Scheduling Agreement Guidelines

1. Process

The following process applies with reference to our PURCHASING CONDITIONS FOR SERIES PARTS, SPARE PARTS, AND KTM POWERPARTS.

As a supplier, you receive biweekly scheduling agreement releases (also called delivery schedules) from KTM. In the case of factory holidays, KTM may deviate from the biweekly update. If you do not return a confirmation to KTM within 5 working days, these scheduling agreement releases are automatically considered as accepted by you.

The quantities and the delivery dates marked with **Status 1 (definite)** in the scheduling agreement releases are binding for you as well as for KTM. This means there is an obligation for you to supply and for KTM to accept those quantities. KTM will set the time period for Status 1 after consulting with you at the time when the contract is awarded.

The quantities and delivery dates in the scheduling agreement releases marked with **Status 4 (forecast)** are mere previews, which can still change with respect to quantity as well as date. The quantities and dates shown are for the purpose of capacity planning in your company.

**Status 4** quantities will be visible in the scheduling agreement release following the release of the BOMs that contain the respective component. The cycle of the releases differs between Offroad and Street models. For a more detailed explanation, please consult with the purchaser responsible for the relevant components. Status 4 quantities are shown in the scheduling agreement release up to the end of the KTM model year.

2. Releases

2.1. Input material procurement release

In order to allow you to place orders for your input material in due time and to secure your supply, KTM can give you a release for certain quantities or for a certain time frame. Please get in contact with the respective purchaser at KTM and set up an agreement that suits your and our needs. This agreement has to be documented in writing.

With regard to these quantities released for procurement, there is an obligation for you to supply and for KTM to accept. KTM reserves the right to postpone the delivery and invoicing for scheduling agreement release line items with Status 4 for up to 12 months after the original delivery date. KTM will only cover the cost of the input material in case the input material is not needed.
2.2. Production release

To ensure supply, and to give you the opportunity to produce economical batch sizes, KTM can release the production of certain quantities listed in the scheduling agreement releases at your request. This release must be provided in writing by the responsible purchaser and is only issued based on your written request (including information regarding quantities, time frame, justification, ...). This is not dependent on the status quoted in the scheduling agreement release.

With regard to these quantities released for production, there is an obligation for you to supply and for KTM to accept. KTM reserves the right to postpone the delivery and invoicing for scheduling agreement release line items with Status 4 for up to 12 months after the original delivery date.

2.3. Parts release

It is mandatory that you supply the quantities shown in the scheduling agreement releases with released series-manufactured products only. This is ensured by providing the drawing with maturity “release for manufacturing.

If this approval has not yet been received, you are required to contact the responsible purchaser in a timely manner (without jeopardizing your scheduled production and subsequently the delivery date at KTM).

If the release drawing is not yet available at this time, a special release must be agreed with the KTM quality department for Status 1 quantities. For Status 4 quantities, an additional written production release from the responsible purchaser is needed.

This applies explicitly only to schedule lines in the scheduling agreement releases. Prototype, P3 and first sample orders are exempted from this rule because the orders are based on a different degree of maturity of the drawings.

3. Delivery dates and deadlines

Agreed-upon dates and deadlines are binding. The delivery date of each scheduling agreement release line item is the date by which the goods must arrive at KTM. If KTM is responsible for the transport according to agreed Incoterms, you are required to have the goods ready in time for pick-up and/or shipping taking into account the usual time for loading and shipping.

4. Supplementary provisions relating to batch sizes and lead times

We expect you to choose the most economical production batch size within the production release period. You are also required to consult with KTM purchasing at the phase out / end of the model year in order to arrange a reasonable production batch size in advance. We do not accept minimum quantity (MOQ) surcharges. This also applies to the supply of spare parts.

We strive to keep lead times for production or procurement releases as short as possible. The lead times regulated in the scheduling agreement can therefore be adjusted to the respective market situation and by mutual agreement and on a temporary basis at any time.

Should you determine that, for a specific part number, the agreed production release or procurement release at that point in time is not sufficient, or that, due to your production capacity being too low, preproduction is necessary, you are required to inform the KTM purchasing department.