or the person who discriminated. If an employee presents a malicious or false claim, he/she will be subjected to disciplinary measures, up to and including termination of employment. If the acts of discrimination or harassment come from a third party (including customers, consultants, suppliers or visitors), Popular will take any corrective measures that are reasonably available, up to and including the termination of the relationship with Popular.

**Prohibition of retaliation**

Popular prohibits all forms of retaliation against employees who participate in any legally protected activity, including but not limited to the presentation of good faith complaints of discrimination or harassment, or who in good faith contribute to or participate in any related investigation. Employees who feel that they have been retaliated against must promptly report the situation to the persons previously referenced in this guideline.

Any individual who in any way retaliates against an employee who has submitted or participated in the investigation of a discrimination or harassment complaint will be subjected to disciplinary measures, up to and including termination of employment.

Employees who believe that their complaints have not been adequately resolved within the Corporation may file claims with the Anti-Discrimination Unit - Puerto Rico Department of Labor and Human Resources, 505 Prudencio Rivera Martínez Building, Muñoz Rivera Avenue, Hato Rey, Puerto Rico 00918 or the United States Equal Employment Opportunity Commission at 525 F.D. Roosevelt Avenue, Plaza Las Américas, Suite 1202, San Juan, Puerto Rico 00918-8001; (787) 771-1464; fax (787) 771-1485.

**Workplace Transition Process for Transsexual and/or Transgender Employees**

Popular does not discriminate against any employee or applicant for employment because of their race, color, religion, sex, pregnancy, sexual orientation, gender identity, age, national origin, political affiliation or beliefs, social condition, marital status, disability, status as an eligible veteran or as a victim of domestic violence, stalking and/or sexual assault, genetic information about the individual and/or his or her relatives or any other legally protected status.
Popular is committed to ensuring and according transsexual and/or transgender employees with an inclusive environment that promotes a healthy workplace further to their gender identity, and the rights that protect all of us. As part of this commitment, all employees are expected to safeguard the dignity of, and respect to, our colleagues.

This Guideline does not intend to anticipate and cover every situation that may occur with respect to transsexual and/or transgender employees and their transition process in the workplace. Each situation will be handled on a case by case basis in order to safeguard our employees’ rights and safety in the workplace.

Definitions

- **Gender** - actual or perceived sex, gender identity, and gender expression including a person’s actual or perceived gender-related self-image, appearance, behavior, expression, or other gender-related characteristic, regardless of the sex assigned to that person at birth.

- **Gender identity** - internal deeply-held sense of one’s gender which may be the same as or different from one’s sex assigned at birth. A person’s gender identity may be male, female, neither or both, i.e., non-binary or genderqueer.

- **Transsexual and/or transgender** - terms used to describe a person whose gender identity and/or gender expression or behavior does not conform the behavior typically associated with his/her biological gender, and who may or may not adopt the sexual characteristics of the opposite sex through hormonal, surgical, or other procedures.

- **Gender expression** - the representation of gender as expressed through one’s name, pronouns, clothing, hairstyle, behavior, voice, or similar characteristics. Gender expression may or may not conform to gender stereotypes, norms, and expectations in a given culture or historical period.

- **Transition process** - the process through which employees undergo a series of changes, or changes that are made in their work area, to adapt the working conditions and make adjustments to accommodate their gender identity.

- **Sexual orientation** - an individual’s actual or perceived romantic, physical or sexual attraction to other persons, or lack thereof, on the basis of gender.

Workplace Transition Process

Popular recognizes that a transition process for transsexual and/or transgender employees can include, but may not be limited to, a change in employees’ legal name, an interest in being addressed by a different name or pronoun that reflects their gender identity, a change in uniform, or need for bathroom access which is consistent with their gender identity. If an individual is
interested in implementing any of these changes or other changes in the workplace, they should first inform a member of the Our People Division, so that Popular can begin taking steps to accommodate the transition process. The Our People Division will take reasonable measures to safeguard employees’ rights and safety in the workplace during the transition process.

Additionally, the Our People Division may designate one or more employees to collaborate or take the necessary measures in the workplace in relation to the transition process.

**Bathroom access**

The transition process of transsexual and/or transgender employees may include granting them access to a bathroom that is consistent with their gender identity. Popular reserves the right to deny the request for access to bathrooms as described in this paragraph if it determines that any such request is made for reasons other than those set forth in this Guideline.

**Dress code**

The transition process of transsexual and/or transgender employees may include dressing according to their gender identity.

**Change of name**

Employees must notify the Our People Division if as part of the transition process they will legally change their name, or if they are interested in being called in any particular manner or in being addressed with the pronoun that is consistent with their gender identity.

For the changes in the workplace to be correctly implemented, the guidelines set forth above must be followed by the employee requesting the change.

**Use of Social Media**

With the rise of new media and communication tools, the way in which we all communicate internally and externally continues to evolve. While this offers a great number of opportunities for communication and collaboration, it also creates new challenges and responsibilities for all of us.

This guideline applies to employees who use the internet and/or any form of multi-media and social networking sites, blogs, wikis, podcasts, forums, content communities, microblogs or any other form of social media (“internet postings” or “social media”), either as part of their duties at Popular or during their own free time, and regardless of whether or not Popular equipment is used.

Employees must be aware that they are personally responsible for the content they share or publish in social media, and that any file, text, photo, audio or video that they disseminate may be public and may have consequences in their employment, personal life and if legal actions arise against them or Popular. Common sense and good judgment are the best guides in the decision on whether to post any information.

When using social media, employees must do so in their personal capacity, outside of working hours and not as representatives of Popular, unless otherwise authorized by the Social Media Manager or if given the nature of their work at Popular they
are otherwise authorized. In as much as employees are legally responsible for their postings, they may be subject to liability if their posts are defamatory, harassing or in violation of any other applicable law. If employees discuss Popular’s products or services, they must be honest and accurate in their communications and must make clear that the views expressed on their postings are their own and do not represent Popular’s positions, strategies or opinions.

