

**POPULAR, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

**I. Introduction**

The Board of Directors (the “Board”) of Popular, Inc. (“Popular”), acting on the recommendation of its Corporate Governance and Nominating Committee, has developed and adopted this set of corporate governance guidelines (the “Guidelines”) to promote the functioning of the Board and its committees, to protect and enhance shareholder value and to set forth a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions. These Guidelines are designed with Popular’s current business operations, ownership, capital structure and economic conditions in mind and will continue to evolve with changing circumstances. The Board will review annually these Guidelines.

**II. Roles of Board and Management**

The roles of the Board and management are related, but distinct. Management proposes Popular’s strategy to the Board for approval. Management also implements Popular’s strategy in the day-to-day operation of its business, reporting regularly to the Board on significant events, issues and risks that may materially affect Popular’s business or financial performance.

The Board’s function is oversight. The Board oversees, directly or through committees, the performance of Popular’s business and management. The Board reviews and approves Popular’s business strategy and oversees management’s implementation of that strategy.

The Board and each committee of the Board have complete access to management. In addition, the Board and each committee has access to independent advisors as each deems necessary or appropriate.

**III. Board Composition**

The composition of the Board should balance the following goals:

- The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully;
- The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, viewpoints, background, experience and other demographics relevant to Popular’s business;
- At least two-thirds of the Board will consist of directors who the Board has determined have no material relationship with Popular and who are otherwise “independent” under the rules of The Nasdaq Stock Market (“NASDAQ”).



If a director who is deemed to be “independent” dies, resigns, or is removed from office, the Board shall, within 90 days of the occurrence of any such event, appoint another director meeting the independence requirements of this Article III. If the Board is unable to appoint an independent director during such period, it shall take measures to ensure that all matters subject to a vote of the directors are decided by a majority of independent directors.

#### **IV. Selection of Chairman of the Board, Chief Executive Officer and Lead Director**

The Board should be free to select its Chairman and Popular’s Chief Executive Officer (“CEO”) in the manner it considers in the best interests of Popular at any given point in time. Therefore, the Board does not have a policy on whether the roles of Chairman and CEO should be separate or combined and, if they are to be separate, whether the Chairman should be selected from the non-executive directors or be an employee.

When the Chairman is not an independent director, a Lead Director will be elected annually by the majority of the independent members of the Board. The Lead Director shall be an independent director. The Lead Director shall have the following responsibilities, together with such others as the Board might specify from time to time:

- preside over meetings of the Board at which the Chairman is not present;
- preside over executive sessions of the independent directors;
- act as the liaison between the independent directors and the Chairman;
- call meetings of independent directors;
- assist the other independent directors by ensuring that independent directors have adequate opportunities to meet in executive sessions and communicate to the Chairman, as appropriate, the results of such sessions and other private discussions among outside directors;
- assist the Chairman and the remainder of the Board in assuring effective corporate governance in managing the affairs of the Board;
- serve as the contact person to facilitate communications requested by major shareholders with independent members of the Board;
- approve in collaboration with the Chairman meeting agendas and information sent to the Board;
- approve in collaboration with the Chairman meeting schedules to assure that there is sufficient time for discussion of all agenda items;



- serve temporarily as Chairman of the Board and the Board's spokesperson if the Chairman is unable to act;
- interview Board candidates;
- recommend to the Corporate Governance and Nominating Committee nominees to Board committees and sub-committees as may come to the Lead Director's attention;
- ensure that the Board works as a cohesive team;
- if requested by major shareholders, be available for consultation and direct communication;
- make such recommendations to the Board as the Lead Director shall deem appropriate for the retention of consultants who will report to the Board; and
- retain consultants, with the approval of the Board, as the Lead Director and the Board deem appropriate.

The Lead Director shall have the authority to retain, and approve the fees and expenses of, outside counsel as he or she may deem necessary or appropriate to carry out his or her responsibilities.

