

CP-EXEC-0142

CORPORATE GOVERNANCE GUIDELINES AND PRINCIPLES

Revised: 01/2022

Introduction

Purpose

These Corporate Governance Guidelines and Principles are intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation.

Applicability

This policy applies to the Board of Directors of First BanCorp and any of its subsidiaries and affiliates.

Revisions

DATE	DESCRIPTION
01/2019	Thirteenth Release
01/2020	Fourteenth Release
01/2021	Fifteenth Release
01/2022	Sixteenth Release

Definitions

Term	DEFINITION
N/A	

References

- N/A

Policy

These Corporate Governance Guidelines and Principles were adopted by the Board of Directors (the “Board”) of First BanCorp. (the “Corporation”) on December 21, 2004 and amended through February 7, 2014.

These Corporate Governance Guidelines and Principles are intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. While they should be interpreted in the context of all applicable laws, regulations and

listing requirements, as well as in the context of the Corporation's Certificate of Incorporation and Bylaws, they are not intended to establish by their own force any legally binding obligations.

COMPOSITION OF THE BOARD AND QUALIFICATIONS OF DIRECTORS

1. Pursuant to the Corporation's by-laws, the Board shall consist of such number of directors as established from time to time by resolution of the Board approved by a majority of directors; provided that, the total number of directors shall always be an odd number and not less than five (5) or more than fifteen (15).

2. A substantial majority of the Board shall be composed of directors who meet the requirements for independence established in the Corporation's "Independence Principles for Directors of First BanCorp." which shall incorporate, at a minimum, those established by the New York Stock Exchange and the Securities and Exchange Commission. The Board shall make a determination at least annually as to the independence of each director.

3. All directors should be persons of the highest integrity, who abide by exemplary standards of business and professional conduct. Directors should possess the skills and judgment, and the commitment to devote the time and attention, necessary to fulfill their duties and responsibilities.

4. Each director is expected to adhere to the policies in the Corporation's Code of Business Conduct. Any waiver to the requirements of the Code of Business Conduct for any director must be approved by the Board and promptly disclosed on the Corporation's website.

5. Directors are elected by the shareholders at the Annual Meeting of Shareholders in accordance with the Corporation's by-laws. In the event of vacancies on the Board, the Board may elect directors to serve until the next Annual Meeting.

6. Prior to accepting an invitation to serve on the board of another company or a not-for-profit organization, a director shall notify the Chair of the Corporate Governance and Nominating Committee of his or her interest on accepting any such invitation. The Corporate Governance and Nominating Committee shall evaluate and advise the Board whether, by reason of business or competitive considerations, simultaneous service on the other board may impede the director's ability to fulfill his or her responsibilities to the Corporation.

7. The Board believes that the judgment as to the tenure of an individual director should rest on an assessment by the Corporate Governance and Nominating Committee of his or her performance and contributions to the Board, which shall be performed annually. Accordingly, there is no predetermined limit on the number of one-year terms to which a director may be re-elected prior to his or her 70th birthday. Unless otherwise determined by the Board, no person may stand for election to the Board after age 70.

8. The Corporation's Articles of Incorporation provides that directors are elected by the vote of a majority of the shares represented and entitled to vote. Any nominee director who fails to receive the requisite majority vote at an annual or special meeting held for the purpose of electing directors must, promptly following certification of the stockholder vote, tender his or her resignation to the Board. The Board will act on the tendered resignation within 90 days following certification of the stockholder vote and shall proceed according to the Corporation's by-laws with respect to filling Board vacancies.

RESPONSIBILITIES OF DIRECTORS

9. The Board affirms the primary responsibilities of directors are to exercise their business judgment in good faith, to act in what they reasonably believe to be in the best interest of all shareholders, and to ensure that the business of the Corporation is conducted so as to further the long-term interests of its shareholders.

10. Directors shall receive and review appropriate materials in advance of meetings relating to matters to be considered or acted upon by the Board and its committees. Directors are expected to prepare for, attend and participate actively and constructively in all meetings of the Board and of the committees on which they serve.

