

THE FOLLOWING CONDITIONS ARE AN INTEGRAL PART OF THE PURCHASE ORDER

GENERAL CONDITIONS

- 1. Acceptance and Waiver:** This purchase order ("Order"), when accepted by the Supplier, shall constitute the entire contract with reference to its subject matter and shall not be altered, amended, supplemented or cancelled without written approval of IPR Pharmaceuticals, Inc. (hereinafter "IPR"). IPR objects to the inclusion of any different or additional terms to this Order proposed by the Supplier, and if additional terms are included in Supplier's acceptance, a contract will result upon IPR's terms as stated herein. No course or prior dealings between the parties and no usage of the trade shall be relevant to explain any term or obligation contained in this contract. In order to be valid and binding upon IPR, any change, waiver, or amendment to this Order must be in writing and signed by an authorized IPR purchasing representative.
- 2. Supplier's Quotation:** Reference in this Order to Supplier's quotation does not imply acceptance of any terms and conditions in such quotation unless they are expressly adopted herein. Any terms and conditions in such quotation which amend or add to or are inconsistent with the terms and conditions contained in this Order shall be deemed to be null and void and of no effect. To the extent that a written contract between the parties is signed in addition to this Order, the terms and conditions of such written contract shall control.
- 3. Delivery:** Time is of the essence. Supplier agrees to deliver any goods sold or supplied hereunder to IPR or to a carrier for transportation to IPR and to pay transportation charges therefore as instructed by IPR in the Order. Supplier shall be liable for excess transportation charges, delays, or claims resulting from Supplier's deviation from IPR's routing instructions. If shipping instructions are not specified, Supplier will ship by the cheapest rate commensurate with the required delivery date. All goods shall be properly packed, marked, loaded, and shipped as instructed in the Order and the transporting carrier. Delivery of goods shall be made in vehicles that comply with applicable codes and regulations and a safe offloading. If delivery of goods is not made in the quantities and at the time specified, or rendering of services is not completed at the times specified, IPR reserves the right without liability, and in addition to its other rights and remedies, to take either or both of the following actions: (a) direct expedited routings of goods (the difference in cost between the expedited routing and the Order routing cost, shall be paid by Supplier); and/or (b) terminate the Order by notice effective when received by Supplier as to stated goods not yet shipped or services not yet rendered. No payment or acceptance of any part of the Order shall constitute a waiver of the foregoing.
- 4. Risk of Loss:** Unless otherwise specified, Supplier shall bear all risk of loss or damage to any goods sold or supplied, or work to be performed until the date the goods sold or supplied, or work to be performed is finally delivered to IPR at which date risk of loss shall pass to IPR. However, any loss or damage caused by or resulting from the mistake, negligence, inadvertence, error of Supplier shall be the sole responsibility of Supplier.
- 5. Imports:** Regarding any goods or products imported from foreign countries, Supplier shall provide information to IPR in the form, quality and detail reasonably required, to enable IPR to comply with applicable United States customs requirements. Either in the quotation or at the time of purchase, Supplier shall provide IPR with a tariff classification from the Harmonized Tariff Schedule of United States for the goods being imported.
- 6. Price:** This Order must not be filled at prices higher than quoted or shown on the Order. No additional charges of any kind will be allowed unless specifically authorized by IPR in writing in advance.
- 7. Payment:** IPR agrees to pay for goods received and services performed according to the terms specified in the Order. The terms of payment as shown in the Order shall take precedence over any terms of payment shown on Supplier's invoice or elsewhere. If payment terms are not specified, the invoices will be paid within thirty (30) calendar days of receipt of the invoice or the goods, whichever is later. Time periods in connection with payment obligations and cash discounts will be computed either from the date of receipt of Supplier's correct invoice by IPR or the date the goods are received by IPR, whichever is later. Supplier's final invoice shall be submitted to IPR not later than six (6) months following final acceptance of the goods or services by IPR. Any claim for payment not submitted by such time shall be deemed waived. COD shipments will not be accepted without IPR's previous consent.
- 8. Changes:** IPR reserves the right at any time by issuing a written amendment to this Order to make changes including, but not limited to, drawings, specifications, quantity, delivery, or the general scope of work, and/or to direct temporary suspension, and/or resumption of scheduled shipments. If any such changes cause an increase or decrease in the cost, or the time required for Supplier's performance, or otherwise affect any other provision of this Order, an equitable adjustment shall be made and this Order shall be modified in writing accordingly.
- 9. Quality and Inspection:** All goods sold and services performed hereunder shall be of good quality and free from any defects, and shall at all times be subject to IPR's inspection, but neither IPR's inspection, or failure to inspect shall relieve Supplier of any of its obligations hereunder. IPR reserves the right to reject and refuse acceptance of goods or services which are not in accordance with the instructions, specifications, drawings and data or Supplier's warranties express or implied. Goods not accepted will be returned to Supplier for full credit or replacement at IPR's option and at Supplier's risk and expense, including transportation charges both ways. No replacement of rejected goods shall be made unless specified by IPR in writing. Such replacement shall be made as instructed by IPR in writing and shall in no way constitute a waiver of any other claims IPR may deem advisable to make. No payment or acceptance of any partial delivery by IPR hereunder shall constitute a waiver of the foregoing, nor shall anything contained herein be construed to exclude or limit any warranties implied by law.

