Transparency & Accountability Policy

I. Purpose

Invest Puerto Rico, Inc.'s (hereinafter, “IPR” or the “Corporation”) principle mission is to promote Puerto Rico as a competitive investment jurisdiction to attract new business and capital investment to the Island. IPR values its relationship with its clients, Board of Directors (the “Board”), committees, employees, donors, volunteers and other stakeholders who partner with it to enable the achievement of its mission and recognizes that transparency and accountability build trust and help those relationships flourish. The purpose of this Transparency & Accountability Policy (the “Transparency Policy”) is to facilitate the development and implementation of measures by IPR’s Board and staff to provide appropriate transparency and accountability to third parties.

II. Responsibilities

A primary responsibility of the Board is to ensure that IPR is accountable for its programs and finances to its contributors, donors, employees, the public and government regulators. Accountability requires that IPR comply with all applicable laws and ethical standards; adhere to IPR’s mission; create and adhere to conflict of interest, ethics, personnel accounting and other policies; prepare and file its annual financial report with the Internal Revenue Service and appropriate state regulatory authorities, among other responsibilities.

The members of the Board shall comply with their fiduciary duties of care and loyalty. The duty of care requires a member of the Board to be familiar with IPR’s finances and activities and to participate regularly in its governance. The duty of loyalty requires that a member of the Board always act in the best interest of IPR and that any conflict of interest, real or possible, be disclosed to IPR when they arise. Board members have a duty to ensure that IPR complies with applicable laws and regulations, its mission and its internal governance documents and policies.

IPR’s Chief Executive Officer (“CEO”) is responsible for ensuring that there are systems and processes in place to capture, record and analyse the information necessary to enable the Board to perform its reporting functions. This includes reporting regularly to the Board on the operations of IPR.

IPR’s CEO will also ensure that privacy and other policies are in place to govern the access and use of documents including client records, staff records, member and donor records, and minutes of general meetings, in accordance with the Board’s transparency and accountability policy.

Employees and staff are responsible for implementing and adhering to the policies and procedures developed by the CEO.
III. Board Reporting Guidelines

a. The Board must ensure that it complies with its legal and contractual reporting obligations. The obligations of the Board include, but are not limited to:
   
   i. Preparing financial reports as required by law.
   ii. Preparing an annual report in accordance with the requirements of IPR’s By-laws.
   iii. Reporting to government agencies in accordance with the terms of grants and funding contracts.
   iv. Reporting to the relevant local and US Government departments, in accordance with the requirements of IPR’s not for profit status.
   v. Reporting to donors in accordance with the terms of any grants issued.
   vi. Complying with applicable federal, state and local laws and regulations concerning IPR and its operation.

b. In addition to its specific legal and contractual obligations, the Board will consider each year whether there are any other stakeholder relationships which could benefit from receiving a report from the Board on IPR’s activities and performance.

c. In preparing its reports, the Board will consider the extent to which it can report on each of the following matters:

   i. The purpose of IPR – This includes explaining the environment in which IPR operates. It includes reporting on IPR’s mission and vision and explaining IPR’s relevance in the current environment.

   ii. IPR’s stakeholder reporting and engagement - This includes reporting on how stakeholder relationships are managed, how employees and volunteers are recruited, trained, rewarded, retained and recognized, and how the organization is funded.

   iii. Fundraising and investments - This includes reporting on:
      a. the source of funds, fundraising and funding targets.
      b. accountability mechanisms governing the use of the funds.
      c. assessment of IPR’s ability to maintain the current levels of funding in the future, and how its fundraising approach is being evolved or adapted to changes in circumstances.
      d. investments and management oversight
      e. movements in the level of funding, particularly where it has fallen in any year.

   iv. Business strategy and mission - This includes:
      a. explaining the strategy and structures that enable IPR’s to operate and grow.
b. identifying the priorities and associated budgets and allocation of resources.
c. A self-assessment and disclosure of performance and plans to address underperformance and/or ongoing challenges, recognizing that this helps to build trust.

v. Governance structure and processes - This includes:
   a. reporting on governance structures, systems, processes and how risk management frameworks are aligned with those structures, systems and processes.
   b. providing clear diagrams of the organizational structure with reporting lines and key roles identified.
   c. disclosure of qualifications, experience and length of service of the members of the Board, CEO and senior management.
   d. reporting on how IPR identifies and manages risks, and what risks are specific to IPR in addition to general risks.

vi. Activity and performance - This includes reporting on Key Performance Indicators.

vii. Financial performance and position - This includes reporting on:
   a. sources of revenue, revenue recognition policies and a discussion and analysis of the factors affecting IPR’s financial performance.
   b. safeguards that IPR employs to ensure that financial transactions are properly authorized, appropriated, executed and recorded.
   c. financial internal controls and fiscal systems of IPR.

viii. Asset Management - This includes reporting on:
   a. the parties responsible for administering investment accounts and assets.
   b. internal controls for the protection and oversight of charitable assets.
   c. procedures to monitor and record assets received, held and expended.

IV. Public Disclosures
IPR adopts this Transparency Policy with the objective of promoting openness, defining what may be considered public information, and guiding Board members, management and staff on the best approach to manage requests of information. The table below outlines the information to be shared publicly by IPR via its website in www.investpr.org:

<table>
<thead>
<tr>
<th>Type of Information</th>
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<tbody>
<tr>
<td>General Information</td>
</tr>
<tr>
<td>Act 13 - 2017</td>
</tr>
<tr>
<td>Certificate of Incorporation</td>
</tr>
<tr>
<td>By-Laws</td>
</tr>
<tr>
<td>Ethics, Governance &amp; Procurement Policies</td>
</tr>
</tbody>
</table>
Any information requests that are not approved herein for public disclosure will be evaluated by management taking into consideration the benefit of sharing the information requested versus privacy, strategic, and/or confidentiality considerations. IPR reserves the right to evaluate and, in its sole determination, choose not to fulfill requests it deems to be frivolous, unjustified or inappropriate. Any additional questions can be directed to info@investpr.org.

