

GENERAL SALES CONDITIONS

Ugitech Italia
Edition dated January 4th, 2021

Article 1 – Scope

Unless otherwise expressly agreed in writing by Ugitech Italia, all orders of Ugitech Italia goods are subject to the present General Sales Conditions, which shall prevail over any and all general and/or particular purchasing conditions issued or set in a Buyer's document, and the Buyer is deemed to have accepted such General Sales Conditions without any exclusions.

Any other documents, such as brochures, commercial flyers, catalogues or manuals, such list not being limitative, are for information only and have no binding effect.

Ugitech Italia reserves the right to derive to any of the clauses set forth in the present General Sales Conditions, further to negotiations with the Buyer, such deviation(s) being set in written particular sales conditions.

Article 2 – Pre-contractual exchange of Information

Stainless Steels manufactured and sold by Ugitech Italia are either standard grades or the result of a specific preparation adapted to the Buyer's needs.

As a professional Buyer of stainless steel, any Buyer requesting standardized grade steel is deemed to monitor the metallurgical knowledge being available in the public domain and, therefore, such Buyer is responsible for validating its choice of steel in consideration of its expected use. It is his responsibility to disclose to Ugitech Italia its foreseen use and, should it be the case, to disclose the fact that he seeks for general or particular technical advice. Without questionings from the Buyer, the Buyer hereby waives the right to claim against Ugitech Italia an alleged breach of Seller's obligation to inform or advice the Buyer.

When a professional Buyer of stainless steel is requesting an offer based on metallurgical characteristics instead of a standard grade, it is the Buyer's responsibility to disclose to Ugitech Italia the information necessary and useful for receiving a correct and pertinent advice on the stainless steel to purchase. Amongst others, such information should relate to the foreseen use of the steel, the part to be manufactured out of such steel, its design, dimensioning, its mechanical environment, including vibrations, thermal and pressure tear and tires, its exposure to pollutants and/or corrosive agents, the various steps of transformation of the steel, such list not being limitative.

All information disclosed by Ugitech Italia is aimed to perform the Seller's obligation to advice and inform a Buyer and ease the smooth use of Ugitech's stainless Steel. In no way such disclosure may be construed nor have the effect of making Ugitech Italia co-designer and/or co-manufacturer of the part made out of its Steel.

The scope of the sale is exclusive from technical assistance and, if such assistance is requested, then a specific agreement is to be set up.

Unless otherwise expressly stated to the contrary in a particular agreement, such as a Technical Assistance Agreement, the choices of the grade, heat treatments and mechanical characteristics of the purchased steel and all the tests arising therefrom are the sole responsibility of the Buyer, of the co contractor, designer and/or manufacturer of the products made out of such steel, all of them remaining liable for assessing and ensuring the conformity of such products to their future environments and uses.

But the case of a Buyer trading of our steels, the Buyer transforming our products becomes the manufacturer of a new product that such manufacturer offers on the market, bearing any and all liabilities arising out of its design, manufacturing processes and fitting to the dedicated use of such new product. As a manufacturer, such Buyer shall take all necessary steps so as to test and validate the proper capability of its new products to comply with security, safety, suitability and other regulations.

Warning

Inclusions and internal defects

Based on our prior experience, improved efforts to eradicate inclusions and internal defects notwithstanding, there are some portions of the diameter of our products that remain unreachable to state of the art quality controls such as but not limited to metallography cleanliness on samples, Ultra Sonic or Eddy Current testing.

All inclusions and internal defects and other potential internal deviations are not detectable under current state of art testing prior to Ugitech shipment and may not be detectable even after the stainless steel has been transformed by the fabricator / transformer or implant maker. The Buyer assumes the responsibility to use appropriate quality controls to identify any defects inside its own designed finished products.

Buyer agrees to convey the warnings issued by Ugitech herein and in its documentation accompanying the products to its customer and any fabricator / transformer and/or implant maker.

Article 3 – Orders

All orders are binding subject to express and written acceptance from Ugitech Italia, without any exclusions or reserves being set. Exclusions or reserves issued by Ugitech Italia in response to an order are deemed fully accepted by Buyer if not expressly rejected in writing by Buyer within five (5) working days from their issuance.