When using social media in their personal capacity, or as part of their duties at Popular employees must comply with Popular’s Code of Ethics, Employee Handbook, and other policies or guidelines, as well as with all applicable laws and regulations, including copyright, confidentiality, privacy, fair use and financial disclosure laws. Particularly, employees’ post may not include Popular’s logos or trademarks for personal gain or benefit or for any commercial purpose without explicit permission in writing from their Legal Division.

Employees may not disclose confidential or proprietary information about Popular or others who have disclosed information to Popular, as these terms are defined in Popular’s Code of Ethics, or information that could otherwise expose Popular to sanctions, litigation or reputational harm. Employees must show proper consideration for others’ privacy and refrain from using slurs or discriminatory remarks, insults or obscenity, or engage in any conduct that would not be acceptable in the workplace, as described in Popular’s Code of Ethics and/or the Employee Handbook. However, nothing in this guideline is meant to infringe upon the employees’ right to communicate with fellow employees collectively in a manner that is otherwise protected by law.

Employees shall not share or publish online or on social media images in which they appear wearing Popular’s uniforms or identifiers in non-work activities without the prior consent of the Our People Division, except as allowed on the Social Media Policy or when engaging in activities protected by law. Also, for security reasons employees may not publish or share pictures of areas restricted to the public, such as vault areas, among others.

On the other hand, employees who are interested in promoting Popular’s community events, products or services in social media, may do so by pressing like or share in Popular’s postings, in their personal capacity and not as representatives of Popular.

All Popular employees are required to comply with this guideline, and with all other applicable policies and guidelines, including, but not limited to Popular’s Code of Ethics, Employee Handbook, the Corporate Information Security Policy, the Information Systems Use Policy and, when applicable, the Social Media Policy. Failure to do so may result in disciplinary actions, up to and including termination of employment.

Non-Smoking Guideline

Popular is committed to providing a safe and healthy environment for all employees and visitors. Many studies have concluded that smoking
cigarettes, cigars, pipes or any other tobacco-derived products may cause or aggravate serious illnesses, such as cancer, bronchitis, heart diseases and emphysema, among others. Further, it has been proven that some work equipment is sensitive to, and susceptible to be damaged by, smoke. In addition, documents may be damaged if they are in contact with ash.

Although we respect the personal preferences of smokers, through this guideline it is prohibited to smoke (including electronic cigarettes) specifically at Popular’s facilities, during or after working hours, during breaks and meal times. Smoking is also prohibited in common areas with closed spaces such as bathrooms, lounge rooms, cafeterias, underground or enclosed parking, or external areas adjacent to a building’s entrance.

If you see a customer or visitor violating our Non-Smoking Guideline, politely ask for the individual’s cooperation. Any employee who wishes to smoke must exit the building during regularly scheduled work breaks. No special provisions or time away from the office will be granted for smoking. When working off-site, please remember to conform to the smoking policies of that particular facility.

All Popular employees must comply with this guideline. Failure to do so, may result in disciplinary action and in penalties imposed by law. Please contact the Our People Division with any questions you may have about this guideline.

Drug-Free Workplace

Popular is committed to protecting the safety, health and well-being of its employees and other persons in the workplace. We recognize that the illegal use of controlled substances poses a significant risk to our health and ability to reach the goals of our Institution; therefore, we maintain a drug-free work environment. Specifically, the use, possession, manufacture, distribution, sale or dispensation of illegal drugs or controlled substances without medical prescription is prohibited, as well as to be under the influence of these, inside or outside our premises, inside or outside the work area, during or outside working hours.

For purposes of this guideline, a drug or controlled substance is any substance whose use, possession, manufacture, distribution, sale or dispensation is prohibited by applicable federal, state or local law, with the exception of controlled substances with medical prescription.

In the case of controlled substances with medical prescription (other than medical marijuana), employees may not attend work or be in the workplace under the influence of the same, if their use in any way renders them unable to perform their duties and/or may expose them or others to a risky situation. As for medical marijuana, its use, possession, manufacture, distribution, sale or dispensation is prohibited, as well as being under the influence of the same during working hours, in the facilities of Popular, while performing duties related to the employee’s position, either inside or outside the workplace or during activities sponsored by Popular.
Any violation of this corporate guideline is considered a serious offense and the employee who fails to comply the same will be subject to disciplinary actions, up to and including termination of employment.

Employees accused or convicted of a drug-related offense must notify the Our People Division within three days of the accusation and/or conviction. Failure to comply with this notification requirement may result in termination of employment. Employees who are convicted or who reach a plea bargain or a plea of nolo contendere for a drug-related felony may be terminated from employment. In any other case, the employee will be suspended while an investigation is conducted. Depending on the results of such investigation and the circumstances of the particular case, the employee may be terminated from employment or, in occasions, may be subjected to other disciplinary actions, if and when the employee makes a written commitment to undergo adequate rehabilitation treatment and strictly comply with this guideline.

Employees who voluntarily inform the Our People Division that they have a drug use problem (outside working hours, outside the work area, outside the premises of the institution), will have the opportunity to remain employed if they make a written commitment to undergo an adequate rehabilitation treatment and continue until fully rehabilitated, abide by this guideline and any additional requirements that Popular may impose as a condition of continued employment, comply with the rules of conduct and agree to undergo drug detection tests, if required by Popular, without prior notice. In such cases, the information obtained from the employees and the fact that they are undergoing rehabilitation treatment will be restricted to those employees of the Our People Division and management on a need-to-know basis. In case of a reasonable individualized suspicion that an employee is using illegal drugs, Popular may require him/her to undergo a screening test as a condition to remain employed, which will be conducted within the period of time required by Popular.

Employees who expressly refuse to undergo a rehabilitation treatment, obtain positive results during additional drug detection tests or refuse to undergo a detection test who was requested due to the existence of a reasonable individualized suspicion, may be subject to disciplinary actions, up to and including termination of employment.

**Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS)**

Popular is committed to contributing to the social and economic well-being of the communities that we serve. We also unite efforts to maintain the quality of our work environment in order to encourage employees to be productive and provide a service of excellence to our customers.

Further to these principles, we recognize that HIV and AIDS are major health problems in our society, with broad social, economic, political, ethical and legal repercussions. Accordingly, we establish this guideline:
• Discrimination against employees, applicants and customers with HIV and AIDS is illegal and strictly prohibited. All employees, applicants and customers are to be treated with respect, dignity and equality.

