

INVEST PUERTO RICO INC.

BY-LAWS

ARTICLE 1: Name and Background

Section 1.1 - Name

The name of the corporation is **Invest Puerto Rico Inc.** (hereinafter, the "CORPORATION") as listed in the Registry of Corporations of the Department of State of Puerto Rico, under number 399571.

Section 1.2 - Objectives

The CORPORATION's principal objective will be to promote Puerto Rico as an ideal place to conduct business and its primary task is attracting new investors capable of injecting new capital to the Puerto Rican economy, pursuant to the provisions of Act 13-2017, known as "Enterprise Puerto Rico" (hereinafter, Act 13-2017), as it may be amended from time to time.

Section 1.3 - Obligations

The CORPORATION shall have the following duties, obligations, powers and functions, without this being construed as a limitation to its other general corporate powers:

- (1) Promote Puerto Rico as a pro-business jurisdiction encouraging new foreign investments, including the development of export strategies for goods and services.
- (2) Identify and capitalize on international and interstate commerce opportunities.
- (3) Attract capital investments targeting New Businesses, as defined in the articles of Act 13-2017, in order to generate economic development and job creation.
- (4) Provide a services portfolio to businesses that create jobs in Puerto Rico from the moment they arrive in the jurisdiction up until the onset of their operations.
- (5) Serve as a liaison so that New Businesses that are bringing in foreign investments acquire goods and services from the local business sector. The aim is two-fold: develop both components to the fullest and revitalize the economy of Puerto Rico.
- (6) Formulate a Strategic Plan of action that contemplates a short/medium/long term timeframe to attract new investment for Puerto Rico.
- (7) Develop a marketing strategy in conjunction with any other promotional effort that the Government sets in place to attract New Businesses to Puerto Rico.
- (8) Acquire, make use of, or transfer intellectual property rights, trademarks, and any licenses, royalties and other rights or interests thereof.
- (9) Serve as a liaison and coordinate efforts with other non-profit organizations committed to the economic development of Puerto Rico.

- (10) Create different programs to implement the purposes of the CORPORATION, including without limitation, a Business Management Program to train legal and natural persons pursuing the establishment of New Business operations in Puerto Rico.
- (11) Prepare and adopt a Conflict of Interest Policy for the CORPORATION.
- (12) Prepare and adopt a Code of Business Ethics for the CORPORATION and designate independent ethics committee.
- (13) Designate advisory committees that the Board of Directors deems necessary to provide advice in any matter that the Board of Directors deems appropriate.
- (14) Conduct research and collaborate with governmental entities tasked with the development and collection of statistical data that is fundamental to an efficient and effective discharge of responsibilities, objectives and purposes. To that effect, the CORPORATION will share all statistical data pertaining to investments, whether obtained or generated, along with any research findings it conducts or receives with the following: the Department of Economic Development and Commerce of Puerto Rico ("DEPARTMENT"), the Governor and the Legislative Assembly.
- (15) Receive donations, create and implement a development strategy for a sponsorship program that allows the CORPORATION to obtain private funds.
- (16) Prepare an annual operating budget for the CORPORATION, to be approved by the Board of Directors, and forward a copy of said budget to the Secretary of Economic Development and Commerce.
 - a. Proposed uses of public funds allocated.
 - b. A plan to secure economic support of the private sector.
- (17) Prepare a complete and detailed report for the Governor of Puerto Rico, its Board of Directors, and the Legislative Assembly, through both legislative bodies, before December 1st of each year, which shall include:
 - a. A description of the operations and achievements of the CORPORATION and an identification of the most important trends, initiatives or developments that impact the performance of any program or activity
 - b. A progress evaluation aimed at achieving organizational goals and specific performance outcomes in the short, medium and long term.
 - c. Methods to implement and finance the operations of the CORPORATION and its divisions, including private sector support as required by Article 13 of Act 13-2017.
 - d. A description of the operations and achievements of the CORPORATION and its divisions, with respect to promotion of economic opportunities in Puerto Rico.
 - e. An annual audit of the finances and compliance/due diligence carried out by a certified, independent public accountant with regards to the accounts and bookkeeping of the entity, at the closing of the fiscal year of the Government of Puerto Rico. This audit will be conducted at the end of the most recent fiscal year and will be conducted in accordance with generally accepted accounting principles and rules. The Board of Directors will be responsible for the publication of this report through the Internet on the date of submission.