## V. Selection of Directors

**A. Nominations.** The Board is responsible for selecting the nominees for election to Popular's Board of Directors by the shareholders. Popular's Corporate Governance and Nominating Committee is responsible for recommending to the Board a slate of directors or one or more nominees to fill vacancies occurring between annual meetings of shareholders.

**B. Criteria.** The Board should, based on the recommendations of the Corporate Governance and Nominating Committee, select new nominees for the position of independent director considering the following criteria:

- Personal qualities and characteristics, accomplishments and reputation in the business community;
- Current knowledge and contacts in the communities in which Popular does business and in Popular's industry or other industries relevant to Popular's business;
- Ability and willingness to commit adequate time to Board and committee matters;
- The fit of the individual's skills, expertise and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of Popular; and



- Diversity of knowledge, viewpoints, background, experience and other demographics relevant to Popular’s business.

**C. Invitation.** The invitation to join the Board should be extended by the Board via the Chairman of the Board of Popular, together with the Lead Director or an independent director, when deemed appropriate.

**D. Onboarding and Continuing Education.** Management, working with the Board, will provide an onboarding and orientation process for new directors, including background materials on Popular, its business plan and its risk profile, and meetings with Board leadership and senior management, as well as supplemental training materials, as appropriate. In coordination with the Corporate Governance and Nominating Committee, management will also develop an ongoing continuing education program for all directors on matters relevant to Popular, its business plan and risk profile and shall make available to Directors additional training-related resources, events and opportunities. Directors are further encouraged to participate in at least one director-related continuing education session each year sponsored by an industry organization or a recognized corporate governance organization and contained on a list of providers and/or educational session or events provided to the Board by the Office of the Corporate Secretary. The Office of the Corporate Secretary shall assist the directors in coordinating continuing education resources and keep records of trainings provided to or taken by Board members.

## VI. Voting for Directors

In accordance with Popular’s By-laws, unless the number of nominees exceeds the number of directors to be elected (in which case the director nominees will be elected by plurality of the votes cast), a nominee must receive a majority of the votes cast for his or her re-election in order to be elected or re-elected to the Board. A director will offer to tender his or her resignation if he or she fails to receive the required number of votes for re-election.

The Corporate Governance and Nominating Committee will make a recommendation to the Board on whether to accept or reject the director’s offer to tender his or her resignation, or whether other action should be taken. The Corporate Governance and Nominating Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director’s resignation. The Board will act on the Committee’s recommendation and publicly disclose its decision within 90 days from the date of the certification of the election results.

Any incumbent director who offers to tender his or her resignation will not participate in the Committee’s or the Board’s recommendation or decision, or any deliberations related thereto.

Any incumbent director who has offered to tender his or her resignation shall promptly tender such resignation upon the Board’s acceptance of such offer. If a director’s offer to tender his or her resignation is accepted by the Board, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy or may decrease the size of the Board pursuant to Article Seventh of Popular’s Restated Certificate of Incorporation. If the resignation is not accepted, the director shall continue to serve until the next



annual meeting of shareholders and until the director's successor is elected and qualified, or until the earlier of the director's death, resignation or removal. The Board shall nominate a successor for such director at the next annual meeting of shareholders.

## **VII. Election Term**

The Board does not believe it should establish term limits.

## **VIII. Retirement of Directors**

Directors may serve on the Board until the end of their term following their 74<sup>th</sup> birthday and may not be initially elected or re-elected after reaching age 74.

## **IX. Board Meetings**

The Board will hold at least eight meetings a year with further meetings to occur (or action to be taken by unanimous written consent) at the discretion of the Chairman or the Lead Director.

The agenda for each Board meeting will be distributed by the Office of the Corporate Secretary. Any director is free to offer agenda items for consideration by the Board. Management will seek to provide to all directors an agenda and appropriate materials approximately one week in advance of meetings, although the Board recognizes that this timing will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be practicable.

Materials presented to the Board or its committees should be as concise as possible, while still providing the desired information needed for the directors to make an informed judgment. As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. As the need arises, presentations may be made orally at meetings.