• Employees, applicants and customers will not be interrogated nor discriminated against as a result of being HIV positive or suffering from AIDS. This includes persons who live with or are related to persons with HIV or AIDS.

• A test to detect antibodies against HIV will not be required of any employee, applicant or customer.

• Reasonable accommodation of employees with HIV or AIDS will be provided upon request, in accordance with current legislation and as Popular’s operations permit.

• Information related to any aspect of an HIV infection or AIDS on the part of an employee, applicant or customer will be handled according to the confidentiality requirements established by the Americans with Disabilities Act (ADA) of 1990 and/or any other applicable law.

All employees who would like more information about their rights and responsibilities regarding HIV or AIDS, or who wish to receive guidance or information on the subject, may contact the Our People Division.

Employees, applicants or customers who feel discriminated against for suffering from HIV or AIDS, for being perceived as a person who suffers from the condition, or because they live or are associated with people who suffer from the condition, should report the situation to the Our People Division.

Privacy Guideline

Popular will not disclose any personal non-public information (such as name, address, age, Social Security, income, telephone numbers, date of birth and civil status) about our customers or other consumers (including loan applicants and employment applicants) to third parties absent an official business purpose, as specified in this guideline. Third parties are companies outside of Popular, such as insurance companies, charity institutions and financial institutions. This protection does not include commercial customers, but rather those receiving financial products or services for personal, family or household purposes.

Popular may share the personal information previously mentioned, as allowed by law, among its companies, including Popular, Inc., Banco Popular de Puerto Rico, Popular Auto, LLC, Popular Insurance, LLC, Popular Risk Services, LLC, Popular Securities, LLC, Popular Bank, E-LOAN, Inc., Popular Insurance VI and Popular Insurance Agency USA, Popular Mortgage, Popular Insurance, Popular Risk Services, Inc., Popular Life RE, Popular Securities, Popular Bank, Popular Equipment Finance, Popular Financial Holdings and E-LOAN, with the purpose of designing and providing the customers with higher quality products.

The law, nevertheless, provides that customers have a right to bar affiliates from sharing their personal
information among themselves. Customers who wish to do so must make an affirmative request by completing the exclusion application in the initial or annual notice that is sent to them or in a privacy notification form available upon request, stating that they wish that their personal information (except name and Social Security) is not shared between Popular companies. Popular will always share information about transactions (account balances, history of transactions, history of payment, principal owed, etc.) among its companies.

Popular and its companies only provide access to their information to those employees who need it in order to provide products and services, or to those who need to access it in order to comply with applicable legislation or regulation of the financial industry.

We hold our employees accountable for complying with our Privacy Guideline and related principles set forth in our Code of Ethics and Rules of Conduct. Any deviation from these directives may be grounds for disciplinary actions, including termination of employment.
EthicsPoint is a system that allows our employees, customers, suppliers, investors and the community to anonymously report issues or concerns associated with unethical or illegal conduct at Popular in connection with the following areas:

- **Accounting, Auditing or Financial Reporting:** actual or potential irregularities in matters pertaining to accounting, auditing or internal controls (i.e. fraud, deficiencies in internal controls, false representations in financial or audit reports, deviation from financial disclosure requirements)
- **Bank Secrecy Act (BSA) and Anti-Money Laundering (AML):** suspicious activities related to these laws (i.e. transactions that are not consistent with the nature of the customer’s business, occupation or profession, or that involve suspicious amounts, instructions that are in conflict with requirements imposed by these laws)
- **Unfair, Deceptive or Abusive Acts or Practices Against Consumers (including Sales Practices):** situations that may be considered unfair (likely to cause substantial injury to a consumer); deceptive (likely to mislead a consumer); or abusive (likely to take unreasonable advantage of a consumer’s lack of understanding of terms and conditions or to prevent a consumer from protecting his or her own best interests)
- **Employment-related Matters:** situations that affect our performance or work environment, such as:
  - Conflicts of interest
  - Discrimination or harassment
  - Retaliation
  - Unsafe work conditions
  - Improper use of electronic systems
  - Other employment-related matters
- **Procurement and Purchasing Practices:** any violation to the Code of Ethics for Popular Suppliers, or applicable corporate policy, laws or regulations governing procurement or purchasing practices
- **Other matters, policies, laws and regulations:** situations not encompassed in the foregoing categories, including behavior or practices that may constitute a violation of applicable laws, regulations, policies or procedures, including but not limited to matters related to fair lending, insider trading, the Foreign Corrupt Practices Act and Popular’s Anti-Corruption Policy, among others

The system is designed so that the reports go directly to the EthicsPoint servers, which are administered by a third party that processes them confidentially and forwards them only to certain members of Popular’s Board of Directors and to specifically designated officers who are responsible for evaluating and investigating the reports and taking the necessary remedial actions. EthicsPoint does not identify the computer or telephone number used to file the reports, which remain anonymous unless reporters identify themselves.
Popular will not, and will not allow others to, retaliate, harass or discriminate against any person who reports in good faith any complaint regarding the situations mentioned above.

**How to file a claim**

By telephone, toll free:

1-866-737-6813
from Puerto Rico or the United States

866-737-6850
from other countries, preceded by the applicable long distance code

Through the internet:


Spanish: [www.popular.com/ethicspoint](http://www.popular.com/ethicspoint)

**Follow-up on a report**

Three working days after submitting a report you may return to EthicsPoint (by telephone or online) to verify if the evaluating group has questions or needs additional information.

If you have any doubts on the situation you wish to report, you may contact:

- an EthicsPoint representative
- the Our People Service Center
- the Labor Consulting Department through [asesorialaboral@popular.com](mailto:asesorialaboral@popular.com)
- the Corporate Ethics Officer through [ethicsofficer@popular.com](mailto:ethicsofficer@popular.com)
RULES OF CONDUCT

We strive to excel each day.
We believe there is only one way to do things:
doing them right from the first time while exceeding expectations.

Institutional Value - Excellence
To support the growth and expansion of our Corporation, we have established a series of rules that promote an effective and harmonious work environment, thus guaranteeing a service of excellence to all of our customers. These rules are defined in the Rules of Conduct, which provide guidelines about the behavior expected from all employees. Besides a series of basic rules and standards, included are various examples of what might constitute violations of such rules. Also included are the disciplinary actions, that, generally apply in each case.