- (18) In addition to any indemnity provided by the General Corporations Act of Puerto Rico, the CORPORATION may provide compensation and purchase and hold insurance on behalf of its directors, officers, employees and its divisions against any liability arising out of actions taken while acting within the scope of its authority.
- (19) The CORPORATION shall have all the power and authority necessary to comply with the purposes of Act 13-2017. The powers and authority of the CORPORATION will be interpreted liberally so that it can devote itself successfully to fulfill its purpose.

Section 1.4 – Restrictions/Limitations

The CORPORATION will be subject to the following restrictions/limitations:

- (1) The CORPORATION shall not have the authority to issue equity nor declare and pay dividends.
- (2) No director, officer, employee or any person may benefit from the income and assets of the CORPORATION, with the exception of salaries and reasonable market compensation for their services.
- (3) The CORPORATION shall not participate in electoral processes, directly or indirectly, in or out of Puerto Rico. It cannot support political parties, hopefuls, candidates, campaign committees, or agents, representatives or committees of any of the foregoing, or political action committees that make donations or coordinate expenses among themselves or to separate committees or funds, directly or indirectly, in or out of Puerto Rico.
- (4) The CORPORATION will not carry out lobbying activities, directly or indirectly. This restriction/limitation shall not prevent the CORPORATION from conducting studies and responding to requests for opinions on projects and programs directly related to the promotion of Puerto Rico as an investment destination and other purposes contained in Act 13-2017, or any law that replaces it.
- (5) The CORPORATION will not incur expenses for purposes inconsistent with the purposes and objectives of the CORPORATION or in contravention with its budget or Strategic Plan.
- (6) The CORPORATION shall not incur expenses or commit funds in excess of the total revenue reasonably anticipated during a fiscal year.
- (7) The administrative and payroll expenses, compensation and benefits of officers and other employees and contractors of the CORPORATION may not exceed the amounts or percentages of the CORPORATION's budget approved by the Board of Directors.
- (8) The CORPORATION's certificate of incorporation and Corporate By-laws may be amended so long as the amendments are consistent with Act 13-2017, or any law that replaces it and, in

addition said amendments have received the affirmative vote of two thirds of the members of the Board of Directors of the CORPORATION.

ARTICLE II: Main Office

Section 2.1

The main office of the CORPORATION will be Invest Puerto Rico, 150 Convention Boulevard, Suite 300 San Juan, PR 00907 or at any other address that the Board of Directors, at its sole judgment, may determine.

ARTICLE III: Resident Agent

Section 3.1

The CORPORATION's resident agent will be the Department of Economic Development and Commerce of Puerto Rico. The physical address of the resident agent will be the Department of Economic Development and Commerce of Puerto Rico, PRIDCO Building, 355 FD Roosevelt Ave. Suite 401, Hato Rey, PR 00918, or at any other location that the Board of Directors, at its sole judgment, may determine. Its mailing address will be PO Box 362350, San Juan, PR 00936-2350, or at any other address that the Board of Directors, at its sole judgment, may determine.

ARTICLE IV: Board of Directors

Section 4.1 - General

The affairs of the CORPORATION will be conducted by a Board of Directors ("Board") comprised of eleven (11) members: (i) the Governor of Puerto Rico, or its representative, (ii) the Secretary of State or its representative, (iii) the Secretary of the Department of Economic Development and Commerce, or its representative, (iv) and eight (8) private sector members who shall be named by the Governor of Puerto Rico pursuant to the provisions of Act 13-2017, of which at least four (4) shall be residents of Puerto Rico.