11. Directors are expected to become and remain well informed about the business, performance, operations, and management of the Corporation; general business and economic trends affecting the Corporation; and principles and practices of sound corporate governance.

12. The Board has delegated to the Corporate Governance and Nominating Committee the task of designing and maintaining with management, an appropriate orientation program for new directors that include background material, meetings with senior management and visits to Corporation facilities. The Committee also explores, makes available, and designs and provides continuing education opportunities for directors, from time to time.

13. A director shall not participate in the discussion of or decision on any matter in which he or she has a personal, business or professional interest other than his or her interest as a shareholder of the Corporation. Directors shall promptly inform the Chairman of the Board regarding any actual or potential conflict of interest.

14. The Board is responsible for recommending director nominees to shareholders for election in accordance with the Corporation's "Policy Regarding Selection of Directors". The Board has delegated the screening process to the Corporate Governance and Nominating Committee.

15. The Board has an obligation to keep confidential all non-public information that relates to the Corporation's business. Such information includes, but is not limited to, information regarding the strategy, business, finances, and operations of the Corporation, minutes, reports and materials of the

Board and its committees, and other documents identified as confidential by the Corporation. Additionally, the proceedings and deliberations of the Board and its committees are confidential.

COMPOSITION OF BOARD COMMITTEES

16. The Board shall establish such standing committees as it deems appropriate and in the best interests of the Corporation. The current standing committees of the Board are the Audit Committee, the Compensation and Benefits Committee, the Corporate Governance and Nominating Committee, the Credit Committee, the Asset/Liability Committee, the Trust Committee, and the Risk Committee. The Board may also establish ad hoc committees, from time to time as it deems appropriate, which are to be created for a one-time purpose or to focus on examining a specific subject. These ad hoc committees are to be created with a deadline by which they must complete their work or expire.

17. The Corporate Governance and Nominating Committee shall recommend, and the Board shall appoint, annually and as vacancies or new positions occur, the members of the standing committees and the committee chairs. The Corporate Governance and Nominating Committee shall annually review the membership of the committees, taking account of both the desirability of periodic rotation of committee members and the benefits of continuity and experience in committee service.

18. All members of the Audit, Corporate Governance and Nominating, Compensation and Benefits, and Risk Committees shall meet the Corporation's Independence Principles and the independence requirements set forth by the New York Stock Exchange. In addition, the Audit Committee members must meet the additional standards of independence under applicable Securities and Exchange Commission rules.

BOARD OPERATIONS

19. The Board shall hold at least 6 regular meetings per year and shall meet more frequently as circumstances may require.

20. The Corporate Governance and Nominating Committee shall recommend, and the Board shall appoint, annually and as vacancies occur, a Chairman of the Board. In the event that the Chairman of the Board is a management member, a Lead Independent Director shall be elected by independent board members with clearly delimited duties.

21. The Board will conduct regularly scheduled executive sessions of non-management directors (as defined by the New York Stock Exchange) at least twice a year. In the event that the Chairman of the Board is a management member the Lead Independent Director shall preside the executive sessions.

22. Directors shall have unfettered access to management and employees of the Corporation and to its inside and outside counsel and auditors. Executive officers and other senior management are expected to be present at Board meetings at the invitation of the Board.

23. The Board shall establish methods by which interested parties may communicate directly with them or with the non-management directors as a group and shall cause such methods to be disclosed in the Corporation's proxy statement.

24. The Board and each standing committee will conduct an annual self evaluation of its performance and the performance of its Committees in order to assess the adequacy and effectiveness of the Board and each committee on which they serve.

COMMITTEE OPERATIONS

25. Each standing committee of the Board will have a charter that is approved by the Board and sets forth the purposes, duties, and responsibilities of the committee. At least annually, the members of each committee will evaluate the adequacy of the committee's charter and will conduct an evaluation of its performance and effectiveness in fulfilling the duties and responsibilities set forth in the charter.

26. The chair of each committee shall report to the Board following each meeting of the committee on the principal matters reviewed or approved by the committee and its recommendations as to actions to be taken by the Board.