Orders issued to our agents or to our representatives, as orders directly addressed to our offices are only binding if and when duly accepted by us in writing.

We reserve the right to deliver the ordered quantities with a tolerance of more or less 10 %, the Buyer being, in all cases, only bound to pay the price corresponding to the quantities actually delivered.

Ugitech Italia will not comply with the certificated quality controls & procedures set in Quality Standards of the Automotive or Aerospace sector if such compliance of the delivery to said standards is not expressly set as an obligation within the order.

Disclaimer

The choice of our product for any particular intended use is the sole and exclusive responsibility of the Buyer; and Ugitech shall in no event ever have any responsibility for, nor incur any liability for any particular use or application of its product by the Buyer.



Even though some Ugitech production sites are certified under IATF 16 949 (Automotive QMS), ISO 13485 (Medical device QMS) or EN/AS 9100 & 9120 (Aircraft industry QMS), such certifications do not qualify Ugitech stainless steel products as Automotive products or Medical devices or Aircraft products respectively.

Ugitech stainless steel products are raw materials in the form of bars or wires which in no event or circumstance are able to serve as or can be deemed Automotive parts, Medical devices or aircraft parts, unless such raw material is transformed into a specifically designed, manufactured, machined, controlled and tested new product having its own technical function being different from the one of Ugitech stainless steel bars or wires.

Article 4 – Price

Our prices apply to goods weighed at the departure point, tare weight excluded. They are calculated on the basis of the laws, regulations, customary practice, taxes and levies and transport conditions in force on the date of finalizing of the sale and may be subject to revision at the time of invoicing according to the tariffs or price lists, including all schedules or additions thereto applicable on the date of invoicing.

Unless otherwise expressly stated to the contrary in the order, prices are for delivery Ex Works. They are net, exclusive of any deductible for early payment, and payable in accordance with the terms set forth hereafter.

Article 5 – Delivery time

Delivery time(s) are always for information only. Considering the manufacturing pattern of a steel industry, a tolerance of six (6) weeks on indicative delivery time is accepted by Buyer.

In the event of delays exclusively attributable to Ugitech Italia, Ugitech Italia shall only be liable for compensating direct and personal damage, duly demonstrated and up to the maximum aggregate amount of 5 % of the price (tax excluded) of the delayed goods. Such limit does not apply in case of gross negligence. Upon payment of this compensation for delays Ugitech Italia is released from any other liabilities due to delays in delivery.

In the event that, for any reason whatsoever but the case of gross negligence, an order would not be performed within the binding delivery time, the parties would remain bound to their respective obligations, unless they mutually agree to terminate the order.

Article 6 - Delivery

Unless otherwise stated within the order, the delivery place is ex Works or ex Peschiera Borromeo (Milano – Italy). Risk of loss or damage to the goods passes from Ugitech Italia to Buyer upon delivery.

Buyer shall take delivery at the place in the order and upon delivery. In the event of delay in taking delivery, Ugitech Italia would place the goods to a third party agent, at Buyer's risks and expenses, and formally notify in writing (e-mail or other mean).

Taking delivery means taking physical control over the goods, checking their apparent satisfying state, their apparent consistency with their designations in the order (designated grade, shape, diameter, and weight) and the accompanying documentation.

In case of apparent non-compliance of the goods with the order, the Buyer shall send to the Seller written reserves by correctly filling the International Consignment Note, or even reject the goods, as soon as possible and, at the latest, within 3 working days from delivery. In the absence of any reserve(s) within such deadline, the goods are deemed accepted by the Buyer, and the Buyer will be refrained from any claim(s) based on apparent defect or missing quantities.

In the event an apparent non-compliance or a missing quantity is demonstrated, the Buyer will be grounded to call for a replacement of the non-complying portion of goods and/or for extra delivery to overcome any missing quantities, all at of Ugitech's risks and expenses, to the exclusion to any other remedies such as compensation or termination of the order.

