

SN 2023/19 - Update: ACOPOS discontinuation with the new Product Life Cycle Process

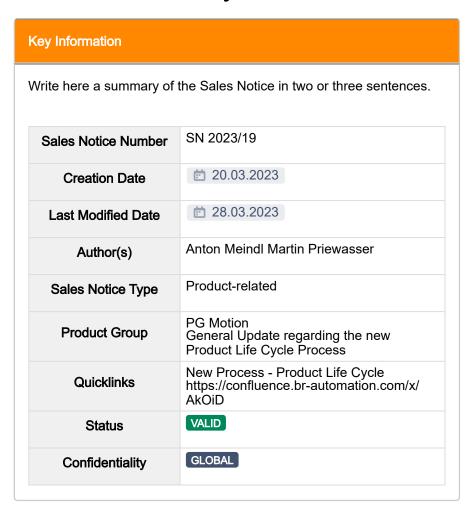
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Customer Update via PRICS

Mid-January 2023 we informed our customers via PRICS about the New Product Life Cycle, especially the new regulations regarding the discontinuation process. End of January 2023 we informed our customers via PRICS about the discontinuation of ACOPOS 8V family.

We got some questions and feedback from customers and sales teams regarding missing specific price information in the ACOPOS 8V family discontinuation PRICS campaign. Therefore, we will make an additional PRICS campaign, which will give an update on previously missing price information. To keep all the information together in one document, we will include the previously communicated technical product information with the new pricing information.

Content of the Update:

- General information about the update
- · Discontinued material numbers
- · Roadmap of phase-out
- · New Chapter: Specific price information
- · Affected material numbers and possible successors
- Attached Excel document Customer specific Order list with ordered products within the last 36 month

New Chapter: Specific price information

We added a new chapter with detailed information about the scaled pricing. The indicated increases are the standard increases. We should enforce these prices. The base for the pricing is the last agreed customer price (current price) before the discontinuation. These prices are for all last time buys (LTB).

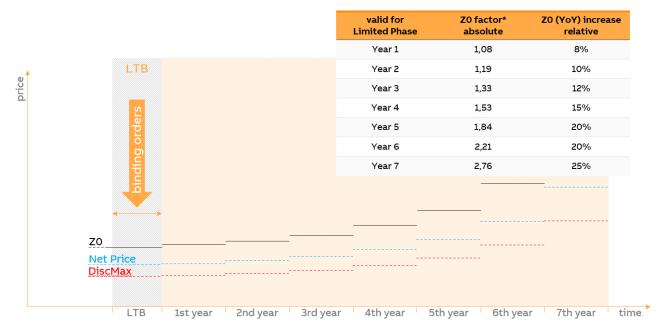
Exceptions:

For new orders placed before July 1, 2023, the current price, without increase, will apply, but only under the following conditions:

- · the requested delivery date from the customer is compliant with current lead times
- the quantities are not exceeding the monthly average order quantities (monthly average of the last 12 months, valid for each individual material number)

We allow this exceptions because of our extraordinary lead time situation.

Deviations from the standard pricing:



Deviations from the standard pricing are possible in exceptional cases. Base for possible price range is the Reference Price plus the dedicated markup (Z1 + LTB shipment period markup). The relative discount (in %), depending on the individual sales level of each sales engineer, is still valid. Same with the escalation possibilities. Using this possibility should be exceptional, we should enforce the standard price increases if it's possible.

Additional pricing information:

The last time buy price regulations are not affecting existing orders of the related discontinued products up to request/wish date within June 20, 2025. Orders (including contracts) with request/wish date after this date will be affected by the last time buy price regulations.

Within the PRICS Campaign "Update on discontinuation ACOPOS 8V family – Pricing information" we point out explicitly the binding character of customer orders, the specific price agreements and the cancellation fee. Additionally, we refer again to our new <u>B&R product lifecycle standard</u>.

PRICS mailing issues

PRICS is using the dedicated e-mail address information out of CRM/Contacts. If this information is missing or is wrong - PRICS is not able to process the information to reach out to the customer. In this case the data in CRM must be updated. Not informing the customer is no option.

ACOPOS LTB offerings - IQ situation

Since the function in <u>IQ (Intelligent Quotes Tool)</u> is not yet available to support the calculation of discontinued products, we encourage you to follow the <u>Guideline to offer products in Last Time Buy phase</u> in Confluence. Here you will find as well precise instructions on how to proceed with the pricing of such materials in individual years.

ACOPOS LTB Contracts - SAP situation

As announced in presentations and trainings we will use a new type of SAP contracts for all customer LTB orders. It is not allowed to use our current standard SAP contracts or standard orders. All LTB orders must use the new SAP contracts. The new contracts are the necessary base to process the monitoring in the future and they are the base for some legal aspects of the new life cycle process.

Due to impacts of high prior IT projects, we have a certain delay in the development of the new type of SAP contracts. We had to split the project in two phases: Rollout of the new SAP contracts itself and as a second step adding the pricing mechanism. At the moment we are in the final tests of the first phase. Roll-out will start within April. In parallel trainings for order processing will take place. Entering customer LTB orders will be possible with the availability of the new SAP contracts in April, we will inform when they are ready to use.

Customer order confirmations need to have the pricing. That means we are not able to confirm the contracts within the first step. This will be possible starting with the second step in May, when we will be adding the pricing mechanism. Also here we will explicitly inform when it is available.

One of the questions we got was, if it's necessary to have a special customer legal contract or legal procedure for the LTB orders: It's not. Nothing special is necessary, no signed document. A normal order is sufficient. The order needs to have a reference to our IQ offer. Only if the order excludes the boundary conditions of the <u>B&R product lifecycle standard</u>, we will have an issue - we have to reject the order as long this conditions are not accepted.