Section 4.1.1 - Length of Terms of Members of the Board of Directors

- (1) Ex officio members (Section 4.2.1) shall hold office on the Board of Directors for as long as they hold public office.
- (2) Members appointed by the Governor (Section 4.2.2) shall be appointed for terms of four (4) years and until their successors take office. However, initial appointments shall be made for staggered terms, namely three (3) members for a period of one (1) year, two (2) members for a period of two (2) years, and three (3) members for a period of three (3) years.

Section 4.1.2 – President of the Board of Directors

The Governor or his representative shall preside over the Board of Directors.

Section 4.1.3 - Vice President of the Board of Directors

The Board of Directors shall annually select from among its private sector members a Vice President, who shall have such obligations and powers as are determined by the Board of Directors.

Section 4.1.4 – Treasurer of the Board of Directors

The Board of Directors shall annually select from among its private sector members its Treasurer.

Section 4.1.5 – Secretary of the Board of Directors

The Board of Directors shall annually select from among its private sector members its Secretary.

Section 4.1.6 – Compensation of Directors

The members of the Board of Directors shall serve without compensation, but those who are not public servants may be reimbursed for necessary and reasonable expenses incurred, as determined by a resolution of the Board of Director.

Section 4.1.7 - Meeting Place of the Board of Directors

The meetings of the Board of Directors of the CORPORATION will be carried out in the jurisdiction determined by the Board of Directors by resolution.

Section 4.1.8 – Delegations

Except for the ex officio members, no one in the Board of Directors may delegate to another his/her participation.

Section 4.1.9 - Quorum

A quorum shall be constituted with a majority of the members of the Board of Directors.

Section 4.1.10 - Voting

Once quorum is established the Board of Directors can take any action or determination by a majority vote of the present members.

Section 4.1.11 - Fiduciary Duty of Care

The members of the Board of Directors shall discharge their duties as Board Directors, including duties as members of a committee, (1) in good faith, (2) with the care an ordinary prudent person in like position would exercise under similar circumstances, and (3) in a manner the Board Director reasonably believes to be in the best interest of the CORPORATION.

Section 4.1.12 – Fiduciary Duty of Loyalty

The members of the Board of Directors shall discharge their duties as Board Directors by acting in the CORPORATION's best interests and not using his or her authority to advance personal interests, or the interests of related third parties.

Section 4.1.13 – Fiduciary Duty of Fidelity to Purpose

The members of the Board of Directors shall discharge their duties as Board Directors by acting with fidelity to the purpose of the CORPORATION.

Section 4.1.14 - Fiduciary Duty of Confidentiality

The members of the Board of Directors shall discharge their duties as Board Directors by appropriately safeguarding confidential information, including any information shared by other Board Directors at a meeting of the Board of Directors, and specifically designated as confidential in nature at that time.

Section 4.2 – Composition of the Board of Directors

The Board of Directors of the CORPORATION will be constituted in the following manner:

Section 4.2.1 – Ex Officio Members

The Board of Directors will include three (3) members *ex officio* representing the following government entities:

- (1) The Governor of Puerto Rico, who can delegate his participation;
- (2) The Secretary of State, or his representative;
- (3) The Executive Director of the Industrial Development Company or his representative.

An ex officio memberis able to appoint a representative to substitute him/her in one or more meetings.

Section 4.2.2 – Members Appointed by the Governor

- (1) The members of the private sector appointed by the Governor will represent economic sectors such as: emerging technologies, manufacturing, energy, health, agriculture, tourism, advanced services, research and development, and any other industry which the Governor deems necessary and relevant. These members will perform their non-delegable duties in their personal capacity. They should be well experienced within the economic sector they represent.
- (2) A position left vacant by resignation, death or removal, by a member appointed by the Governor will be replaced with a new member, appointed by the Governor, who will serve out the term of the original appointment.
- (3) Members appointed by the Governor may be removed by the Board of Directors, for cause. Nevertheless, unjustified absences to three (3) consecutive meetings will constitute an automatic removal of said member. The Board of Directors will be responsible of determining if such absences are unjustified or not. For purposes hereof, just cause shall mean: any conviction of a crime involving moral turpitude, declaration of mental incompetency, blatant conflict of interest with the mission of the CORPORATION, and complete disregard of its fiduciary duties after prior due notice and time provided to cure such disregard.