Article 7 – Retention of Title

The transfer of title to the goods sold is deferred until full payment of the corresponding price. The Buyer is nonetheless liable for any risks as soon as the goods have been made available. In the event of default of payment on the due date, we reserve the right to take back the goods delivered. Our right of repossession may be exercised without distinction on all goods sold by us and still in the Buyer's possession, to the extent of the amount outstanding.

Article 8 - Payment

Unless otherwise stated within the particular terms of the order, all goods are to be paid within 30 calendar days from their dates of shipping, in one installment. Any other agreed terms of payment shall in no way be longer than sixty days, or by derogation forty-five days end of month, from the date of invoice.

The startpoint for due date for payment of our invoices shall be the date on which the goods are made available for taking delivery. Default of payment of any part of the price at due date shall entail ipso jure the following consequences without a prior notice being necessary:

- a) The delayed sums shall bear interest at the rate equal to the Central European Bank refinance rate increased by 10 (ten) points ($X\% + 10\%$);
- b) A fixed 40 (forty) Euros compensation for recovery charges will be due by the Buyer for each invoice paid with delay. Ugitech will nonetheless be grounded to charge any extra expenses supported by documents;
- c) All other receivables would become due by the Buyer, even if traded to third parties;
- d) All other orders issued by Buyer and accepted by Ugitech, may be terminated at Ugitech's option within 24 hours from receipt of a registered termination letter, and all related down payments credited to Ugitech would definitively remain to Ugitech.

In the event of a Buyer's material change, such as but not limited to loss of legal capacity, transformation, liquidation, dissolution, bankruptcy, receivership, change of ownership of the company, merger or demerger, whatever the legal form, we reserve the right to cancel all or part of the order.

In case of early payment, no discount will be applicable.

Article 9 - Warranties

9.1 - All goods are delivered with a contractual warranty of 12 months starting from their dates of delivery.

This warranty covers the non-conformity of the goods with the order's specifications as mutually accepted by the parties and any latent defect of the goods in the material or workmanship and making such goods improper for the transformation such goods were sold for. Under this warranty and as sole and exclusive remedy, Ugitech Italia will replace or repair the goods, such warranty further covering the reasonable expenses exposed by Buyer for the sorting, the control, the disposal of the defective goods and the expenses for extra hours to recover the lost production time, to the exclusion of any other remedies such as, but not limited to financial loss, loss of profit / of orders and to the exclusion of indirect losses.

Any call under this warranty shall be issued by registered letter with acknowledgement of receipt with 10 working days from the discovery of the latent defect or of the non-conformity, accompanied with all technical demonstrations supporting the call and an estimate of the harmful consequences of same.

Unless it has been expressly set and agreed upon in the particulars of the order and within the acknowledgement of order, Ugitech Italia does not give any express or implied warranty that its steels have the capability to satisfy the specific use the Buyer intends to dedicate such steels.

It is the responsibility of the Buyer to evidence and demonstrate the non-conformity or the latent defect of the goods delivered and Ugitech's remedies under this warranty are only available for the goods that have been demonstrated to be non-compliant or affected by a latent defect. Rejection of an entire lot or of an entire heat without the demonstration being set for each of its constituents is excluded from the present warranty.

9.2 - BUYER ACCEPTS THIS WARRANTY IN LIEU OF ANY OTHER WARRANTY EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Article 10 - Liabilities

The total and overall liability of Ugitech towards the Buyer shall be strictly limited up to 200 % of the total price without taxes of the relevant item in the purchase order, but the case of gross negligence / willful misconduct. In no event shall Ugitech be liable for indirect damages or for pure economic loss.

Specifically, for any use of Ugitech's goods in the medical sector, the Buyer acknowledges and agrees to hold Ugitech harmless and to guarantee Ugitech Italia against any claims (in particular of third party) for any amount which would exceed the ceiling of Ugitech Italia's contractual liability. In particular, this should apply for removal/relaying of implantable medical/surgical products manufactured out of Ugitech steel.

Article 11- Force majeure – unforeseeable event

Force Majeure events and unforeseeable events are events independent from the will of the party(ies), which could not be reasonably planned to occur and that it / they could not reasonably avoid or surmount, as far as their occurrences make absolutely impossible the execution of the party(ies) undertaking(s).

