

< 524

Sebastian Negron Reichard

last seen recently



1



Translate to English



October 27, 2025

Francisco Domenech

Este recomiendo se modifique a esto: Sobre Reichar...

Sobre esto:

- 1) Quiero confirmar que sugieres quitar la oracion de que los decretos solicitados por RE son para sus clientes
 - 2) si añado "cualquier otra gestión", me preocupa se entienda que eso incluye decretos.
- No?

1:20 AM

Sebastian Negron Reichard

Sobre esto: 1) Quiero confirmar que sugieres quitar la...

Correcto. Cualquier otra gestion quiere decir cualquier cosa ante tu departamento, quiero basicamente decir tu te **ihinibes de cualquier cosa de ellos ante tu departamento**, i think hay que dejarlo asi de claro

8:18 AM

524 Sebastian Negron Reichard last seen recently

Translate to English

Correcto. Cualquier otra gestion quiere decir cualqui...
October 27, 2025

De acuerdo al analisis legal de nuestro equipo, ellos entienden que yo no tengo q inhibirme de general course of business donde RE es el que representa los decreto-tenientes. Si es así, yo no pudiera hablar con el CEO de Medtronic, ni el CEO de Lilly. Yo por su puesto no tendría reunion solo yo con el bufete, pero no puedo inihibirme de atender casos donde el representante es RE porque estaría super limitado de mi trabajo. Lo que si YO NO me meto es el proceso de evaluar decretos, vengan de RE o vengan de cualquier bufete edited 8:29 AM

You're the best 8:29 AM

Si necesitas algo mas me avsias 8:31 AM

Sebastian Negron Reichard
Si necesitas algo mas me avsias
Te aviso 8:31 AM ✓

Sebastian Negron Reichard
De acuerdo al analisis legal de nuestro equipo, ellos...
El decir que en solo los decretos te abre la puerta a que te pregunten sobre en otras areas.
Hablamos de esto antes que envies la contestacion, pero you are walkingnin dangerous grounds at least perceptiob wise y si no con Etica because it is your grandfather's law firm.

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE
INCENTIVE CONTRACT
ECONOMIC INCENTIVE FUND
MACHINERY AND EQUIPMENT

ETHICON LLC

Contract Num.: 2025-000443
Allocation Fund: FIE60-2024-2025-0144

FIRST PARTY: The DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE, (hereinafter referred to as the "DDEC" its acronym in Spanish), a government entity of the Government of Puerto Rico, created by Reorganization Plan Number 4-1994 and Act 1-1994, as amended. It is hereby represented by its Secretary, **SEBASTIÁN NEGRÓN REICHARD**, of legal age, single and a resident of San Juan, Puerto Rico.

SECOND PARTY: ETHICON LLC (hereinafter the "Second Party"), a for-profit limited liability company, organized under the laws of the state of Delaware and registered to do business in Puerto Rico in the Department of State with registration number 94. The same is represented in this act by its General Manager, **Rosana García Rivera**, of legal age, married and a resident of Caguas, Puerto Rico.

The parties hereto are collectively referred to as the "PARTIES". The PARTIES represent that they have the power, legal authority and sufficient capacity to make the representations and assume the commitments that motivate the granting of this FIE Incentive Agreement, and by virtue thereof, freely and voluntarily:

HEREBY DECLARE

WHEREAS: Under Section 5010.01 of Act No. 60-2019, as amended, known as the "Puerto Rico Incentives Code" ("Code"), the Economic Incentives Fund ("FIE") was established to, among other things, promote scientific and technical research to improve the quality of life and efficiency in industrial operations and to promote the establishment of strategically important enterprises in Puerto Rico. The DDEC approved Regulation 9465, approved on May 30, 2023, which establishes the procedure for the application and granting of those economic incentives to be defrayed by the FIE.

WHEREAS: The **SECOND PARTY** has been established in Puerto Rico since 1962. This company is a subsidiary of Johnson & Johnson and is dedicated to the manufacture of surgical sutures and bandages for hemostasis (bleeding control in

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surgeries). Its headquarters are located at road 183 Km 8.3 Hato Industrial Area, San Lorenzo Puerto Rico 00754.

WHEREAS: The **SECOND PARTY** presented the **DDEC** with the need to expand manufacturing capacity in San Lorenzo to support the further growth objectives of a product line and the need to expand operations at the existing site in Manati, Puerto Rico.

WHEREAS: The **DDEC** is willing to grant the **SECOND PARTY** the benefits of the FIE Program under the Code, to assist it in the acquisition of machinery and equipment up to the sum of \$18,000,000.00 necessary for the purchase, installation, transfer, calibration and validation thereof, under the terms and conditions described below.

WHEREFORE: The parties hereto, in consideration of the foregoing premises and in consideration, further, of the mutual agreements, covenants and representations made by each party with the other, covenant and agree as follows:

TERMS AND CONDITIONS

ONE: The **DDEC**, subject to compliance with the terms and conditions of this Contract, grants to the **SECOND PARTY** incentives from the FIE under Act 60 up to a maximum reimbursable amount of eighteen million dollars (\$18,000,000.00) for the acquisition, transportation, installation, calibration and validation of new equipment and machinery required for the project located at the municipalities of San Lorenzo and Manatí, which shall be disbursed over a period of three (3) years at the rate of 50% of the investment in machinery and equipment made by the **SECOND PARTY** as of January 1, 2022, up to a maximum of \$6,000,000.00 per year. In the event that the machinery and equipment investment exceed the annual cap to be reimbursed, **SECOND PARTY** may roll over the excess machinery and equipment investment to subsequent years until the machinery and equipment incentive granted under this Agreement has been fully consumed ("roll over"). The disbursement of the money committed in this agreement shall be subject to the availability of liquidity of Funds.

The machinery and equipment shall be new in consideration of the investment generated from the date established as of **January 1, 2022**. The costs of this Contract will be charged to the allocation of funds **FIE60-2024-2025-0144**.

The incentive may be used for the purchase and/or services including, but not limited to:

- Installation Services

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- Transportation of equipment or machinery
- Calibration and configuration of equipment
- Validation and calibration testing of machinery and equipment
- Any other use as enumerated in the regulation 9465 Article XIX, section D.

The incentives will be disbursed by the **DDEC** as approved reimbursement for the projected investment in machinery and equipment directly related to the expansion of the facility made by the **SECOND PARTY** over a period of three (3) years, as detailed below:

Concept	FY2025	FY2026	FY2027	Recommended Incentives
Machinery and equipment	\$6,000,000.00	\$6,000,000.00	\$6,000,000.00	\$18,000,000.00

The incentive will be reimbursed starting in **Fiscal Year 2025** and in 2 subsequent years until the maximum amount of the incentive is disbursed, after the **SECOND PARTY** has submitted the evidence required in the next clause, and the machinery and equipment have been purchased, installed, calibrated and validated, in operation and paid in full.

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The **SECOND PARTY** agrees to maintain the facilities in operation for a term of 5 years starting after the agreement is signed.

TWO: Said incentive shall be disbursed by the **DDEC** through reimbursement, when the **SECOND PARTY** complies with the following conditions and provides:

- (a) Submission of adequate evidence demonstrating that the **SECOND PARTY** incurred the expenses for which the incentives were granted under this Agreement. The **SECOND PARTY** shall submit to the **DDEC**:
 - i. Certified copies of invoices with detailed description of the equipment supplied by the supplier or contractor.
 - ii. A certified copy of the cancelled check with which the machinery or equipment was purchased, or record of the electronic transfer showing payment for the purchase, or services rendered.

- iii. Evidence of permits and other documentation required by applicable laws and regulations.
 - iv. Submission of a certification from the authorized representative of the DDEC, stating that they have inspected the machinery and equipment for which the incentives were granted.
 - v. Purchase order for the machinery and equipment.
- (b) If the evidence submitted by the **SECOND PARTY** indicates expenditures greater than the incentives granted in this Contract, the **DDEC** shall only disburse the maximum amount set forth per fiscal year in this Contract. If, on the other hand, the evidence submitted by the **SECOND PARTY** indicates a lesser expenditure, the **DDEC** will only disburse the equivalent of such expenditure as duly evidenced by the **SECOND PARTY**. If funds are appropriated and available, the higher expenditure on machinery and equipment for a year for which evidence is submitted may be carried over to the next year and up to the annual maximum established per fiscal year in this contract.
- (c) If the machinery and equipment procurement require payment in phases to the vendor, **DDEC** will allow reimbursement at the maximum amount per year, but reserve 10% until inspection by a **DDEC** official validates the machinery and equipment procurement as submitted.
- (d) If the **SECOND PARTY** fails to submit the documents evidencing the purchase, if for any reason the project is cancelled or the **SECOND PARTY** decides to abandon the project, or if it fails to comply with any of the terms of this contract, the **SECOND PARTY** shall refund the incentive disbursed, if any, in full to the **DDEC**, or the **DDEC shall cancel the funds allocated for the unclaimed year.**
- (e) The incentive disbursement process involves an annual budget allocation subject to the availability of funds. The **SECOND PARTY** must request the allocated funds during the committed fiscal year. Otherwise, it will lose the allocation of funds and the disbursement for that period will no longer be available.
- (f) In the event that the **SECOND PARTY** fails to comply with the requirement to submit evidence in accordance with the above clauses and the request for disbursement, the unclaimed funds allocated for the year shall be cancelled and shall not be reclaimable in subsequent years.

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THREE: For all disbursements per fiscal year the **SECOND PARTY** shall issue a request on or before April 30 of the fiscal year with evidence of the corresponding expenditure. The **SECOND PARTY** acknowledges that, if it fails to comply with this commitment, the DDEC will establish a recapture mechanism for non-compliance with the contract. Likewise, if any disbursement for a fiscal year is not claimed or if any of the terms of the contract are breached, the DDEC will cancel the disbursement for that fiscal year without the right of the **SECOND PARTY** to claim it and receive it in the next fiscal year.

The investment date for machinery and equipment of this business is January 1, 2022.

The **SECOND PARTY** may not promote, assign, sell, encumber or dispose of the machinery and equipment acquired through the incentives granted through this contract, during the referred term of (5) years. The **SECOND PARTY** acknowledges that, if it fails to comply with this commitment, the DDEC will also establish a mechanism for recapture of funds for breach of contract or terminate the contract.

The **SECOND PARTY** must maintain a property and liability insurance policy and include DDEC as an insured. The policy must guarantee protection against accidents (fire, hurricane, earthquake and flood), vandalism, theft and industrial accidents.

FOUR: The parties hereby specifically agree and stipulate that the **SECOND PARTY** shall maintain its active operation for a period of not less than the term of the contract on a continuous basis. Provided, however, that temporary closures for reasons of a business nature which a prudent person would take into consideration or due to unforeseen circumstances beyond the control of the **SECOND PARTY**, but never in excess of thirteen (13) weeks, shall not constitute an act of default under the provisions of this Agreement, but such periods shall not be included within the required period of the term of this Agreement.

FIVE: This Agreement and all obligations and rights arising hereunder may not be the subject of an assignment agreement unless approved in writing by the DDEC.

SIX: The **SECOND PARTY** hereby undertakes and agrees to faithfully and fully comply with each and every one of the terms and conditions contained in this Agreement, as well as with each and every one of the agreements and commitments made, or that in the future may be made to the DDEC, during the term of this Agreement. Provided that nothing in this Agreement shall be construed as requiring the **Second Party** to render any services, sell any goods, or engage in any type of

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commercial or business endeavor with the **DDEC** other than compliance with the terms and conditions provided herein.

SEVEN: The parties also agree that, if the **SECOND PARTY** fails to comply with all or any of the terms and conditions expressed in this Agreement, the **DDEC** reserves the right to immediately terminate or terminate the same and discontinue the extension of the benefits of such incentives as of the date of such failure.

EIGHT: This Agreement shall be governed by, and construed in accordance with, the laws of the Government of Puerto Rico and the Fiscal Plan in effect.

NINE: The **SECOND PARTY** certifies and warrants that at the time of entering into this Agreement it has submitted:

- a. Negative Certification of Debt and State Insurance Fund Policy (the latter if applicable);
- b. Certificate of Relief of Withholding at Origin on Payments for Services Rendered, issued by the Department of Treasury (as applicable);
- c. Copy of the Merchant Registration Certificate issued by the Department of Treasury;
- d. Certification of Filing of Tax Returns for the five (5) years prior to the year in which the contract will be signed, including the last filing, issued by the Department of the Treasury;
- e. Negative Certification of Debt issued by the Department of the Treasury (if in debt, present evidence of payment plan or administrative review or of the balance of the debt);
- f. Certifications issued by the Municipal Revenue Collection Center (CRIM) that are required according to the type of property owned by the **SECOND PARTY**:

- In the event that the **SECOND PARTY** owns both movable and immovable property, it shall submit (i) Certification of Filing of Return on Movable Property; and (ii) Certification of Debt for All Items.
- In the event that the **SECOND PARTY** does not own movable property, but does own real property, it shall submit: (i) Negative Certification of Movable Property; (ii) Certification of Debt for All Concepts; and (iii) Affidavit.
- In the event that the **SECOND PARTY** owns movable property, but does not own real property, he/she shall submit: (i) Certification of Filing of Tax Return on the Movable Property; and (ii) Certification of Debt for All Concepts.

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- In the event that the **SECOND PARTY** does not own movable or immovable property, it shall submit: (i) Negative Certification of Movable and Immovable Property; and (ii) Affidavit.
- If the **SECOND PARTY** does not own movable property and is not registered in the mechanized system of the CRIM, he/she must submit a sworn statement containing the following information:
 - That the income of the **SECOND PARTY** is derived and paid for professional services (explain the nature of the same).
 - That during the last five (5) years, or since the **SECOND PARTY** began providing the professional services (explain years), he/she has had no business or personal or taxable property as of January 1 of each year.
 - That for said reason he/she is not obligated to file a personal property tax return as provided in Article 6.03 of Act 83 of August 1991, as amended, known as the Property Tax Law.
 - For such reason, the CRIM mechanized system does not contain tax records related to the filing of personal property tax returns for the last five (5) years, or since the **SECOND PARTY** began to provide professional services.
- g. Certification of Registration as Employer or Certification of Debt for Unemployment Insurance and Disability Insurance issued by the Department of Labor and Human Resources (as applicable);
- h. Negative Certification of Alimony Case (in the case of natural persons) or Certification of Statement of Account (in the case of legal entities) issued by the Administration for the Support of Minors (ASUME).
- i. Affidavit regarding non-convictions or that he/she has not pleaded guilty, as provided in Article 3.3 of Act 2-2018 known as the "Anti-Corruption Code for the New Puerto Rico".
- j. If the **SECOND PARTY** is under a payment plan for tax debt or with any other government agency, he/she shall remain in compliance with the terms and conditions of such agreement. If the **SECOND PARTY** fails to comply with this obligation, it agrees to cancel the debt by withholding the payments it is entitled to receive by virtue of this contract.
- k. The **SECOND PARTY** agrees, as a necessary condition of this contract, to present the certifications, relays, and documents that accredit its tax situation, as required by the **DDEC** or its authorized representative. It is expressly recognized that these are essential conditions of this contract, and if the above certification is not correct in whole or in part, this shall be sufficient cause for the **DDEC** to cancel the contract, and the **SECOND**

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PARTY shall have to return to the **DDEC** any sum of money received under this contract.

TEN: The **SECOND PARTY** also certifies that it is in faithful compliance with all laws of the Commonwealth of Puerto Rico such as State Insurance Fund policy, Unemployment, the requirements of the Department of Health, the Department of Labor and Human Resources, Immigration Service and any other legislation applicable to its employees.

ELEVEN: The **SECOND PARTY** acknowledges, represents, accepts, agrees, warrants, guarantees or **CERTIFIES** that:

- a) This **AGREEMENT** shall be governed by the provisions of Act No. 2 of January 4, 2018, known as the Anti-Corruption Code for the New Puerto Rico, as well as Act 1-2012, known as the Government Ethics Act. Said laws shall also apply to its employees and any authorized subcontractors, if any.
- b) Does not receive any remuneration or compensation for services rendered by appointment in any department, agency, public corporation or any other agency of the Government of Puerto Rico;
- c) No public servant or director, officer or employee of the **DDEC** or member of his or her family unit (as such term is defined in Law 1-2012 and its regulations), has any direct or indirect pecuniary interest in this Contract, or in the business of the **SECOND PARTY**, or any other interest that adversely affects the **DDEC**;
- d) No public servant or director, officer or employee of the **DDEC** or member of his or her family unit (as such term is defined in Law 1-2012 and its regulations) or any other person solicited or accepted, directly or indirectly, gifts, gratuities, favors, services, donations or anything else of economic value from you as a condition for obtaining this Contract, or for performing the duties and responsibilities of your office or employment, or for in any way influencing the award of this Contract;
- e) Is not a relative within the fourth degree of consanguinity or second degree of affinity of any director, officer or employee of the **DDEC** with the power to influence or participate in its

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institutional decisions or who participated in the process by which the **DDEC** was authorized to award this Contract.