These rules do not encompass all the situations which may negatively affect the good and normal functions of the Institution. Therefore, if a violation not described in this Handbook is committed, corrective actions will be applied according to the seriousness of the situation.

Nothing stated in these rules creates or implies a contract between the Institution and its employees nor grants additional rights from those established by the Act No. 80 of May 30, 1979, as amended.

We have also included a Code of Business Attire for employees of centralized offices. The purpose of said code is to establish clear and precise standards regarding our business attire while allowing certain flexibility, depending on the type of work that each employee performs.
### RULES OF CONDUCT

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<tr>
<td>1. Attend work and perform your duties, according to your assigned work schedule. Correctly register your daily attendance.</td>
<td>a. Absences, excessive late arrivals to, or early departures from work, having a determined pattern of absences, for example, before or after a holiday, certain days during the year.</td>
<td>Written warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<td></td>
<td>b. Not communicating an absence or late arrival to your supervisor within the first hour of your work shift.</td>
<td>Verbal warning</td>
<td>Written warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<td></td>
<td>c. Not submitting a medical certificate to the supervisor after being absent from work for three consecutive days due to illness or as requested by the supervisor.</td>
<td>Verbal warning</td>
<td>Written warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<td></td>
<td>d. Failure to submit medical certificates to cover all absences periods while on an extended leave of absence with or without job reserve.</td>
<td>Termination of employment</td>
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<td>e.</td>
<td>Being absent from work for three consecutive days without communicating with your supervisor.</td>
<td>Termination of employment</td>
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<td>f.</td>
<td>Not registering your attendance correctly with the tools provided for this purpose by the Institution.</td>
<td>Verbal warning</td>
<td>Written Warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<td>g.</td>
<td>Registering another employee’s attendance or allowing another employee to register our attendance on our behalf.</td>
<td>Termination of employment</td>
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<td>h.</td>
<td>Incurring in overtime without prior from our authorization supervisor.</td>
<td>Written warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<td>i.</td>
<td>Refusing to work overtime without just cause, as long as working overtime would be reasonable and necessary for the Institution.</td>
<td>Written warning</td>
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<td>j.</td>
<td>Sleeping or doing other non-work related activities, including but not limited to using personal mobile phones, during working hours.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>2. Work efficiently according to the rules of quality of the Institution, the instructions given by the supervisor, and the law and regulations governing the performance of your duties. Demonstrate interest and sense of responsibility in the work performance.</td>
<td>a. Not performing the work with interest, agility, promptly, responsibly and efficiently.</td>
<td>Written warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<td>b. Not following the verbal or written instructions given by the supervisor.</td>
<td>Final written Warning</td>
<td>Termination of employment</td>
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<td></td>
<td>c. To act outside of the boundaries of delegated authority. This includes, but is not limited to giving credit negligently or beyond the authorized lending limit.</td>
<td>Final written warning or termination of employment</td>
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<td>d. Not keeping current all licenses and/or certifications required to perform your duties.</td>
<td>Final written warning or termination of employment</td>
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### RULES OF CONDUCT

#### Disrespecting or not observing correct conduct toward your supervisor, a co-worker, customer, supplier or any other person.

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<td>3. Observe a correct, respectful and courteous conduct toward customers, potential customers, suppliers, supervisors, employees or others. Avoid excessive familiarity with coworkers, obscene or disrespectful language, as well as jokes or inappropriate comments, including those with content related to age, race, color, pregnancy, disability, genetic information about the person or his/her family members, sex, sexual orientation, gender identity, social or national origin, social condition, marital status, political affiliation,</td>
<td>a. Advising or encouraging other employees to commit insubordination, disobey instructions from their supervisor, or fail to perform their tasks or duties or to comply with the operating instructions.</td>
<td>Termination of employment</td>
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<td>b. Engaging in disorderly or violent conduct, sleight of hands, or using abusive, threatening, provocative or obscene language against a co-worker, supervisor, customer, supplier or any other person.</td>
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<td>c. Disrespecting or not observing correct conduct toward your supervisor, a co-worker, customer, supplier or any other person.</td>
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<td>political or religious beliefs, victim of domestic violence, being perceived as a victim of domestic violence, stalking, sexual aggression, military, former military, for having served in the United States Armed Forces or veteran status.</td>
<td>d. Engaging in threatening acts, fights, indecent and obscene acts, aggression or provocation for any reason within the Institution’s premises or outside of them, regardless of whether said conduct was due to work-related reasons.</td>
<td>Termination of employment</td>
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<td></td>
<td>e. Making false or damaging declarations about the Institution, customers or employees.</td>
<td>Final written warning or termination of employment</td>
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<td>Termination of employment</td>
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<td>4. Keep strictly confidential all matters related to the Institution. This includes, but is not limited to, information pertaining customers, as well as confidential or proprietary information of Popular, our employees, customers, potential customers, suppliers or others.</td>
<td>a. Disclosing or offering official, confidential or proprietary information of Popular, our employees, customers, potential customers, suppliers or others without authorization.</td>
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<td>b.</td>
<td>Using corporate information systems for personal reasons or to share information with other employees or persons not related to the Institution without authorization or a legitimate business purpose. This includes the use of personal passwords not assigned to you.</td>
<td>Final written warning or termination of employment</td>
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<td>c.</td>
<td>Using, without all participants’ express consent, any kind of electronic, digital or video mechanism to record or preserve telephone or non-telephone conversations, held in or outside the workplace, in which matters related to Popular are discussed. The prohibition to record conversations includes, but is not limited to, recording disciplinary procedures, discussion of performance evaluations, internal or external investigations, presentations, meetings, training and conferences, unless it relates to the employee’s engagement in any activity protected by law.</td>
<td>Final written warning or termination of employment</td>
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## RULES OF CONDUCT

