

KTM



READY TO SUPPLY GUIDE 2022



INTRODUCTION

KTM AG, as a leading powered two-wheeler manufacturer in Europe, has a clear goal: to continue to grow and build upon its pioneering role in technology, sales and image in the motorcycling world.

Our vision is to offer high performance vehicles that are never anything short of premium and manufactured using always the highest-quality components.

Innovation is the key to our continuous development of market-oriented and safe products of the highest quality. Our impressive track record in racing unrivaled anywhere in the world of motorcycles – is the best proof of our high technical expertise and the quality of all our products.

In every area of the business and with each customer we come to know, it's clear that we truly embrace the spirit of our brands. This is true from the development and sale of the vehicles right down to the manufacture of premium performance parts, apparel, accessories or original spare parts.

With the aid of our quality and development departments, our sales team makes purchasing decisions based on a well-balanced catalog of criteria. We place a great deal of importance on cost, yet we support our purchasing decisions while keeping our brand values (premium, high quality, innovation, design) and aspects of sustainability in mind.

The Sales, Quality Management, Supply Chain Management and Development departments at KTM AG seek to direct and actively improve the performance of our suppliers. Using cost engineering and cost analyses, we strive for optimal and fair purchasing prices that meet our quality standards.

We are able to ensure an uninterrupted supply to our factories by carefully selecting the suppliers we work with and continually managing our relationship with them, which also means supplying them with all the information they require. If our suppliers have a problem, we are there quickly with solutions in hand.



APPLICATION PROCESS

Interested in working with KTM? We are pleased you have decided to submit your supplier application:

1. APPLY TO BE A SUPPLIER AT KTM

- You can access our application portal here: [PROCUREMENT - KTM AG \(ktmgroup.com\)](https://ktmgroup.com/procurement)
- Fill out the Supplier self assessment and upload it to the portal. You can find the template here: [PROCUREMENT - KTM AG \(ktmgroup.com\)](https://ktmgroup.com/procurement)
- Upload a company presentation to the portal.

2. IF YOUR APPLICATION DOUMENTS ARE IN ORDER; THE NEXT STEP IS TO SIGN PARTNERSHIP AGREEMENTS. YOU CAN FIND THE DOCUMENTS HERE: [PROCUREMENT - KTM AG \(ktmgroup.com\)](https://ktmgroup.com/procurement)

- Non Disclosure Agreement (signature required)
- Purchasing Conditions (signature required)
- Quality Assurance Agreement (signature required)