## **X. Executive Sessions**

To ensure free and open discussion and communication among non-management directors, the non-management directors will meet in executive sessions once every regularly scheduled in-person Board meeting. In at least one executive session of the non-management directors, the Board will assess the process and effectiveness of the Board (including opportunities for continuing education and orientation of new directors) and consider any other matters that the directors request. Independent directors will also meet in executive session as frequently as determined by the independent directors, but no less than twice a year, in conjunction with regularly scheduled Board meetings. The Lead Director, or in his or her absence, an independent director designated by the independent directors, will preside at each executive session of independent directors.



## XI. The Committees of the Board

Popular will have at least the following committees: Audit Committee, Risk Management Committee, Talent and Compensation Committee, Technology Committee and the Corporate Governance and Nominating Committee. Each of the Audit, Talent and Compensation and Corporate Governance and Nominating Committees must have a written charter in accordance with the rules of NASDAQ.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of the chair's committee or to request that an item from a committee agenda be considered by the Board. The chair of each committee will give a periodic report of the committee's activities to the Board.

The Board, upon the recommendation of the Corporate Governance and Nominating Committee, appoints committee members. Each of the Corporate Governance and Nominating Committee, the Audit Committee and the Talent and Compensation Committee will be composed of at least three directors who the Board has determined have no material relationship with Popular and who are otherwise "independent" under the rules of NASDAQ, applicable law and SEC rules. Audit Committee members must satisfy the additional eligibility requirements of SEC Rule 10A-3, and Talent and Compensation Committee members must satisfy the additional eligibility requirements imposed by NASDAQ rules. The required qualifications for the members of each committee are specified in the committee's charter. A director may serve on more than one committee for which the director qualifies.

## XII. Board Responsibilities

**A. Strategy.** The Board reviews and approves management's proposed strategy for Popular and monitors implementation of Popular's strategic plans on an ongoing basis. At least once a year, the Board conducts a strategic planning session with management. The process includes consideration of organizational needs, competitive challenges, the potential of key managers, planning for future development and emergency situations.

**B. Operating Plans and Budgets.** The Board oversees Popular's annual operating plans, reviews the annual budgets presented by management and monitors the implementation of the annual plans.

**C. Self-evaluation.** The Board evaluates its own performance annually, as described below under "Evaluating Board Performance," based on the report and recommendations of its Corporate Governance and Nominating Committee. In connection with this evaluation, the Board should actively seek means of improving its performance. As part of that process each committee should also evaluate its performance annually.

**D. Management Succession.** At least annually, the Board, acting through the Talent and Compensation Committee, will review and concur in a management succession plan, developed by the CEO, to ensure that future selections are appropriately considered. The principal



components of this plan, which the CEO will report at least annually to the Board, are (1) a proposed plan for emergency CEO succession, (2) a proposed plan for CEO succession in the ordinary course of business and (3) the CEO's plan for management succession for the other policy-making officers of Popular. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible candidates within the senior management team.

**E. Evaluating and Approving Salary for the CEO.** The Board, acting through the Talent and Compensation Committee, evaluates the performance of the CEO and Popular against Popular's strategic and financial goals, and approves the compensation level of the CEO.

**F. Evaluating and Approving the Compensation of Management.** The Board, acting through the Talent and Compensation Committee, evaluates and approves the proposals of the CEO for overall compensation policies applicable to executive officers.

**G. Board Compensation.** The Board will conduct a review at least once every two years of the components and amount of Board compensation in relation to other similarly situated companies. As part of a director's total compensation and to create a direct linkage with corporate performance, the Board believes that a meaningful portion of a director's compensation should be provided and held in equity-based compensation. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

**H. Reviewing and Approving Significant Transactions.** Board approval of a particular transaction may be appropriate because of several factors as detailed in the "Delegation of Authority" Resolution adopted by the Board in December 2005, as amended by the Board from time to time and the Acquisitions, Corporate Investments and Divestitures Policy.