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<td>5. Comply with and uphold the Institution’s safety rules.</td>
<td>a. Not observing of the applicable health and safety rules. Contributing, through action or omission, to create a dangerous situation or one that threatens the health and safety in the workplace.</td>
<td>Final written warning or termination of employment</td>
<td>Termination of employment</td>
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<td></td>
<td>b. Smoking in non-authorized areas of the Institution.</td>
<td>Verbal warning</td>
<td>Written warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<td>c. Not complying with the internal rules of the Institution for the use and parking of vehicles.</td>
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<td>d. Allowing unauthorized persons, including family members, to remain in the work areas. This includes providing your identification card or access code to other employees or to unauthorized persons.</td>
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<td>6. Present an appearance that reflects the professional image expected from all persons who work in the Institution.</td>
<td>a. Not taking care of your personal appearance or dressing inappropriately.</td>
<td>Verbal warning</td>
<td>Written warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<td>b. Not using the complete uniform when this is required or as established in the Corporate Image Guideline.</td>
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<td>c. Failing to observe a proper conduct while using the uniform or any Popular identifier in public.</td>
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<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>7. Employees will be responsible for their personal credit and adequate management of their financial commitments.</td>
<td>a. Failing to timely comply with your financial obligations towards the Institution or other companies. Also, failing to comply with the required processes regarding those obligations. This includes the overdraft in our staff bank account.</td>
<td>Verbal warning</td>
<td>Written warning</td>
<td>Final written warning</td>
<td>Termination of employment</td>
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<tr>
<td>8. Employees may not carry, use or keep weapons or other similar artifacts without the Institution’s authorization, while at work, on Popular’s property, while performing work-related duties or during work-related activities in or outside the workplace or during company-sponsored events.</td>
<td>a. Carrying, using or keeping weapons or similar devices without authorization while at work, on Popular’s property, while performing work-related duties or during work-related activities in or outside the workplace or during company-sponsored events.</td>
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<td>9. Employees may not use (unless with medical prescription), possess, transport or sell controlled substances.</td>
<td>a. Using without medical prescription, possessing, selling, administering or transporting controlled substances.</td>
<td>Termination of employment</td>
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<tr>
<td>10. Employees may not drink, possess or sell alcoholic beverages without authorization within the Institution’s premises or attend work under the effect of alcoholic beverages.</td>
<td>a. Attending work or conducting business for or on behalf of Popular, or operating any vehicle, machinery, tool or equipment of Popular, under the effects of alcoholic beverages.</td>
<td>Final written warning or termination of employment</td>
<td>Termination of employment</td>
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<td>b. Selling or possessing alcoholic beverages during working hours or in official activities without prior authorization.</td>
<td>Final written warning or termination of employment</td>
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<td>11. Employees may not sell or buy goods or services, solicit funds for unauthorized activities or place or distribute notices or printed material during working hours or within the Institution’s premises, without prior authorization.</td>
<td>a. Soliciting funds or membership for any purpose, without the proper authorization from the Institution.</td>
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<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>b.</td>
<td>Buying or selling goods or services in the Institution other than those offered by Popular, without proper authorization.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>c.</td>
<td>Distributing or placing notices or printed material, or handing out questionnaires, without prior authorization from the Our People Division.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>d.</td>
<td>Making, authorizing or promoting raffles or bets within the Institution’s premises without prior authorization.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>12.</td>
<td>Assure that any activity carried out, including providing services in or outside the Institution, does not cause a conflict of interest with any Popular company.</td>
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<tr>
<td>a.</td>
<td>Being affiliated, running a business or working in jobs that conflict with your work at, or the interests of, Popular, or carrying out activities that are contrary to the loyalty to or interests of the Institution.</td>
<td>Termination of employment</td>
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<td>b.</td>
<td>Receiving or requesting commissions or other unauthorized compensation, in relation to any transaction or business of the Institution.</td>
<td>Termination of employment</td>
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<td>c.</td>
<td>Requesting or accepting gifts, concessions or compensation from customers, suppliers or related persons in violation of the Guideline on Conflicts of Interests Guide and/or the Code of Ethics. Deriving personal benefits from relationships with customers and suppliers.</td>
<td>Final written warning or termination of employment</td>
<td>Termination of employment</td>
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<tr>
<td>d.</td>
<td>Requesting or borrowing money from customers or suppliers in violation of the Guideline on Conflicts of Interest.</td>
<td>Final written warning or termination of employment</td>
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<td>e.</td>
<td>Granting loans while charging interest, in violation of the Guideline on Conflicts of Interest.</td>
<td>Termination of employment</td>
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<tr>
<td>f.</td>
<td>Intervening, participating, carrying out, recommending or indirectly inducing the approval, rejection or concession of loans or banking services for oneself, a family member or people close to us.*</td>
<td>Final written warning or termination of employment</td>
<td>Termination of employment</td>
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<tr>
<td>g.</td>
<td>Intervening, participating, carrying out, recommending or directly inducing the approval, rejection or concession of loans or banking services for oneself, a family member or people close to us.*</td>
<td>Termination of employment</td>
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* As an exception, Popular Securities’ Financial Consultants may handle their own transactions and/or accounts, subject to specific disclosure and approval rules. Transactions involving the spouse, relatives or those in a close relationship with an employee from Popular Securities, Popular Insurance or Popular Risk Services may be handled by such employee subject to specific disclosure and approval rules. Employees from BPPR’s Wealth Management Division may handle the financial planning of their spouse, relatives or those in a close relationship with them and participate in their joint accounts handled by Popular Securities, Popular Insurance or Popular Risk Services; however, they shall not be assigned to handle the banking relationships of their spouse, relatives or those in a close relationship with them.
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<td>h.</td>
<td>Carrying out personal business during working hours.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>i.</td>
<td>Carrying out activities that identify Popular with political candidates or parties.</td>
<td>Final written warning or termination of employment</td>
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<td>j.</td>
<td>Making or promoting social, recreational, political, religious, civic or sporting activities within the institution’s premises, without the proper authorization.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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# RULES OF CONDUCT