V. Clarification / Exceptions to Transparency Policy

If any person has questions about and/or needs clarification of any aspect of this Transparency Policy, the person should write to info@investpr.org. Any exceptions to this Transparency Policy may be made only with the permission of the Board.

VI. Changes to Transparency Policy

This Transparency Policy has been reviewed and approved by the Board. The Board must approve any amendment to this Transparency Policy.

Approved on the ___ day of __________, 2020.

Chair, IPR Board of Directors
Conflict of Interest Policy

I. Purpose

Invest Puerto Rico, Inc.’s (hereinafter, “IPR”) principle mission is to promote Puerto Rico as a competitive investment jurisdiction to attract new business and capital investment to the Island. IPR’s activities will involve assisting companies or individuals that are interested in doing business in Puerto Rico, which may include negotiating Transactions and other contracts or engagement. The purpose of this Conflicts of Interest Policy is to provide rules and guidelines to ensure that IPR Representatives comply with their duty to act solely in the interests IPR and not to use their positions or any knowledge gained from their positions for personal benefit.

II. Definitions

1. “IPR Representative”—a director, officer, employee, full-time independent contractor, or agent of IPR or any Family Members of any of them.
2. “Family Member”—a spouse, domestic partner, child, or any individual claimed as a dependent during the last tax year.
3. “IPR Consultant”—a firm that has a contractual engagement to provide services to IPR.
4. “IPR Client”—a firm or individual seeking to conduct business activities in Puerto Rico that IPR seeks to assist in so doing.
5. “Compensation”—any direct or indirect provision of anything of value.
6. “Financial Interest”—one of the following interests in an IPR Client:
   i. Compensation from an IPR Client worth more than $25,000.00 per one-year period;
   ii. An equity interest in a non-publicly traded IPR Client with a value of more than $25,000.00 or in a publicly traded IPR Client that represents more than 1% of the voting rights or equity in the entity; or
   iii. A position as a director, trustee, officer, employee, or partner of the entity.
7. “Affiliated Entity”—an IPR Client in which an IPR Representative has a Financial Interest.
8. “Interested Individual”—an IPR Representative that has a Financial Interest in an Affiliated Entity.
9. “Transaction”—the act of reaching a contractual agreement between IPR and an IPR Client. To the extent that IPR is not a contractual party, it shall not be considered an IPR Transaction.
10. “Conflict of Interest”—a situation that undermines an Interested Individual’s ability to act exclusively in the best interests of IPR. The Ethics Committee shall be responsible for,
and have final say in, determining when a conflict of interest exists.

11. “Ethics Committee”—the Ethics Committee as defined in IPRs by laws.

III. Duties of Every IPR Representative

It shall be the continuing responsibility of each IPR Representative to identify actual, potential, or perceived Conflicts of Interest. If an IPR Representative is aware of a possible Conflict of Interest or of an existing or proposed Transaction that could reasonably create a Conflict of Interest or the perception of one, the IPR Representative must disclose the circumstances to the Ethics Committee (or to a senior IPR officer for transmittal to the Ethics Committee).

Before starting his or her position as such, each IPR Representative shall file with the Ethics Committee a Disclosure Form (Appendix A) disclosing any actual or potential Conflict of Interest and listing all Affiliated Entities. Each IPR Representative shall also have an ongoing duty to notify the Ethics Committee (or an IPR officer for transmittal to the Ethics Committee) of any relevant changes to information provided in their Disclosure Form. Such Disclosures will be maintained with the corporate governance records of IPR. Moreover, the Ethics Committee shall maintain a current list of all Affiliated Entities and shall make the list available to all IPR Representatives involved in making decisions on behalf of IPR.

IV. Duties of the Ethics Committee

The Ethics Committee shall:

1. promptly investigate the circumstances surrounding any actual, potential, or perceived Conflict of Interest brought to its attention, including requesting all documents and information useful for this purpose;

2. carefully evaluate the facts gathered regarding any such Conflict of Interest, consulting with legal counsel where appropriate;

3. issue directives to IPR management for managing the Conflict of Interest both during their review and following their evaluation (note that prior to the Ethics Committee’s completing its evaluation, any activity relevant to the Conflict of Interest should be limited to the extent possible).

To execute its obligations, the Ethics Committee may consider using the following procedures as appropriate:

i. meet in person or remotely as promptly as practicable;

ii. receive a briefing on the situation and the proposed Transaction;

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iii. ensure that minutes are taken of the meeting that reflect the identity of the relevant Interested Individual(s), the nature of the Conflict of Interest, the information received by the Ethics Committee about the matter, the Ethics Committee’s deliberations and any vote(s), a clear statement of any Ethics Committee decisions and directives regarding the Conflict of Interest and the reasons therefore;

iv. ensure that no Interested Individual(s) participates (other than to provide requested information) in any deliberations or decision-making related to the Conflict of Interest;

v. evaluate the disclosures considering the nature of any related Transactions, any Interested Individual’s or Individuals’ responsibilities related to the Transactions;

vi. carefully monitor any Transactions as to which a Conflict of Interest was identified to ensure compliance with Ethics Committee directives;

vii. bring to the Board for appropriate response any actions by any IPR Representative that are inconsistent with this Policy, any Ethics Committee direction issued hereunder, or that are otherwise concerning from an ethical perspective.
V. Guidelines

1. Generally, an IPR Representative should recuse himself/herself (or be removed) from, and not work on or be involved in (or be permitted to work on or be involved in) any discussions, deliberations, or decision-making regarding, any Transaction with respect to which he or she has an actual, potential, or perceived Conflict of Interest. Nor shall an IPR Representative attempt to influence (or be permitted to influence) any decision-making regarding any Transaction with respect to which he or she has an actual, potential, or perceived Conflict of Interest.