(4) Any person convicted of a serious felony, in any jurisdiction, or of a lesser felony involving moral depravity or dishonesty, fraud, embezzlement, or illegal appropriation of funds cannot be a member of the Board of Directors.

Section 4.3 - Powers of the Board of Directors

The Board of Directors of the CORPORATION will have the necessary powers and faculties to carry out the objectives of the CORPORATION and to enable it to exercise its delegated faculties, including the following:

- (1) Establish the organizational structure and secure the financing for programs and activities derived from federal sources or from the government of Puerto Rico, private sources, and from the payment for services or published materials.
- (2) Request, receive, own, invest or administer any subsidy, payment or donation of funds or property and incur in expenses consistent with the powers vested in it by Act 13-2017.
- (3) Grant contracts and other necessary or convenient tools for the exercise of its powers and functions. The Board of Directors will make sure that contracts with a person or organization who/which agrees to provide services related to economic development, or services for managerial assistance, are not duplicitous with respect to services provided by/for government agencies and instrumentalities, unless the Board of Directors deems that such contracts are necessary to fulfill the expectations of the Board of Directors.
- (4) Elect or appoint those officers, employees and necessary or favorable agents to carry out their activities and provide an adequate compensation.
- (5) Transfer any government allocation which has not been utilized to subsequent fiscal years.
- (6) Create and dissolve advisory committees, groups or work teams and other similar organizations as deemed necessary to carry out its purposes. Its private sector members will serve without compensation but may be reimbursed for necessary and reasonable expenditures incurred during meeting days, as determined by the Board of Directors.
- (7) Establish those committees it deems necessary, including Executive and Audit Committees, which will include at least one member of the public sector.
- (8) The Corporation shall have the power to sue and be sued, as well as to appear in Court and defend itself in any judicial or administrative action brought against it.
- (9) Adopt, use and modify a corporate seal. Notwithstanding any legal provision to the contrary, it is not necessary for the words "non-profit corporation" to be included.
- (10) Each September 30th, receive a brief summary of the strengths, services and economic development incentives offered by each municipality.
- (11) Obtain insurance, guarantees or sureties against any loss related to the properties of the CORPORATION and its subdivisions, in the amounts and with the underwriters that are necessary or desirable.

(12) Adopt, amend and revoke corporate By-laws, as long as they are consistent with the powers granted by Act 13-2017 or its articles of incorporation.

Section 4.4 – Limitations on the Members of the Board of Directors

Section 4.4.1

Only those members of the Board of Directors who hold their appointments in accordance to Section 4.2.1 can be employees or officers of the Government of Puerto Rico.

Section 4.4.2

No member, director, officer or contractor of the CORPORATION can have, or appear to have, a conflict of interest with respect to the operations of the CORPORATION, as defined by Article 9 of Act 13-2017.

ARTICLE V: Meetings and Procedures of the Board of Directors

Section 5.1 – Ordinary Meetings

The Board of Directors will meet at least quarterly, holding at least four (4) meetings per year. Quorum shall be determined when the majority of the total number of Directors are present at a meeting.

Ordinary and extraordinary meetings may be held in person, via conference calls, or by video-conferencing.

Section 5.2 – Extraordinary Meetings

An extraordinary meeting of the Board of Directors may be called by the President of the Board of Directors at any time, through his/her own initiative or through the request of four (4) members of the Board of Directors.

Section 5.3 - Notifications

A meeting may be requested by the President of the Board of Directors or through the request of four (4) members of the Board of Directors, through a notice issued by the Secretary of the Board of Directors or its representative which shall include, the agenda, the time and the place for such meeting. Meetings may be held by video or teleconferencing or in any means that allows for simultaneous communication of all participants.

Calling a meeting of the Board of Directors must be given with no less than forty-eight (48) hours notice. Such notification may be issued through e-mail. The notification requirements established herein may be waived in writing by any member.