- f) Has not been convicted of, pled guilty to, or is not aware that it is the subject of an investigation in a civil or criminal proceeding in a federal or state forum or in the courts of any jurisdiction of the United States of America for facts relating to a crime against the public treasury, public faith or office, against governmental performance, or involving public funds or property. During the term of the Agreement, the **SECOND PARTY** shall notify the **DDEC** of (i) any change in the certification made above; or (ii) the conduct of any investigation involving it or any of its partners or employees, if any, for the commission of any of the offenses specified above.
- g) Was not a public official or employee who had a relationship with the services or work subject of this Contract during the year prior to the signing of this Contract.
- h) It does not have any professional or personal conflict of interest with the **DDEC**, nor shall it enter into any professional or personal relationship that generates any conflict of interest with the **DDEC**, pursuant to the provisions of Act No. 2-2018. For purposes of this Agreement, "conflict of interest" means having or representing interests of any nature that are adverse to the **DDEC**, or those conflicts of interest recognized by its industry or by the laws and regulations of the Government of Puerto Rico. The **SECOND PARTY** shall inform the **DDEC** of any conflict of interest situation or the appearance of such conflict;
- i) It does not maintain any judicial or administrative claim or proceeding against the Government of Puerto Rico or any of its public agencies or corporations;
- j) That he/she has read Act No. 1 - 2012, as amended, as well as Act No. 2-2018, or failing that, undertakes to do so.
- k) That it has no legal obligation to obtain any type of waiver or authorization under Act 1-2018 of the Government of Puerto Rico, Act and its regulations, prior to the execution of this Agreement, or that, if such obligation exists, the waiver or authorization has been obtained and is in effect and will continue to be in effect during the term of the Agreement. Furthermore, it certifies that none of the provisions of the



aforementioned Act prohibits the execution of this Agreement.

- l) At the time of signing this contract, it has complied with its tax liabilities during the past five (5) years prior to this contract. The **SECOND PARTY** certifies and guarantees that since its inception it has complied with its tax liabilities and unemployment, temporary disability and social security insurance for drivers or any other mandatory and applicable. The **SECOND PARTY** acknowledges that in order for the **DDEC** to make any disbursement related to the services herein contracted, it cannot have any tax debt, which it shall certify by presenting the corresponding evidence of payment, filing and/or compliance with the payment plan.
- m) It is in compliance with Act 168 of August 12, 2000, as amended, "Act for the Strengthening of Family Support for the Elderly".

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The **SECOND PARTY** acknowledges and agrees that its employees, and any authorized subcontractors, if any, shall comply with all provisions of this Clause, if applicable.

The **SECOND PARTY** acknowledges and agrees that any and all such acknowledgments, representations, agreements, warranties or certifications herein are essential conditions of the Agreement and, if incorrect or breached in whole or in part, the **DDEC** may void, cancel, terminate or rescind this Agreement, without notice and the **SECOND PARTY** shall return to the **DDEC** any payment of money received hereunder.

TWELVE: No benefit or consideration object of this Contract may be demanded until the same has been filed for registration with the Office of the Comptroller of Puerto Rico, pursuant to the provisions of Act Number 18 of October 30, 1975, as amended.

THIRTEEN: All notices to be given or served under this Agreement shall be in writing; if to the **DDEC**, to the following address: **P.O. Box 362350, San Juan, Puerto Rico 00936-2350**; if to the **SECOND PARTY**, to the following address: **P.O. Box 892, San Lorenzo, Puerto Rico 00754**, or to any other address that one party notifies to the other, in writing.

FOURTEEN: The **SECOND PARTY** agrees to complete the **DDEC's** "Electronic Payment Authorization" form to the Contract and to receive the corresponding payments under this Contract through this mechanism. The **SECOND PARTY** shall submit the completed form **TES-020A- ELECTRONIC PAYMENT AUTHORIZATION (ACH)** and an unsigned voided check.

FIFTEEN: The **SECOND PARTY** shall deliver all documents, certifications and affidavits, according to the laws, regulations or normative documents applicable to this contract.

SIXTEEN: The term of this Agreement is 5 years from the date of execution.

SEVENTEEN: The rights and remedies under this Agreement shall not be exclusive of any right or remedy provided by law and the exercise of any right or remedy shall not be construed as a waiver of the exercise of any other right or remedy granted under the provisions of this Agreement or by law.

The express or implied waiver of rights or remedies under a specific provision of this Agreement shall not be construed as a waiver by **DDEC** of rights or remedies under such provision at any other time or under any other provision of this Agreement, or of those rights or remedies granted by law. Failure to act with respect to a breach of the obligations, conditions, terms, agreements, representations, warranties or certifications of this Agreement shall not be construed as a waiver by the **DDEC** of the right to take action with respect to such breach or any subsequent breach.

Any payment or disbursement under this Agreement shall not be construed as a waiver of the exercise of any right or remedy granted under this Agreement or by law, and the **Second Party** shall remain liable to the **DDEC** for any damages incurred by the **DDEC** as a result of the **Second Party's** breach or violation of any term, covenant or agreement contained in this Agreement.

EIGHTEEN: If any provision of this Agreement is declared void, illegal or unenforceable, on its face or in its application to any person or circumstance, the validity or enforceability of the remaining provisions shall not be affected, which shall remain in full force and effect. However, if a clause that is declared null, illegal or unenforceable is essential to this contract, and the nullity, illegality or unenforceability of such clause makes it impossible to comply with the other clauses of this Contract, then the parties may negotiate in good faith new clauses satisfactory to both, by determination of competent authority, the contract may be terminated

NINETEEN: This Agreement and the rights of the parties hereunder shall be governed by the laws of the Government of Puerto Rico. The Court of First Instance

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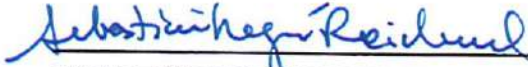
of Puerto Rico, San Juan Division, shall have exclusive jurisdiction to judicially resolve any controversy related to this Agreement.

TWENTY: The parties agree that this document may be signed electronically and that the digital signatures appearing in this document are as valid as if it were handwritten for purposes of validity, enforceability, consent, enforceability and admissibility. In addition, the parties certify that they were advised of their right to sign by handwriting; however, the signatories voluntarily waived such right and opted for the digital signature.

IN WITNESS WHEREOF, the parties hereto do hereby execute this Agreement at San Juan, Puerto Rico, this 11 day of February, 2024.

**DEPARTMENT OF ECONOMIC
DEVELOPMENT AND COMMERCE**

ETHICON LLC



8-enero-2025

SEBASTIÁN NEGRÓN REICHARD
Secretary
Po Box 632350
San Jua, PR 00936-2350
Tel.: (787) 765-2900

Rosana García Rivera
General Manager
P.O. Box 892
San Lorenzo, PR 00754
Email: rgarci77@its.jnj.com

**INCENTIVE CONTRACT
ECONOMIC INCENTIVE FUND
JOB CREATION**

Contract Num.: 2025-000442

Allocation of funds: FIE60-2024-2025-0143

FIRST PARTY: The DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE, (hereinafter referred to as the "DDEC" its acronym in Spanish), a government entity of the Government of Puerto Rico, created by Reorganization Plan Number 4-1994 and Act 51-1994, as amended. It is hereby represented by its Secretary, **SEBASTIÁN NEGRÓN REICHARD**, of legal age, single and a resident of San Juan, Puerto Rico.

SECOND PARTY: ETHICON LLC (hereinafter the "Second Party"), a for-profit limited liability company, organized under the laws of the Commonwealth of Puerto Rico, with registration number 94. The same is represented in this act by its General Manager, **Rosana García Rivera**, of legal age, married and a resident of Caguas, Puerto Rico.

The parties hereto are collectively referred to as the "PARTIES". The PARTIES represent that they have the power, legal authority and sufficient capacity to make the representations and assume the commitments that motivate the granting of this FIE Incentive Agreement, and by virtue thereof, freely and voluntarily:

HEREBY DECLARE

WHEREAS: Under Section 5010.01 of Act No. 60-2019, as amended, known as the "Puerto Rico Incentives Code" ("Code"), the Economic Incentives Fund ("FIE") was established to, among other things, promote scientific and technical research to improve the quality of life and efficiency in industrial operations and to promote the establishment of strategically important enterprises in Puerto Rico. The DDEC approved Regulation 9465, approved on May 30, 2023, which establishes the procedure for the application and granting of those economic incentives to be defrayed by the FIE.

WHEREAS: The **Second Party** is a company established in Puerto Rico since 1962. This company is a subsidiary of Johnson & Johnson and is dedicated to the manufacture of surgical sutures and bandages for hemostasis (control of bleeding in surgeries).

WHEREAS: The **Second Party** is headquartered in a private building located at Road 183 Km 8.3 Hato Industrial Area in San Lorenzo, Puerto Rico 00754.

WHEREAS: This project involves the creation of 348 new jobs with an estimated annual payroll of \$23,249,568.00 and an investment of \$91,990,000.00 in machinery and equipment.

WHEREAS: The DDEC is willing to grant to the **Second Party** the benefits of its Program under the Incentives Code, Act 60-2019, to assist it in this project of up to \$1,740,000.00, for the creation of 348 regular full-time jobs and retention of these jobs in its facilities in San Lorenzo and Manatí.

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WHEREFORE: The parties hereto, in consideration of the foregoing premises and in consideration, further, of the mutual agreements, covenants and representations made by each party with the other, covenant and agree as follows:

TERMS AND CONDITIONS

ONE: The DDEC grants to the **Second Party** up to a maximum of \$1,740,000.00, from the Economic Incentive Fund of the Incentive Code, for the creation of 348 regular full-time jobs under the **Second Parties** payroll. The costs of this Agreement will be charged to the **FIE60-2024-2025-0143** funding allocation. Disbursement of the monies committed in this agreement will be subject to the availability of funds.

For the purposes of this incentive, the date of **November 1, 2022**, is established as the date for the commencement of operations of the **Second Party**, in accordance with the criteria established in the Regulations for the Administration of Incentives for Puerto Rico Industries (-DNE-008). The new permanent jobs to be created must be regular positions and under the payroll of the **Second Party**.

TWO: These Incentives shall be used by the **Second Party** as follows:

- a. Incentives up to a maximum of \$1,740,000.00 for the creation of 348 full-time jobs at the rate of \$1,000.00 per job created in a 5-year period from the date of commencement of operations, established as November 1, 2022. The permanent jobs are defined as regular employees of the **Second Party** and under the payroll of the **Second Party**.
- b. A DDEC representative will certify the average employment for the year to be paid. If the average employment level has decreased compared to the last paid year, the **SECOND PARTY** will have a grace period of 6 months from the date of the audit to meet the average annual employment disbursed for the previous year. If the company does not meet the committed average employment, after the grace period has expired, the contract will be cancelled, and the allocated funds will be forfeited. In addition, the last completed employment average will be taken as the employment base for future expansions. Current DDEC rules and regulations for incentive disbursement will be maintained.
- c. The **Second Party** agrees to maintain operations at Road 183 Km 8.3 Hato Industrial Area, San Lorenzo, PR 00754 for a term of 5 years as of the date of commencement of operations.
- d. Once the incentive is paid for the year, the base level of workers is set at the disbursed employment level. Incentive disbursement will terminate on the contract expiration date as explained or when the total of \$1,740,000.00 is disbursed. If the total incentive disbursed is achieved in less than the contract term, the **Second Party** will be responsible for maintaining the jobs for the 5-year period as set forth.

THREE: The Incentives will be disbursed by the DDEC subject to the presentation of evidence by the **Second Party** of the creation of the 348 new jobs. This evidence may consist of: copies of official payroll lists, cancelled checks, electronic bank transactions, electronic funds transfers and/or any other appropriate evidence demonstrating that the **Second Party** has complied with the creation and retention of the new full-time jobs required under this Agreement.

Incentives will be disbursed by the DDEC subject to certification of compliance by the DDEC representative after evaluating evidence of compliance with the creation and retention of the required employees, which may include visits by a representative of the DDEC to the **Second Party's** facilities in San Lorenzo.

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FOUR: The **Second Party** agrees to maintain in active operation for a period of not less than five (5) years from the commencement of operations, complying with the terms and conditions contained herein; provided, however, that temporary closures for reasons of a commercial nature which a prudent person would take into consideration or due to unforeseen circumstances beyond the control of the **Second Party**, but never in excess of thirteen (13) weeks, shall not constitute an act of default under the provisions of this Agreement, but such periods shall not be included within the required five (5) year period of operations aforesaid.

FIVE: The term of this job creation incentive is five (5) years from the date of commencement of operations of the **Second Part**.

SIX: The **Second Party** hereby undertakes and agrees to comply faithfully and fully with each and every one of the terms and conditions contained in this Agreement, as well as with each and every one of the agreements and commitments made, or that in the future may be made to the **DDEC**, during the term of this Agreement. Provided that nothing in this Agreement shall be construed as requiring the **Second Party** to render any services, sell any goods, or engage in any type of commercial or business endeavor with the **DDEC** other than compliance with the terms and conditions provided herein

SEVEN: The **Parties** further agree that if the **Second Party** fails to comply with all or any of the terms and conditions expressed in this Agreement, the **DDEC** reserves the right to immediately rescind or terminate this Agreement, discontinue the extension of the benefits of such incentives as of the date of such default and recover from the **Second Party** any amount or amounts theretofore advanced by the **DDEC** in excess of the amount equal to the ratio existing between the period of time the **Second Party** actually operated the industrial unit covered by this Agreement in compliance with any and all of the terms and conditions contained herein, and the five (5) year period of operations mentioned in **Paragraph FOUR** of this Agreement.

EIGHT: This Agreement shall be governed by and construed in accordance with the laws of the Government of Puerto Rico.

The **Second Party** acknowledges and agrees that the **DDEC** may request any document it deems appropriate to prove its tax status or any of the certifications contained in this Agreement.

The **Second Party** acknowledges and accepts the power of the Comptroller of the Government of Puerto Rico to intervene or examine any report, invoice, material or document related to the services rendered under this contract and shall keep them for a term of six (6) years from the date of resolution, cancellation, rescission or termination of this Contract.

NINE: The **Second Party** certifies and warrants that at the time of entering into this Agreement it has submitted:

- a. Negative Certification of Debt and State Insurance Fund Policy (the latter if applicable);
- b. Certificate of Relief of Withholding at Origin on Payments for Services Rendered, issued by the Department of Treasury (as applicable);
- c. Copy of the Merchant Registration Certificate issued by the Department of Treasury;
- d. Certification of Filing of Tax Returns for the five (5) years prior to the year in which the contract will be signed, including the last filing, issued by the Department of the Treasury;

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- e. Negative Certification of Debt issued by the Department of the Treasury (if in debt, present evidence of payment plan or administrative review or of the balance of the debt);
- f. Certifications issued by the Municipal Revenue Collection Center (CRIM) that are required according to the type of property owned by the **Second Party**:
- In the event that the **Second Party** owns both movable and immovable property, it shall submit (i) Certification of Filing of Return on Movable Property; and (ii) Certification of Debt for All Items.
 - In the event that the **Second Party** does not own movable property, but does own real property, it shall submit: (i) Negative Certification of Movable Property; (ii) Certification of Debt for All Concepts; and (iii) Affidavit.
 - In the event that the **Second Party** owns movable property, but does not own real property, he/she shall submit: (i) Certification of Filing of Tax Return on the Movable Property; and (ii) Certification of Debt for All Concepts.
 - In the event that the **Second Party** does not own movable or immovable property, it shall submit: (i) Negative Certification of Movable and Immovable Property; and (ii) Affidavit.
 - If the **Second Party** does not own movable property and is not registered in the mechanized system of the CRIM, he/she must submit a sworn statement containing the following information:
 - That the income of the **Second Party** is derived and paid for professional services (explain the nature of the same).
 - That during the last five (5) years, or since the **Second Party** began providing the professional services (explain years), he/she has had no business or personal or taxable property as of January 1 of each year.
 - That for said reason he/she is not obligated to file a personal property tax return as provided in Article 6.03 of Act 83 of August 1991, as amended, known as the Property Tax Law.
 - For such reason, the CRIM mechanized system does not contain tax records related to the filing of personal property tax returns for the last five (5) years, or since the **Second Party** began to provide professional services.
- g. Certification of Registration as Employer or Certification of Debt for Unemployment Insurance and Disability Insurance issued by the Department of Labor and Human Resources (as applicable);
- h. Negative Certification of Alimony Case (in the case of natural persons) or Certification of Statement of Account (in the case of legal entities) issued by the Administration for the Support of Minors (ASUME).
- i. Affidavit regarding non-convictions or that he/she has not pleaded guilty, as provided in Article 3.3 of Act 2-2018 known as the "Anti-Corruption Code for the New Puerto Rico".
- j. If the **Second Party** is under a payment plan for tax debt or with any other government agency, he/she shall remain in compliance with the terms and conditions of such agreement. If the **Second Party** fails to comply with this obligation, it agrees to cancel the debt by withholding the payments it is entitled to receive by virtue of this contract.
- k. The **Second Party** agrees, as a necessary condition of this contract, to present the certifications, relays, and documents that accredit its tax situation, as required by the DDEC or its authorized representative. It is expressly recognized that these are essential conditions of this contract, and if the above

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certification is not correct in whole or in part, this shall be sufficient cause for the DDEC to cancel the contract, and the **Second Party** shall have to return to the DDEC any sum of money received under this contract.