2. IPR shall not proceed with any Transaction with respect to which an actual, potential, or perceived Conflict of Interest exists until the Ethics Committee has prescribed measures for addressing the Conflict of Interest and all relevant Interested Individuals are in compliance with Ethics Committee’s instructions.

3. Generally, IPR may not (without informed approval from the Ethics Committee under such directive as prescribed by the Ethics Committee) provide Compensation to any IPR Representative beyond that which IPR is obligated to pay the IPR Representative in his or her capacity as an IPR Representative (i.e., as a director, officer, employee or contractor of IPR).

4. Generally, and subject to the following paragraph, IPR may not (without informed approval from the Ethics Committee under such directive as prescribed by the Ethics Committee) engage any IPR Consultant or other provider of goods or services with which any IPR Representative has a pre-existing business relationship.

5. IPR may not engage any IPR Consultant or other provider of goods or services to the extent that doing so would materially benefit an IPR Representative absent informed approval by the full Board of Directors, which approval should be given only where truly required in the best interests of IPR and only with measures prescribed to minimize such Conflict of Interest, including potentially removing the relevant IPR Representative(s) from the organization.

6. Subject to the other provisions of this Policy, the Ethics Committee may permit to proceed a Transaction with respect to which an actual, potential, or perceived Conflict of Interest exists, but only (i) where the Transaction provides an appropriate level of advantage to IPR to justify proceeding and (ii) after it has prescribed protections to mitigate the Conflict of Interest and ensured compliance. At all times, the touchstone of the Ethics Committee’s decision-making shall be the best long-term interests of IPR.

VI. Insider Trading Policy

All IPR Representatives are prohibited from taking personal advantage of any knowledge they have of non-public information as a result of their work for IPR, including engaging in
any transaction (including without limitation buying or selling, directly or indirectly, any security) when they have knowledge of any non-public IPR information that would, or could reasonably be perceived to, affect a reasonable assessment of the value of such transaction.

VII. Violations

The violation by any IPR Representative of this Policy and/or any directives issued by the Board of Directors or Ethics Committee hereunder shall constitute grounds for disciplinary action, up to and including termination for cause.

If the IPR Board of Directors and/or the Ethics Committee finds and/or believes that an IPR Representative failed to comply with this Policy or any Board or Ethics Committee directives issued hereunder, it shall inform the IPR Representative of the bases of said belief, undertake whatever investigation is appropriate, and require the IPR Representative to explain his or her actions. The Board of Directors or Ethics Committee shall take all appropriate actions based on its investigation and the IPR Representative’s explanation.

VIII. Changes to Conflicts of Interest Policy

This Conflict of Interest Policy has been reviewed and approved by the Board of Directors of IPR. The Board of Directors of IPR must approve any amendment to this Policy.

Approved on the 10th day of August, 2020.

Chair, IPR Board of Directors

Manuel Laboy
Appendix A: Conflicts of Interest — Disclosure Form

Purpose: All IPR Representatives are required to file the Disclosure Form with the Ethics Committee disclosing any known actual or potential or perceived Conflicts of Interest. For purposes herein, all defined terms shall have the same meaning as the defined terms in the Conflicts of Interest Policy.

Instructions: IPR Representatives must initial in the space of the first paragraph, complete the follow up questions, sign and date the statement, and return it to the IPR Ethics Committee.

IPR Representative Role:

a. ( ) Director
b. ( ) Officer
c. ( ) Resource (individuals that may work at IPR either as employees or as full-time independent contractors)
d. ( ) Agent
e. ( ) Other, specify: ____

I am not aware of any relationship or interest or situation involving any Affiliated Entity and myself or any of my Family Members that might result in, or give the appearance of being, a Conflict of Interest between such Affiliated Entity and myself.

Initials:

1. Please indicate if you are affiliated in any way with any organization that conducts Transactions with IPR.
   a. ( ) Yes
   b. ( ) No

If yes, describe:
2. Please indicate if you had, have, or will have any interest in any Transaction(s) in the past year.
   a. ( ) Yes
   b. ( ) No
If yes, describe:

3. Please indicate if you participated in any employment agreement, compensation relationship, or any other arrangement with a third-party doing business with IPR that has resulted or could result in personal benefit to you?
   a. ( ) Yes
   b. ( ) No
If yes, describe:

4. Please indicate if you received, or were entitled to receive any benefits from an IPR Client as a result of any Transaction between IPR and the IPR Client, that is not compensation directly related to your duties to IPR?
   a. ( ) Yes
   b. ( ) No
If yes, describe:

I have read and understand IPR’s Conflict of Interest Policy and agree to be bound by it. I will promptly inform the Ethics Committee of IPR of any material change that develops in the information contained in the foregoing statement.

By: ________________________________

Printed: ____________________________

Date: ______________________________
Donations and Gift Acceptance Policy

I. Purpose of Policy

Invest Puerto Rico, Inc.'s (hereinafter, “IPR” or the “Corporation”) principle mission is to promote Puerto Rico as a competitive investment jurisdiction to attract new business and capital investment to the Island. IPR solicits and accepts donations, grants or gifts for purposes that will help the organization further and fulfill its mission. The purpose of this “Donations Policy” is to set forth the criteria that IPR and its Executive Committee, Board of Directors and other employees shall use to determine that a proposed donation, gift or grant is acceptable and to provide a guide on the types of donations that IPR accepts. While this Donations Policy establishes best practices, it is designed to provide flexibility as directed by the Board of Directors.