Whenever Board approval is not required, the CEO will review and approve those transactions or, where appropriate, delegate the review and approval of those transactions that implement Popular's strategic plan in the day-to-day operation of its business, reporting regularly to the Board or its committees on significant events, issues and risks that may materially affect Popular's financial performance or risk profile.

### **XIII. Expectations of Directors**

The business and affairs of Popular are managed by or under the direction of the Board in accordance with all applicable laws. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of all shareholders of Popular. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

**A. Commitment and Attendance.** The SEC requires disclosure of the failure of any director to attend 75% of the meetings of the Board and the committees on which the director serves. All directors should make every effort to attend meetings of the Board and meetings of



committees of which they are members. Members may occasionally attend by telephone or videoconference to mitigate unavoidable scheduling conflicts.

**B. Participation in Meetings.** Each director should be sufficiently familiar with the business of Popular, including its financial statements, capital structure, risks and the competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which the director serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of Popular’s business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented. Directors are entitled to rely on the work of management and professional advisors as discussed below under “Reliance on Management and Outside Advice.”

**C. Loyalty and Ethics.** In their roles as directors, all directors owe their primary duty of loyalty to Popular and its shareholders. This duty of loyalty mandates that the best interests of Popular take precedence over any interests possessed by a director. To prevent inadvertent conflicts of interest or even the appearance of a conflict of interest, directors should disclose all other business relationships with Popular and should excuse themselves from discussions and decisions affecting those relationships.

Popular intends to conduct its business in accordance with the highest legal and ethical standards and has adopted a Code of Ethics (the “Code”). Certain portions of the Code deal with activities of directors, particularly with respect to transactions in the securities of Popular and potential conflicts of interest. Directors should be familiar with the Code and should consult with Popular’s Chief Legal Officer in the event of any issues. All directors annually certify to their review of the Code.

**D. Changes in Responsibility.** Directors whose employment or other outside responsibilities change substantially from those held when they were elected to the Board should inform the Board, providing an opportunity to consider the desirability of their continued service on the Board.

**E. Other Directorships and Audit Committee Memberships.** Popular values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director’s time and availability and may present conflicts or legal issues. The number of other for-profit public and non-public company boards on which a director may serve shall be subject to a case-by-case review by the Corporate Governance and Nominating Committee, in order to ensure that each director is able to devote sufficient time to perform his or her duties as a director. In any case, directors who also serve as CEOs or executive officers of a public company should not serve on more than one public company board in addition to Popular’s Board, and other directors should not serve on more than four public company boards, including Popular’s Board. Directors shall provide prior notice to the Board, and consult with the Chairman of the Board and Lead Director, prior to joining any for-profit public and non-public company boards and to seek Corporate Governance and Nominating Committee approval prior to joining the Board of any public company.



If a member of the Audit Committee wishes to serve on the audit committees of more than a total of three public companies, including Popular's Audit Committee, the director must seek Board approval prior to accepting the additional service.

**F. Director Interlocks.**

- Directors may not serve as a director, senior executive officer or other management official (as defined in 12 C.F.R. §§ 212.2 and 348.2) (“Management Official”) of (i) an unaffiliated depository institution chartered under the laws of the United States and having a principal office located in the United States (including a branch or agency of a foreign commercial bank) or (ii) an unaffiliated bank holding company having its principal office located in the United States (collectively, a “Depository Organization”), with total assets exceeding \$10 billion (or any affiliate of such Depository Organization).
- Directors may not serve as a Management Official of an unaffiliated Depository Organization that has offices (including principal or branch offices) in the same community (including a city, town or village or contiguous or adjacent cities, towns or villages), as Popular.
- Directors may not serve as a Management Official of an unaffiliated Depository Organization that has offices (including principal or branch offices) in the same relevant metropolitan statistical area (RMSA) as Popular and has total assets of \$50 million or more.

If a director wishes to serve as a Management Official of an unaffiliated Depository Organization, when permitted as stated above, the director must notify the Chief Legal Officer and seek the approval from the Board of Directors before accepting such position.