## Rule Examples of deviations from the rule

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<td>13. Act with integrity and honesty. Cooperate in any investigative process. Avoid committing or attempting to commit fraud, embezzlement or other criminal offense against Popular, its companies, customers, suppliers, employees or family members or against any other entity.</td>
<td>a. Using accounts of the Institution to obtain advantage through management of the deposits, withdrawals, payments, reimbursements or any manual or electronic transaction.</td>
<td>Termination of employment</td>
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<td></td>
<td>b. Committing or trying to commit fraud, intentional misuse of funds or other crime against any Popular company, customers, suppliers, employees, family members or any other entity.</td>
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<td>Termination of employment</td>
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<td>c.</td>
<td>Requesting the reimbursement of unofficial and unauthorized expenses.</td>
<td>Final written warning or termination of employment</td>
<td>Termination of employment</td>
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<tr>
<td>d.</td>
<td>Taking money or assets, physically or electronically, which belong to the Institution, customers, suppliers or others, for personal benefit or for the benefit of a third party.</td>
<td>Termination of employment</td>
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<tr>
<td>e.</td>
<td>Failing to cooperate or providing false information in any internal or external intervention or investigative process.</td>
<td>Final written warning or termination of employment</td>
<td>Termination of employment</td>
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<td>f.</td>
<td>Participating in illegal games.</td>
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<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>g.</td>
<td>Excessive gambling even if not prohibited by law.</td>
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<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>h.</td>
<td>Manipulating, falsifying, altering, omitting or providing incorrect information, whether verbally or in writing, with respect to any form or document provided or required by the Institution, in connection with any customer transactions or other information required by the Institution, including reports related to claims and medical evidence, sick leaves, vacation and other leaves, medical plan, disability and other plans, reimbursement request, job application form, teller, payroll reconciliations, employment verification, among others. This also includes, but is not limited to, manipulation or falsification of applications or any</td>
<td>Termination of employment</td>
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<td>other documents or records, opening unauthorized or sham accounts, enrolling customers in services</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Incident</td>
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<td>without their consent, transferring funds between customers’ accounts without their consent, or</td>
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<td>distorting results for personal benefit or for the benefit of other employees in any way for any</td>
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<td></td>
<td>reason.</td>
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<td>i. Promote unwanted or inappropriate products or services for customers to meet sales goals,</td>
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<td>incentives or recognition goals; engage in incentive gaming or any form of manipulation of</td>
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<td>pay-for-performance plans to increase compensation without benefiting the customer, or incur</td>
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<td>in unfair, deceptive or abusive sales practices.</td>
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<td></td>
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<tr>
<td>14.</td>
<td>a. Not keeping the work area clean and organized.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td></td>
<td>b. Not taking care of the work equipment, or that of our co-workers, or other persons or businesses.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td></td>
<td>c. Leaving information or documents exposed to others.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td></td>
<td>d. Eating in the work area without authorization.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td></td>
<td>e. Taking corporate equipment outside the Institution without authorization or leaving it out of sight or unattended. For example, to leave corporate laptops in unattended cars.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>f.</td>
<td>Being negligent in the use, discarding, or exposure of documents, equipment, devices (portable or not), or other tools that contain proprietary and confidential information related to Popular’s suppliers, customers, employees, transactions or businesses.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>g.</td>
<td>Using equipment, motor vehicles and other Popular property for purposes other than those for which it was designated and authorized.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>h.</td>
<td>Operating corporate vehicles negligently and not obeying traffic laws.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>i.</td>
<td>Using the corporate credit card for personal purposes in violation of the “corporate cards section of the personnel expenses procedures”.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td>15. Comply with the Corporate Policies and Guidelines, Code of Ethics, and other procedures and instructions established by the Institution.</td>
<td>a. Violating any of the Corporate Policies and Guidelines, Code of Ethics, and other procedures and instructions established by the Institution.</td>
<td>The disciplinary action will depend on the seriousness of the violation.</td>
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<td></td>
<td>b. Engaging in any violation to the policy or procedures related to Anti-Money Laundering and Counter Terrorism Financing Program, as detailed in the BSL/AML &amp; OFAC Disciplinary Guideline.</td>
<td>Disciplinary actions are detailed in the BSA/AML &amp; OFAC Disciplinary Guide available in SED. This guide does not include all the possible situations that may represent a deviation or fault. Therefore, all BSA breaches shall be evaluated, and corrective measures shall be applied, based on the severity of each situation.</td>
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<td>c. Engage in any action that exposes Popular to a real or potential cyber security threat by as, for example, clicking links or opening attachments on real phishing emails, providing information requested on real phishing emails, accessing malicious websites, among others.</td>
<td>The disciplinary action will depend, among other criteria, on the nature and seriousness of the offense, the circumstances under which the infraction was committed, the duties and responsibilities of the employee and its impact on Popular.</td>
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<td>16. Comply with the text, spirit and legislative intent of each of the laws and regulations that apply to Popular and to each employee, as a member of the community.</td>
<td>a. Not complying with any law, regulation or order of a federal, state or local government, its agencies or courts, including, but not limited to, a conviction for any felony or misdemeanor.</td>
<td>The disciplinary action will depend, among other criteria, on the nature and seriousness of the offense, the circumstances under which the infraction was committed, the duties and responsibilities of the employee and its impact on Popular.</td>
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<td>17. Not engage in any act that may have the effect of interrupting the good and normal functioning of the Institution, or which may be contrary to Popular’s Corporate Values, even if such action is not specifically prohibited in this handbook.</td>
<td>a. Engaging in any act that may have the effect of interrupting the good and normal functioning of the Institution, even when such action is not contemplated specifically in this handbook as an offense.</td>
<td>The disciplinary action will depend on the seriousness of the violation</td>
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Dress Code

While performing their duties, our employees must wear an attire that reflects the professionalism for which Popular is distinguished and be consistent with the expectations of the customers they serve and the duties they perform. It is expected for all our employees to use a good judgement for their proper grooming and attire.

Ordinarily, our employees must use office attire when:

- attending to activities in which they represent Popular, unless a different attire is required or suggested;
- visiting, as part of their duties, other companies, institutions or suppliers that use office attire.

Generally, office attire refers to the use of items, such as pant, skirt or business suit; jacket, long sleeve shirt or blouse; tie, appropriate footwear and simple accessories, and have the hair clean and groomed.

By other side, employees may use business casual attire, considering their customers’ expectations and if it is authorized by their Division Manager.