TEN: The **Second Party** also certifies that it is in faithful compliance with all laws of the Commonwealth of Puerto Rico such as State Insurance Fund policy, Unemployment, the requirements of the Department of Health, the Department of Labor and Human Resources, Immigration Service and any other legislation applicable to its employees.

ELEVEN: The **Second Party** acknowledges, represents, accepts, agrees, warrants, guarantees or CERTIFIES that:

- a) This **AGREEMENT** shall be governed by the provisions of Act No. 2 of January 4, 2018, known as the Anti-Corruption Code for the New Puerto Rico, as well as Act 1-2012, known as the Government Ethics Act. Said laws shall also apply to its employees and any authorized subcontractors, if any.
- b) Does not receive any remuneration or compensation for services rendered by appointment in any department, agency, public corporation or any other agency of the Government of Puerto Rico;
- c) No public servant or director, officer or employee of the DDEC or member of his or her family unit (as such term is defined in Law 1-2012 and its regulations), has any direct or indirect pecuniary interest in this Contract, or in the business of the **Second Party**, or any other interest that adversely affects the DDEC;
- d) No public servant or director, officer or employee of the DDEC or member of his or her family unit (as such term is defined in Law 1-2012 and its regulations) or any other person solicited or accepted, directly or indirectly, gifts, gratuities, favors, services, donations or anything else of economic value from you as a condition for obtaining this Contract, or for performing the duties and responsibilities of your office or employment, or for in any way influencing the award of this Contract;
- e) Is not a relative within the fourth degree of consanguinity or second degree of affinity of any director, officer or employee of the DDEC with the power to influence or participate in its institutional decisions or who participated in the process by which the DDEC was authorized to award this Contract.
- f) Has not been convicted of, pled guilty to, or is not aware that it is the subject of an investigation in a civil or criminal proceeding in a federal or state forum or in the courts of any jurisdiction of the United States of America for facts relating to a crime against the public treasury, public faith or office, against governmental performance, or involving public funds or property. During the term of the Agreement, the **Second Party** shall notify the DDEC of (i) any change in the certification made above; or (ii) the conduct of any investigation involving it or any of its partners or employees, if any, for the commission of any of the offenses specified above.

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- g) Was not a public official or employee who had a relationship with the services or work subject of this Contract during the year prior to the signing of this Contract.
- h) It does not have any professional or personal conflict of interest with the **DDEC**, nor shall it enter into any professional or personal relationship that generates any conflict of interest with the **DDEC**, pursuant to the provisions of Act No. 2-2018. For purposes of this Agreement, "conflict of interest" means having or representing interests of any nature that are adverse to the **DDEC**, or those conflicts of interest recognized by its industry or by the laws and regulations of the Government of Puerto Rico. The **Second Party** shall inform the **DDEC** of any conflict of interest situation or the appearance of such conflict;
- i) It does not maintain any judicial or administrative claim or proceeding against the Government of Puerto Rico or any of its public agencies or corporations;
- j) That he/she has read Act No. 1 - 2012, as amended, as well as Act No. 2-2018, or failing that, undertakes to do so.
- k) That it has no legal obligation to obtain any type of waiver or authorization under Act 1-2018 of the Government of Puerto Rico, Act and its regulations, prior to the execution of this Agreement, or that, if such obligation exists, the waiver or authorization has been obtained and is in effect and will continue to be in effect during the term of the Agreement. Furthermore, it certifies that none of the provisions of the aforementioned Act prohibits the execution of this Agreement.
- l) At the time of signing this contract, it has complied with its tax liabilities during the past five (5) years prior to this contract. The **Second Party** certifies and guarantees that since its inception it has complied with its tax liabilities and unemployment, temporary disability and social security insurance for drivers or any other mandatory and applicable. The **Second Party** acknowledges that in order for the **DDEC** to make any disbursement related to the services herein contracted, it cannot have any tax debt, which it shall certify by presenting the corresponding evidence of payment, filing and/or compliance with the payment plan.
- m) It is in compliance with Act 168 of August 12, 2000, as amended, "Act for the Strengthening of Family Support for the Elderly".

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The **Second Party** acknowledges and agrees that its employees, and any authorized subcontractors, if any, shall comply with all provisions of this Clause, if applicable.

The **Second Party** acknowledges and agrees that any and all such acknowledgments, representations, agreements, warranties or certifications herein are essential conditions of the Agreement and, if incorrect or breached in whole or in part, the **DDEC** may void, cancel, terminate or rescind this Agreement, without notice and the **Second Party** shall return to the **DDEC** any payment of money received hereunder.

TWELVE: No benefit or consideration object of this Contract may be demanded until the same has been filed for registration with the Office of the Comptroller of Puerto Rico, pursuant to the provisions of Act Number 18 of October 30, 1975, as amended.

THIRTEEN: All notices to be given or served under this Agreement shall be in writing; if to the DDEC, to the following address: P.O. Box 362350, San Juan, Puerto Rico 00936-2350; if to the Second Party, to the following address: P.O. Box 892, San Lorenzo, PR 00754, or to any other address that one party notifies to the other, in writing.

FOURTEEN: The Second Party agrees to complete the DDEC's "Electronic Payment Authorization" form to the Contract and to receive the corresponding payments under this Contract through this mechanism. The Second Party shall submit the completed form TES-020A- ELECTRONIC PAYMENT AUTHORIZATION (ACH) and an unsigned voided check.

FIFTEEN: The Second Party shall deliver all documents, certifications and affidavits, according to the laws, regulations or normative documents applicable to this contract.

SIXTEEN: The Second Party warrants and certifies that it complies with all insurances required in its industry.

The Second Party shall indemnify, defend and hold harmless the DDEC, and the other agencies and public corporations to whom it provides services under this Agreement, if applicable, directors, officers, employees, agents, representatives, assigns and the Government of Puerto Rico from and against all losses, causes of action, claims, damages, liabilities and expenses (including attorney's fees) arising out of or related to the negligent acts or fault of the Second Party in the performance of its obligations under this Agreement.

SEVENTEEN: The rights and remedies under this Agreement shall not be exclusive of any right or remedy provided by law and the exercise of any right or remedy shall not be construed as a waiver of the exercise of any other right or remedy granted under the provisions of this Agreement or by law.

The express or implied waiver of rights or remedies under a specific provision of this Agreement shall not be construed as a waiver by DDEC of rights or remedies under such provision at any other time or under any other provision of this Agreement, or of those rights or remedies granted by law. Failure to act with respect to a breach of the obligations, conditions, terms, agreements, representations, warranties or certifications of this Agreement shall not be construed as a waiver by the DDEC of the right to take action with respect to such breach or any subsequent breach.

Any payment or disbursement under this Agreement shall not be construed as a waiver of the exercise of any right or remedy granted under this Agreement or by law, and the Second Party shall remain liable to the DDEC for any damages incurred by the DDEC as a result of the Second Party's breach or violation of any term, covenant or agreement contained in this Agreement.

EIGHTEEN: If any provision of this Agreement is declared void, illegal or unenforceable, on its face or in its application to any person or circumstance, the validity or enforceability of the remaining provisions shall not be affected, which shall remain in full force and effect. However, if a clause that is declared null, illegal or unenforceable is essential to this contract, and the nullity, illegality or unenforceability of such clause makes it impossible to comply with the other clauses of this Contract, then the parties may negotiate in good faith new clauses satisfactory to both, by determination of competent authority, the contract may be terminated.

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NINETEEN: This Agreement and the rights of the parties hereunder shall be governed by the laws of the Government of Puerto Rico. The Court of First Instance of Puerto Rico, San Juan Division, shall have exclusive jurisdiction to judicially resolve any controversy related to this Agreement.

TWENTY: The parties agree that this document may be signed electronically and that the digital signatures appearing in this document are as valid as if it were handwritten for purposes of validity, enforceability, consent, enforceability and admissibility. In addition, the parties certify that they were advised of their right to sign by handwriting; however, the signatories voluntarily waived such right and opted for the digital signature.

TWENTY-ONE: This agreement shall have a term of five (5) years from the date of its execution.

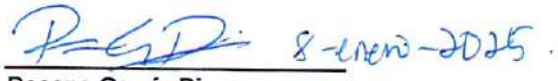
IN WITNESS WHEREOF, the parties hereto execute this Agreement in San Juan, Puerto Rico, today 11 of February of ~~2024~~ 2025 San Juan

DEPARTMENT OF
ECONOMIC DEVELOPMENT
AND COMMERCE

ETHICON LLC



Hon. Sebastián Negron Reichard
Secretary
P.O. Box 362350
San Juan PR 00936-2350
Tel.: (787) 765-2900

 8-enero-2025

Rosana García Rivera
General Manager

**GOVERNMENT OF PUERTO RICO
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE**

**ECONOMIC INCENTIVES FUND AGREEMENT
INFRASTRUCTURE IMPROVEMENTS**

STRYKER PUERTO RICO, LLC

Name of Project: Stryker Humacao Extrusion Technology Project

Assignment Number: FIE60-2025-2026-0127

Agreement Number: 2026-000938

APPEAR

AS FIRST PARTY: The **DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE**, a governmental entity of the Commonwealth of Puerto Rico, created by Act No. 51-1994 and Reorganization Plan No. 4-1994, as subsequently amended. It is herein represented by its **SECRETARY, HON. SEBASTIÁN NEGRÓN REICHARD**, of legal age, married, executive and resident of San Juan, Puerto Rico hereinafter referred to as "DDEC" for its acronym in Spanish.

AS THE SECOND PARTY: STRYKER PUERTO RICO, LLC., a domestic, for profit, limited liability company, duly organized under the laws of Puerto Rico, registered in the Department of State with number 450554. It is represented in this act by its **GENERAL MANAGER, MR. JOY MALDONADO**, of legal age, single and resident of Arroyo, Puerto Rico who has been duly authorized to represent the company under the provisions of Corporate Resolution dated February 23, 2023, hereinafter referred to as "GRANTEE" or "SPR".

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The parties appearing together are called "The Parties" and declare that they have the power, legal authority, and sufficient capacity to make the representations and assume the commitments that motivate the granting of this Economic Incentive Agreement, who freely and voluntarily establish the following:

RECITALS

WHEREAS, Act No. 60-2019, as amended, known as the "Puerto Rico Incentives Code" established the **Economic Incentives Fund ("FIE", for its acronym in Spanish)** for, among other things, promote the environment, the opportunities and the appropriate tools to promote the sustainable economic development of Puerto Rico.

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WHEREAS GRANTEE is a global leader in medical technologies and offers innovative products and services in orthopedics, medical, surgical, neurotechnology and spine that help improve patient and hospital outcomes.

WHEREAS GRANTEE has been operating in Arroyo, Puerto Rico since 1988 in a 227,718 square feet facility located in a parcel with an area of 17 acres owned by the Puerto Rico Industrial Development Company ("PRIDCO") identified as S-1504409800 in Las Guásimas Industrial Park. Furthermore, **GRANTEE** leases a PRIDCO owned building in Dr. John A. Smith Street in Cataño Ward L-140 in Humacao, Puerto Rico. This lease has been authorized by PRIDCO for a term of ten (10) years under the provisions of Lease Agreement No. 2025-000106. This Lease Agreement was duly executed on **January 27, 2025**.

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WHEREAS GRANTEE manufactures complex medical devices used in hospitals and medical services, its manufacturing catalog includes critical orthopedic instruments for surgery procedures. Also, **GRANTEE** provides integrated technologies for neurosurgery procedures, otorhinolaryngology and the treatment and diagnosis of chronic back pain.

WHEREAS GRANTEE, as part of its Business Strategies, presented the DDEC its plans to design, build and implement an Extrusion Technology area to produce FPVC components ("Extrusion Technology Project"), which will significantly improve **GRANTEE's** operational costs, efficiency and speed in business processes but moreover will ensure supply of FPVC, a key material. Specifically, the implementation of the Extrusion Technology process will benefit the **GRANTEE's** business by reducing product costs, rework and scrap resulting in improved profitability, business performance and quality profile. These are key enablers as **GRANTEE** is currently working to bring in new products and technologies.

WHEREAS GRANTEE's projects involve the investment of \$9,180,000.00 in machinery and equipment, \$3,825,000.00 in construction or infrastructure improvements and the creation of 40 new regular jobs with an estimated annual payroll of \$1,285,000.00.

WHEREAS GRANTEE has two (2) active tax exemption decrees. These are Decrees Number 17-73-RI-006 and 17-20-S-175 as provided under Act No. 73 and Act No. 20, respectively.

WHEREAS due to the importance of this project, the Secretary of DDEC, pursuant to Section 5010.01 of the referred Act 60-2019 has granted to the **GRANTEE**, up

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to **SIX HUNDRED THOUSAND DOLLARS (\$600,000.00)** from the **FIE** funds, to assist **SPR** in the construction of the infrastructure improvements needed for the Extrusion Technology area that will be located in **PRIDCO's** building S-1540-0-05 & 01-10 in Cataño Ward L-140 Calle John A. Smith in Humacao, Puerto Rico ("Leased Premises"), and object of the Lease Agreement No. 2025-000106, under the terms and conditions set forth.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, The Parties, intending to be legally bound, hereby state as follows:

TERMS AND CONDITIONS

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Section 1. Defined Terms. The following terms shall have the meanings specified below for all purposes of this Agreement:

- (a) "Agreement" shall mean this Economic Incentives Fund Agreement for Improvements, together with all exhibits and schedules thereto, if any, as the same may be amended, modified, restated, or otherwise supplemented from time to time.
- (b) Effective date for infrastructure improvement expenses: for purposes of this Agreement, shall be **January 27, 2025**, onwards.
- (c) "**DDEC**" shall have the meaning assigned to such term in the preamble.
- (d) "Default" shall mean any event, which, with the passage of time or the giving of notice or both, would, unless cured or waived, become an Event of Default.
- (e) "Disbursement" shall refer to those Funds to be distributed to **GRANTEE**, subject to the terms and conditions hereof.
- (f) "Event of Default" shall mean and include any of the following:
 - (1) Failure by **GRANTEE** to perform or comply with any covenant, agreement, or term contained in this Agreement, which failure shall continue for a period of forty-five (45) calendar days after written notice is given to **GRANTEE** by **DDEC**, provided however, that of **GRANTEE** is diligently acting to cure any such failure, this term may be extended by agreement of the parties; or
 - (2) Any representation or warranty of **GRANTEE** in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement, if any, that shall prove to have been false or incorrect in any material respect as of the date when made or deemed made and results in a Material Adverse Effect; or

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- (3) If **GRANTEE** enters into an assignment for the benefit of creditors, or shall admit in writing its inability to pay, or generally shall fail to pay, its debts as they mature or become due, or if any of its assets shall be attached, seized, levied upon or subjected to a writ or distress warrant, or if **GRANTEE** petitions or applies for the appointment of a trustee or other custodian, liquidator, or receiver of such entity or of any substantial part of its assets, or shall commence any case or other proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or takes any action to authorize or in furtherance of any of the foregoing; or
- (4) If any case or proceeding is commenced against **GRANTEE** in a court having competent jurisdiction seeking a decree or order in respect of **GRANTEE**: (i) under Title 11 of the United States Bankruptcy Code, as now constituted or hereafter amended, or any other bankruptcy, reorganization, insolvency or similar statute, whether state, federal or foreign; or (ii) appointing a trustee, custodian, liquidator, or receiver (or similar official) of **GRANTEE** or of any substantial part of its properties; or (iii) ordering the winding up or liquidation of the affairs of **GRANTEE**; and any such case or proceeding remains not dismissed or not stayed for more than sixty (60) calendar days, or such court enters a decree or order granting the relief sought in such case or proceeding; or
- (5) Any event after the execution of this Agreement that causes **GRANTEE** to be prohibited by law from engaging in its business or results in a Material Adverse Effect.
- (g) "Fund" or "FIE" shall refer to the Economic Incentives Fund created by Act 60- 2019, as amended, known as the "Puerto Rico Incentives Code".
- (h) "Government Entity" shall refer to any court, administrative agency, commission, law-making body, or other governmental authority or instrumentality of the Government of the Commonwealth of Puerto Rico or of the United States or any State, Municipality, County or Town of either, or of any foreign jurisdiction, or any agency, bureau, ministry, law-making body, commission or instrumentality thereof, including the employees or agents thereof.
- (i) **GRANTEE** shall have the meaning assigned to such term in the preamble.
- (j) "Material Adverse Effect" shall refer to a material adverse effect on the business, assets, operations, prospects, or financial condition of

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GRANTEE taken as a whole (after taking into account any insurance recoveries actually recovered in respect thereof) which would result in **GRANTEE's** inability to materially comply with its obligations under this Agreement, other than an effect resulting from the effect of any (i) change in the United States or foreign economies or financial markets in general; (ii) change that generally affects any industry in which **GRANTEE** operates; (iii) change arising in connection with earthquakes, hurricanes, tidal waves, tsunamis, floods, fires, COVID or other pandemic and government-related restrictions, strikes, riots, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; (iv) action taken by **DDEC**; or (v) change in applicable laws or accounting rules.

