



Dear Valued Supplier,

Navigating through these challenging and uncertain times only highlighted our suppliers' unwavering commitment to AGCO. Our suppliers **continue to stay ahead of the curve** by finding new creative ways and means of communication, collaboration and generating value through innovation.

Joint innovation of our products and services is also an important role for our suppliers and AGCO. Accordingly, you will find our updated **2020 ASPIRE guidelines** attached. It outlines our **KPI goals, Path to Partner-Level Supplier initiative** and our revamped **Supplier Idea Generation (SIG)** program.

Notable changes this year include AGCO's Path to Partner-Level Supplier initiative is new for 2020 and will help us identify and develop our supplier's into Partner-Level status – this is **your invitation to join us in or Path to Partner-Level Supplier journey!** Supplier Idea Generation program has been revamped for our suppliers to submit ideas, innovative products and technology.

Please refer to the 2020 ASPIRE guidelines for further details. In the days and months ahead, we need to be **Agile, Innovative** and **Resilient (A I R)** in order to stay ahead of the curve and create value through collaboration. Can we count on you?

Please join us on our journey to provide **sustainable high-tech solutions for farmers feeding the world.**

Sincerely,

Josip Tomasevic
Senior Vice President &
Chief Purchasing Officer

*The use of "Partner" in no way implies nor suggests a relationship beyond Component Supply and Performance as outlined in the ASPIRE Supplier Management Guideline. Please see agcocorp.com for more details

2020 ASPIRE Guideline

Staying Ahead of the CURVE!



Together, we strive for performance excellence.



Welcome



Eric P. Hansotia, Chief Operating Officer

Supplier engagement is a critical component for AGCO as we partner with you on this journey to become a leader in the agricultural industry. Delivery of high quality materials, on-time, at a competitive price, using sustainable and responsible methods to preserve our environment is necessary for us to be successful.

As an Agricultural company we need to look ahead to future food production and make sure we are able to support the global food supply. It is also essential we are focused on our customers with products they need to plant crops and provide world class support and service throughout the year.

Let's think beyond what is possible to shape the Ag Industry through mutually beneficial relationships anchored in trust, quality, commitment to innovation and strong supplier performance. These types of relationships will help differentiate AGCO in the marketplace. I encourage your support and participation in our new Path to Partner-Level initiative helping us develop and maintain Partner-Level suppliers throughout our supply base.

We are Leading the Way with you!



Together, we strive for performance excellence.



Welcome



Josip T. Tomasevic
SVP and Chief Procurement Officer
(CPO)

AGCO has committed itself to provide sustainable high-tech solutions for farmers feeding the world by generating profitable growth through superior customer service, innovation, quality and commitment. We are also committed to overall food security and sustainable food production.

AGCO Supplier Relationship Management Program (ASPIRE) is a strategic part of reaching our goal to build strong relationships with a select number of suppliers. These suppliers can contribute to our global competitive advantage which includes superior product quality, innovation and customer value. To enable continuous improvement and to foster close collaboration, AGCO has introduced ASPIRE to foster a paradigm shift from typical customer-supplier relationships to value-added supplier partnerships. AGCO desires to be your customer of choice. ASPIRE will lead the way to improve and streamline our supply base, while continuously developing long-term relationships with high-performing and committed suppliers.

AGCO aims to exceed customer and industry expectations and needs the full participation and support from all suppliers to meet or exceed AGCO's cross-functional performance requirements. We invite you to join us, ASPIRE toward performance excellence: **Achieve Greatness. Together!**



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360 degree perspective.



The Approach

AGCO looks to build strong, lasting relationships with key suppliers that add value to our products and services. These relationships provide increased customer value as well as global competitive advantage. Our suppliers must share our vision and commitment to corporate ethics, the environment, sustainability and continuous improvement in all performance areas. Consequently, we apply a cross-functional approach that enable's AGCO to communicate with a 'single-voice' regarding requirements and expectations for success.



AGCO as 'Customer of Choice'

Close cooperation and partnering including joint development projects will built trust and continue to elevate AGCO as your 'Customer of Choice'. Both AGCO and suppliers benefit from ongoing delivery of high-quality, reliable products at competitive prices that ensure smooth operations, productivity and success of AGCO's products in the global marketplace.

Aligned Cross-functional Criteria

Criteria will be measured (KPI's), monitored and reported transparently using the APEX Supplier Performance System.