OVERSIGHT OF THE BUSINESS AND MANAGEMENT

27. The Board shall approve a Code of Ethical Conduct applicable to officers and employees of the Corporation and a Code of Ethics for the CEO and Senior Financial Officers, which prohibits retaliation in any form against anyone who reports suspected violations. Any amendments to the Codes or waivers of its provisions for executive officers shall be approved by the Audit Committee and promptly disclosed to shareowners.

EXECUTIVE COMPENSATION

28. With input from the full Board, the Compensation and Benefits Committee shall annually approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer. The Chief Executive Officer will report to the Board on progress in achieving these goals. The Compensation and Benefits Committee shall recommend to the Board for its approval the Chief Executive Officer's and other executive officer's compensation based on an evaluation of their respective performance in light of their goals and objectives.

29. All equity-based compensation plans shall be approved by the shareholders.

30. Incentive compensation plans will be based on principles and policies for executive compensation recommended by the Compensation and Benefits Committee and approved by the Board.

BOARD COMPENSATION AND STOCK OWNERSHIP

31. Directors who are employees of the Corporation shall not be compensated for their services as Directors. The Compensation and Benefits Committee shall determine the form and amount of compensation for non-management Directors. The Committee shall evaluate appropriate matters of compensation taking into consideration director compensation paid by companies of comparable size and dedicated to business of similar nature.

32. The Board affirms that appropriate stock ownership by directors further aligns their interests with those of the shareholders. Accordingly, the Board has established Director Stock Ownership Requirement Guidelines for all non-management directors. The Director Stock Ownership Requirement Guidelines shall be administrated by the Corporate Governance and Nominating Committee of the Board. The Committee shall have the discretion to submit for approval by the Board, and the Board may at any time approve amendments or modifications to these Guidelines.

SUCCESSION PLANNING

33. The Corporate Governance and Nominating Committee shall direct and oversee the Corporation's executive succession plan, including succession planning for all executive officer positions, the oversight of talent development, and interim succession for the Chief Executive Officer in the event of an unexpected occurrence. Succession planning may be reviewed more frequently by the Board as it deems warranted.

SHAREHOLDERS

34. All common shareholders have equal voting rights.

35. The Corporate Governance and Nominating Committee reviews these Guidelines periodically and recommends amendments to the Board as necessary. These Guidelines are posted on the Corporation's website for communication to the Corporation's shareholders.

COMMUNICATING CONCERNS TO THE BOARD OF DIRECTORS

Any person who has a concern about the Corporation's governance, corporate conduct, business ethics, or financial practices may communicate that concern to the Board of Directors. Concerns may be submitted in writing to the Chairman of the Board or to the Lead Independent Director, as the case may be, in care of the Office of the Corporate Secretary at the Corporation's headquarters, or by email to directors@firstbankpr.com. Concerns may also be communicated to the Board by calling the Hotline, also known as "Protejo lo de Uno", at toll-free telephone number 1-800-780-9526 or by email to thenetwork@firstbankpr.com. Any concern relating to accounting, internal accounting controls or auditing matters will be referred to the Chair of the Audit Committee.

First BanCorp policy prohibits the Corporation and any of its employees from retaliating in any manner, or taking any adverse action, against anyone who raises a concern or helps to investigate or resolve it. However, anyone who prefers to raise a concern in a confidential, anonymous manner may do so by calling the Hotline.

Concerns communicated to the Board will be addressed through the Corporation's Third-Party Complaint Procedures. Depending upon the nature of the concern, it may be referred to the Corporation's Internal Audit Department, the Legal or Finance Department, or other appropriate departments. As they deem necessary or appropriate, the Chairman of the Board or the Chair of the Audit Committee may direct those certain concerns communicated to them to the Audit Committee or the full Board, or that they receive special treatment, including the retention of outside counsel or other outside advisors.

The status of concerns communicated to the Board will be reported periodically to the Chairman of the Board and/or the Chair of the Audit Committee, as appropriate.

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