- (k) "Project" shall refer to the reimbursement of infrastructure improvement expenses made in the Leased Premises, as provided in Section 2 (b), as part of **GRANTEE's** establishment of an Extrusion Technology Project.

Section 2. Disbursements. Subject to the terms and conditions hereof, and relying on the representations, covenants, and warranties from **GRANTEE** and contained herein, **DDEC** agrees to award **GRANTEE** the following:

- (a) Up to **SIX HUNDRED THOUSAND DOLLARS (\$600,000.00)**, for **GRANTEE's** Project, as defined in Section 1(k), distributed or reimbursed in two (2) payments and/or more starting on Fiscal Year 2027 as follows:

Incentive Concept	Fiscal Year 2027	Fiscal Year 2028	Total
Infrastructure improvements	\$300,000.00	\$300,000.00	\$600,000.00

If the infrastructure investment in a fiscal year exceeds the annual maximum to be paid in such fiscal year, **GRANTEE** may carry forward the excess of such investment to subsequent fiscal years ("rollover") within the term of the Agreement, until the incentive is paid in full.

- (b) The incentives will be reimbursed for improvements completed in accordance with best engineering practices, as established by **PRIDCO's** infrastructure area, including, but are not limited to:

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- Substations
- Sprinklers systems
- HVAC systems
- Security systems
- Network systems (i.e. fiber optics, CAT-5 cables)

(c) **DDEC** will disburse the incentives after the **GRANTEE** submits a disbursement request accompanied with certified copies of the following documents, as applicable:

- Any necessary or required construction permit
- Purchase orders for the services
- Estimates and invoices of the infrastructure (if the incentive is utilized for this purpose).
- Budget and infrastructure bills
- Invoices
- Cancelled checks or bank account wire transfer confirmation as proof of payment for the equipment or services
- Permits or other documentation required, such as:

- ✓ Design
- ✓ Construction management
- ✓ Inspection services
- ✓ Civil Shell construction
- ✓ Electric Infrastructure
- ✓ Mechanical Infrastructure
- ✓ Interior layout or interior distribution (furniture not included)

These documents shall show the incentives amount allocated to assist **GRANTEE** on its infrastructure improvements. Except with the prior authorization of the **DDEC**, if for any event the Project is cancelled, or the company decides to abandon the Project, **GRANTEE** will reimburse **DDEC** any amount already disbursed as an economic incentive. The procurement process shall be following the best practice use in the business to guarantee the best use of the incentive funds.

- (d) Except with the prior authorization of the **DDEC**, if by any situation the project is cancelled or the **GRANTEE** decides to abandon it altogether, **GRANTEE** will reimburse **DDEC** any disbursed incentives for the construction, installation, validation and qualification of the Project.
- (e) **GRANTEE** shall claim disbursement, preferably **before April 30** each fiscal year to allow **DDEC** time to complete the disbursement process prior to the end of the fiscal year (June 30th). The **DDEC** will permit **GRANTEE** to roll over the expenses to the following year if the amount exceeds the allocation.
- (f) If **GRANTEE** does not carry out the planned manufacturing operation after spending the incentives funds, **GRANTEE** will reimburse **DDEC** all said incentives funds spent on the Project.

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- (g) The incentive granted is subject to **DDEC's** final review, once the **GRANTEE** submits the referred documents required for the improvements thereof, as per clause above.
- (h) Any funds herein granted will be disbursed upon presentation of a certificate of **DDEC's** representative which certifies that the improvements for which the incentives were granted have been inspected and are in operation, and that its costs and related expenses have been verified.
- (i) *Audit:* Upon receipt of a Disbursement request letter, **DDEC** shall promptly audit **GRANTEE's** Project expenses, as specified in this Agreement.
- (j) The **GRANTEE** is responsible for expenses that exceed the sum approved by **DDEC's** Secretary. However, if the sums to be disbursed are less than the amount approved by **DDEC's** Secretary, **DDEC** will disburse only the amount evidenced by the documents stated in this Section. Any remaining funds that have not been disbursed shall remain in **DDEC's** custody and **GRANTEE** is permitted hereunder to roll over the expenses to the following year if the amount exceeds the allocation. **GRANTEE** shall not claim any rights or use of such funds if they are not evidenced as herein required.
- (k) Except as otherwise agreed to with the **DDEC**, **GRANTEE** shall maintain the plant in operation for five (5) consecutive years, beginning from the date of signing the infrastructure incentives Agreement, provided, however, **GRANTEE** may suspend operations for scheduled preventive maintenance periods not to exceed three (3) months per year. **GRANTEE** recognizes that the **DDEC** will establish a recapture mechanism proportional to the non-compliance of the incentive agreement.

J M
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Section 3. Default Payment; Obligations; Payment Thereof.

- (a) If an Event of Default occurs and is continuing, **DDEC** shall have the right to immediately terminate this Agreement, and withhold future disbursements, if any, and recover any funds disbursed under this Agreement, if **GRANTEE** has not cured such default within 45 calendar days period, following written notice by **DDEC**, provided, however, that if **GRANTEE** is diligently pursuing the cure to such breach, the parties may agree to extend the 45 calendar day period. In such a case, the amount of funds to be recovered from **GRANTEE** shall be proportional to its level of non-compliance.
- (b) **GRANTEE** shall pay all reasonable out of pocket expenses (including reasonable attorneys' fees and costs) incurred by **DDEC** in connection

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with the successful enforcement of this Agreement against the **GRANTEE**.

- (c) **GRANTEE** further agrees to indemnify, defend and hold harmless **DDEC** as well as any of its directors, agents, employees, representatives and/or officers from and against all damages, losses, settlement payments, obligations, liabilities, and reasonable costs and expenses incurred, suffered, sustained or required to be paid by **DDEC**, as well as by any of its directors, agents, employees or officers that arise out or result from any investigations, claims, proceedings, or lawsuits against **DDEC** brought by third parties arising out of, by reason of, or resulting from the transactions contemplated in this Agreement, but only to the extent that such damages, losses, settlement payments, obligations, liabilities, costs and expenses were caused by the gross negligence or intentional misconduct of **GRANTEE** or reckless disregard of its duties hereunder. In any investigation, proceeding or litigation, or the preparation thereof, **DDEC** may be represented by the same counsel representing **GRANTEE**. However, in the event of conflict between the position or defenses available to **DDEC** and **GRANTEE**, **DDEC** shall be entitled to select its own counsel and, in addition to the foregoing indemnity, **GRANTEE** agrees to pay promptly the reasonable fees and expenses for such counsel.
- (d) In no event shall either party to this Agreement or their respective subsidiaries or affiliates will be responsible or have any liability for any indirect, incidental, special, consequential, or punitive damages that arises or results in the execution of this Agreement.
- (e) The funds to be disbursed under this Agreement are not subject to any kind of writ of garnishment, lien, and/or levy issued upon a writ of execution by a competent court. If a writ of garnishment, lien, and/or levy issued upon a writ of execution is issued, **GRANTEE** will notify, in a reasonable time, **DDEC** of such lien with a copy of such writ. **GRANTEE** shall hold **DDEC** harmless of such liens and shall file an acceptable bond to the court's representative to obtain a release these funds. If **GRANTEE** does not obtain the release of such Funds, this will be considered an Event of Default. If **DDEC** must file any defense, **GRANTEE** will be responsible in reimbursing all costs incurred by **DDEC**.

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Section 4. Representations and Warranties of GRANTEE. GRANTEE hereby represents and warrants to DDEC as follows:

- (a) GRANTEE is a limited liability company organized under the laws of Puerto Rico, with power and authority to conduct its business as described in this Agreement.
- (b) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any judicial court, or administrative body pending or, to the knowledge of GRANTEE, threatened: (i) in any way contesting the corporate existence or powers of GRANTEE; or (ii) against or affecting GRANTEE, wherein an unfavorable decision, ruling, or finding would result in Material Adverse Effect.
- (c) This Agreement, when executed and delivered by GRANTEE, will be a legal, valid, and binding obligation of GRANTEE, enforceable in accordance with its terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally or may be subject to general principles of equity.
- (d) The execution, delivery, and performance by GRANTEE of this Agreement has been: (i) duly authorized by all required entity action; (ii) will not violate: (1) any provision of law or any order of any court or any rule, regulation, or order of any Government Entity applicable to GRANTEE (2) GRANTEE organizational documents; or (3) any other agreement or instrument to which GRANTEE is a party; and (iii) will not be in conflict with, result in a breach of, or constitute a default under, any agreement or instrument to which GRANTEE is a party;
- (e) GRANTEE is not a party to any contract or agreement or subject to any charter or other restriction which has not been disclosed to DDEC prior to the execution of this Agreement, where the performance of or compliance with would have a Material Adverse Effect.
- (f) No representation or warranty made by GRANTEE in this Agreement or in any agreement, instrument, document, certificate, statement or letter furnished to DDEC, by or on behalf of GRANTEE, in connection with any of the transactions contemplated herein contains any untrue statement of a material fact; or, does not omit to state a material fact necessary to avoid a statement that could be considered misleading in light of the circumstances in which they are made. Except as disclosed in writing to DDEC, there is no event or circumstance known to GRANTEE which constitutes a Material Adverse Effect, or which would reasonably be expected to have a Material Adverse Effect if such representations are deemed misleading or untrue.

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Section 5. Deliveries by GRANTEE. Upon the execution of this Agreement, **GRANTEE** shall have delivered, as of the date hereof, each of the following documents to **DDEC**:

- (a) *Secretary's or Member's Certificate.* Certificate from the Secretary or Member of **GRANTEE** dated the date hereof which shall include (i) copy of **GRANTEE's** Articles of Incorporation or constituent documents and Bylaws or Operational Agreement; and (ii) true, correct and complete Resolution or Written Consent of **GRANTEE's** Board or Director or director authorizing the execution, delivery, and performance of this Agreement.
- (b) *Evidence of Payment.* **DDEC** shall have received from **GRANTEE** documents to the reasonable satisfaction of **DDEC**, as follows:
 - (i) Certificates and/or other documentation reasonably acceptable to **DDEC** evidencing: (1) that, to the extent applicable, **GRANTEE** is current and up-to-date in the payments of social security and unemployment insurance; (2) that, to the extent applicable, there are no claims or past due debts by or against **GRANTEE** from the Puerto Rico Treasury Department, the Puerto Rico Department of Labor and the Puerto Rico State Insurance Fund; (3) that, to the extent applicable, **GRANTEE** is current and up-to-date in the payments of municipal license taxes ("patentes municipales"), real and personal property taxes, payroll taxes, income taxes, and any other taxes imposed by a Government Entity;
 - (ii) If applicable, a current and updated certificate from the Clerk of the United States District Court for the District of Puerto Rico evidencing that there is no federal tax liability owed by **GRANTEE** and that no federal tax lien is registered with the Clerk of the United States District Court for the District of Puerto Rico against **GRANTEE**.
 - (iii) If **GRANTEE** owes any sum of money to any Government Entity for the concepts specified in sub-paragraphs (i) or (ii), the certificates to be presented or submitted by **GRANTEE** to **DDEC** shall also include evidence of the existence of a plan to repay any such indebtedness showing that **GRANTEE** is current and up-to-date in the payment and in full compliance with such plan or has requested an administrative review and/or hearing before the Treasury Department and/or CRIM.

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Section 6. Affirmative General Covenants of GRANTEE. In addition to the covenants established herein, **GRANTEE** covenants and agrees:

- (a) *Financial Statements, Certificates, and Information* **GRANTEE** shall deliver to **DDEC** on a reasonable time, but in any event not later than one hundred and eighty (180) calendar days after the end of each fiscal year of **GRANTEE** during the term of this Agreement, financial statements of **GRANTEE** certified without qualification, by independent certified public accountants reasonably acceptable to **DDEC**, in accordance with U.S. GAAP.
- (b) *Maintenance and Compliance.* **GRANTEE** will do or cause to be done all things necessary to preserve and keep in full force and effect its entity existence, rights, and franchises and will continue to engage, primarily, in its current business. Also, **GRANTEE** will: (i) comply with all federal, state and local laws, rules, regulations, orders, writs, judgments, injunctions, decrees and/or awards to which it may be subject; (ii) promptly obtain and maintain any authorization, consent, approval, license and/or order with respect to which the failure to do so would reasonably be expected to be considered a Material Adverse Effect; and, (iii) make any filing or registration with any Government Entity that is or becomes necessary in order for **GRANTEE** to perform, in all material respects, its obligations under this Agreement.
- (c) *Notice of Material Event.* **GRANTEE** will give notice in writing to **DDEC**, within upon becoming aware of the occurrence of: (i) any Default or Event of Default; (ii) any material casualty to the Leased Premises or any other force majeure suffered by **GRANTEE**; (iii) any litigation, investigation, or other proceeding or dispute against or involving **GRANTEE**, the result of which would reasonably be expected to have a Material Adverse Effect; or (iv) any litigation, investigation or other proceeding or dispute materially affecting **GRANTEE** that: (A) relates, in whole or in part, to any of the transactions contemplated by this Agreement; (B) involves an amount not covered by **GRANTEE** insurance policies and which is reasonably likely to cause a Material Adverse Effect on the operations or property of **DDEC**; or (C) may exist between **GRANTEE** and any other Government Entity and that would reasonably be expected to materially affect or interfere with the normal business operations of **GRANTEE**. **GRANTEE** will furnish **DDEC** from time to time all non-privileged information that **DDEC** shall reasonably request with respect to the status of any litigation, investigation, proceeding or dispute to which **GRANTEE** is a party.

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- (d) *Books and Records.* The financial books and records relating to the financial affairs of **GRANTEE** shall be prepared and maintained in accordance with United States General Acceptable Accounting Principles (known as "GAAP"). Also, **GRANTEE** shall comply with all applicable United States anti-boycott, anti-trust, export and trade laws and regulations, and any other regulation and/or rules that applies to **GRANTEE**.
- (e) *Insurance.* **GRANTEE** shall at all times keep insured all real and personal property owned by it maintained at the Leased Premises, which may be insurable against loss or damage by fire, windstorm, earthquake, theft or any other hazards in such amounts equivalent to the reasonable market value of said properties. All the policies obtained pursuant to this subparagraph shall be carried out under a multi-peril insurance package, including maintenance of adequate business interruption insurance.
- (f) *Taxes.* **GRANTEE** will file or cause to be filed all tax returns and reports which are required by law to be filed by it, and duly pay and discharge, or cause to be paid and discharged, before the same shall become past due, all taxes, assessments, and other governmental charges imposed upon it or any of its properties, assets, businesses, sales and activities, or any part thereof, or upon the income or profits therefrom; provided, however, that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if **GRANTEE** shall have set aside on its books adequate reserves with respect thereto (in accordance with GAAP); and provided, further, **GRANTEE** will pay all such taxes, assessments, charges, levies or claims prior to the foreclosure of any lien which may have attached as security therefore. At the request of **DDEC**, **GRANTEE** shall deliver to **DDEC** evidence of payment of any such taxes or evidence of the existence of a payment plan. No Funds shall be disbursed under this Agreement until reasonable evidence of payment, or a payment plan is delivered to **DDEC**.
- (g) *Further Assurances.* **GRANTEE** shall from time to time execute and deliver such further documents or instruments requested by **DDEC** and take such further action as may reasonably be requested by **DDEC** to enforce the purposes of this Agreement.
- (h) *Environmental Matters.* **GRANTEE** shall comply with all material applicable federal, state and local laws and regulations pertaining to environmental matters, and shall give prompt written notice to **DDEC** of the occurrence of any material event of noncompliance under any such laws and regulations that would require a verbal, telephonic, or written notice or communication to the U.S. Environmental Protection Agency

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and/or to the Puerto Rico Environmental Quality Board, or any successor or similar agency, or any agency having jurisdiction with respect to such event and shall promptly forward to DDEC copies of all orders, notices, permits, applications, or other communications and reports received, made or given in connection with any such event of non-compliance, and any enforcement action taken against GRANTEE.

- (i) *No Agency Relationship.* GRANTEE understands and agrees that DDEC is not the agent or representative of GRANTEE, and this Agreement shall not be construed to make DDEC liable or subject to any claim regarding monies owed and/or any harm, damage, lost or injury on material, contractors, subcontractors, craftsmen, laborers or others for goods or services furnished by them to GRANTEE or to customers or other persons procuring services from GRANTEE; and, it is understood and agreed that there is no contractual relation, either express or implied, between DDEC and any such contractors, subcontractors, craftsmen, laborers, or other persons supplying any work or materials for the improvements object of this Agreement and performed by GRANTEE or any customers or other persons procuring services for and/or from GRANTEE.