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10. **Warranties:** Supplier represents, warrants and undertakes to IPR that:

10.1. all goods and services covered by this Order (i) shall conform to the specifications, drawings, samples, or other description upon which the Order is based; (ii) shall be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, and free from defect; and (iii) goods and services of Supplier's design shall be free from defect and design. Inspection, test, acceptance, payment, or use of the goods furnished hereunder shall not affect the Supplier's obligation under this warranty. Supplier agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly, without expense to IPR, when notified of such nonconformity by IPR. In the event of failure by Supplier to correct defects in or replace nonconforming goods or services promptly, IPR, after reasonable notice to Supplier, may make such corrections or replace such goods and services and charge Supplier for the cost incurred by IPR thereby. Such warranty shall survive delivery, and shall not be deemed waived whether by reason of IPR's acceptance of said goods or by payment of them;

10.2. in performing the services it is not currently using, and will not in the future use, in any capacity, in connection with the performance of the services hereunder, the services of any person debarred or subject to debarment under 21 U.S.C. §335(a) or otherwise disqualified or suspended from performing the services under contract or otherwise subject to any restrictions or sanctions by the Food and Drug Administration or any other governmental or regulatory authority or professional body with respect to the performance of the services under contract (a "Debarred Person"). Supplier shall immediately notify IPR in writing if any person who is performing any services hereunder is or becomes a Debarred Person or if any action, suit, claim, investigation, or other legal or administrative proceeding is pending or, to the best of Supplier's knowledge, threatened, that would make any person performing the services hereunder a Debarred Person or would preclude Supplier from performing its obligations under this Order.

11. **Code Of Conduct:** Supplier recognizes IPR's commitment to working only with suppliers who embrace standards of ethical behavior that are consistent with AstraZeneca's Code of Conduct, as described in AstraZeneca's Responsible Procurement Supplier Expectation published on <http://www.astrazeneca.com/responsibility/working-with-suppliers/>.

11.1. Supplier represents and warrants and undertakes that it:

- (a.) shall perform this Order and operate its business in compliance with all applicable laws and regulations;
- (b.) has read AstraZeneca's Code of Conduct and AstraZeneca's Responsible Procurement Supplier Expectation;

(c.) shall perform this Order and operate its business to ethical standards consistent with those set out in AstraZeneca's Code of Conduct and as described in AstraZeneca's Responsible Procurement Supplier Expectation;

(d.) and cause its suppliers and sub-contractors to operate their business in compliance with all applicable laws and regulations and in a manner consistent with AstraZeneca's Responsible Procurement Supplier Expectation.

11.2. Supplier agrees that any material breach or violation by Supplier of the above representations, warranties and undertakings shall give IPR the right to terminate this Order according to the termination provisions herein.

12. **Taxes:** Unless otherwise provided herein or required by law, Supplier assumes exclusive liability for, and shall pay before delinquency, all sales, use, excise and other taxes, charges or contributions of any kind now or hereafter imposed on, or with respect to, or measured by the goods sold or work to be performed hereunder or the wages, salaries, or other remunerations paid to persons employed in connection with the performance of this contract; and Supplier shall indemnify and hold IPR harmless from any liability and expense by reason of Supplier's failure to pay such taxes or contributions.