**G. Contact with Management.** All directors are invited to contact the CEO at any time to discuss any aspect of Popular's business. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

Further, the Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

**H. Contact with Other Constituencies.** It is important that Popular speak to constituencies other than management and the Board with a single voice, and that management serve as the primary spokesperson. If a situation arises in which it seems necessary for an individual director to make or participate in communications to one of these constituencies, the director should consult with the CEO.



**I. Confidentiality.** The proceedings and deliberations of the Board and its committees are strictly confidential. Each director has a fiduciary obligation to maintain the confidentiality of all information received in connection with his or her service as a director, except where the disclosure is authorized or required by law.

**J. Contact About Strategic Transactions.** It is important for Popular to have the opportunity to evaluate and communicate in an orderly way with respect to any potential strategic transaction. Therefore, any director who is approached by a third party about such a transaction should refrain from discussing it and refer the contact promptly to the CEO.

#### **XIV. Evaluating Board Performance.**

The Board, acting through the Corporate Governance and Nominating Committee, should conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Corporate Governance and Nominating Committee should periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively. In addition, the Corporate Governance and Nominating Committee shall retain, at least every three years, an independent consultant to facilitate the Board's performance evaluation.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board.

#### **XV. Reliance on Management and Outside Advice.**

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board has the authority to retain and approve the fees and retention terms of its outside advisors.

#### **XVI. Related Party Transactions.**

Annually, each director and executive officer shall submit to Popular the name and employment affiliation of his or her immediate family members and the name of any related person's firm with which any of them are affiliated. Directors and executive officers shall notify Popular promptly of any changes to this information. Each director and executive officer shall also identify any transaction that they, their immediate family members or their related person firms are or will be involved in.

The Audit Committee shall take such action with respect to any related person transaction as it deems necessary and appropriate under the circumstances, including approval, disapproval, ratification, cancellation, or a recommendation to management in accordance with the Policy on Related Party Transactions.

#### **XVII. Compensation Recoupment**



In accordance with regulatory requirements and developing best practices, Popular’s Talent and Compensation Committee has adopted a Compensation Recoupment Policy (the “Recoupment Policy”) that became effective on October 2, 2023 to provide for the recovery or “clawback” of erroneously awarded incentive-based compensation earned by current or former executive officers in the event of a required accounting restatement in Popular’s financial statements. The Recoupment Policy also provides for the recovery or “clawback” of any annual or long-term cash, equity or equity-based incentive or bonus compensation paid to certain employees, including executive officers, in the event of an act or omission by such employee that constitutes misconduct, as determined by the Talent and Compensation Committee, in its sole discretion.

### **XVIII. Stock Ownership; Hedging and Pledging of Popular Stock**

Each director not employed by Popular must own common stock of Popular equal to five (5) times his or her annual retainer. Such ownership levels must be achieved within three years of being named or elected as director. If after such three-year period a director’s stock ownership falls below the established ownership level, the director will be required to retain an amount equal to 100% of the net shares of stock received as a result of vesting or payment of any stock awards until the ownership level is achieved. Restricted stock and restricted stock units are considered in the determination of the number of shares owned.

The Corporate Governance and Nominating Committee is charged with monitoring and interpreting directors’ compliance with Popular’s stock ownership requirements.

Certain hedging and monetization transactions using Popular’s securities by directors and executive officers are prohibited under Popular’s Insider Trading Policy. These transactions, such as zero-cost collars, equity swaps, and forward sale contracts, are considered speculative as they allow a shareholder to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. This allows the holder to continue to own the underlying securities without the full rewards and risks of ownership. When that occurs, the owner may no longer have the same objectives as Popular’s other shareholders.

In addition, pledging of company stock, including restricted stock and restricted stock units, by directors and executive officers is also prohibited under these Corporate Governance Guidelines. This prohibition includes securities pledged as collateral for margin accounts as well as securities pledged as collateral for a loan.

### **XIX. Business Conduct and Ethics**

Directors are expected to act in compliance with these Guidelines, applicable laws and regulations, and Popular’s Code of Ethics.