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Section 7. Additional Covenant of the GRANTEE - Mergers. In addition to the covenants established herein, GRANTEE covenants and agrees that during the term of this Agreement, it will provide prompt notice to DDEC if GRANTEE consolidates with or merges into or with any person or enters or undertakes any plan or agreement of consolidation or merger with any person, partnership or corporation.

Section 8. DDEC Representations and Warranties. DDEC hereby represents and warrants as follows:

- (a) DDEC is a government department of Puerto Rico with full right, power, and authority: (i) to enter into this Agreement; and (ii) to perform all the transactions contemplated in this Agreement.
- (b) This Agreement constitutes a legal, valid, and binding obligation of DDEC, enforceable in accordance with its terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally or may be subject to general principles of equity.
- (c) The execution, delivery, and performance of DDEC of this Agreement has been: (i) duly authorized by all required governmental action and/or its Secretary and/or by law, as applicable, and (ii) will not violate any provision of law or any Order of any Court, any Rule, Regulation, or Order applicable to DDEC; or its governing law and Regulations.

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- (d) This Agreement does not require the approval or consent of the Puerto Rico Financial Oversight and Management Board (FOMB) created under the PROMESA Act, or if required, has been approved or consented. The FIE funds herein referred to are included in applicable fiscal plans approved by the FOMB.

Section 9. DDEC officers not liable. All covenants, stipulations, agreements, and obligations of DDEC contained herein shall be deemed to be covenants, stipulations, agreements, and obligations of DDEC and not of any member of the governing body, officer, agent, or employee of DDEC in his individual capacity, and no recourse shall be had for any claim based hereunder against any member of the governing body, officer, agent, or employee of DDEC.

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Section 10. Headings. The headings and captions of the various sections and subsections of this Agreement are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 11. No Waiver. No failure or delay on the part of DDEC in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any right, power, or remedy hereunder.

Section 12. Entire Agreement; Amendments. This Agreement, including all exhibits hereto, if any, constitutes the sole understanding of the parties with respect to the matters contemplated hereby. No amendment, modification or alteration of the terms or provisions of this Agreement including all exhibits hereto, if any, shall be binding unless the same shall be in writing and duly executed by both parties.

Section 13. Addresses for Notices. All notices, requests, demands, directions, and other communications hereunder shall be in writing and mailed, hand delivered with signed receipt, or sent by nationally recognized overnight courier to the applicable party at the following address or to such address with respect to any party as such party shall notify the other party in writing:

If to DDEC:
PO Box 362350
San Juan, PR 00936-2350
Attention: Secretary

If to GRANTEE:
PO Box 329
Arroyo, PR 00714
Attention: Mr. Joy Maldonado

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All such notices, requests, demands, directions, and other communications shall be effective when received at the address specified above.

Section 14. Binding Effect. This Agreement shall be binding upon the **GRANTEE** and upon its execution by the aforesaid parties and after it has been duly recorded before the Office of the Comptroller of Puerto Rico, as required under Act No. 18 of October 30, 1975, as amended.

Section 15. Severability of Provisions. Any provision of this Agreement, which is prohibited or unenforceable in the Commonwealth of Puerto Rico shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

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Section 16. Governing Law. This Agreement shall be governed by and construed in accordance with, the laws of Puerto Rico. Any dispute or controversy arising out of or related to this Agreement shall be filed and entertained exclusively before the state courts of Puerto Rico.

Section 17. Trial by Jury. The parties hereby willingly waive the right to a trial by jury of all claims now existing or arising in the future, including without limitation, all claims, defenses, counterclaims, third party claims, and intervener's claims whether arising from or related to the negotiation, execution, and performance of the transactions to which this Agreement relates.

Section 18. Ethics Code. **GRANTEE** shall comply with the provisions of Act No. 22018, as amended, known as the Puerto Rico Anticorruption Code for New Puerto Rico.

Section 19. Expenses. Except as otherwise expressly provided for in this Agreement, each party shall pay all costs and expenses incurred by it or on its behalf in connection with this Agreement and the transactions contemplated herein, including without limitation, fees and expenses of its own financial consultants, accountants, and legal counsel.

Section 20. Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of, and be binding upon, the legal successors and assigns of the parties hereto; provided, however, that the parties expressly acknowledge and agree that this Agreement and the rights hereunder are personal to each of them and neither this Agreement nor any of the rights, duties or obligations hereunder shall be assigned, delegated, or transferred in whole or in part by any of them, except with

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the prior written consent of the other party, which shall not be unreasonably delayed or denied.

Section 21. Number and Gender of Words; Other References. Unless otherwise specified in this Agreement (a) where appropriate, the singular includes the plural and vice-versa, and words of any gender include each other gender; (b) monetary references are to currency of the United States of America; (c) references to "including" mean including without limiting the generality of any description preceding that word; and (d) references to any Act or Law include every amendment or supplement to it, rule and regulation adopted under it.

Section 22. Force Majeure. Neither party to this Agreement shall be held liable for their inability to perform any of their respective obligations, or to the extent any of their obligations pursuant to this Agreement is prevented, hindered, or delayed, as a result, because of any unforeseen or inevitable events, including natural disasters, catastrophic weather events, fire, terrorism, wars, riots, pandemic events or biohazard beyond their reasonable control, pursuant to Article 1166 of the Puerto Rico Civil Code.

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Section 23. Electronic Transfer of funds. All payments under this Agreement will be made by electronic transfer of funds. GRANTEE agrees to receive all payments under this Agreement through direct deposit.

Section 24. Availability of Funds. The disbursement of the funds granted in this Agreement, is subject to the availability of cash pertaining to FIE. Once available, DDEC shall make the corresponding disbursement on a timely basis.

Section 25. Termination and Survival. This Agreement shall be effective for a five (5) year term, from the date of execution.

Section 26. Digital Signatures. The Parties agree that this document may be signed electronically and that the digital signatures that appear or may appear on it and any digital copies or delivery shall be deemed originals and are as valid as if it were signed in wet ink. In addition, the parties acknowledge that they were advised of their right to sign the same in manuscript. However, the signatories, freely and voluntarily, may have waived this right and opted for the digital signature.

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IN WITNESS WHEREOF, the parties hereto execute this Infrastructure Economic
Incentive Agreement this 3 of March of 2026.

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE



HON. SEBASTIÁN NEGRÓN REICHARD
Secretary

STRYKER PUERTO RICO LLC.
EIN: 66-0955512



MR. JOY MALDONADO
General Manager
joy.maldonado@stryker.com

GOVERNMENT OF PUERTO RICO
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE

ECONOMIC INCENTIVES FUND AGREEMENT
FOR MACHINERY AND EQUIPMENT

STRYKER PUERTO RICO, LLC

Name of Project: Humacao-Extrusion Technology

Assignment Number: FIE60-2025-2026-0126

Agreement Number: 2026-⁰⁰⁰⁹³⁷_____

APPEAR

AS FIRST PARTY: The DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE, a governmental entity of the Commonwealth of Puerto Rico, created by Act No. 51-1994 and Reorganization Plan No. 4-1994, as subsequently amended. It is herein represented by its SECRETARY, HON. SEBASTIÁN NEGRÓN REICHARD, of legal age, married, attorney and resident of San Juan, Puerto Rico hereinafter referred to as "DDEC" for its acronym in Spanish.

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AS THE SECOND PARTY: STRYKER PUERTO RICO, LLC., is a domestic, for profit, limited liability company, duly organized under the laws of Puerto Rico, registered in the Department of State with number 450554. It is represented in this act by its GENERAL MANAGER, MR. JOY MALDONADO, of legal age, single and resident of Arroyo, Puerto Rico who has been duly authorized to represent the company under the provisions of Corporate Resolution dated February 23, 2023, hereinafter referred to as "GRANTEE" or "SPR".

The parties appearing together are hereinafter referred to as "The Parties" and each party declares that they have the power, legal authority, and sufficient capacity to make the representations and assume the obligations that give rise to the granting of this Economic Incentive Agreement, who freely and voluntarily establish the following:

RECITALS

WHEREAS, Act No. 60-2019, as amended, known as the "Puerto Rico Incentives Code" established the Economic Incentives Fund ("FIE", for its acronym in Spanish) for, among other things, promote the environment, the opportunities and the appropriate tools to promote the sustainable economic development of Puerto Rico.

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WHEREAS, GRANTEE has been operating since 1988 from the Las Guásimas Industrial Park in the municipality of Arroyo, Puerto Rico, in a 227,718 square feet facility located in a parcel with an area 17 acres owned by the Puerto Rico Industrial Development Company ("PRIDCO") identified as S-1540.

WHEREAS The DDEC recognizes **GRANTEE's** good investment history in the municipality of Arroyo, with its most recent \$35 million capital investment for the past four (4) years and an active payroll of more than 1,308 regular jobs.

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WHEREAS Recently, **GRANTEE** has decided to expand its operations in the municipality of Humacao in a PRIDCO building S-1540-0-05 & 1-10 with 142,252 square feet ("Leased Premises"). To do so, effective on January 27, 2025, **GRANTEE** has signed Lease Agreement 2025-000106 with PRIDCO to rent said building.

WHEREAS GRANTEE is a manufacturing industry dedicated to the manufacture of complex medical devices used in hospitals and medical services. The **GRANTEE's** manufacturing catalog includes critical orthopedic instruments for surgery procedures. Also, they provide integrated technologies for neurosurgery procedures, otorhinolaryngology and the treatment and diagnosis of chronic back pain.

WHEREAS GRANTEE uses Flexible PVC (FPVC) tubing for the manufacture of multiple products for the instruments and Endoscopy Business Units. The Annual SPR usage for FPVC tubing is approximately 150 million feet. This FPVC is key to manufacture products in the irrigation, fluids and cement business units, which combined represent 65% of the total of **GRANTEE's** 2024 manufacturing volume. Currently, the main supplier of FPVC for **GRANTEE** is in the state of Wisconsin, costing **GRANTEE** for 2024, **GRANTEE** projected purchases are \$23 million and freight cost associated with products is approximately \$4 million per year.

WHEREAS GRANTEE presented to DDEC its expansion plans in the municipality of Humacao. This new expansion project is intended to design, build and implement an Extrusion Technology area to produce the FPVC components ("Extrusion Technology Project").¹ This will significantly improve **GRANTEE's** operational costs, efficiency and speed in business processes but moreover will ensure supply of this key material to its manufacturing process. Specifically, the implementation of the Extrusion process will benefit the business by reducing product costs, rework and scrap resulting in improved profitability, business performance and quality profile. These are key enablers as **GRANTEE** is currently working to bring in new products and technologies to Puerto Rico.

¹ "Flexible Polyvinyl Chloride or Flexible PVC".

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WHEREAS This **GRANTEE's** new expansion project implies an investment of \$9,180,000.00 in machinery and equipment and \$3,825,000.00 in infrastructure improvements (construction) and the creation of forty (40) new regular jobs with an estimated annual payroll of \$1,285,000.00.

WHEREAS On January 2025, **GRANTEE** signed a letter of intent with **DDEC** to create one hundred and eighty (180) new regular jobs in the Arroyo site, furthermore, for this Humacao Extrusion Technology Project, forty (40) new regular jobs will be created, using the same base employment creation commitment of nine hundred and fourteen (914) jobs for both operations.

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WHEREAS, **GRANTEE** has two (2) active tax exemption decrees. These are Decrees Number 17-73-RI-006 and 17-20-S-175 as provided under Act No. 73 and Act No. 20, respectively.

WHEREAS, due to the significance of the Extrusion Technology Project to the expansion and strengthening of **GRANTEE's** manufacturing operations in Puerto Rico, the Secretary of **DDEC**, pursuant to Section 5010.01 of the referred Act 60-2019 conceded to the **GRANTEE**, up to **TWO MILLION SEVEN HUNDRED NINETEEN THOUSAND FIVE HUNDRED DOLLARS (\$2,719,500.00)** from the **FIE** funds, to assist **GRANTEE** in the acquisition, freight, transportation, installation and validation of new machinery, equipment and technology needed to facilitate the expansion and new operation, under the terms and conditions set forth.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties, intending to be legally bound, hereby state as follows:

TERMS AND CONDITIONS

Section 1. Defined Terms. The following terms shall have the meanings specified below for all purposes of this Agreement:

- (a) "Agreement" shall mean this Economic Incentives Fund Agreement for the Acquisition of Machinery and Equipment, together with all exhibits and schedules thereto, if any, as the same may be amended, modified, restated, or otherwise supplemented from time to time during the term of this Agreement.
- (b) [].

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- (c) "DDEC" shall have the meaning assigned to such term in the preamble.
- (d) "Default" shall mean any event, which, with the passage of time or the giving of notice or both, would, unless cured or waived, become an "Event of Default".
- (e) "Disbursement" shall refer to the payment or reimbursement of incentives money by DDEC to be distributed to GRANTEE, subject to the terms and conditions hereof.
- (f) "Event of Default" shall mean and include any of the following:
- (1) Failure by GRANTEE to perform or comply with any covenant, agreement, or term contained in this Agreement, which failure shall continue for a period of forty-five (45) calendar days after written notice is given to GRANTEE by DDEC, provided however, that if GRANTEE is diligently acting to cure any such failure, this term may be extended by agreement of the parties; or
 - (2) Any representation or warranty of GRANTEE in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement, if any, that shall prove to have been false or incorrect in any material respect as of the date when made or deemed made and results in a Material Adverse Effect; or
 - (3) If GRANTEE enters into an assignment for the benefit of creditors, or shall admit in writing its inability to pay or generally shall fail to pay its debts as they mature or become due, or if any of its assets shall be attached, seized, levied upon or subjected to a writ or distress warrant, or if GRANTEE petitions or applies for the appointment of a trustee or other custodian, liquidator, or receiver of such entity or of any substantial part of its assets, or shall commence any case or other proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or takes any action to authorize or in furtherance of any of the foregoing; or
 - (4) If any case or proceeding is commenced against GRANTEE in a court having competent jurisdiction seeking a decree or order in respect of GRANTEE: (i) under Title 11 of the United States Bankruptcy Code, as now constituted or hereafter amended, or any other bankruptcy, reorganization, insolvency or similar statute, whether state, federal or foreign; or (ii) appointing a trustee, custodian, liquidator, or receiver (or similar official) of GRANTEE or of any substantial part of its properties; or (iii) ordering the winding up or liquidation of the affairs of GRANTEE; and any such case or proceeding remains not dismissed or not stayed for more than sixty (60) calendar days, or such court enters a decree or order granting the relief sought in such case or proceeding; or
 - (5) Any event after the execution of this Agreement that causes GRANTEE to be prohibited by law from engaging in its business or results in a Material Adverse Effect.

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- (i) "Fund" or "FIE" shall refer to the Economic Incentives Fund created by Act 60- 2019, as amended, known as the "Puerto Rico Incentives Code".
- (j) "Government Entity" shall refer to any court, administrative agency, commission, law-making body, or other governmental authority or instrumentality of the Government of the Commonwealth of Puerto Rico or of the United States or any State, Municipality, County or Town of either, or of any foreign jurisdiction, or any agency, bureau, ministry, law-making body, commission, or instrumentality thereof, including the employees or agents thereof.
- (k) **GRANTEE** shall have the meaning assigned to such term in the preamble of this Incentive Agreement.
- (l) "Material Adverse Effect" shall refer to a material adverse effect on the business, assets, operations, prospects, or financial condition of **GRANTEE** taken as a whole (after taking into account any insurance recoveries actually recovered in respect thereof) which would result in **GRANTEE's** inability to materially comply with its obligations under this Agreement, other than an effect resulting from the effect of any (i) change in the United States or foreign economies or financial markets in general; (ii) change that generally affects any industry in which **GRANTEE** operates; (iii) change arising in connection with earthquakes, hurricanes, tidal waves, tsunamis, floods, fires, COVID or other pandemic and government-related restrictions, strikes, riots, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; (iv) action taken by **DDEC**; or (v) change in applicable laws or accounting rules.
- (m) "Project" shall refer to the acquisition of machinery and equipment, including installation, validation, freight, startup, and the necessary infrastructure for the **Stryker's Humacao Extrusion Technology area facility development**, in a five (5) year period from the Commencement of Operations, because of the expansion of **GRANTEE's** operations in Humacao, Puerto Rico.

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Section 2. Disbursements.

Subject to the terms and conditions hereof, and relying on the representations, covenants, and warranties from **GRANTEE** contained herein, **DDEC** agrees to award **GRANTEE** up to **Two (2) installments of \$1,359,750.00 each per year for fiscal years 2027 and 2028.** The disbursement process involves **one (1) budget allocation per year** subject to the availability of FIE funds. The **GRANTEE** must request the funds allocated during the fiscal year (2027) and the fiscal year (2028) committed. The **DDEC** will permit **GRANTEE** to roll over the expenses to the following year if the quantity exceeds the allocation. [The **DDEC** will take into consideration the investment generated in machinery and equipment by the **GRANTEE** from September 1, 2024, provided that the request for funds will be made in fiscal year 2027 and 2028.]

