

B&R LIFECYCLE

Standard for the availability of B&R products

A. B&R: Quality and reliability

As a reliable partner to machine manufacturing companies and users of automation products, B&R gives customer needs top priority. Accordingly, B&R is aware of the great importance of long-term product availability. This is reflected in particular in B&R's standardized customer-oriented product policy.

All components are carefully selected for the products manufactured by B&R. This ensures high standards for technology and quality as well as maximum reliability and long-term availability.

B. "B&R lifecycle" as a transparent and reliable product standard for planning

"B&R lifecycle" for B&R products refers to the period between entering and exiting the market. This defined standard specifies the various phases of the B&R lifecycle and explains the framework conditions that apply to the lifecycle of B&R products in detail.

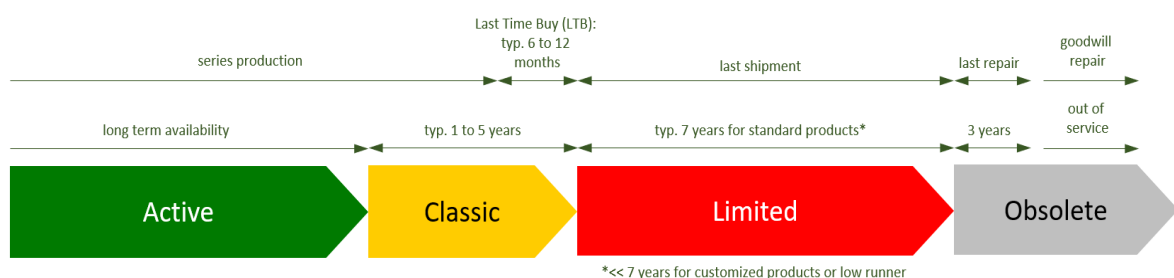
The B&R lifecycle ensures optimal transparency: B&R actively informs all customer who have purchased the relevant product in the last three years before the end of the "Active" phase about the imminent "phase-out" (end of production) of the relevant product. In addition, the current lifecycle status for each product is visible to the customer at all times (www.br-automation.com; offers, etc.). Thanks to generous lead times and long notice periods, the customer can take appropriate measures for planning at an early stage – making ideal reliability a reality.

C. The four phases of the B&R lifecycle

C.1. Phase-out model

The B&R lifecycle consists of four phases (Active, Classic, Limited, Obsolete), each immediately following the other. Every B&R product goes through all four phases, although the duration of each phase can vary depending on the product.

The following diagram provides a basic overview of the individual phases, their stages and the resulting consequential effects or obligations of the customer to act.



C.2. Characteristics and effects of the four phases in detail

C.2.1. "Active" phase

The "Active" phase begins with the market launch of a B&R product. This exists as soon as B&R releases the product for series production and offers it for sale unconditionally. In this phase, the product is basically available "in series production".

C.2.2. "Classic" phase

B&R informs the customer about the start of the "Classic" phase. In the "Classic" phase, the product is still basically available "in series", but it represents the beginning of the phase-out. Customers are advised not to use the product for new projects starting in this stage.

Last Time Buy ("LTB")

The "Classic" phase concludes with the "*Last-Time-Buy*"("LTB") stage. The duration of LTB is defined by B&R per product and the customer is notified in advance. During LTB, the customer can specify their needs for the product in advance by placing an order for the "Limited" phase. Requirements must be bindingly stated for each year of the "Limited" phase. If B&R accepts the order and an order is thus placed, the customer must purchase the agreed quantities ("*LTB requirements*"); otherwise, a cancellation fee will be charged.

C.2.3. "Limited" phase

The "Limited" phase begins at the end of the "Classic" phase. In the "Limited" phase, only the LTB requirements are delivered ("*last shipment*") and the product can no longer be ordered regularly. If the customer has requirements in the "Limited" phase that exceed the LTB requirements, B&R will examine a possible supply offer for the additional requirements on a case-by-case basis. Full or partial postponement of the annual requirement to another year of the "Limited" phase is also subject to B&R's approval.

C.2.4. "Obsolete" phase

The product is no longer available starting in this stage (market exit). During the first three years, B&R's repair service will continue to be available, after which it will no longer be guaranteed.