13. **Compliance with Laws:** In the performance of this contract and in every IPR activity connected therewith, Supplier shall comply fully with all applicable laws, ordinances, rules, and regulations, whether federal, Commonwealth of Puerto Rico, or local, and shall furnish IPR such evidence of compliance as IPR may require at any time. Without limiting the foregoing, Supplier hereby assures IPR that all goods sold hereunder were and shall be produced in compliance with the requirements of any applicable federal, Commonwealth of Puerto Rico, or local statutes, regulations, or ordinance governing Supplier's obligations to its employees and or job applicants, and such assurance shall be a continuing warranty of compliance, upon which IPR shall be entitled to rely. Without limiting the foregoing, with respect to the purchase hereunder of machinery and equipment, including engineering, design and installation, and maintenance services related thereto, Supplier warrants that same will conform with all occupational, health and safety laws, regulations, ordinances, and executive orders issued by the United States Federal government, the Commonwealth of Puerto Rico, and local government.

14. **Patent Infringement:** Supplier shall indemnify IPR and hold it harmless from and against any and all loss, liability or expense by reason of any claim or suit for alleged infringement of any copyright, trademark or patent resulting from or arising in connection with the manufacture, sale, normal use or other normal disposition of any article or material furnished hereunder, or the performance of any work hereunder, and shall defend any such claim or suit and pay all cost and expenses incidental thereto, provided, however, that IPR shall have the right, at its option, to participate in the

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defense of any such claim or suit, without releasing Supplier of any obligations hereunder.

15. Assignment: Neither this contract nor any claim against IPR arising directly or indirectly out of or in connection with this contract shall be assignable by Supplier or by operation of law, nor shall Supplier subcontract any obligations hereunder without IPR's written consent.

16. Termination:

16.1. For Default. If Supplier shall breach any provision hereof, fail to substantially perform any provision hereof, become insolvent, enter voluntary or involuntary bankruptcy or receivership proceeding or make an assignment for the benefit of creditors, IPR shall have the right, without limiting any other rights or remedies which it may have hereunder or by operation of law, to terminate this Order by written notice to Supplier, in which case IPR shall be released of all further obligation hereunder except the obligation to pay the reasonable value of Supplier's prior performance, not to exceed the contract price, and Supplier shall be liable to IPR for all costs incurred by IPR in completing or procuring the completion of performance in excess of the contract price herein specified. Moreover, at IPR's sole and absolute discretion, IPR shall have the right, without limiting any other rights or remedies which it may have hereunder or by operation of law, to purchase goods or to contract for work of the same quantity and quality as contracted for hereunder and to recover from Supplier, as damages, excess of price so paid over the purchase price stated herein plus a sum equal to one percent (1%) of the total sum paid.

16.2. For Convenience. IPR may, for its convenience, terminate the work under this Order in whole or in part at any time by giving notice to Supplier in writing. On the date of such termination stated in notice, Supplier shall discontinue all work pertaining to this Order, shall place no additional orders, and shall preserve and protect materials on hand purchased for or committed to this Order, work-in-progress, and completed work both in Supplier's and in its suppliers' plants, pending IPR's instructions. Supplier shall be entitled to reimbursement for its actual costs incurred up to and including the date of termination, such costs to be determined in accordance with recognized accounting principles. In no event shall IPR's obligations, as a consequence of the termination, exceed the Order price of the items terminated. Supplier shall not be entitled to any loss of prospective profits, contribution to overhead, or incidental, consequential, or other damages because of such termination.

17. Withholding of Payments: IPR shall have the right (but not the duty) to withhold any moneys payable by it hereunder and apply same to the payment of any obligations of Supplier to IPR or any other parties arising in any manner out of this contract or its performance.

18. Force Majeure: Either party shall be released from its obligation under this contract when and to the extent that performance is delayed or prevented (in IPR's case, when and to the extent that its need for the articles, materials or work to be supplied hereunder is reduced or eliminated) by reason of acts of God, fire, explosion, war,

riots, strikes, labor disputes, or governmental laws, orders or regulations.

19. Confidentiality: Supplier agrees to protect and keep confidential trade secrets and other confidential data disclosed to Supplier and identified in writing as being confidential, and Supplier further agrees to protect the same against disclosure to unauthorized persons. In addition, Supplier agrees not to use, directly or indirectly, any such confidential information or trade secrets for its own benefit or for the benefit of any other person, firm or corporation. The above obligations are accepted upon the understanding Supplier would not be liable for the disclosure or use of IPR's confidential information or trade secrets which are already in the public domain, or which hereafter are placed in the public domain by any party other than Supplier, or which are disclosed to Supplier by any other person, firm or corporation. Supplier agrees to return or destroy all data or otherwise dispose of same as requested by IPR at the termination of this Order or any other contract which may be entered into at a future date. Any data destroyed at IPR's request will be confirmed in writing by Supplier to IPR or his duly authorized representatives.