Section 5.4 Voting

Voting will take place in person, via conference calls, videoconferencing and/or e-mail, as approved by the Board of Directors.

Any and all actions taken by the Board of Directors shall be made by a majority vote of all the members constituting quorum.

Decisions may also be made by a vote of all members of the Board of Directors through a written consent, which may be signed or approved in one document or individually. No voting shall take place over items not disclosed in the agenda, and when the matter to be voted upon requires the Board of Directors to review documentation, the Board of Directors must be provided with at least seventy-two (72) hours prior to the voting to review the same.

Section 5.5 – Appointment and Creation of Committees

In addition to committees authorized by Act 13-2017, the Board of Directors may create and designate any committees that it deems necessary.

ARTICLE VI: Officers

Section 6.1 General

- (1) The Executive President will be the Secretary of the Department of Economic Development and Commerce.
- (2) The Board of Directors of the CORPORATION will name an Executive Director and will name other officers as required to achieve an efficient operation and meet the objectives of the CORPORATION.

Section 6.1.1

The offices of Executive Director, Treasurer and Secretary cannot be held simultaneously by the same person. The officers of the CORPORATION will have those duties as provided by the By-laws or resolutions of the Board of Directors and will act as officers as long as they enjoy the trust of the Board of Directors.

Section 6.1.2

- (1) The Secretary of the Department of Economic Development and Commerce, as Executive President and primary officer of the Government of Puerto Rico entrusted with the pursuit of New Businesses and businesses, will have the responsibility of assisting the Executive Director in his/her on behalf of the CORPORATION.
- (2) The Executive President, in his/her capacity as a public official, will not be remunerated for his/her services, nor be given a stipend or reimbursement for expenses incurred.

Section 6.2 – Executive Director

(1) The Executive Director will be the highest executive officer, entrusted with the general and active administration of the affairs of the CORPORATION, making sure that all directives, resolutions and guidelines of the Board of Directors, of the meetings of the members and of these By-laws are carried out.

- (2) The employment of the Executive Director will be on a full-time basis.
- (3) His/her mandate will be subject to the Board of Directors.
- (4) The Board of Directors will determine his/her salary and approve his/her expenditures, according to thresholds established and approved by the Board of Directors
- (5) On behalf of the Board of Directors will call all meetings through the Secretary of the Board or his/her authorized representative
- (6) Will prepare the agenda of all meetings of the Board of Directors according to the guidelines provided by the Board of Directors. Additionally, he/she will prepare and deliver an Annual Report to the Board of Directors and will participate in the preparation of the operational budget.
- (7) Will participate in all meetings of the Board of Directors and committees with the approval of the Board of Directors but will not have the right to vote.
- (8) Will represent the CORPORATION before the Board of Directors and before any other entity or outside institution, whether it be of private or public nature. Likewise, he/she will represent the CORPORATION in all official functions.
- (9) Will be in charge of supervising all businesses and affairs of the CORPORATION and he/she will manage and supervise all subordinate employees of the CORPORATION.
- (10) Will employ the necessary personnel to carry out the objectives and tasks of the CORPORATION. In addition, will be able to lay off any employee of the CORPORATION and set a stipend within the budget approved by the Board of Directors. Will set up the functions and titles of the personnel, will supervise their performance and will delegate the administrative responsibilities that he/she deems necessary to the best interest of the CORPORATION.

Section 6.3 – Secretary

The Secretary of the CORPORATION will:

- (1) Maintain an updated copy of the Articles of Incorporation, the By-laws of the CORPORATION, and any other document and/or By-laws approved by the Board of Directors that pertain to the operation of the CORPORATION.
- (2) Transcribe, keep and safeguard the minutes of the meetings of the Board of Directors and its committees.
- (3) Ensure that all notifications are made in accordance with the provisions of these By-laws and of Act 13-2017.
- (4) Monitor other relevant records.
- (5) Safeguard the Corporate Seal.
- (6) Keep a record of the postal and e-mail addresses of the members of the Board of Directors.
- (7) Perform any other incidental duties incumbent upon the Secretary and any other responsibility or task delegated by the Board of Directors.