The following will be considered acceptable business casual attire:

- long or short sleeve shirt or blouse
- polo shirt (without any printed message or advertising, except for Popular’s products and services)
- dress slacks or Dockers-type pants
- skirt or dress
- casual jacket or blazer
- tie is not required
- moccasin-type shoes, tennis or other appropriate footwear

Jeans and tennis are only allowed on Fridays, ordinarily, or as authorized by management.

In addition, employees must consider the following:

- keep in mind their work agenda; it is important to maintain a registry of the meetings they are scheduled to attend, who will be participating and where the meeting will be held
- for unexpected meetings, they should consider having spare clothing available, inasmuch as they will not be excused nor be accorded additional time to change their attire
- be aware of events in the institutional calendar that require a specific attire, for example, Popular’s anniversary
- the employees who work in units that require the use of uniforms must comply with the corporate dress code applicable to them.
RULES OF CONDUCT

The following attire will be unacceptable:

**Pants**
- Knee high, bermudas or shorts
- Tights or leggings
- Jumper suit
- Faded, ragged or tight fitting

**Skirt / Dress**
- Long skirt with high slit on the front, side or back
- Tight fitting or too short (above an inch from the knee)
- Jean skirt of any color (except, ordinarily, on Fridays or as authorized by management)

**Shirts**
- T-shirt
- Tank-tops or with spaghetti straps
- Short, transparent or tight
- With pronounced necklines

**Shoes**
- Loose sandals or flip flops

**Accessories**
- Excessive rings, bracelets or necklaces

**Hair**
- Uncombed or non-professional hairstyle
- Dyed in bright colors

**Tattoos and Body Piercing**
- Offensive, excessive or in face, neck, lips, tongue, eyebrows or nose

**Compliance**

Employees are responsible for complying with the Dress Code, and managers and supervisors for administering the same. Managers and supervisors have the authority to take corrective or disciplinary actions against any employee who fails to comply with the specifications described above. If the supervisor determines that an employee's attire is not acceptable, the employee will be asked to go and change, and return properly dressed. The time spent changing clothes will not be considered working time and may be deducted, as applicable, from the employee's salary. All incidents will be registered, and applicable Rules of Conduct will be applied.
OTHER EMPLOYMENT RELATED MATTERS
Requests for reasonable accommodation

Popular is committed to ensuring that its employees and applicants with disabilities enjoy an environment of equal opportunities to perform their duties and achieve their goals. This commitment includes the efficient and responsible management of requests for reasonable accommodation.

Employees of any of Popular company in Puerto Rico and Virgin Islands who are interested in requesting a reasonable accommodation due to a health condition that substantially limits any major life activity, should notify their interest in writing or verbally directly to Our People Division. Also, they may address their request to their supervisor, manager or to the Our People Office, in which case, the officer who receives the request will immediately refer the same to the Our People Division. Our People Division will promptly commence an interactive process which, ordinarily, will require employees to provide specific medical evidence regarding their health condition. Employees will be responsible for cooperating during this process by providing the required information and documents without delay. If Popular has doubts regarding the employee's health condition, it may require, at the Corporation's expense, a second medical opinion. If further doubts persist after the second opinion, Popular may require, at its expense, a third medical opinion that will be considered final and binding. Once Popular makes a decision regarding the request for reasonable accommodation, it will notify the same to the employee. All the information and documents received by Popular as part of the interactive process will be treated as confidential and its access will be restricted to the designated personnel from the Our People Division, and to management or supervisory personnel, whose access to such information is essential to implement the accommodation.

During the process of handling requests for reasonable accommodation, Popular does not have the obligation to grant the specific accommodation requested by the employee, eliminate essential duties of the employee's current position, lower the production and/or performance standards, create a new position to relocate the employee, replace or bump an employee from his/her position to relocate another employee, or relocate an employee in another position if he/she does not qualify for the same and/or a vacant position does not exist. Popular’s obligation and commitment consists of taking the necessary actions to provide a reasonable and effective accommodation, according to the employee’s health condition, if and when the accommodation does not result in an undue burden for Popular.

Popular prohibits all forms of retaliation against employees who request or obtain a reasonable accommodation.

Requests for religious accommodation

In Popular, requests for accommodation by employees or applicants for employment to participate in services or religious practices will be handled through the Our People Division.
Any religious arrangement granted may be re-evaluated from time to time and it should not be understood that a particular arrangement is final. Popular may make modifications to the religious arrangement granted according to the needs of both the business and the employee or applicant for employment. Popular may also leave without effect a religious arrangement granted if at any time it becomes an undue hardship. In addition, Popular may deny the request for accommodation if the same or alternative accommodation would result in undue hardship.

For more information, refer to the Religious Accommodation Guide, available on ZAPortal/ESS.

Flexible work arrangements

In Popular we want to promote a work environment in which there is a reasonable balance between professional and personal life. To attain this, we have several flexible work arrangements alternatives available. This type of arrangements provides our employees the opportunity of complying efficiently with the business goals and managing their personal needs. For more information, refer to the Flexible Work Arrangements Guide, available on ZAPortal/ESS.

Criminal offenses

Employees accused or convicted for any criminal offense must notify the Our People Division within three days of being accused or convicted. Failure to comply with this notification requirement may result in termination of employment.

An employee accused of committing a felony, or a misdemeanor involving moral turpitude or dishonesty, within or outside of Popular’s facilities or his/her work area, during or after working hours, may be suspended from employment without pay until: (a) the criminal case is resolved, and/or (b) Popular concludes its internal investigation in those cases in which the criminal offense has been committed within or against Popular property or at the workplace, when it relates to or has an impact on the employee’s duties at Popular, or affects the security or safety at Popular, the Company’s image or Popular’s monetary interests.

Notwithstanding, Popular reserves the right to terminate the employment of any employee if (a) he/she is convicted, (b) he/she reaches a plea bargain or a plea of nolo contendere for any criminal offense or (c) the facts alleged, or the results of any investigation, show that the acts occurred in the workplace or are related to, or have an impact on, his/her duties as a Popular employee, or affect the security or safety at Popular, the Company’s image or Popular’s monetary interests, or that the employee failed in his/duties with respect to, or in relation to, Popular’s property. The determination of employment termination will depend on the totality of the circumstances, including whether the criminal offense involved moral turpitude or dishonesty, if it was committed within or against Popular property or at the workplace, whether it relates to or has any impact on the employee’s duties at Popular, whether it affects the security or safety at Popular, the Company’s image or Popular’s monetary interests, and whether the length or type of judgment imposed allows the employee to be available for work. If an employee is not terminated
from employment after being accused or convicted, Popular reserves the right to transfer him/her to another position, depending on the circumstances of each case.