3. UPLOAD THE FOLLOWING SIGNED CONTRACTS TO THE SUPPLIER PORTAL:

- Non Disclosure Agreement
- Purchasing Conditions
- Quality Assurance Agreement

4. AGREEMENT REGARDING A QUALIFICATION AUDIT PERFORMED BY THE FOLLOWING DEPARTMENTS OF KTM AG:

- Quality Management = qualification audit
- Purchasing, SCM, and strategy audit

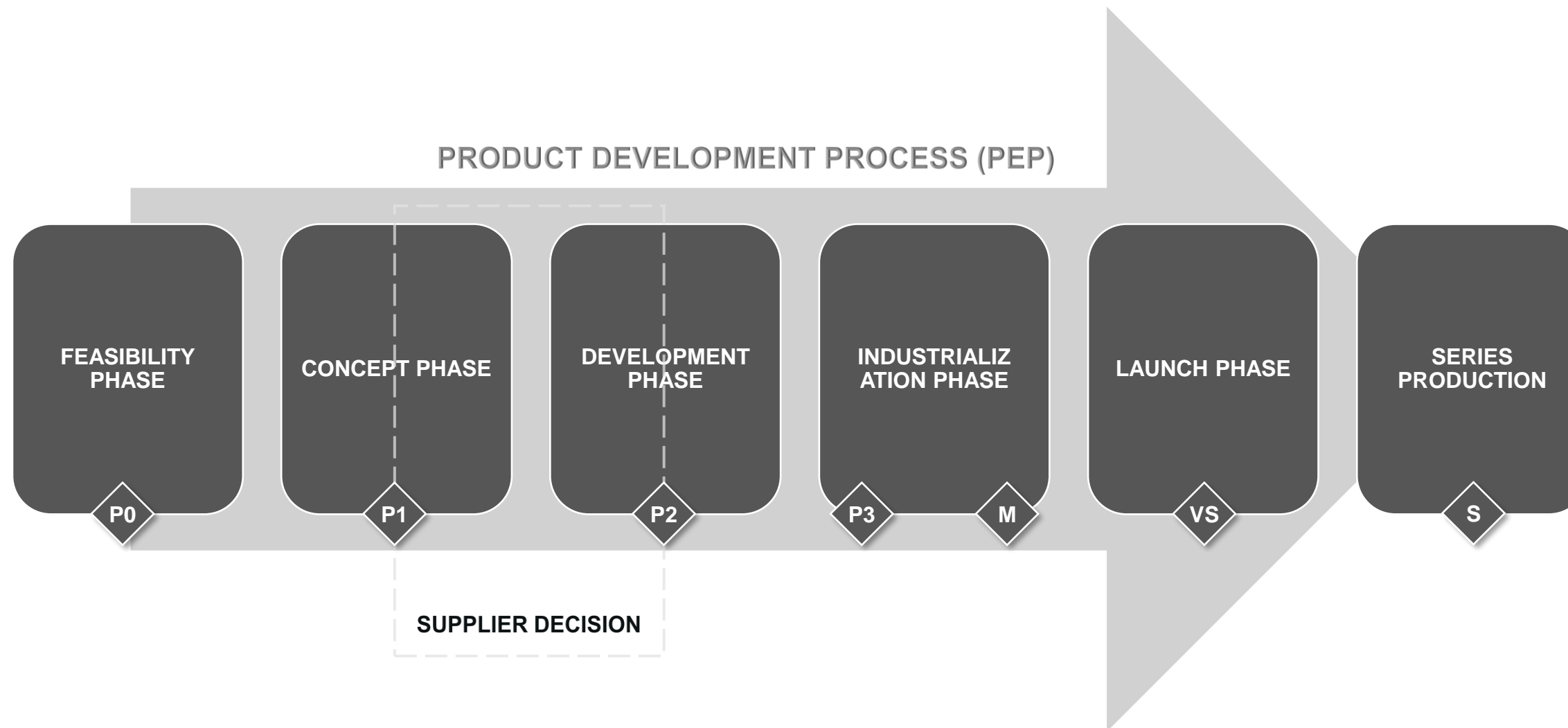
5. OFFICIAL APPROVAL AS SUPPLIER FOR KTM

- Contracts signed
- Positive audit report (quality, purchasing and supply chain management)
- Listing as a supplier for KTM



AWARD PROCESS/SUPPLIER DECISION

After you have been approved as a supplier, you will be officially listed as available for official inquiries and thus for calls to tender. After the offers have been received, KTM begins its awarding process. The decision regarding whether a contract is granted is made by the Purchasing, Quality Management and Development departments based upon the criteria catalog.





PRODUCT & PROCESS DEVELOPMENT

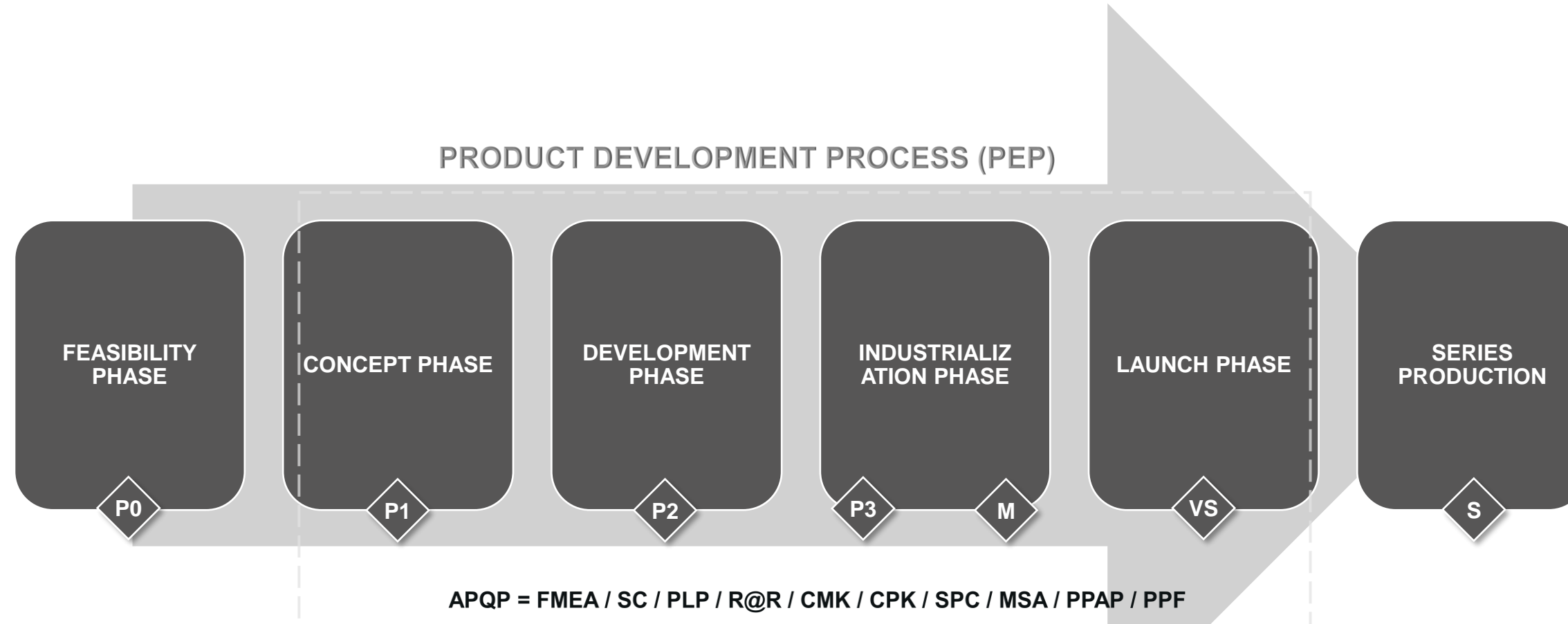
In order to ensure that our capacity and quality requirements are met, you will be guided by the KTM advanced product quality planning (APQP) method during the product development process as well as monitored via audits.

