

Delivery Schedule Guidelines

The following guidelines bindingly apply with respect to the KTM PURCHASING CONDITIONS FOR SERIES PARTS, SPARE PARTS AND KTM POWERPARTS as in force.

1. Delivery schedule (framework agreement)

In the delivery schedule (“framework agreement”), KTM agrees with you as the contractual partner in particular on the material prices and the target quantity expected to be required within a certain period of time. As the supplier, you agree to deliver this target quantity to KTM at the prices specified in the delivery schedule, provided that KTM orders them through delivery call-offs. The target quantity is a non-binding indication for your capacity and material planning; acceptance will only take place in case of binding delivery schedule lines. You will receive the delivery schedule after contract award as well as in case of significant changes in price or release periods.

2. Characteristics and content of the delivery call-offs

Based on the current KTM production planning, you will receive delivery call-offs with quantities divided into release periods and preview data, which serve you as capacity planning. The scope of the commitments for acceptance and delivery is regulated according to the status (cf. section □ “Status and releases”).

The delivery call-off is updated every two weeks and sent either via EDI or as a PDF file by e-mail to the e-mail address you specify. An updated delivery call-off replaces the previous delivery call-off. In case of company vacations at KTM, a deviation from the bi-weekly update may occur. The delivery call-off in particular contains all information relevant for the delivery of the order, which is listed below.

2.1. General call-off data:

- *Delivery call-off no. and date:* Number of the current delivery call-off and creation date;
- *Replaced delivery call-off no. and date:* Number of the last delivery call-off and creation date;
- *Delivery schedule no., position and date:* number, position and creation date of the delivery schedule to which the delivery call-off refers;
- *Delivery release (status 1) by:* End date of the release level "delivery release";
- *Production release (status 2) to:* End date of the release level "production release";
- *Material release (status 3) until:* End date of the release level "material release";
- *Delivery address:* Address to which the ordered goods are to be delivered;
- *Expeditor:* Name and contact of the KTM expeditor responsible for the delivery schedule;
- *Reference no. of purchaser:* Article number assigned by KTM;
- *Supplier's reference no.:* Supplier's article number;
- *Article description:* Article description assigned by KTM;
- *Date of last goods receipt:* Date of the last registered goods receipt;
- *Delivery note no.:* Delivery note number of the last goods receipt;
- *Quantity:* Quantity received at last goods receipt;

2.2. Delivery schedule lines

- *Delivery date*: Date of the delivery date at KTM split into the release periods or status;
- *Quantity*: Quantity to be delivered on the respective delivery date;
- *Changes*: Change of the delivery schedule line quantity compared to the last delivery call-off;

3. Status and releases

The delivery schedule lines are assigned to four status, three of which correspond to releases for delivery, production and material procurement, respectively. The fourth status is intended to serve purely for your planning and represents forecast quantities. The provision and duration of the respective releases is agreed individually with you for each contract item and defined in the delivery schedule ("framework agreement").

3.1. Delivery release (Status 1)

The delivery release refers to the period for which KTM is obligated to accept and pay for the quantities ordered in accordance with the delivery schedule call-off. As the supplier, you are entitled and obliged to deliver the released quantities. In exceptional cases, KTM may modify the schedule lines within the delivery release. It is your duty to report proactively to KTM if you are not able to fulfill this change.

3.2. Production release (Status 2)

The production release specifies the period for which you are authorized to produce the quantities stated for this period in the delivery call-off. You are obliged to deliver the quantities specified in the delivery call-off on time on the delivery-relevant dates. With regard to the flexibility agreement described in section 5, KTM is obligated to accept and pay for the quantities of the contractual objects specified for this period under the conditions defined in the delivery schedule.

3.3. Material release (Status 3)

The material release defines the period for which you are authorized to procure input materials for the quantities stated in the delivery call-off for this period. You guarantee that you will be able to deliver the quantities specified in the delivery call-off on time on the delivery-relevant dates. Subject to the conditions set forth in paragraph 5, KTM shall be obligated to accept and pay for such input material that you have acquired exclusively for KTM in the quantities specified in the material release, that you can only use for deliveries to KTM and where you, on your part, have an obligation of purchase from your upstream suppliers. You are required to provide evidence of these prerequisites.

If, in the event of a change in any basic conditions, you find that the agreed production or material release is not sufficient for a specific item number or that pre-production becomes necessary due to insufficient production capacity on your part or to cover peak demand, it is your duty to inform KTM Purchasing of such and present appropriate proof.

In general, you commit to cover the quantities stated in the delivery call-offs only with released series-manufactured products. For this purpose, you receive the drawing "released for series production". If you haven't received such a drawing yet, you are required to contact the responsible purchaser in due time (without jeopardizing your planned 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 in writing with the KTM quality department for quantities within the delivery and production release. The corresponding document template must be requested from the responsible KTM purchaser or KTM quality employee. Prototype, P3 and initial sample orders are excluded from this regulation, as the orders are based on a different degree of maturity of the drawings.



3.4. Forecast (Status 4)

The dates and quantities in the "Forecast" section serve as information for you about planned order quantities for the purpose of self-responsible material procurement and production planning. You are obliged to reserve the capacities communicated as forecast for KTM.

4. Order confirmations for delivery call-offs

The delivery call-offs are binding in accordance with the preceding regulations. They will be transmitted to you without signature by KTM. Increases or reductions in requirements as well as postponements of dates, which are not rejected in writing within 5 working days after receipt, are binding in terms of dates and quantities for the agreed release periods.

Selectively, KTM will deviate from the described procedure and request dedicated order confirmations for individual schedule lines from you.

5. Delivery dates and deadlines and flexibility agreement

Agreed dates and deadlines are binding. The goods receipt at KTM shall be decisive for compliance with the delivery date or delivery deadline. If KTM is responsible for the transport according to the agreed Incoterms, you are required to provide the goods for collection in due time, taking into account the time for loading and dispatch specified in the Routing Order. If you do not have a Routing Order, please contact KTM Purchasing.

Within the production and material release, changes to the delivery schedule lines are possible from one call-off to the next. If schedule lines are moved backwards, KTM reserves the right to postpone delivery and invoicing for up to 12 months compared to the original delivery date. If schedule lines are brought forward and you are not able to meet these delivery dates or quantities, you are obliged to proactively contact KTM and, if necessary, coordinate measures with KTM Purchasing or Materials Management.

6. Delivery lot size

The delivery lot size will be agreed with you during the awarding process and usually corresponds to the packaging lot size or a multiple thereof. Deviating from this, production lot sizes can be agreed in writing. If the production lot size exceeds the quantity called off within the production release, please contact KTM Purchasing to coordinate an extension of the production release. In addition, upon expiration or end of the model year, you are encouraged to contact KTM Purchasing to align on a reasonable production lot in advance. Agreed production lot sizes are not to be understood as delivery lot sizes or minimum order quantities, i.e. KTM may call off smaller quantities than the approved production lot size. In the event that smaller quantities than the agreed production lot size are called off, you are not entitled to charge any additional costs to KTM. The agreement of minimum order quantities also requires written form.

The contracting parties hereby agree that these guidelines on the delivery schedule bindingly apply in addition to the KTM PURCHASING CONDITIONS FOR SERIES PARTS, SPARE PARTS AND KTM POWERPARTS and the delivery schedule ("framework agreement") in its current version. Upon termination of the delivery schedule ("framework agreement"), these guidelines – automatically - no longer apply.