II. Communications with Donors

IPR should hold all communications with donors and information concerning donors and prospective donors in strict confidence, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or releases of information concerning a donor, or a prospective donor will be granted only if permission is first obtained from the donor or prospective donor.

III. Donor Relations

IPR does not provide personal legal, financial or other professional advice to donors or prospective donors. Donors and prospective donors are strongly encouraged to seek the assistance of their own professional advisors in matters relating to their donations, gifts and grants and the resulting tax and estate planning consequences.

IV. Use of Legal Counsel

IPR will seek the advice of legal counsel in matters relating to acceptance of donations, gifts or grants when appropriate. Review by counsel and Board approval is recommended for:
   a) Securities that are subject to restrictions, such as closely held stock, or closely held stock subject to buy-sell agreements or other restrictions.
   b) Donations involving contracts or other legal documents requiring IPR to assume a legal obligation.
   c) Documents naming IPR as trustee or requiring IPR to act in any fiduciary capacity.
   d) Donations requiring IPR to assume financial or other obligations.
   e) Donations of patents and intellectual property.
   f) Transactions with potential conflicts of interest.
   g) Donations of property which may be subject to environmental or other regulatory matters.
h) Other circumstances in which the CEO or the Executive Committee believe that use of counsel is appropriate.

V. Factors to Consider in Donations

When considering whether to solicit or accept donations, IPR will consider the following factors:

a) Values – whether the acceptance of the donations compromise any of the core values of IPR.

b) Compatibility – whether there is compatibility between the intent of the donor and the organization’s use of the donation.

c) Public Relationships – whether acceptance of the donation may damage the reputation of IPR.

d) Primary Benefit – whether the primary benefit is to IPR, versus the donor.

e) Consistency – whether acceptance of the donation is consistent with prior practice.

f) Form of Donation – whether the donation offered is in a form that IPR can use without incurring substantial expense or difficulty.

g) Effect on Future Donations – whether the donation will encourage or discourage future donations.

VI. Evaluation Process

Donations, gifts or grants to IPR up to $10,000.00 shall be evaluated and/or accepted by IPR’s CEO. The Executive Committee (directly, or through a designated member, as may be allowed to from time to time) shall be responsible for the review, solicitation and/or acceptance of proposed donations, gifts or grant to IPR that exceed $10,000.00. IPR Management shall make recommendations to the Executive Committee regarding donations acceptance and the interpretation of this Donations Policy. The Executive Committee shall then recommend the acceptance or non-acceptance of the donation.

VII. Donor Acknowledgment and Recognition

a) General Donation Acknowledgment – All donations to IPR will be acknowledged by the Executive Committee within one month of receipt of the donation. An acknowledgment letter including a formal tax receipt for cash donations will be sent to each donor upon acceptance of a donation. Receipts and acknowledgments are necessary to ensure that donations are deposited correctly and serve as additional verification of a tax-deductible donation for the donor.

b) Donor recognition – The Annual Report is the IPR’s main recognition tool. All donors contributing $1,000 or more will be recognized in the IPR’s Annual Report published annually.

c) Anonymity – Requests for donor anonymity will be honored, and donors who wish to remain anonymous may do so with every confidence.

d) Confidentiality – Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by IPR. Written reports of interviews and
solicitations will be maintained in the donor or prospect records. This information is confidential and is strictly for the use of IPR and staff. Use of this information shall be restricted to organizational purposes only. The donor has the right to review their donor fund file(s). Names of donors will not be provided by IPR to other organizations, nor will any lists be sold or given to other organizations.

VIII. Restrictions on Donations

IPR will accept unrestricted donations, gifts and grants for specific programs and purposes, provided that such donations are not inconsistent with IPR’s stated mission, purposes and priorities. IPR shall not accept donations that are inconsistent with its mission, purpose or priorities or are judged too difficult to administer. For example, IPR will not accept donations that:

a) would result in IPR violating its corporate charter and governing documents.

b) would result in IPR losing its status as a Puerto Rico exempt organization and/or an IRS 501(c)(3) not-for-profit organization.

c) are too difficult or too expensive to administer in relation to their value.

d) could result in any adverse consequences for Invest Puerto Rico IPR.

e) violate any federal, state, or local, statute or regulation.

f) contain unreasonable conditions.

g) are made with the condition that the proceeds will be spent by IPR for the personal benefit of a named individual.

h) could expose IPR to liability.

i) are inconsistent with or outside of the scope of IPR’s mission.

j) at the discretion of the Board of Directors, are not convenient for IPR to accept them.

Decisions on the restrictive nature of a donation, and its acceptance or refusal, shall be made by the Executive Committee.

IX. Types of Donations

The following donations, subject to the limitations contained in this Donations Policy, may be considered for acceptance by IPR:

a) Cash

b) Professional Services

c) Tangible personal property, including in-kind donations

d) Intellectual property rights

This not an exclusive list, and IPR may consider other types of donations that are not prohibited or restricted in any law or regulation, in this Donations Policy or against the intent of this Donations Policy.

X. Miscellaneous Provisions
a) Securing appraisals and legal fees for donations to IPR – It will be the responsibility of the donor to secure and appraisal (where required) and independent legal counsel for all donations made to IPR. The donor will pay all associated costs for the appraisal absent a prior agreement with IPR. Donors are responsible for payment of their own legal fees.

b) Valuation of Donations for development purposes – IPR will record a donation received by IPR at its valuation for donation purposes on the date of gift.

c) Responsibility for IRS Filings upon sale of certain donated property – The Director of Finance is responsible for filing IRS Form 8282 upon sale or disposition of any non-marketable asset sold within three years of receipt by IPR when the charitable deduction value of the item is more than $5,000. IPR must file this form within 125 days of the date of sale or disposition of the asset.