Advanced product quality planning:
Failure mode and effects analysis:
Control plan:
Capacity rating:
Production part approval process:

APQP
FMEA
PLP
RUN@RATE
PPAP

Measurement system analysis:
Statistical process control:
Statistical process capability:
Statistical machine capability:
Special-/Critical characteristics:

MSA
SPC
CPK
CMK
SC / CC





SUPPLIER EVALUATION & DEVELOPMENT

SUPPLIER EVALUATION

All suppliers are subject to a continual, objective and transparent performance evaluation. The evaluation of a supplier is performed in relation to the factory in question. A complete evaluation of the supplier is performed, taking the following criteria into account:

QUALITY

- Series and sampling quality

PURCHASE

- Adherence to delivery date and quantity agreements

AGREEMENTS

- Agreements: Quality Assurance Agreement & Purchasing Conditions

SUPPLIER DEVELOPMENT

In the event of degradation or downgrade (for example: A-supplier → to B-supplier) in the supplier evaluation, standard measures for improvement are demanded – automatic email. The effectiveness of the measures taken is evaluated by means of an audit by KTM.

EXAMPLE MEASURES

- Communication of written confirmation from Quality Management acknowledging the downgraded supplier category.
- Communication of a documented investigation of causes, including corrective measures relating to the reasons for the complaint. Under consideration proven analytical methods into account (e.g., fault tree analysis, 5 why, 8D)
- Communication of written confirmation from Sales Management acknowledging the downgraded supplier category.
- Communication of the analysis results regarding deviations from delivery dates/quantity agreements to the responsible KTM purchaser, taking



ESCALATION SCENARIOS

If there are, for example, deviations from delivery dates in the quality forward planning, or e.g. a downgrade in the supplier evaluation, KTM will announce in the monthly supplier development meeting which of the following escalation scenarios will be taken.

ESCALATION 1

- Escalation discussion between KTM and supplier
- KTM representative & supplier: Quality & Purchasing
- Contents: Problem statement and definition of further steps
- Supplier is downgraded for contract award consideration

ESCALATION 2

- Escalation discussion between KTM and supplier
- KTM representative & supplier: Quality Management, Purchasing Management, General Manager
- Contents: Problem statement and definition of further steps
- Approval status of supplier changed to status II
- Approval of a contract only by KTM Quality & Purchasing Management

ESCALATION 3

- Conditional discontinuation of supplier services
- Receipt of information by KTM Purchasing regarding conditional discontinuation
- Conditional exclusion from inquiries and awards of contracts
- Approval status of supplier changed to status III
- Lifting of discontinuation only possible after completion of supplier development process. Introduction of all corrective measures within supplier development process as well as positive audit result required.

ESCALATION 4

- Discontinuation of supplier services
- Receipt of information by KTM Purchasing regarding discontinuation
- Complete exclusion from inquiries and awards of contracts
- Approval status of supplier changed to status IV
- Discontinuation management



APPLICABLE DOCUMENTS

You can open the various documents under the following link:

[PROCUREMENT - KTM AG \(ktmgroup.com\)](https://www.ktmgroup.com)

AGREEMENTS

- Purchasing Conditions, Quality Assurance Agreement, Non-Disclosure Agreement incl. Code of Conduct, Manufacturing Equipment Conditions, Guideline for delivery schedule, Export Control Conditions, Packaging specification

PROCESSES & METHODS

- APQP, Description of the Supplier Evaluation, Product Development Process & Degree of Maturity Model

TEMPLATES

- Supplier self assessment

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**WORK HARD
IN SILENCE,
LET SUCCESS
MAKE THE NOISE**