The fiscal year is defined as the period starting on July 1st of each year and ending on June 30th of the following natural year. Each fiscal year, the company must claim the committed funds, on or before April 30. **GRANTEE** must claim the first disbursement on or before **April 30**, of each fiscal year, by delivering a request detailing the expenses incurred in the acquisition of machinery and equipment and related expenses for which incentives herein have been granted. The **GRANTEE** must request the incentive

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disbursement installment on or before April 30 of each fiscal year according to the following chart:

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Incentive	Fiscal Year 2027	Fiscal Year 2028
Machinery and Equipment	\$1,359,750.00	\$1,359,750.00
Total		\$2,719,500.00

- (a) **GRANTEE**, shall submit to **DDEC** a reimbursement request letter with certified copies of the following documents, as applicable:
 - Purchase orders for the machinery and equipment.
 - invoices.
 - Cancelled checks or wire transfer confirmation as proof of payment for the machinery and equipment or related services.
 - Permits and other documentation (for the installation, acquisition, freight, startup, validation, and related services if any), as required and approved.
- (b) The incentive granted is based on new machinery and equipment, including those bought on or after September 1, 2024, and is subject to **DDEC**'s final review.
- (c) Incentive funds shall be used to reimburse expenses incurred exclusively for the **Styker Humacao Extrusion Technology Project**.
- (d) the request shall show how the incentives were allocated to assist the **GRANTEE** in machinery and equipment acquisition.
- (e) Any funds granted will be disbursed upon presentation of a certificate of **DDEC**'s Property Management Division which certifies that that the machinery and equipment for which the incentives were granted have been inspected and are installed and in operation, and that its acquisition costs and related expenses have been verified.
- (f) *Audit:* Upon receipt of a Disbursement request letter, **DDEC** shall promptly audit **GRANTEE**'s acquisition of machinery and equipment related to the Project, as specified in Section 1(m) of this Agreement.
- (g) **GRANTEE** is responsible for expenses that exceed the sum approved by **DDEC**'s Secretary, the **GRANTEE** will be responsible for such excesses. However, if the sums to be disbursed are less than the amount approved by **DDEC**'s Secretary, **DDEC** will disburse only the amount evidenced by the documents stated in this Section. Any remaining funds that have not been disbursed shall remain in **DDEC**'s custody and **GRANTEE** is permitted hereunder to roll over the expenses to the following year if the amount exceeds the allocation. **GRANTEE** shall not claim any rights or use of such funds if they are not evidenced as herein provided.

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- (h) Except as otherwise agreed to with the **DDEC**, **GRANTEE** shall maintain the plant in operation for five (5) consecutive years, beginning with the execution date of this incentive agreement; providing that **GRANTEE** may suspend operations for scheduled preventive maintenance periods not to exceed three (3) months per year. **GRANTEE** recognizes that the **DDEC** will establish a recapture mechanism proportional to the non-compliance of the incentive agreement.
- (i) If by any situation **GRANTEE** decides not to carry out or the **Stryker Humacao Extrusion Technology project** development is otherwise cancelled **GRANTEE** will reimburse **DDEC** said machinery and equipment funds disbursed.
- (j) The disbursement of incentive funds will be subject to **GRANTEE's** compliance with the terms and conditions to be set forth in this Agreement.
- (k) **GRANTEE** agrees that any public announcement of the **Stryker Humacao Extrusion Technology project** with the Government of Puerto Rico funded by FIE Funds under this Incentives Agreement shall be made upon the approval of the **GRANTEE** communications office in coordination with **DDEC** communications office.

Section 3. Default Payment; Obligations; Payment Thereof.

- (a) If an Event of Default occurs and is continuing, **DDEC** shall have the right to immediately terminate this Agreement, and withhold future disbursements, if any, and recover any funds disbursed under this Agreement, if **GRANTEE** has not cured such default within forty-five (45) calendar days period, following written notice by **DDEC**, provided, however, that if **GRANTEE** is diligently pursuing the cure to such breach, the parties may agree to extend the 45 calendar day period. In such case, the amount of funds to be recovered from **GRANTEE** shall be proportional to its level of non-compliance.
- (b) **GRANTEE** shall pay all reasonable out of pocket expenses (including reasonable attorneys' fees and costs) incurred by **DDEC** in connection with the successful enforcement of this Agreement against the **GRANTEE**.
- (c) **GRANTEE** further agrees to indemnify, defend and hold harmless **DDEC** as well as any of its directors, agents, employees, representatives and/or officers from and against all damages, losses, settlement payments, obligations, liabilities, and reasonable costs and expenses incurred, suffered, sustained or required to be paid by **DDEC**, as well as by any of its directors, agents, employees or officers that arise out or result from any investigations, claims, proceedings, or lawsuits against **DDEC** brought by third parties arising out of, by reason of, or resulting from the transactions contemplated in this Agreement, but only to the extent that such damages, losses, settlement payments, obligations, liabilities, costs and expenses were caused by the gross negligence or intentional misconduct of **GRANTEE** or reckless disregard of its duties hereunder. In any investigation, proceeding or litigation, or the preparation thereof, **DDEC** may be represented by the same counsel representing **GRANTEE**. However, in the event of conflict between the position or defenses available to **DDEC** and **GRANTEE**, **DDEC** shall

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be entitled to select its own counsel and, in addition to the foregoing indemnity, **GRANTEE** agrees to pay promptly the reasonable fees and expenses for such counsel.

(d) In no event shall either party to this Agreement or their respective subsidiaries or affiliates will be responsible or have any liability for any indirect, incidental, special, consequential, or punitive damages that arises or results in the execution of this Agreement.

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(e) The funds to be disbursed under this Agreement are not subject to any kind of writ of garnishment, lien, and/or levy issued upon a writ of execution by a competent court. If a writ of garnishment, lien, and/or levy issued upon a writ of execution is issued, the **GRANTEE** will notify, in a reasonable time, **DDEC** of such liens with a copy of such writ. **GRANTEE** shall hold **DDEC** harmless of such lien and shall file an acceptable bond to the court's representative to obtain release these funds. If **GRANTEE** does not obtain a release of such Funds, this will be considered an Event of Default subject to this Part. If **DDEC** needs to file any defense, **GRANTEE** will be responsible for reimbursing all costs incurred by **DDEC**.

Section 4. Representations and Warranties of GRANTEE. **GRANTEE** hereby represents and warrants the **DDEC** as follows:

- (a) **GRANTEE** is a validly existing entity, duly registered in Puerto Rico, with power and authority to conduct its business as described in this Agreement.
- (b) **GRANTEE** is a validly existing entity, duly registered in Puerto Rico, with power and authority to conduct its business as described in this Agreement.
- (c) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public board or body pending or, to the knowledge of **GRANTEE**, threatened: (i) in any way contesting the corporate existence or powers of **GRANTEE**; or (ii) against or affecting **GRANTEE**, wherein an unfavorable decision, ruling, or finding would result in Material Adverse Effect.
- (d) This Agreement, when executed and delivered by **GRANTEE**, will be a legal, valid, and binding obligation of **GRANTEE**, enforceable in accordance with its terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally or may be subject to general principles of equity.
- (e) The execution, delivery, and performance by **GRANTEE** of this Agreement has been: (i) duly authorized by all required entity action; (ii) will not violate: (1) any provision of law or any order of any court or any rule, regulation, or order of any Government Entity applicable to **GRANTEE** (2) **GRANTEE** organizational documents; or (3) any other agreement or instrument to which **GRANTEE** is a party; and (iii) will not be in conflict with, result in a breach of, or constitute a default under, any agreement or instrument to which **GRANTEE** is a party;
- (f) **GRANTEE** is not a party to any contract or agreement or subject to any charter or other restriction which has not been disclosed to **DDEC** prior to the execution of this Agreement, where the performance of or compliance with would have a Material Adverse Effect.

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- (g) No representation or warranty made by **GRANTEE** in this Agreement or in any agreement, instrument, document, certificate, statement, or letter furnished to **DDEC**, by or on behalf of **GRANTEE**, in connection with any of the transactions contemplated herein contains any untrue statement of a material fact; or does not omit to state a material fact necessary to avoid a statement that could be considered misleading in light of the circumstances in which they are made. Except as disclosed in writing to **DDEC**, there is no event or circumstance known to **GRANTEE** which constitutes a Material Adverse Effect, or which would reasonably be expected to have a Material Adverse Effect if such representations are deemed misleading or untrue.

Section 5. Deliveries by GRANTEE. Upon the execution of this Agreement, **GRANTEE** shall have delivered, as of the date hereof, each of the following documents to **DDEC**:

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(a) *Secretary's or Member's Certificate.* Certificate from the Secretary or Member of **GRANTEE** dated the date hereof which shall include (i) copy of **GRANTEE's** Articles of Incorporation or constituent documents and Bylaws or Operational Agreement; and (ii) true, correct, and complete Resolution or Written Consent of **GRANTEE's** Board of Director or director authorizing the execution, delivery, and performance of this Agreement.

(b) *Evidence of Payment.* **DDEC** shall have received from **GRANTEE** documents to the reasonable satisfaction of **DDEC**, as follows:

(i) Certificates and/or other documentation reasonably acceptable to **DDEC** evidencing: (1) that, to the extent applicable, **GRANTEE** is current and up-to-date in the payments of social security and unemployment insurance; (2) that, to the extent applicable, there are no claims or past due debts by or against **GRANTEE** from the Puerto Rico Treasury Department, the Puerto Rico Department of Labor and the Puerto Rico State Insurance Fund; (3) that, to the extent applicable, **GRANTEE** is current and up-to-date in the payments of municipal license taxes ("patentes municipales"), real and personal property taxes, payroll taxes, income taxes, and any other taxes imposed by a Government Entity;

(ii) If applicable, a current and updated certificate from the Clerk of the United States District Court for the District of Puerto Rico evidencing that there is no federal tax liability owed by **GRANTEE** and that no federal tax lien is registered with the Clerk of the United States District Court for the District of Puerto Rico against **GRANTEE**.

(iii) If **GRANTEE** owes any sum of money to any Government Entity for the concepts specified in sub-paragraphs (i) or (ii), the certificates to be presented or submitted by **GRANTEE** to **DDEC** shall also include evidence of the existence of a plan to repay any such indebtedness showing that **GRANTEE** is current and up-to-date in the payment and in full compliance with such plan or has requested an administrative review and/or hearing before the Treasury Department and/or CRIM.

Section 6. Affirmative General Covenants of GRANTEE. In addition to the covenants established herein, **GRANTEE** covenants and agrees:

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- (a) *Financial Statements, Certificates, and Information* **GRANTEE** shall deliver to **DDEC** on a reasonable time, but in any event not later than one hundred and eighty (180) calendar days after the end of each fiscal year of **GRANTEE** during the term of this Agreement, financial statements of **GRANTEE** certified without qualification, by independent certified public accountants reasonably acceptable to **DDEC**, in accordance with U.S. GAAP.
- (b) *Maintenance and Compliance.* **GRANTEE** will do or cause all things necessary to be done to preserve and keep in full force and effect, its entity existence, rights, and franchises and will continue to engage, primarily, in its current business. Also, **GRANTEE** will: (i) comply with all federal, state and local laws, rules, regulations, orders, writs, judgments, injunctions, decrees and/or awards to which it may be subject; (ii) promptly obtain and maintain any authorization, consent, approval, license and/or order with respect to which the failure to do so would reasonably be expected to be considered a Material Adverse Effect; and, (iii) make any filing or registration with any Government Entity that is or becomes necessary in order for **GRANTEE** to perform, in all material respects, its obligations under this Agreement.
- (c) *Notice of Material Event.* **GRANTEE** will give notice in writing to **DDEC**, within upon becoming aware of the occurrence of: (i) any Default or Event of Default; (ii) any material casualty to the Leased Premises or any other force majeure suffered by **GRANTEE**; (iii) any litigation, investigation, or other proceeding or dispute against or involving **GRANTEE**, the result of which would reasonably be expected to have a Material Adverse Effect; or (iv) any litigation, investigation or other proceeding or dispute materially affecting **GRANTEE** that: (A) relates, in whole or in part, to any of the transactions contemplated by this Agreement; (B) involves an amount not covered by **GRANTEE** insurance policies and which is reasonably likely to cause a Material Adverse Effect on the operations or property of **DDEC**; or (C) may exist between **GRANTEE** and any other Government Entity and that would reasonably be expected to materially affect or interfere with the normal business operations of **GRANTEE**. **GRANTEE** will furnish **DDEC** from time to time all non-privileged information that **DDEC** shall reasonably request with respect to the status of any litigation, investigation, proceeding or dispute to which **GRANTEE** is a party.
- (d) *Books and Records.* The financial books and records relating to the financial affairs of **GRANTEE** shall be prepared and maintained in accordance with United States General Acceptable Accounting Principles (known as "GAAP"). Also, **GRANTEE** shall comply with all applicable United States anti-boycott, anti-trust, export and trade laws and regulations, and any other regulation and/or rules that applies to **GRANTEE**.
- (e) *Insurance.* **GRANTEE** shall at all times keep insured all real and personal property owned by it and maintained at the Leased Premises, which may be insurable against loss or damage by fire, windstorm, earthquake, theft or any other hazards in such amounts equivalent to the reasonable market value of said properties. All the policies obtained pursuant to this subparagraph shall be carried under a multi-peril insurance package, including maintenance of adequate business interruption insurance.

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- (f) **Taxes.** GRANTEE will file or cause to be filed all tax returns and reports which are required by law to be filed by it, and duly pay and discharge, or cause to be paid and discharged, before the same shall become past due, all taxes, assessments, and other governmental charges imposed upon it or any of its properties, assets, businesses, sales and activities, or any part thereof, or upon the income or profits therefrom; provided, however, that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if GRANTEE shall have set aside on its books adequate reserves with respect thereto (in accordance with GAAP); and provided, further, GRANTEE will pay all such taxes, assessments, charges, levies or claims prior to the foreclosure of any lien which may have attached as security therefore. At the request of DDEC, GRANTEE shall deliver to DDEC evidence of payment of any such taxes or evidence of the existence of a payment plan. No Funds shall be disbursed under this Agreement until reasonable evidence of payment, or a payment plan is delivered to DDEC.
- (g) **Further Assurances.** GRANTEE shall from time to time execute and deliver such further documents or instruments requested by DDEC and take such further action as may reasonably be requested by DDEC to enforce the purposes of this Agreement.
- (h) **Environmental Matters.** GRANTEE shall comply with all material applicable federal, state and local laws and regulations pertaining to environmental matters, and shall give prompt written notice to DDEC of the occurrence of any material event of noncompliance under any such laws and regulations that would require a verbal, telephonic, or written notice or communication to the U.S. Environmental Protection Agency and/or to the Puerto Rico Environmental Quality Board, or any successor or similar agency, or any agency having jurisdiction with respect to such event and shall promptly forward to DDEC copies of all orders, notices, permits, applications, or other communications and reports received, made or given in connection with any such event of non-compliance, and any enforcement action taken against GRANTEE.
- (i) **No Agency Relationship.** GRANTEE understands and agrees that DDEC is not the agent or representative of GRANTEE, and this Agreement shall not be construed to make DDEC liable or subject to any claim regarding monies owed and/or any harm, damage, loss or injury on material, contractors, subcontractors, craftsmen, laborers or others for goods or services furnished by them to GRANTEE or to customers or other persons procuring services from GRANTEE; and, it is distinctly understood and agreed that there is no contractual relation, either express or implied, between DDEC and any such men, contractors, subcontractors, craftsmen, laborers, or other persons supplying any work or materials for the machinery and equipment object of this Agreement and performed by GRANTEE or any customers or other persons procuring services for and/or from GRANTEE.

Section 7. Additional Covenant of the GRANTEE - MERGERS. In addition to the covenants established herein, GRANTEE covenants and agrees that during the term of this Agreement, it will provide prompt notice to DDEC if GRANTEE consolidates with

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or merges into or with any person or enters or undertakes any plan or agreement of consolidation or merger with any person, partnership or corporation.

Section 8. DDEC Representations and Warranties. DDEC hereby represents and warrants as follows:

(a) DDEC is a government department of Puerto Rico with full right, power, and authority: (i) to enter into this Agreement; and (ii) to perform all the transactions contemplated in this Agreement.

(b) This Agreement constitutes a legal, valid, and binding obligation of DDEC, enforceable in accordance with its terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally or may be subject to general principles of equity.

(c) The execution, delivery, and performance of DDEC of this Agreement has been: (i) duly authorized by all required governmental action and/or its secretary and/or by law, as applicable, and (ii) will not violate any provision of law or any Order of any Court, any Rule, Regulation, or Order applicable to DDEC; or its governing law and Regulations.