XI. Gifts Acceptance Policy for IPR employees

a) IPR Employee no-gift policy: Standards and Requirements
   As an effort to demonstrate our commitment to these standards, all employees must abide by the following no-gift policy requirements:
   i. No gifts of any kind, that are offered by vendors, suppliers, customers, potential employees, potential vendors, and suppliers, or any other individual or organization, no matter the value, will be accepted by any employee at their personal capacity, at any time, on or off the work premises. This no-gift policy includes vendor or potential vendor or supplier-provided food, beverages, meals, or entertainment such as sporting events.
   ii. This no-gift policy includes any business courtesy offered to an IPR employee, such as a product discount or any other benefit if the benefit is not extended to all employees.

b) Employee Gift Policy Exceptions:
   i. Gifts such as t-shirts, pens, trade show bags and all other items of nominal value that employees obtain, as members of the public, at events such as conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the event. This includes food and beverages provided at events, exhibitor trade show floor locations, press events, and parties funded by conference or event sponsors.
   ii. Cards, thank you notes, certificates, or other written forms of thanks and recognition.
   iii. Food, beverages, and moderately priced meals or tickets to local events that are supplied by and attended by current customers, partners, and vendors or suppliers in the interest of building positive business relationships.

c) Obligations of Employees:
   Employees are required to inform vendors, potential vendors and other persons of this employee no-gift policy, and the reasons IPR has adopted the policy. Employees will request that vendors respect IPR's company policy and not
purchase and deliver any gift for its employees, a department, an office or the company, at any time and for any reason.


d) If an employee or department receives a gift:
   i. If feasible, the gift shall be returned to the vendor.
   ii. If not feasible to return the gift, the gift must be raffled or distributed to all employees.
   iii. Plants or flowers will be displayed in the lobby, or at another central location where all employees may enjoy their presence.
   iv. Gifts of food that may arrive during the holidays, and at other times of the year when gift giving is traditional, belong to the entire staff even if addressed to a single employee.

XII. **Conflict of Interest**

The Board of Directors of IPR will assure that IPR personnel are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. The Board of Directors will consider a transaction in which the employee has a “material financial interest” with a donor an act of self-dealing. In reviewing self-dealing transactions, the Board of Directors shall consider financial interest “material” to an employee if it is enough to create an appearance of a conflict. In each case, this will be a question of fact. The Board of Directors will examine all acts of self-dealing including, but not limited to prohibition against personal benefit. Those individuals who normally engage in the solicitation of donations on behalf of IPR shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of IPR. The definition of individual includes each of the categories of employees of IPR. Individuals are further defined to include associations, partnerships, corporations, limited liability companies, or other enterprises in which a member of the staff holds a principal ownership interest.

XIII. **Clarifications or Exceptions to Donations Policy**

If any employee has questions about and/or needs clarification of any aspect of this Donations Policy, the employee should check with his or her supervisor. If the supervisor is uncertain, Human Resources shall be the interpreter of the Donations Policy as to ensure consistent employee treatment across IPR. Any exceptions to the Donations Policy may be made only with the permission of the Board of Directors.

XIV. **Changes to Donations Policy**

This Donations Policy has been reviewed and approved by the Board of Directors of IPR. The Board of Directors of IPR must approve any amendment to this Donations Policy.

Approved on the ___ day of ________, 2020.
Chair, IPR Board of Directors
Anti-Nepotism Policy

I. Background

Invest Puerto Rico, Inc.'s (hereinafter, “IPR”) principle mission is to promote Puerto Rico as a competitive investment jurisdiction to attract new business and capital investment to the Island. IPR is an equal opportunity employer and will strive to utilize fair hiring practices and make employment and other business decisions based solely on the needs of IPR and the skills, ability, and performance of each applicant and employee. Because nepotism is inconsistent with this approach, we have adopted this Anti-Nepotism Policy.

II. Purpose

The purpose of this Anti-Nepotism Policy is to: (i) prevent a conflict of interest or the appearance of a conflict of interest from arising through the hiring or employment of friends and relatives; (ii) avoid the favoritism and conflicts of interest often associated with nepotism; and/or (iii) prevent the misuse of authority and influence or the appearance of such misuse.

III. Definitions

1. **Nepotism** – Favoritism granted to relatives or close friends, usually in the form of hiring and employment decisions.

2. **Conflict of Interest** – A situation in which an individual has competing interests or loyalties that could prevent that individual from making decisions based exclusively on the best interests of IPR. Any employment decisions involving friends or relatives creates a conflict of interest because an IPR employee may be influenced by family loyalty or friendship or his or her own financial interests, rather than the best interests of IPR, in making employment decisions related to a relative or friend.

3. **Family Member** – A wife, husband, mother, father, brother, sister, son, daughter, nephew, niece, grandparent, grandchild, aunt, uncle, first cousin; or any “in-law” or “step” version of the foregoing; or any member of a given IPR employee’s fourth degree of consanguinity and second degree of affinity.

4. **Friend** – A person attached to another by feelings of affection or personal regard.

5. **Direct Reporting Relationship** – A direct reporting relationship in which an employee reports directly to a supervisor or manager.
6. **Indirect Reporting Relationship** – An indirect reporting relationship in which an employee reports to a supervisor and the supervisor reports to a manager; thus, the employee indirectly reports to the manager.