The following events, such list not being limitative, are considered as force Majeure events or unforeseeable events releasing the frustrated party(ies) from his obligation to perform its/their obligations in due time: Strikes of all or part of his employees or of his subcontractor(s) or supplier(s), fire, flood, war or civil uprising, production stoppage due to fortuitous breakdowns, epidemics, severe climatic effects (heavy snow, defrost barrier, ...), roadblocks, supply disruption of energies, fluids or raw materials not attributable to Ugitech Italia.

In such circumstances, Ugitech Italia will notify the Buyer in writing within 72 hours from the occurrence of the event, the binding order being then suspended by right as soon as the emergence of the event and without compensation being due. If the event lasts for more than 30 (thirty) days from its date of occurrence, the order may be terminated by the most diligent party, but neither party shall be eligible to any damages.

Article 12 –Applicable Law and litigation

Swiss code of obligations shall apply, but be ruled over by the Italian legal terms on payment and collection of payment public order rulings (to the exclusion of any other Italian rulings).

All disputes arising in connection with the present General Sales Conditions shall be finally settled under the rules of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. However, disputes limited to retention of title clause shall be subject to the laws of the Buyer. Arbitration shall take place in Milan (Italy).

Additional specific terms & conditions of sale for Medical Devices market uses

Ugitech MAKES NO CLAIM OR WARRANTY, EXPRESS OR IMPLIED THAT ITS MATERIALS ARE CERTIFIED BIO-COMPATIBLE OR OTHERWISE INTENDED FOR USE IN ANY MEDICAL APPLICATIONS INVOLVING IMPLANTATION IN THE HUMAN BODY OR ANY ANIMALS, OR CONTACT WITH INTERNAL BODY FLUIDS OR TISSUES OR ANY OTHER MEDICAL DEVICE OR OTHER MEDICAL PRODUCT.

Ugitech PRODUCTS, WHEN SPECIFICALLY SOLD FOR THE MEDICAL DEVICES MARKET, COMPLY WITH ISO 5832-1 AND 9 & ASTM F138/ESR STANDARDS, TO THE EXCLUSION OF ANY OTHER STANDARDS IN FORCE FOR THE MANUFACTURING OF THE IMPLANTABLE MEDICAL DEVICES SPECIFICALLY IN TERMS OF METALLURGICAL PROPERTIES. HOWEVER, Ugitech DID NOT AND WILL NOT PERFORM ANY BIO COMPATIBILITY TESTS. IN ALL CASES, IT IS THE RESPONSIBILITY OF THE DESIGNER/MANUFACTURER OF THE MEDICAL DEVICE TO ENSURE SUCH BIO COMPATIBILITY AND MEDICAL FITNESS OF THE CHOSEN STEEL.

Ugitech has not performed clinical testing of any of its materials. Ugitech will not provide customers, including those making implantable devices, any notice concerning its materials as specified under United States Code of Federal Regulations 21 C.F.R. section 820.50, nor any other information necessary for medical-device use of the materials under any other statute or the Food Drug and Cosmetics Act or other regulation. Ugitech has neither sought, nor received,



approval from the Food and Drug Administration (FDA) or any other US governmental agency for the use of these materials in implantation in the human body or any animals, or in contact with internal body fluids or tissues.

DO NOT MAKE REFERENCE TO THE UGITECH NAME OR ANY UGITECH TRADEMARK IN ASSOCIATION WITH A MEDICAL DEVICE, WHETHER OR NOT IMPLANTABLE. Do not use an Ugitech trademark as the descriptive name of a medical device, whether or not implantable.

Stainless steel is an iron-chromium alloy which contains other chemical elements, SUCH AS BUT NOT LIMITED TO nickel, chromium, molybdenum, manganese, fluorine. Some people are subject to allergy to some of these elements, or even show hypersensitivity which can result in both cutaneous and systemic manifestations and can range from mild to severe symptoms.

As a producer of stainless steel bars and wires, Ugitech provides stainless steel grades under established standards and subject to metallurgical technical specifications only.