**Domestic violence and stalking in the job**

Popular will take the necessary measures to maintain a safe environment for its employees, customers and visitors, and to prevent domestic violence and stalking situations within work areas, facilities and surroundings, during and after business hours or in activities sponsored by the company. Popular will not tolerate and most energetically condemns any act of domestic violence or stalking against women or men.

No domestic violence act or stalking will be tolerated as this constitutes a criminal act of aggression against the employee and for infringing against the integrity, physical and mental health, self-esteem and morale of the victim. Popular will not accept that any of its employees who is a victim of domestic violence, stalking and/or sexual aggression, be discriminated in the workplace.

In addition, Popular will provide a special unpaid leave of up to fifteen (15) days a year, so employees may handle matters related to their relatives’, or their own, situations of domestic violence or stalking. Employees may also request flexible work conditions or a reasonable accommodation to handle such situations.

We urge all employees to communicate to their supervisor any related issue that could adversely impact the work environment. For additional information about this topic, please refer to the Domestic Violence and Stalking in the Job Protocol available on ZAPortal/ESS.

**Personnel file**

The personnel file of each employee is kept in the Our People Division and is considered property of Popular. No employee may request to see or copy any personnel file, except as required by law.

**Salary Statements**

Employees may have access to their salary statements through ZAPortal/ESS by selecting the Salary Statement link in the section entitled My Compensation.

**Notice of resignation**

When an employee decides to resign from his or her position with Popular, the effective date of the resignation must be notified to the supervisor.

However, Popular reserves the right, in accordance with the business needs of each unit, to designate an effective date prior to the one informed by the employee.
**OTHER EMPLOYMENT RELATED MATTERS**

**Dismissal letters**

Present legislation does not require termination letters. Therefore, dismissals are done verbally. If employees request evidence of the termination, they should be offered an employment certification. For this purpose, the employee must contact the Our People Service Center.

**Personal references and letters of recommendation**

Employees are not authorized to offer references or letters of recommendation regarding active or inactive employees on behalf of Popular. Other employers who request information about a current or former employee, should be immediately referred to the Our People Division.

The Our People Division will only provide an employment certification.

For active employees interested in obtaining an employment certification, they must access ZAPortal/ESS to request the same.

**Apprenticeship or thesis at Popular**

Every request will be evaluated and answered by the Our People Division. You must make the request through your supervisor or manager.

**Employment of relatives**

Popular hires employees that have family ties to current Popular employees. However, relatives should not work under the same supervisor. Also, an employee cannot be supervised by a family member. We should avoid that a relative could have any level of authority or decision power over other relatives, as well as any other relationship or contact that could lead to a conflict of interest.

**Romantic relationships**

When two employees maintain a welcome romantic relationship in the workplace and work in the same area reporting to the same supervisor or hold positions in which their close relationship may result in a real or potential conflict of interest, one of them must be transferred. Supervisors must hold individual meetings with each employee to evaluate which of the two employees should be transferred. In addition, any such matter shall be promptly notified to the Our People Division, in order to handle the same.

**Legal issues**

Any court order, summons, claim, complaint, motion, subpoena to appear before an administrative or judicial forum must be sent to the Legal Division of the employee’s Popular company. Any garnishment of an employee’s salary must be sent to the Payroll area of the Our People Division. The supervisor should notify about this matter immediately to the Our People Division.
Visitors

Popular is focused on serving our customers in an efficient and professional manner. Therefore, during working hours, we must restrict the presence of visitors and family members in the work area. With the exception of previously scheduled authorized activities or meetings, our working time may not be interrupted with social events.

We must take every precaution to protect Popular’s facilities and systems. We may not grant access to unidentified or unaccompanied visitors in private and sensitive areas. In addition, visitors shall not be allowed in the security areas of the Bank (i.e. teller areas, security rooms, etc.). Nor shall visitors be permitted to use the employee lounges.

In the occasions in which a family member or related person is authorized to visit our facilities, the employee will be responsible that the behavior, actions and attire of said visitor comply with Popular’s rules.

Use of likeness

Employees acknowledge that during and after termination of their employment with Popular, the Company may use, edit, copy, distribute or publish, for legitimate business purposes, any image, photograph, picture, video recording and/or audio of them taken or recorded by Popular or that the employee provides during, and/or as part of, his/her employment in Popular, in any internal and/or external communications media or platform, such as, but not limited to, its portals, television programs, digital media, advertisements, sales or marketing brochures, books, magazines, other publications, and all other printed and electronic forms and media around the world and that, when doing so, Popular may include the employee’s name and/or biographical information.

The photos, images, video recordings and/or audio of the employees that are taken by Popular or that are provided by the employees during, and/or as part of, their employment in Popular will become the property of Popular. Also, Popular reserves the right to, subject to its discretion, inspect or approve the finished and/or final product in which the photo, image, video recording and/or audio of our employees appears. Employees will not be eligible to receive royalties or other form of compensation arising out of or related to the use of the above mentioned photos, images, video recordings or audio.

Employees may contact the Our People Division, Labor Consulting Department, to clarify any doubts or concerns about this topic through asesorialaboral@popular.com.
Recordings

Given the nature of our operations as a financial institution, as well as Popular’s need to protect certain sensitive information (including customer and employee-related information), employees may not use, without all participants’ express consent, any kind of electronic, digital or video mechanism to record or preserve telephone or non-telephone conversations, held in or outside the workplace, in which matters related to Popular are discussed. The prohibition to record conversations includes, but is not limited to, recording disciplinary procedures, discussion of performance evaluations, internal or external investigations, presentations, meetings, training and conferences. Popular does not, however, intend for this rule to apply to employees engaging in activities otherwise protected by law. A violation of this rule may lead to disciplinary actions, up to and including termination of employment.