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(d) This Agreement does not require the approval or consent of the Puerto Rico Financial Oversight and Management Board (FOMB) created under the PROMESA Act, or if required, has been approved or consented. The FIE funds herein referred to are included in applicable fiscal plans approved by the FOMB.

Section 9. DDEC officers not liable. All covenants, stipulations, agreements, and obligations of DDEC contained herein shall be deemed to be covenants, stipulations, agreements, and obligations of DDEC and not of any member of the governing body, officer, agent, or employee of DDEC in his individual capacity, and no recourse shall be had for any claim based hereunder against any member of the governing body, officer, agent, or employee of DDEC.

Section 10. Headings. The headings and captions of the various sections and subsections of this Agreement are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 11. No Waiver. No failure or delay on the part of DDEC in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any right, power, or remedy hereunder.

Section 12. Entire Agreement; Amendments. This Agreement, including all exhibits hereto, if any, constitutes the sole understanding of the parties with respect to the matters contemplated hereby. No amendment, modification or alteration of the terms or provisions of this Agreement including all exhibits hereto, if any, shall be binding unless the same shall be in writing and duly executed by both parties.

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Section 13. Addresses for Notices. All notices, requests, demands, directions, and other communications hereunder shall be in writing and mailed, hand delivered with signed receipt, or sent by nationally recognized overnight courier to the

applicable party at the following address or to such address with respect to any party as such party shall notify the other party in writing:

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If to DDEC:

PO Box 362350

San Juan, PR 00936-2350

Attention: Secretary Office

If to GRANTEE:

PO Box 329

Arroyo, Puerto Rico 00714

Attention: General Manager's Office

All such notices, requests, demands, directions, and other communications shall be effective when received at the address specified above.

Section 14. Binding Effect.- Comptroller's Office Registry. This Agreement shall be binding upon the GRANTEE and upon its execution by the aforesaid parties and after it has been duly recorded before the Office of the Comptroller of Puerto Rico, as required under Act No. 18 of October 30, 1975, as amended.

Section 15. Severability of Provisions. Any provision of this Agreement, which is prohibited or unenforceable in the Commonwealth of Puerto Rico shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

Section 16. Governing Law. This Agreement shall be governed by and construed in accordance with, the laws of Puerto Rico. Any dispute or controversy arising out of or related to this Agreement shall be filed and entertained exclusively before the state courts of Puerto Rico.

Section 17. Trial by Jury. The parties hereby willingly waive the right to a trial by jury of all claims now existing or arising in the future, including without limitation, all claims, defenses, counterclaims, third party claims, and intervener's claims whether arising from or related to the negotiation, execution, and performance of the transactions to which this Agreement relates.

Section 18. Ethics Code. GRANTEE shall comply with the provisions of Act No. 2-2018, as amended, known as the Puerto Rico Anticorruption Code for New Puerto Rico.

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Section 19. Expenses. Except as otherwise expressly provided for in this Agreement, each party shall pay all costs and expenses incurred by it or on its behalf in connection with this Agreement and the transactions contemplated herein, including without limitation, fees and expenses of its own financial consultants, accountants, and legal counsel.

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Section 20. Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of, and be binding upon, the legal successors and assigns of the parties hereto; provided, however, that the parties expressly acknowledge and agree that this Agreement and the rights hereunder are personal to each of them and neither this Agreement nor any of the rights, duties or obligations hereunder shall be assigned, delegated, or transferred in whole or in part by any of them, except with the prior written consent of the other party, which shall not be unreasonably delayed or denied, and that, except for a collateral assignment of the rights hereunder or the proceeds disbursed by DDEC as a result hereof in support of any financing obtained by GRANTEE, which is hereby expressly authorized, any assignment, delegation, or transfer in derogation of the preceding thereof, shall be void *ab initio*. GRANTEE acknowledges, for purposes of any future assignment to support any financing, that the amount of funds to be paid by the DDEC pursuant to this Agreement shall be subject to GRANTEE's compliance with all the terms and conditions of this Agreement and to the certification by DDEC as per Section 2(f).

Section 21. Number and Gender of Words; Other References. Unless otherwise specified in this Agreement (a) where appropriate, the singular includes the plural and vice-versa, and words of any gender include each other gender; (b) monetary references are to currency of the United States of America; (c) references to "including" mean including without limiting the generality of any description preceding that word; and (d) references to any Act or Law include every amendment or supplement to it, rule and regulation adopted under it.

Section 22. Force Majeure. Neither party to this Agreement shall be held liable for their inability to perform any of their respective obligations, or to the extent any of their obligations pursuant to this Agreement is prevented, hindered, or delayed, as a result, as a result of any unforeseen or inevitable events, including natural disasters, catastrophic weather events, fire, terrorism, wars, riots, pandemic event or biohazard beyond their reasonable control, pursuant to Article 1166 of the Puerto Rico Civil Code.

Section 23. Electronic Transfer of funds. All payments under this Agreement will be made by electronic transfer of funds. GRANTEE agrees to execute the form attached hereto as Exhibit A authorizing to receive all payments under this Agreement through direct deposit. The GRANTEE shall include, together with the executed copy of this Agreement, the completed attached form and either a void check without signature, or other bank account document evidencing bank account number, routing number and GRANTEE's name.

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Section 24. GRANTEE hereby certifies the following

(a) If applicable, that at the moment of execution of this Agreement, it has filed Tax declarations at the Puerto Rico Treasury Department for the previous 5 years and/or that a tax debt is being revised. **GRANTEE** recognizes that during the validity period of this Agreement, it will comply with its obligations as taxpayer and that if the revision process of said debt results in a debt, it will pay it or will enter a payment plan to pay it.

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(b) That it has not been convicted in the federal or the state jurisdiction as a result of any felony or misdemeanor against the public treasury or related with wrongful use of public funds. This Agreement shall be resolved if **GRANTEE** results convicted in either of the jurisdictions for any of the previously mentioned crimes and shall be disqualified to contract or bid with any of the executive agencies of Puerto Rico, according to the term established in Act No. 2-2018, as amended.

(c) That it has read Act No. 1-2012, known as Puerto Rico's Governmental Ethics Law and its regulations, as well as Act 2-2018, as amended.

(d) That it does not currently have any outstanding income, real estate, or personal property tax debt with the Government of Puerto Rico. **GRANTEE** also certifies and guarantees that at the date of execution of this Agreement it has paid unemployment insurance compensation, temporary disability insurance, and the driver's insurance (as applicable); or is complying with a payment plan duly approved.

(e) **GRANTEE** acknowledges that compliance with the above-mentioned certifications are essential conditions of this Agreement and if the above certifications are incorrect in any of its parts, **DDEC** may cancel this Agreement; in which case, **GRANTEE** shall have to reimburse to **DDEC** any amount received under this Agreement.

Section 25. Availability of Funds and Budget Item. Except as otherwise provided in Section 2 of this Agreement with regards to the Special Account, the disbursement of the funds granted in this Agreement, is subject to the availability of cash pertaining to FIE. Once available, **DDEC** shall make the corresponding disbursement on a timely basis. The budget item for this Incentive Agreement is: **FIE60-2025-2026-0126.**

Section 26. Debts with DDEC. **GRANTEE** hereby certifies and guarantees that it is aware that **DDEC** may retain any amount to be reimbursed under this Incentive Agreement and may deduct any debt for rent of **GRANTEE** related to any Lease Agreement with **PRIDCO.**

Section 27. Term. This Agreement shall be effective for five (5) years from the execution date of this Economic Incentive Agreement.

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Section 28. Digital Signatures. The Parties agree that this document may be signed electronically and that the digital signatures that appear or may appear on it and any digital copies or delivery shall be deemed original and are as valid as if it were signed in wet ink for the purposes of validity, obligatoriness, consent, applicability, and admissibility. In addition, the parties acknowledge that they were advised about their right to sign the same in manuscript. However, the signatories, freely and voluntarily, may have waived this right and opted for the digital signature.

IN WITNESS WHEREOF, the parties hereto execute this Machinery and Equipment Economic Incentive Agreement this 5 of March of 2026.

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE



HON. SEBASTIÁN NEGRÓN REICHARD
Secretary

STRYKER PUERTO RICO LLC.
EIN: 66-0955512



MR. JOY MALDONADO
joy.maldonado@stryker.com

**GOVERNMENT OF PUERTO RICO
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE**

**ECONOMIC INCENTIVES FUND AGREEMENT
FOR THE CREATION NEW REGULAR JOBS**

STRYKER PUERTO RICO, LLC

**Name of Project: Humacao-Extrusion Technology Area Design, Construction
and Implementation**

**Assignment Number: FIE60-2025-2026-0125
Contract Number: 2026-000940**

APPEAR

AS FIRST PARTY: The **DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE**, a governmental entity of the Commonwealth of Puerto Rico, created by Act No. 51-1994 and Reorganization Plan No. 4-1994, as subsequently amended. It is herein represented by its **SECRETARY, HON. SEBASTIÁN NEGRÓN REICHARD**, of legal age, married, attorney and resident of San Juan, Puerto Rico hereinafter referred to as "**DDEC**" for its acronym in Spanish.

AS THE SECOND PARTY: **STRYKER PUERTO RICO, LLC.**, a domestic for profit limited liability company, duly organized under the laws of Puerto Rico, registered in the Department of State with number 450554. It is represented in this act by its **GENERAL MANAGER, MR. JOY MALDONADO**, of legal age, single and resident of Arroyo, Puerto Rico who has been duly authorized to represent the company under the provisions of Corporate Resolution dated February 23, 2023, hereinafter referred to as "**GRANTEE**" or "**SPR**".

The parties appearing together are called "The Parties" and declare that they have the power, legal authority, and sufficient capacity to make the representations and assume the commitments that motivate the granting of this Economic Incentive Agreement, who freely and voluntarily establish the following:

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RECITALS

WHEREAS, Act No. 60-2019, as amended, known as the "Puerto Rico Incentives Code" established the **Economic Incentives Fund ("FIE", for its acronym in Spanish)** for, among other things, promote the environment, the opportunities and the appropriate tools to promote the sustainable economic development of Puerto Rico.

WHEREAS, **GRANTEE** has been operating since 1988 from Las Guásimas Industrial Park in the municipality of Arroyo, Puerto Rico and occupies 227,718 square feet

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building located on 17 acres of land owned by the Puerto Rico Industrial Development Company ("PRIDCO") identified as S-1540.

WHEREAS The **DDEC** recognizes **GRANTEE's** good investment history in the municipality of Arroyo, and its most recent \$35 million capital investment for the past four (4) years, with an active payroll of more than 1,308 regular jobs.

WHEREAS, GRANTEE has decided to expand its operations in the municipality of Humacao in a PRIDCO building S-1540-0-05 & 1-10 with 142,252 square feet ("Leased Premises") leased from PRIDCO pursuant to Lease Agreement 2025-000106 effective in January 27, 2025 ("Lease Agreement").

WHEREAS GRANTEE is a manufacturing industry dedicated to the manufacture of complex medical devices used in hospitals and medical services. The **GRANTEE's** manufacturing catalog includes critical orthopedic instruments for surgery procedures. **GRANTEE** provides integrated technologies for neurosurgery procedures, otorhinolaryngology and the treatment and diagnosis of chronic back pain.

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WHEREAS GRANTEE presented to **DDEC** its expansion plans in the municipality of Humacao. This new expansion project is intended to design, build and implement an Extrusion Technology area to produce the FPVC components ("Extrusion Technology Project")¹ which will significantly improve **GRANTEE's** operational costs, efficiency and speed in business processes but moreover will ensure supply of this key material. Specifically, the implementation of the Extrusion process will benefit the business by reducing product costs, rework and scrap resulting in improved profitability, business performance and quality profile. These are key enablers as **GRANTEE** is currently working to bring in new products and technologies.

WHEREAS GRANTEE's Extrusion Technology Project entails an investment of \$9,180,000.00 in machinery and equipment and \$3,825,000.00 in infrastructure improvements (construction) and the creation of forty (40) new regular jobs with an estimated annual payroll of \$1,285,000.00.

WHEREAS On January 2025, **GRANTEE** signed a letter of intent with **DDEC** to create one hundred eighty (180) new regular jobs in the Arroyo site, forty (40) new regular jobs will be created in connection with the Extrusion Technology Project expansion, using the same base employment creation commitment of nine hundred fourteen (914) jobs for both operations.

¹ "Flexible Polyvinyl Chloride".

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WHEREAS, GRANTEE has two (2) active tax exemption decrees. These are Decrees Number 17-73-RI-006 and 17-20-S-175 as provided under Act No. 73 and Act No. 20 respectively.

WHEREAS, in consideration of this initiative and due to the importance of this project, the Secretary of DDEC, pursuant to Section 5010.01 of the referred Act 60-2019 conceded to the **GRANTEE**, up to **TWO HUNDRED THOUSAND DOLLARS (\$200,000.00)** from the FIE funds, to assist SPR in the creation of forty (40) new regular full time jobs over an existing base of nine hundred fourteen (914) regular full time jobs in a period of twenty four (24) months from the start date which has been negotiated and established as February 1, 2025.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, The Parties, intending to be legally bound, hereby state as follows:

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TERMS AND CONDITIONS

ONE. The **DDEC**, subject to the terms and conditions hereof, hereby grants to the **GRANTEE** up to a maximum of **Two Hundred Thousand Dollars (\$200,000.00)** for the creation of **Forty (40) new full time regular job positions** created in a period of twenty four (24) months starting from February 1st, 2025, at the rate of **Five Thousand Dollars (\$5,000.00)** per job. The nine hundred fourteen (914) existing full-time regular jobs will not be eligible for this economic incentive. For purposes of this Agreement, "full-time jobs" are defined as regular employees of the **GRANTEE** and under its payroll.

TWO. DDEC shall disburse the approved incentive funds to **PRIDCO** prior to the creation of the forty (40) new regular jobs, as follows:

DDEC shall pay the incentive to **PRIDCO** in three (3) payments. **PRIDCO** shall credit **GRANTEE's** rent obligation under the Lease Agreement for the months indicated below.

The payments for the job creation and retention incentive will be paid and applied to rent under the Lease Agreement according to the following:

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PAYMENT CONCEPT	ECONOMIC INCENTIVE AMOUNT
Grantee rent obligation under Lease Agreement 2025-000106 for the Month 19	\$71,126.27
Grantee rent obligation under Lease Agreement 2025-000106 for the Month 20	\$71,126.27
Grantee rent obligation under Lease Agreement 2025-000106 for the Month 21	\$57,747.46
ECONOMIC INCENTIVE TOTAL	\$200,000.00

THREE. DDEC shall audit GRANTEE's compliance with the forty (40) new job creation commitment on January 31, 2027, at the end of the 24-month period provided in section ONE.

In the event GRANTEE does not create forty (40) new regular jobs, GRANTEE shall be required to reimburse DDEC for every job not created, at a rate of \$5,000 per job.

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FOUR. The job creation payments will end after the third (3rd) disbursement for the rent for the month 21 under the Lease Agreement or when the maximum amount of this economic incentive approved is totally disbursed to PRIDCO for application under GRANTEE'S Lease Agreement 2025-000106.

FIVE. Except as otherwise agreed to with the DDEC, the GRANTEE will be responsible for maintaining the Leased Premises in operation for five (5) consecutive years, starting from the date of the last economic disbursement of the incentives and excluding the periods of preventive maintenance scheduled by the GRANTEE. Preventive maintenance periods shall not exceed three (3) months per year.

SIX. If the Extrusion Technology Project is cancelled or abandoned by GRANTEE, the GRANTEE will reimburse the DDEC any incentives for the creation of the job positions actually paid to PRIDCO to be credited as GRANTEE's rent under the Lease Agreement. To the extent an incentive was disbursed to PRIDCO but not applied to GRANTEE's rent obligation with PRIDCO, GRANTEE shall not be required to reimburse DDEC for such incentive.

SEVEN. If an Event of Default occurs and is continuing, the DDEC have the right to terminate this Agreement immediately, withhold future disbursements, if any, and recover any funds disbursed and related to this Agreement, if the GRANTEE has not cured such default within 45 calendar days, following written notice by DDEC, provided, however, that if GRANTEE is diligently pursuing the cure to such breach, the parties may agree to extend the 45 calendar day period.

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EIGHT. The **GRANTEE** shall pay all reasonable out of pocket expenses (including reasonable attorneys' fees and costs) incurred by the **DDEC** in connection with the successful enforcement of this Agreement against the **GRANTEE**.

The **GRANTEE** further agrees to indemnify, defend and hold harmless the **DDEC** as well as any of its directors, agents, employees, representatives and/or officers from and against all damages, losses, settlement payments, obligations, liabilities, and reasonable costs and expenses incurred, suffered, sustained or required to be paid by the **DDEC**, as well as by any of its directors, agents, employees or officers that arise out or result from any investigations, claims, proceedings, or lawsuits against the **DDEC** brought by third parties arising out of, by reason of, or resulting from the transactions contemplated in this Agreement, but only to the extent that such damages, losses, settlement payments, obligations, liabilities, costs and expenses were caused by the negligent actions or intentional misconduct of the **GRANTEE**. In any investigation, proceeding or litigation, or the preparation thereof, the **DDEC** may be represented by the same counsel representing the **GRANTEE**. However, in the event of a conflict between the position or defenses available to the **DDEC** and the **GRANTEE**, the **DDEC** shall be entitled to select its own counsel and, in addition to the foregoing indemnity, the **GRANTEE** agrees to pay promptly the reasonable fees and expenses for such counsel.