## IV. Guidelines

It is the policy of IPR not to hire, employ, promote or make any other employment decision involving any Family Member of a current IPR employee unless the following conditions are met:

1. The relevant process—e.g., the hiring or promotion process—is open and equitable, and decisions are otherwise made in accordance with IPR’s related policies.

2. IPR solicited and accepted applications from a range of sources and considered all applicants fairly based on appropriate criteria.

3. The employment decision does not result in a Direct or Indirect Reporting Relationship between Friends or Family Members.

4. No IPR employee who is a Friend or Family Member of the affected applicant, candidate, contractor, or employee may be directly or indirectly involved in or directly or indirectly influence any aspect of the employment decision.

5. No IPR employee may be directly or indirectly involved or directly or indirectly influence the wages, hours, benefits, career progress or other terms and conditions of employment of a Friend or Family Member.

This Anti-Nepotism Policy applies retroactively, and any existing relationships or situations must be disclosed immediately, evaluated, and managed consistently with this Anti-Nepotism Policy. Moreover, employees who become Family Members while employed by IPR shall be treated in accordance with these guidelines.

Concerns or complaints about possible violations of this Anti-Nepotism Policy should be submitted to a representative of Human Resources. All such complaints or concerns shall be treated as confidentially as feasible.

Violations of this Anti-Nepotism Policy may result in discipline up to and including termination of employment.

## V. Clarifications, Exceptions, and Changes to this Anti-Nepotism Policy

If any employee has questions about and/or needs clarification of any aspect of this Anti-Nepotism Policy, the employee should check with Human Resources, and the Director of Human Resources shall be the ultimately interpreter of this Anti-Nepotism Policy.
Exceptions to this Anti-Nepotism Policy may be made only with the duly authorized consent of the Board of Directors.

This Anti-Nepotism Policy has been reviewed and approved by the Governance Committee and the Board of Directors of IPR. The Board of Directors of IPR must approve any amendment to this Anti-Nepotism Policy.

Approved on the ___ day of _______ 2020.

___________________________
Chair, IPR Board of Directors

December 23, 2020 | 12:08 PM PST
Financial Management Policy

I. Background

Invest Puerto Rico, Inc.’s (“IPR”) principle mission is to promote Puerto Rico as a competitive investment jurisdiction to attract new business and capital investment to the Island. The purpose of this Financial Management Policy is to establish guidelines for developing financial goals, making financial decisions, reporting the financial status of IPR, and managing IPR’s funds.

II. Definitions

IPR Representative – Any IPR director, officer, or other individual that works for IPR either as an employee or independent contractors.

III. Financial Responsibilities

IPR’s CEO, COO, and Director of Finance shall be responsible for managing IPR’s financial condition, preparing appropriate budgets at least annually and updating them as often as appropriate.

The Board shall have responsibility for approving IPR’s annual budget, staying informed of IPR’s financial condition (including by directing the CEO to provide them information as appropriate), and taking all actions necessary to protect the financial health of the organization. The Board may appoint a Treasurer to assist the Board with these obligations.

IPR’s Director of Finance is responsible for the preparation of all tax and non-profit reporting as required by all applicable laws and regulations.

IV. Operating Budget Process

The CEO shall be responsible for preparing an annual operating budget for IPR and presenting it in a timely fashion (1) first to the Treasurer and the Executive Committee and after they have approved it for Board review, (2) to the Board for approval.

When in the course of operations actual costs exceed budgeted amounts, such overages may be allowed as follows:
1. If the overage is less than or equal to the lesser of (a) twenty percent (20%) of the budgeted amount or (b) $100,000, it can be approved by the functional area leader or in the absence of a functional area leader, the COO or CEO.

2. If the overage is greater than (a) twenty percent (20%) of the budgeted amount or (b) $100,000, it must be approved by the IPR Board of Directors.

Approval of any overages may only be requested and granted when the overages are accompanied by an equal amount of savings from another approved budget expense to ensure a balanced budget. Care should be taken to ensure that any approved budget expense amounts are not adversely impacted such that IPR cannot carry out activities critical to its mission and purpose.

All overages greater than $10,000 shall be reported to the IPR Executive Committee on a quarterly basis and at the end of the fiscal year.

V. Financial Statements

IPR’s Director of Finance shall be responsible for preparing IPR’s financial statements on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP). The CEO and Treasurer shall review and approve IPR’s annual financial statements for presentation to the Executive Committee.

VI. Audit

The IPR Director of Financial shall procure and oversee an annual audit of IPR’s financial statements by Independent Certified Public Accountants.

The IPR Board of Directors shall have oversight authority over the Audit Committee. In addition, the Audit Committee shall assist when necessary in the audit preparation and report the results to the IPR Board of Directors. The accountant shall prepare all required U.S. Internal Revenue Services (IRS) and Puerto Rico Department of Treasury documentation. The Director of Finance and Administration shall review and assure timely reporting and filing to the authorities.

VII. Tax Reporting

IPR will follow the guidelines set forth by the IRS and the Puerto Rico Department of Treasury for tax reporting purposes.
VIII. Financial Accounts

The Director of Finance may open (and close) and shall manage (in accordance with IPR’s investment policy as appropriate) IPR’s financial accounts, including without limitation checking, money market, or brokerage accounts.

All checks, cash, money orders, and credit card deposits, shall be reviewed by the Director of Finance or his/her staff and deposited in the appropriate accounts. Funds from fundraising events, donations, and similar contributions shall be deposited into separate accounts.

The Director of Finance shall be responsible for reconciling IPR’s financial accounts, cross-referencing them with the cash and receipts logs and the financial statements. IPR shall maintain all bank statements and other records in an appropriate manner.