20. Use of Name: Supplier shall not mention or otherwise use IPR's name or that of AstraZeneca (or any abbreviation or adaptation thereof) in any publication, press release, promotional material, or other form of publicity without the prior written approval of IPR in each instance.

WORK CONTRACT CONDITIONS

If this Order includes the performance by Supplier of any work on IPR site, the following conditions in addition to the foregoing general conditions, shall apply unless otherwise specified in the Order:

1. Performance: Supplier shall diligently and carefully perform all work required hereunder in a good workmanlike manner, shall furnish all labor, supervision, machinery, materials, equipment and supplies necessary therefore and, if permitted to subcontract pursuant to IPR's written consent, Supplier shall remain fully responsible for all work and services performed by subcontractors. Supplier shall conduct all operations in Supplier's own name as an independent contractor and not in the name of or as agent for IPR.

2. IPR's Site Work Policies: Supplier agrees that while performing work on IPR's premises, it will abide by all applicable provisions of IPR instructions and procedures pertaining to plant security, safety, health, environmental, work authorization, and other plant administrative controls governing behavior of contractors.

2.1. Contractors Induction Program. IPR has an induction program, which is a mandatory training for all new contractors, their subcontractors, and agents performing work on site. The induction will cover, among others, the following subjects: (i) IPR's company values and personnel policies, including but not limited to company ethics, smoke free workplace, sexual harassment, and cafeteria services; (ii) cGMP; and (iii) security, safety, and environmental policies. Supplier shall attend the induction program at the date agreed with IPR.

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2.2. Safety, Health and Environment.

- (a.) Prior to performing any services in IPR's site, Supplier must be approved and remain in good standing with the IPR Contractors SHE Qualification program for the work to be performed.
- (b.) Supplier shall comply with all applicable governmental safety, health and environmental codes, rules, and regulations, including, without limitation, the Federal Occupational Safety and Health Act ("OHS"), the Environmental Protection Agency ("EPA"), the Puerto Rico Environmental Quality Board ("EQB"), IPR's applicable policies, and the instructions of IPR's safety representative pertaining to protection of IPR's property and the safety and health of all persons in or about the site of the work. A mandatory induction covering IPR's applicable policies will be conducted prior to any work execution.
- (c.) Supplier shall be responsible for initiating, maintaining, and supervising all safety and health precautions and programs in connection with the work being performed by its employees, subcontractors, or agents. When so instructed by IPR, Supplier shall stop any part of the work, which IPR deems unsafe until corrective measures satisfactory to IPR have been taken, and Supplier shall not have any claim for damages against IPR growing out of such stoppages. Should Supplier neglect to take such corrective measures, IPR may do so at the Supplier's expense and shall have the right to withhold any payment due or to become due to the Supplier under this Order in an amount sufficient in IPR's judgment to cover the cost thereof. Failure on the part of IPR to stop unsafe practices by the Supplier shall in no way relieve the Supplier of its responsibility therefor.
- (d.) In an emergency affecting the safety or life, the work, or adjoining property, Supplier, without special instructions or authorization from IPR, shall act at its own discretion to prevent injury or loss. Compensation claimed by Supplier on account of any emergency work shall be agreed upon promptly by negotiation. Supplier shall provide first aid to anyone of its employees, subcontractors, or agents who may be injured in connection with the work and shall provide immediate removal and hospitalization in case of emergency. All incidents and accidents must be reported to IPR immediately together with a written report within twenty-four (24) hours in each case.
- (e.) Supplier must submit a chemical list and the associated material safety data sheets ("MSDS") for IPR evaluation of all chemicals to be used in the work prior to the introduction of such substances in any IPR facility.
- (f.) All wastes disposal including hazardous and non-hazardous generated by Supplier, its subcontractors, or its agents must be coordinated and approved by the applicable IPR Safety, Health and Environmental representative. Only approved

waste disposal transporters and facilities shall be used.

- (g.) Other safety and health requirements may apply depending on the extent, complexity and number of employees to be brought by the Supplier, subcontractors, or agents to a given activity within IPR premises.