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In no event shall either party to this Agreement or their respective subsidiaries or affiliates will be responsible or have any liability for any indirect, incidental, special, consequential, or punitive damages that arises or results in the execution of this Agreement.

NINE. The **GRANTEE** hereby represents and warrants as follows:

- a. The **GRANTEE** is a duly organized and validly existing limited liability company authorized to do business under the laws of the Commonwealth of Puerto Rico, with power and authority to conduct its business as described in this Agreement and to consummate the transactions contemplated by this Agreement.
- b. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body pending or, to the knowledge of the **GRANTEE**, threatened: (i) in any way contesting the corporate existence or powers of the **GRANTEE**; or (ii) against or affecting the **GRANTEE**, wherein an unfavorable decision, ruling, or finding would result in Material Adverse Effect;
- c. This Agreement, when executed and delivered by the **GRANTEE**, will be a legal, valid, and binding obligation of the **GRANTEE**, enforceable in accordance with its terms, except to the extent enforcement thereof may be

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limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally or may be subject to general principles of equity.

- d. The execution, delivery, and performance by the **GRANTEE** of this Agreement has been:
1. duly authorized by all required entity action.
 2. will not violate:
 - i. any provision of law or any order of any court or any rule, regulation, or order of any Government Entity applicable to the **GRANTEE**
 - ii. the **GRANTEE** organizational documents; or
 - iii. any other agreement or instrument to which the **GRANTEE** is a party; and
 3. will not be against, result in a breach of, or constitute a default under, any agreement or instrument to which the **GRANTEE** is a party.
- e. The **GRANTEE** is not a party to any contract or agreement or subject to any charter or other restriction which has not been disclosed to the **DDEC** prior to the execution of this Agreement, where the performance of or compliance with would have a Material Adverse Effect;
- f. The **GRANTEE** certifies that it does not currently have any outstanding income, real estate, or personal property tax debt with the Government of Puerto Rico. The **GRANTEE** also certifies that it has paid the unemployment tax, workers compensation, or social security for chauffeurs in Puerto Rico.
- g. No representation or warranty made by the **GRANTEE** in this Agreement or in any agreement, instrument, document, certificate, statement or letter furnished to the **DDEC**, by or on behalf of the **GRANTEE**, in connection with any of the transactions contemplated herein, contains any untrue statement of a material fact; or, does not omit to state a material fact necessary to avoid a statement that could be considered misleading in light of the circumstances in which they are made. Except as disclosed in writing to the **DDEC**, there is no event or circumstance known to the **GRANTEE** which constitutes a Material Adverse Effect, or which would reasonably be expected to have a Material Adverse Effect if such representations are deemed misleading or untrue.

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TEN. Upon the execution of this Agreement, the **GRANTEE** shall have delivered, as of the date hereof, each of the following documents to the **DDEC**:

- a. *Evidence of Payment.* The **DDEC** shall have received from the **GRANTEE** documents to the reasonable satisfaction of the **DDEC**, as follows:
1. Certificates and/or other documentation reasonably acceptable to the **DDEC** evidence:
 - i. that, to the extent applicable, the **GRANTEE** is current and up to date in the payments of social security and unemployment insurance.
 - ii. that, to the extent applicable, there are no claims or past due debts by or against the **GRANTEE** from the Puerto Rico Treasury Department, the Puerto Rico Department of Labor and the Puerto Rico State Insurance Fund.

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- iii. that, to the extent applicable, the **GRANTEE** is current and up to date in the payments of municipal license taxes ("patentes municipales"), real and personal property taxes, payroll taxes, income taxes, and any other taxes imposed by a Government Entity.
2. If applicable, a current and updated certificate from the Clerk of the United States District Court for the District of Puerto Rico evidencing that there is no federal tax liability owed by the **GRANTEE** and that no federal tax lien is registered with the Clerk of the United States District Court for the District of Puerto Rico against the **GRANTEE**.
3. If the **GRANTEE** owes any sum of money to any Government Entity for the concepts specified in sub-paragraphs (i) or (ii), the certificates to be presented or submitted by the **GRANTEE** to the **DDEC** shall also include evidence of the existence of a plan to repay any such indebtedness showing that the **GRANTEE** is current and up-to-date in the payment and in full compliance with such plan or has requested an administrative review and/or hearing before the Treasury Department and/or CRIM.

ELEVEN. In addition to the covenants established herein, the **GRANTEE** covenants and agrees:

- a. *Financial Statements, Certificates, and Information.* The **GRANTEE** will furnish the **DDEC**, on a reasonable time but in any event not later than one hundred and eighty (180) calendar days after the end of each fiscal year of the **GRANTEE** during the Five (5) year term of this Agreement, financial statements of the **GRANTEE**, certified without qualification, by independent certified public accountants reasonably acceptable to the **DDEC**, in accordance with U.S. GAAP.
- b. *Maintenance and Compliance.* The **GRANTEE** will do or cause to be done all things necessary to preserve and keep in full force and effect, its entity existence, rights, and franchises and will continue to engage, primarily, in its current business. Also, the **GRANTEE** will:
 1. comply with all federal, state and local laws, rules, regulations, orders, writs, judgments, injunctions, decrees and/or awards to which it may be subject.
 2. promptly obtain and maintain any authorization, consent, approval, license and/or order with respect to which the failure to do so would reasonably be expected to be considered a Material Adverse Effect; and,
 3. make any filing or registration with any Government Entity that is or becomes necessary in order for the **GRANTEE** to perform, in all material respects, its obligations under this Agreement.
- c. *Notice of Material Event.* the **GRANTEE** will give notice in writing to the **DDEC**, within ten (10) days upon becoming aware of the occurrence of:
 1. any Default or Event of Default;
 2. any material casualty to any property or asset of the **GRANTEE** maintained at the Leased Premises or any other force majeure suffered by the **GRANTEE**;

3. any litigation, investigation, or other proceeding or dispute against or involving the **GRANTEE**, the result of which would reasonably be expected to have a Material Adverse Effect; or
4. any litigation, investigation or other proceeding or dispute affecting the **GRANTEE** that:
 - i. relates, in whole or in part, to any of the transactions contemplated by this Agreement.
 - ii. involves an amount not covered by the **GRANTEE** insurance policies and which is reasonably likely to cause a material adverse effect on the operations or property of the **DDEC**; or
 - iii. may exist between the **GRANTEE** and any other Government Entity and that would reasonably be expected to have a Material Adverse Effect. The **GRANTEE** will furnish the **DDEC** from time to time all non-privileged information that the **DDEC** shall reasonably request with respect to the status of any litigation, investigation, proceeding or dispute to which the **GRANTEE** is a party.

d. *Books and Records.* The financial books and records relating to the financial affairs of the **GRANTEE** shall be prepared and maintained in accordance with United States General Acceptable Accounting Principles (known as "GAAP"). In addition, the **GRANTEE** shall comply with all applicable United States anti-boycott, anti-trust, export and trade laws and regulations, and any other regulation and/or rules that applies to the **GRANTEE**.

e. *Insurance.* the **GRANTEE** shall always keep insured all real and personal property owned by it maintained at the Leased Premises, which may be insurable against loss or damage by fire, windstorm, earthquake, theft or any other hazards in such amounts equivalent to the reasonable market value of said properties. All the policies obtained pursuant to this subparagraph shall be carried out under a multi-peril insurance package, including maintenance of adequate business interruption insurance.

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f. *Taxes.* the **GRANTEE** will file or cause to be filed all tax returns and reports which are required by law to be filed by it, and duly pay and discharge, or cause to be paid and discharged, before the same shall become past due, all taxes, assessments, and other governmental charges imposed upon it or any of its properties, assets, businesses, sales and activities, or any part thereof, or upon the income or profits therefrom; provided, however, that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the **GRANTEE** shall have set aside on its books adequate reserves with respect thereto (in accordance with GAAP); and provided, further, the **GRANTEE** will pay all such taxes, assessments, charges, levies or claims prior to the foreclosure of any lien which may have attached as security therefore. At the request of the **DDEC**, the **GRANTEE** shall deliver to the **DDEC** evidence of payment of any such taxes. No Funds shall be disbursed under this Agreement until reasonable evidence of such payment is delivered to the **DDEC**.

g. *Further Assurances.* the **GRANTEE** shall from time-to-time execute and deliver such further documents or instruments requested by the **DDEC** and take such further action as may reasonably be requested by the **DDEC** to enforce the purposes of this Agreement.

h. *Environmental Matters.* the **GRANTEE** shall comply with all applicable federal, state and local laws and regulations pertaining to environmental

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matters, and shall promptly give written notice to the DDEC of the occurrence of any event under any such laws and regulations that would require an oral, telephonic, or written notice or communication to the U.S. Environmental Protection Agency and/or to the Puerto Rico Environmental Quality Board, or any successor or similar agency, or any agency having jurisdiction with respect to such event.

- i. **No Agency Relationship.** the **GRANTEE** understands and agrees that the **DDEC** is not the agent or representative of the **GRANTEE**, and this Agreement shall not be construed to make the **DDEC** liable or subject to any claim regarding monies owed and/or any harm, damage, lost or injury on material, contractors, subcontractors, craftsmen, laborers or others for goods or services furnished by them to the **GRANTEE** or to customers or other persons procuring services from the **GRANTEE**; and, it is distinctly understood and agreed that there is no contractual relation, either express or implied, between the **DDEC** and any such contractors, subcontractors, craftsmen, laborers, or other persons supplying any work or materials for the improvements object of this Agreement and performed by the **GRANTEE** or any customers or other persons procuring services for and/or from the **GRANTEE**.

TWELVE. In addition to the covenants established herein, the **GRANTEE** covenants and agrees that during **Five (5) year** term of this Agreement, it will provide prompt notice to the **DDEC** if the **GRANTEE** consolidates with or merges into or with any person or enters or undertakes any plan or agreement of consolidation or merger with any person, society, or corporation.

THIRTEEN. The **DDEC** hereby represents and warrants as follows:

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- a. The **DDEC** is a government agency of Puerto Rico with full right, power, and authority: (i) to enter into this Agreement; and (ii) to perform all of the transactions contemplated in this Agreement; and
- b. This Agreement constitutes a legal, valid, and binding obligation of the **DDEC**, enforceable in accordance with its terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally or may be subject to general principles of equity.
- c. The execution, delivery, and performance of the **DDEC** of this Agreement has been:
 1. duly authorized by all required governmental action and/or its secretary and/or by law, as applicable,
 2. will not violate (1) any provision of law or any Order of any Court, any Rule, Regulation, Order applicable to the **DDEC**; or its governing law and Regulations.
- d. This Agreement does not require the approval or consent of the Puerto Rico Financial Management and Oversight Board, or, if required, has been approved or consented. The special incentive funds herein referred formed part of the Puerto Rico fiscal plan approved by the Puerto Rico Financial Management and Oversight Board.

FOURTEEN. All covenants, stipulations, agreements, and obligations of the **DDEC** contained herein shall be deemed to be covenants, stipulations, agreements and obligations of the **DDEC** and not of any member of the governing body, officer, agent, or employee of the **DDEC** in his individual capacity, and no recourse shall be had for any claim based hereunder against any member of the governing body, officer, agent, or employee of the **DDEC**.

FIFTEEN. The headings and captions of the various sections and subsections of this Agreement are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

SIXTEEN. No failure or delay on the part of the a party hereunder in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any right, power, or remedy hereunder.

SEVENTEEN. This Agreement, including all exhibits hereto, if any, constitutes the sole understanding of the parties with respect to the matters contemplated hereby. No amendment, modification or alteration of the terms or provisions of this Agreement including all exhibits hereto, if any, shall be binding unless the same shall be in writing and duly executed by both parties.

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EIGHTEEN. All notices, requests, demands, directions, and other communications hereunder shall be in writing and mailed, hand delivered with signed receipt, emailed or sent by nationally recognized overnight courier to the applicable party at the following address or to such address with respect to any party as such party shall notify the other party in writing:

If to the **DEPARTMENT**:

PO Box 362350
San Juan, PR 00936-2350
Attention: *Secretary*

If to the **GRANTEE**:

PO Box 329
Arroyo, Puerto Rico 00714
Attention: Mr. Joy Maldonado
General Manager

All such notices, requests, demands, directions, and other communications shall be effective when received at the address specified above.

NINETEEN. This Agreement shall be binding upon the **GRANTEE** and the **DDEC** upon its execution by them. The **DDEC** has the obligation to duly register this Agreement in the Puerto Rico Comptrollers' Office Registration Service.

TWENTY. Any provision of this Agreement, which is prohibited or unenforceable in the Commonwealth of Puerto Rico shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

TWENTYONE. This Agreement (and any further rules, regulations, policies incorporated by reference) shall be governed and construed in accordance with the laws of The Commonwealth Puerto Rico, without giving effect to any principles of conflicts of law.

TWENTYTWO. The parties hereby willingly waive the right to a trial by jury, of all claims now existing or arising in the future, including without limitation, any and all claims, defenses, counterclaims, third party claims, and intervener's claims whether arising from or related to the negotiation, execution, and performance of the transactions to which this Agreement relates.

TWENTY-THREE. The **GRANTEE** shall comply with the provisions of Act No. 2-2018, as amended, known as the Puerto Rico Anticorruption Code for New Puerto Rico.

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TWENTY-FOUR. Except as otherwise expressly provided for in this Agreement, each party shall pay all costs and expenses incurred by it or on its behalf in connection with this Agreement and the transactions contemplated herein, including without limitation, fees and expenses of its own financial consultants, accountants, and legal counsel.

TWENTY-FIVE. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon, the legal successors and assigns of the parties hereto; provided, however, that the parties expressly acknowledge and agree that this Agreement and the rights hereunder are personal to each of them and neither this Agreement nor any of the rights, duties or obligations hereunder shall be assigned, delegated, or transferred in whole or in part by any of them, except with the prior written consent of the other party, and that any assignment, delegation, or transfer in derogation thereof shall be void *ab initio*.

TWENTY-SIX. Unless otherwise specified in this Agreement:

- a. Where appropriate, the singular includes the plural and vice-versa, and words of any gender include each other gender.

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- b. Monetary references are to currency of the United States of America.
- c. References to "including" mean including without limiting the generality of any description preceding that word; and,
- d. References to any Act or Law include every amendment or supplement to it, rules and regulations adopted under it.

TWENTY-SEVEN. Neither party to this Agreement shall be held liable for their inability to perform any of their respective obligations because of any unforeseen or inevitable events pursuant to Article 1166 of the Puerto Rico Civil Code.

TWENTY-EIGHT. [INTENTIONALLY OMITTED].

TWENTY-NINE. Certifications.

- a. The GRANTEE hereby certifies that it has not been convicted in the federal or state jurisdiction because of any felony or misdemeanor against the public treasury or related with wrongful use of public funds.
- b. This Agreement shall be resolved if the GRANTEE results convicted in either of the jurisdictions for any of the previously mentioned crimes and shall be disqualified to contract or bid with any of the executive agencies of Puerto Rico, according to the term established in Act No. 2-2018, as amended.
- c. The GRANTEE certifies that it has read Act No. 1-2012, known as Puerto Rico's Governmental Ethics Law and its regulations.
- d. The GRANTEE acknowledges that compliance with the above-mentioned certifications are essential conditions of this Agreement and if the above certifications are incorrect in any of its parts, the GRANTEE may cancel this Agreement; in which case the GRANTEE shall have to reimburse to the GRANTEE any amount received under this Agreement.

J M
SR

THIRTY. [INTENTIONALLY OMITTED].

THIRTY-ONE. The disbursement of the incentive's funds granted in this Agreement is subject to the availability of cash pertaining to FIE.

THIRTY-TWO. This Agreement shall be effective for a term of Five (5) years from the date of its execution.

THIRTY-THREE. Digital Signatures. The Parties agree that this document may be signed electronically and that the digital signatures that appear or may appear on it and any digital copies or delivery shall be deemed originals and are as valid as if it were signed in wet ink. In addition, the parties acknowledge that they were advised

*Economic Incentive Fund Agreement for Jobs Creation
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about their right to sign the same in manuscript. However, the signatories, freely and voluntarily, may have waived this right and opted for the digital signature.


IN WITNESS WHEREOF, the parties hereto execute this Job Creation Economic Incentive Agreement this 5 of march of 2026.

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE



HON. SEBASTIÁN NEGRÓN REICHARD
Secretary

STRYKER PUERTO RICO LLC.
EIN: 66-0955512



MR. JOY MALDONADO
General Manager
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