IX. Expenditures Procedures

IPR shall make all expenditures in accordance with Procurement Policy and all IPR personnel shall be responsible ensuring that any expenditures they make aligns with IPR’s then-current approved budget. IPR expenditures shall be approved according to the following thresholds:

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Procurement Method</th>
<th>Approver</th>
<th>Criteria for Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=$1,000</td>
<td>No bids required</td>
<td>Functional Leader or Executive</td>
<td>Purchases should be made in a prudent manner</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Managers, Directors or C-Suite)</td>
<td></td>
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<tr>
<td>$1,001-$25,000</td>
<td>Written or verbal requests for quotes and receipt of</td>
<td>Evaluation according to relevant</td>
<td></td>
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<tr>
<td></td>
<td>written quotes from at least three (3) vendors</td>
<td>criteria, including but not</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>limited to price, quality, vendor</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>experience, availability and/or</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>other. Consider</td>
<td></td>
</tr>
<tr>
<td>$25,001-$50,000</td>
<td>Written request and receipt of quotes from at least</td>
<td>Functional Executive (C-suite)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>three (3) vendors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Threshold</td>
<td>Process Description</td>
<td>Signature Authority</td>
<td></td>
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<td>----------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td></td>
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<tr>
<td>$50,001-$100,000</td>
<td>Written requests for quotes using RFQ template and receipt of written quotes from at least three (3) vendors</td>
<td>CEO or COO</td>
<td></td>
</tr>
<tr>
<td>$100,001+</td>
<td>Formal RFP</td>
<td>CEO &amp; Executive Committee</td>
<td></td>
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</table>

IPR’s Director of Finance shall maintain standard accounting records containing all aspects of IPR’s financial operations, including: (i) a general ledger; (ii) a check register; and (iii) a payroll register.

Invoices shall be approved according to the above thresholds and paid promptly following approval. Checks shall be signed according to Section the signature policy below. Upon payment of a bill, proper recording of the transaction should be followed. Paid invoices shall be maintained on a fiscal-year basis.

Guidelines for the reimbursement of reasonable and authorized expenses incurred by IPR Representatives while conducting IPR business are included in the IPR Travel and Expense Policy.

X. Signature Policy

The signatures of the CEO or COO and one other IPR officer shall be required for any payment up to $100,000. The signature of the CEO or COO and a member of the Executive Committee shall be required for any payment over $100,000.

XI. Compensation and Payroll

The Director of Finance shall be responsible for ensuring that payroll and expense reimbursement are properly executed on a bi-weekly basis.
XII. Donations

IPR shall accept donations of money as well as contributions of goods and services that are related to IPR’s mission. Contributions of non-cash items must be reviewed and approved by the Executive Committee before acceptance. Donated materials and equipment shall be reflected in the financial statements at their estimated values measured on the date of receipt. (Please refer to Gifts and Donation Policy)

The Director of Finance shall provide receipts that appropriately acknowledge any contributions to IPR in accordance with legal requirements.

XIII. Debt

IPR shall not take on any debt obligation (other than routine credit card and banking transactions) without Board approval, and any debt must be documented by an instrument signed by the Chairman of the Board.

The debts and other obligations of IPR shall not constitute debts or obligations of any IPR Representative(s), the Department of Economic Development and Commerce of Puerto Rico, the Government of Puerto Rico, or of any of its municipalities or other political subdivisions. Said debts/obligations/liabilities are payable exclusively from IPR funds.

XIV. Investments

The Director of Finance shall be responsible for making and managing IPR’s financial investments in accordance with the Investment Policy. The Director of Finance shall periodically present to the Treasurer and Executive Committee IPR’s investment portfolio and strategy for review and guidance.

XV. Insurance

The Director of Finance shall be responsible for maintaining appropriate insurance coverages to protect IPR’s interests as well as those all IPR Representatives. The COO shall review IPR’s insurance program at least annually.

XVI. Confidentiality and Records Security

Only members of the Board, the CEO, COO, Director of Finance and IPR’s financial staff (or others expressly authorized by the CEO or COO) shall have access to IPR financial records, including vendor files, checks, journals, payroll, and similar records.
XVII. Changes to Financial Management Policy

This Financial Management Policy has been reviewed and approved by the Board, and the Board must approve any amendment to this Financial Management Policy.

Approved on the 10th day of August, 2020.

Chair, IPR Board of Directors

Manuel Laboy

September 3, 2020 | 2:20 PM PDT
Procurement Policy

I. Background

Invest Puerto Rico, Inc.’s (hereinafter, “IPR” or the “Corporation”) principle mission is to promote Puerto Rico as a competitive investment jurisdiction to attract new business and capital investment to the Island. IPR will from time to time contract for goods and services from qualified outside entities or individuals. This Procurement Policy establishes the general guidelines for IPR to procure such goods and services.

II. Restricted Funds

To the extent IPR receives any funds that are subject to restrictions, whether imposed by statute, regulation, or contract, IPR shall use such funds only in accordance with such restrictions.

III. General Principles

When procuring goods and services, IPR shall follow these principles:

1. Fair competition generally leads to the most cost-effective solution. Accordingly, IPR generally solicit multiple bids through a level and transparent process and evaluate them fairly, considering such factors as price, quality/expertise, and any past performance.

2. To further IPR’s mission, IPR shall where practicable use suppliers located in Puerto Rico.

3. Conflicts of interest (including the appearance of conflicts of interest) should be avoided and must be managed in accordance with IPR’s applicable policies.

4. IPR will actively monitor and manage supplier performance.

5. IPR will ensure that its suppliers respect the privacy of all personal information provided by IPR and comply with all relevant privacy laws.