2.3. Security

- (a.) Supplier, its employees, agents and subcontractors shall be responsible (i) for the safeguarding of all their property while in IPR's facilities; (ii) to notify of any incident involving theft, threat, emergency, or damage to IPR or own property or people; and (iii) to abide by the requirements for entering IPR's buildings and restricted work areas, some with high security concerns, including training and all rules of conduct applicable to the facility.
- (b.) Prior to commencing any work on site, Supplier shall submit the names of employees, subcontractors, and agents assigned to perform the work on site and will provide IPR with any other information IPR may reasonably request. IPR may accept or reject any such proposed employees, agents, or subcontractors in its sole discretion.
- (c.) Supplier employees are required to have and wear their company official photo identification and any other required IPR internal identification at all times while on IPR's premises.
- (d.) Supplier employees are required to open and display for inspection the interior of all bags, cases, and purses while entering or exiting the site. No cameras, video/voice recorders, weapons, explosives, illegal drugs/substances, or alcoholic beverages will be authorized into the site. Supplier acknowledges and agrees to advise its employees, agents, and subcontractors that it is the policy of IPR: (i) to prohibit the use, possession, sale, and distribution of alcohol, illegal drugs, or other controlled substances on its premises; and (ii) to prohibit the presence on IPR's property of employees of a Supplier, subcontractor, or agent who has such substances in his/her body for nonmedical reasons. Any Supplier employee, subcontractor, or agent who is found in violation of this policy will be removed and barred from IPR's property.
- (e.) Access will be limited only to those areas required to complete the obligations under contract. Under no circumstances shall Supplier be permitted on site premises after the established working hours or work permit expired. Off hours work will require prior coordination, notification and approval from the applicable IPR representative. No Supplier tools, equipment, or machinery will leave the site during off hours without a written permit from the IPR representative in coordination with the Site Security Advisor or designee.
- (f.) IPR shall have the right to require the removal of any Supplier employee, subcontractor, or agent from

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the site that (i) fails to comply with the IPR's procedures and regulations, or (ii) has, in the opinion of the IPR, incurred in misconduct, or been negligent or incompetent, or (iii) is prejudicial to health and/or safety. Any such person shall not be employed again to perform any work on site under the Contract.

2.4. **Smoke Free Workplace.** It is the policy of IPR to encourage its employees to maintain healthy lifestyles and provide them with a safe work environment. Therefore, and knowing the adverse effects that smoking and secondhand smoking has in the health, IPR prohibits smoking in all company premises, including the formerly designated areas. Supplier will be required to certify in writing compliance with this company policy.

2.5. **Workplace Violence.** IPR maintains a policy against workplace violence. Under this policy no domestic violence, threats, verbal or written, threatening behavior, or acts of violence against employees, visitors or other individuals by anyone on company property will not be tolerated.

3. **Liability and Indemnity:** Supplier shall be solely responsible for all materials, equipment, and work to be performed until the work under contract is completed to IPR's satisfaction. Supplier shall pay IPR the full amount of all damage to, or destruction of IPR's property resulting from the negligence of Supplier or any subcontractor. Supplier shall indemnify IPR and hold it harmless from and against all claims of a liability to third parties (including without limitation, all IPR employees, Supplier and all subcontractors and their employees) for injury to or death of persons or loss of or damage to property arising out of or in connection with the performance of this contract. Supplier shall defend all suits brought upon such claims and pay all costs and expenses incidental thereto, but IPR shall have the right, at its option, to participate in the defense of any such suit, without releasing Supplier of any obligation hereunder.

4. Insurance and Bonds:

4.1. Supplier shall provide and maintain, while performing work on IPR site, the following insurance and bonds, with insurers satisfactory to IPR:

- (a.) Workman's Compensation insurance complying fully with the laws of the Commonwealth of Puerto Rico.
- (b.) Employer's Liability insurance in the amount of \$100,000 covering injuries to and/or death of contractor's employees in any place where Workmen's Compensation laws are not in force or do not cover death of employees.
- (c.) Automobile Liability insurance on vehicles, both owned and non-owned, which Supplier operates in connection with the work being performed, in the amount of \$100,000 bodily injury (each person) \$300,000 (each accident) and property damage of \$50,000 (each accident).
- (d.) Commercial General Liability covering bodily injury and property damage with minimum limits in the

amount of \$500,000, including Premises Liability, Products/Completed Operations, and Contractual Liability coverage for the indemnity provided under this contract. This is a minimum amount and IPR may, as it deems necessary, require insurer's coverage in a greater amount.

(e.) Fire and Extended Coverage insurance to cover the work in progress and all materials and equipment intended for incorporation therein from the time of their delivery to the premises, in the amount required.