C.2.5. Prices for LTB supplies

The prices for LTB requirements are staggered per delivery year during the "Limited" phase. The first delivery year starts at the beginning of the "Limited" phase; each subsequent year follows on from this. The prices will be made known to the customer upon request at the latest during the LTB stage. The prices charged will be those applicable at the time specified by the customer in his order for LTB requirements. If parts of the annual requirements are postponed on mutual agreement, the price of the agreed delivery year will apply.

If the customer purchases B&R products as a set or as a device/configuration, the individual components in them may have a different B&R lifecycle status. If a component changes to the "Classic" lifecycle status, the prices for the LTB requirements for the set or

device/configuration are set for the delivery years in the "Limited" phase. If another component changes to the "Classic" lifecycle status during the "Limited" phase, the set or device/configuration price for the remaining duration of the "Limited" phase changes accordingly.

If the basis for calculating prices changes due to circumstances for which B&R has no control - such as relevant changes to the law, increases to the cost of raw materials, other relevant changes on the market, etc. - B&R will be entitled to unilaterally adjust its prices accordingly.

C.2.6. Cancellation fee

If annual LTB requirements are not called up by the customer, B&R's corresponding delivery obligation will cease and the products concerned will remain the property of B&R. Irrespective thereof, the customer will pay B&R a cancellation fee for the quantity not accepted.

The cancellation fee is 50% of the agreed customer price for standard products in the "Active" or "Classic" phase and 70% of the agreed customer price in the "Limited" phase; for customized products in the "Active" phase and onwards, the cancellation fee is 85% of the agreed customer price. This relates to the relevant delivery year.

The cancellation fee will be due for payment upon receipt of the cancellation invoice by the customer within the payment period agreed with the customer, free of charges and deductions, and will be credited to the account of B&R.

C.3. Other

The B&R lifecycle is subject to the proviso that B&R is not or will not be restricted in production and/or delivery. Such restriction can be due to cases of force majeure, judicial and/or regulatory decisions or the temporary or permanent lack of availability of products or their components. Force majeure is any external or internal event or circumstance that cannot be prevented by reasonable and appropriate means. This includes in particular forces of nature such as fire, earthquake, landslide, etc., but also, for example, wars or warlike conditions, revolution, epidemics, pandemics, riots, operational disruptions, official measures, labor disputes, power outages, delivery delays by upstream suppliers and similar comparable circumstances. B&R will neither assume the procurement risk nor any obligation to stockpile products or their components and/or any other resources that may be required for this purpose. Accordingly, each delivery will be subject to the expressed proviso that the supplier is duly and punctually supplied by its upstream suppliers and in particular that B&R's performance of its obligations with regard to the availability of products or their components or other resources that may be required for this purpose (i) will not be rendered impossible, considerably impeded, delayed or (also economically) unreasonable either permanently or temporarily due to their respective lack or limited general availability (ii) or due to other events that cannot be averted by B&R and that occur outside its own business operations. In the event of the occurrence or existence of the above-mentioned circumstances, B&R thus expressly reserves the right (i) to unilaterally change deadlines and/or dates appropriately or to suspend them to a reasonable extent and/or (ii) to notify the customer with binding effect of the non-performance or partial performance of delivery obligations (withdrawal, unilateral adjustment of the contract, unilateral termination of the contract). The customer will not be entitled to assert any claims whatsoever against B&R (including, without limitation, claims for delay, warranty, rescission on grounds of error or damages) arising from any such change or

suspension of deadlines and/or dates or total or partial non-performance of delivery obligations.

The customer will be responsible for observing and taking into account the B&R lifecycle and its individual phases and their effects. B&R will have legal obligations with respect to the B&R lifecycle only to the extent that B&R has expressly assumed such obligations. Unless B&R explicitly agrees otherwise, B&R will have no duty to inform, inspect or warn the customer in connection with the B&R lifecycle.

The use of products that are in the "Classic" phase for new customer projects is the sole responsibility of the customer.

The provisions of the supply agreement (framework supply agreement, etc.) will remain unaffected by the present provisions of the B&R lifecycle, unless an expressed deviation is contained herein. In particular, the conclusion of an order, the related prerequisites, consequences and conditions as well as B&R's liability will be governed by the provisions of the supply agreement (framework supply agreement, etc.). The B&R lifecycle described in this document does not trigger any independent delivery obligations on the part of B&R. This applies accordingly to B&R's repair service.