IV. Supplier Ethics and Business Conduct

IPR shall require its suppliers to behave ethically and comply with applicable laws and regulations, including by establishing a right to terminate any contract with suppliers that do not comply.
V. Procurement Code of Conduct

IPR’s personnel, including directors, officers, and employees, are required in the procurement process to avoid, report and manage Conflicts of Interest in accordance with IPR’s Conflict of Interest and Anti-Nepotism Policies.

VI. Procurement Guidelines, Thresholds and Approvals

Each Functional Executive with IPR (CMO, CBDO, etc.) will be responsible for ensuring that any procurements is in line with the budget for his or her functional area, that funds will be available to honor related commitments when due, and that the procurement is approved per the guidelines below:

<table>
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VII. Procurement Methods

Except as described below, IPR will use competitive procurements.

A. Competitive Procurement

An open competitive procurement process ensures fair and ethical treatment of bids from suppliers. The traditional competitive procurement process allows all interested parties to submit a bid for a job and comply with all required documentation to compete fairly for jobs. The following processes are to be followed for competitive procurement:

1. Purchases of \$1,000 or less shall be made in a prudent and cost-effective manner. While such purchases may be made without a competitive process, the purchaser should take reasonable measures to be assured s/he is purchasing goods or services at fair market prices.
2. For purchases greater than $1,000 and up to $25,000, the purchaser shall either verbally or in writing solicit written quotes from at least three vendors and evaluate those quotes based on appropriate criteria, including without limitation price, quality, and vendor experience. The use of Preferred Vendors shall be considered.

3. For purchases greater than $25,000 and up to $50,000, the purchaser shall solicit in writing and obtain written quotes from at least three (3) vendors and evaluate those quotes based on appropriate criteria, including without limitation price, quality, and vendor experience. The use of Preferred Vendors shall be considered.

4. For purchases greater than $50,000 and up to $100,000, the purchaser shall solicit, in writing using a formal “request for quote” template, and receive written quotes from at least three (3) vendors shall be required and evaluate those quotes based on appropriate criteria, including without limitation price, quality, and vendor experience.

5. Purchases of over $100,000 shall be solicited using a formal Request for Proposal (preceded by a Request for Qualifications as prudent). The RFP shall, at a minimum, include the following:

   a. IPR’s substantive contractual requirements, including proposed terms and conditions
   
   b. The information that bidders must include in their proposals; and
   
   c. The criteria that IPR will use to evaluate proposals and their relative importance.

   The RFP (and any request for qualifications as applicable) shall be advertised on IPR’s website (and elsewhere as reasonable to effectively solicit the largest number of qualified bids) no less than twenty one (21) calendar days prior to the date on which sealed proposals must be submitted.

   IPR should use the following processes to evaluate proposals:

1. Proposals shall be evaluated in accordance with the schedule and procedure set forth in the RFP, with the stated procedure being one of the following:

   a. IPR will evaluate the proposal(s) according to the selection criteria and award the contract to the highest scoring firm; or

   IPR will establish a predetermined competitive points threshold and invite all firms whose proposals scored above that threshold to given an oral presentation and then submit a “best and final offer”. The best and final proposals would be evaluated de novo, and the highest scoring proposal would be chosen to negotiate a contract.

   If IPR is unable to negotiate a satisfactory contract with the winning bidder, it shall commence negotiations with the next highest scoring bidder, and so forth
until IPR is able to successfully negotiate a contract for the solicited goods or services. IPR will maintain all original and amended proposals and a written record of all such negotiations.

2. RFQs should be managed and evaluated in the same manner as RFPs except that cost is not a factor in the evaluation.

3. RFPs should include procedures to address the possibility that all qualifying proposals exceed the amount of funds allocated for the procurement, including the following available options:
   a. Reject all proposals received;
   b. Rework the specifications within the proposal;
   c. Re-advertise the RFP; or
   d. Reallocate funds or identifying other funding sources, and reconcile IPR’s budget appropriately, to ensure sufficient funds are available to cover the price of the lowest qualifying.

B. Direct Negotiated Procurement

IPR may forego a competitive process for a direct negotiated procurement in the following cases:

1. Where a Competitive Procurement process failed to attract any qualifying proposals;

2. Where the requirements for the procurement, including past experience, expertise, or other requirements, necessitate the use of a specific company;

3. Where urgent time constraints are present that make undertaking a competitive procurement process impracticable;

4. When there is only one available vendor/service provider;

5. For emergency purchases;

6. For tradeshow/event services for which a set vendor is required as per contractual agreements; or

7. When buying media for advertising and promotion efforts

Before engaging in a direct negotiated procurement where a competitive procurement would otherwise be required, the CEO or corresponding C-Suite Executive shall execute a memorandum that explains the decision in sufficient detail and with sufficient evidence to justify the decision.
C. Limited Source Bidding

Where prudent based on the circumstances, IPR may utilize a Limited Source Bidding method for procurement. In this case, IPR may directly invite qualified vendors to bid on the good or service being sought.

Before engaging in a limited source bidding procurement where a competitive procurement would otherwise be required, the CEO or corresponding C-Suite Executive shall execute a memorandum that explains the decision in sufficient detail and with sufficient evidence to justify the decision.

D. Preferred Vendors

IPR may also develop a standing list of pre-qualified suppliers or consultants ("Preferred Vendors") to choose from for future needs (preferred vendor list).

VIII. Changes to Procurement Policy

This Procurement Policy has been reviewed and approved by the Board of Directors of IPR. The Board of Directors of IPR must approve any amendment to this Procurement Policy.

Approved on the 10th day of August, 2020.

Chair, IPR Board of Directors

Manuel Laboy

September 3, 2020 | 2:20 PM PDT