(f.) If the requirement of payment bond applies to the work to be performed hereunder under Law Number 111 of June 22, 1961, the Supplier shall post payment bond in favor of the Puerto Rico Secretary of Labor and Human Resources.

(g.) Such other insurance and bonds as maybe required by IPR.

4.2. Each of the policies above, except for Workers' Compensation, shall name IPR Pharmaceuticals, Inc. as an "additional insured." Each of the above policies shall be primary to any liability insurance carried by IPR, which insurance(s) shall be excess and non-contributory for claims and losses arising out of the performance of this contract. All such insurances will be written with a company or companies licensed to do business in the Commonwealth of Puerto Rico having a financial rating of not less than "A" in the most current edition of Best's Key Rating Guide.

4.3. Certificates evidencing the required insurance coverage and certifying that the coverage specified therein will not be canceled without at least thirty (30) days' written notice shall be submitted to IPR's Procurement section prior to commencement of the work on site. In addition, the policies should provide that the insurer waives any right of subrogation against IPR. If any policy is cancelled or the insurance is subject to expiration during the performance of the contract, then Supplier shall submit evidence of replacement or renewal of the insurance to IPR before the expiration or cancellation date; and if the insurance is not in effect, work on the contract shall be discontinued until the required insurance protection has been provided.

5. **Payroll Taxes and Deductions:** Supplier represents and warrants that it is and will be in compliance will all legally mandated payroll taxes and/or deductions and employee's contribution thereto.

6. Tax Withholding:

6.1. The Puerto Rico Internal Revenue Code imposes the obligation to withhold income taxes on certain payments, as follows:

- (a.) Code section 1231 provides the withholding tax rules applicable to foreign corporations and partnerships that receive, or implicitly receive, amounts from Puerto Rico sources for services performed in Puerto Rico. Specifically, subsection (a)(1)(A)(i) establishes that a foreign corporation or partnership not engaged in trade or business in

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Puerto Rico will be subject to a twenty-nine percent (29%) withholding tax on certain items of income from Puerto Rico sources. To be engaged in trade or business in Puerto Rico means to perform services in Puerto Rico except for services rendered by one or more non-resident individuals on behalf of a foreign corporation or partnership in Puerto Rico that is not engaged in trade or business locally for a period, in the aggregate, or periods not exceeding ninety (90) days during one taxable year.

material which IPR has determined to be improper or defective.

- (b.) Wages and certain other payments made to non-resident individuals for services performed in Puerto Rico are subject to withholding. Specifically, payments to non-resident aliens are subject to a withholding of twenty-nine percent (29%) unless a treaty is applicable. Withholdings on wages or periodic payments at a twenty percent (20%) in the case of non-resident United States citizens (ten percent (10%) in the case of long-term gains derived from property located in Puerto Rico that take place after December 31, 2000).
- (c.) The Government of Puerto Rico and every person, natural or juridical, that in the conduct of a trade or business or an income producing activity in Puerto Rico pays for services rendered in Puerto Rico after June 30, 1995, must withhold seven percent (7%) thereof unless the entity performing the services presents a waiver from the Puerto Rico "Departamento de Hacienda" or an affidavit from a licensed attorney claiming the exception.

6.2. IPR shall withhold the appropriate amounts from any payments made to Supplier in connection with this Order that are subject to withholding under any applicable local or federal laws, and shall deposit such amounts with the corresponding governmental authorities.

7. **Payment of Bills and Liens:** Supplier shall pay promptly all indebtedness for labor materials, tools, and equipment used in the performance of the contract, before Supplier shall be entitled to receive final payment or any retainage withheld hereunder. Supplier shall furnish evidence satisfactory to IPR of the full payment of such indebtedness. Supplier shall not permit any lien or charge to attach to the work or the premises upon which the work is being performed, but if any shall so attach, Supplier shall promptly procure its release, and indemnify IPR for any loss, cost damage or expense incidental thereto.

8. **Retainage:** If IPR deems it necessary, any work to be performed hereunder, which entails construction of any type, shall be subject to a ten percent (10%) retainage of any payment or progress payment. The final payment and the retainage shall not become due and payable to Supplier until the Supplier and subcontractors have delivered to IPR satisfactory releases, satisfactions or waivers of all claims, liens, and claims for liens and assignments of any sums due hereunder of Supplier's and subcontractor's laborers or any other persons, firms, associations or corporations who may have performed any labor or furnished any materials in connection with the performance of this contract, and until Supplier and subcontractor have remedied any part of the work or any