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Any of these tasks may be delegated to any person designated by the Board of Directors.

Section 6.4 – Treasurer

The Treasurer of the CORPORATION shall:

- (1) Keep the Board of Directors informed of the financial status of the CORPORATION.
- (2) Approve financial reports required by government agencies.
- (3) Perform any other incidental duties incumbent upon the position of Treasurer and any other task or responsibility delegated by the Board of Directors.

Any of these tasks may be delegated to any person designated by the Board of Directors.

ARTICLE VII: Finances

Section 7.1 - Fiscal Year

The fiscal year of the CORPORATION will start on the first day of July and end on the last day of June.

ARTICLE VIII: Corporate Seal

Section 8.1

The content on the seal of the CORPORATION will have the following wording: "INVEST PUERTO RICO". Said seal, which shall remain under the custody of the Secretary, shall be known as the Corporate Seal of the CORPORATION.

ARTICLE IX: Representation of the Corporation - Scope of the Authority

Section 9.1

No Committee or member of the Board of Directors shall represent nor spend money on behalf of CORPORATION without the express authorization of the Board of Directors, unless such expenses or statement of expenditures are specifically included in the approved budget of the current year.

ARTICLE X: Private Non-Profit Corporation

The CORPORATION is and shall always be a non-profit private corporation, pursuant to the provisions of Act 164-2009, known as the General Corporations Act, as amended (hereinafter, the "General Corporations Act" registered as such in the Department of State of Puerto Rico. The CORPORATION shall not be considered, for any purpose, a department, agency, public corporation, instrumentality, unit, or subdivision of the Government of Puerto Rico.

The debts and other obligations of the CORPORATION shall not constitute debts or obligations of the Directors, the Department of Economic Development and Commerce, the Government of Puerto Rico, or of any of its municipalities or other political subdivisions. Said debts/obligations/liabilities will be payable exclusively with funds of the CORPORATION.

ARTICLE XI: Miscellaneous Provisions

Section 11.1 – Indemnity to Directors

Each person who is made a party to or is involved in any action, suit, or proceeding, whether civil, criminal or administrative, only by reason of the fact that he or she is a director, officer or employee of the CORPORATION shall be indemnified and held harmless by the CORPORATION to the fullest extent authorized by the laws of Puerto Rico against all expense, liability and loss (including attorney's fees) incurred by such person in connection therewith, and such indemnification shall continue as to a person who has ceased its position or employment in the CORPORATION. The Board of Directors shall approve to indemnify only if it determines that such person has met the standards of conduct required by law, by Act 13, the By-laws and by any agreement executed by the CORPORATION, and that it was made in good faith in pursuance of the best interests of the CORPORATION.

The CORPORATION may maintain insurance to protect itself and any director, officer, employee or representative.

Section 11.2 - Conflict of Interest

Whenever a director has a financial or personal interest in any matter coming before the Board of Directors, the affected person shall a) fully disclose the nature of the interest and b) withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested directors determine that it is in the best interest of the CORPORATION to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

ARTICLE XII: Amendments to Articles of Incorporation and Corporate By-laws

Section 12.1 - Amendments

Amendments to the Certificate of Incorporation and Corporate By-laws of the CORPORATION will require the approval of the majority of the members of the Board of Directors.

Section 12.2 – Proposals for Amendment

Any member of the Board of Directors of the CORPORATION may propose changes to the Certificate of Incorporation and Corporate By-laws. Any proposal must comply with the provisions of Act 13-2017, or any subsequent law that replaces it.

Proposals for changes must be submitted in writing and must include:

- (1) The specific language proposed, indicating the previous language that would be modified or replaced, if any;
- (2) Explanation or justification for the proposed amendment.

Prior to being approved, the proposed changes will be evaluated by the Board of Directors to guarantee that they are in tune with the mission and vision of the CORPORATION.

These Corporate By-laws were approved by the Board of Directors, in San Juan, Puerto Rico, today, October 21, 2020.