- Quality
- Logistics and Materials Management
- Cost Management
- NPI Collaboration & Supplier Innovation
- Aftersales
- Sustainability & Risk management
- Systems & Tools Compliance



Achieving Greatness. Together!



Objective & Benefits

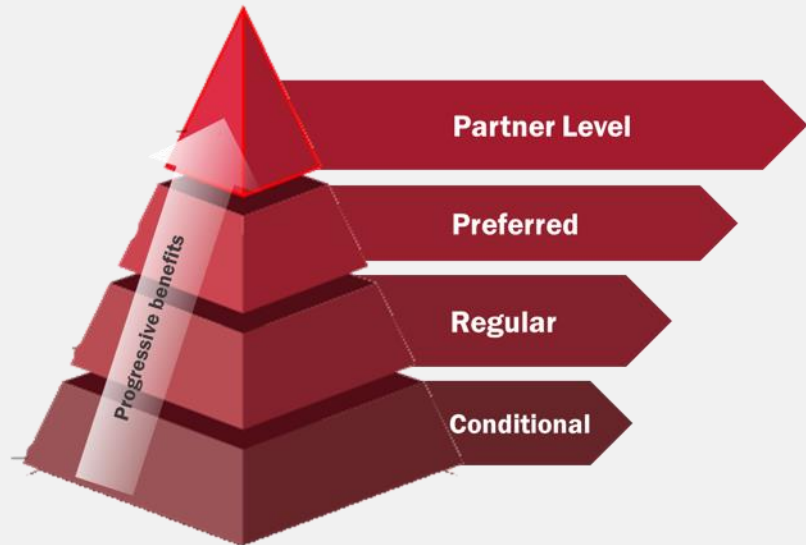
New for 2020:

As we continue our growth within the supply base, we recognize the need to have key strategic long-term suppliers. This year we have selected certain direct material suppliers to be a part of our Path to Partner-Level Initiative. The intent is to help these suppliers achieve Partner-Level status or maintain Partner-Level status. Your Global Commodity Manager will be working closely with those selected suppliers to improve performance KPI's and business relationship as well as integration into AGCO systems and engage in our innovation and collaboration efforts. For more information, please contact your Global Commodity Manager.



Relationship Levels

- **Partner-Level:** Exceeds AGCO's performance standards, serves as a world-class benchmark, contributes actionable contributions, fosters leading innovation.
- **Preferred:** Exceeds cross-functional performance standards, surpasses cost saving targets, provides AGCO with a competitive advantage.
- **Regular:** Meets minimum cross-functional performance standards, contributes toward cost saving targets.
- **Conditional:** Fails to meet minimum performance standard



To advance to each level, there is a nomination and approval process



ASPIRE: AGCO Path to Partner-Level



What's in it for YOU

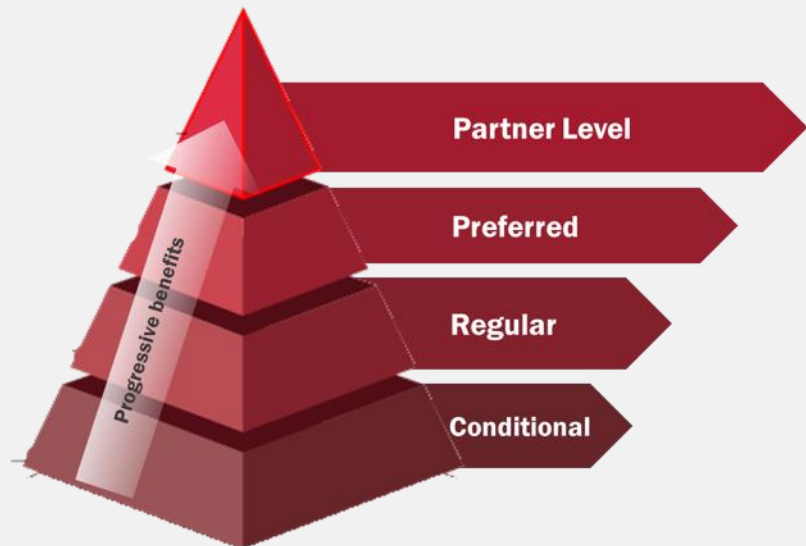
Partner Level: Early Supplier involvement, Shared Technology & Innovation, Long term strategic relationships, Preferred Sourcing, Global Recognition and Global Growth

Preferred Level: NPI Collaboration, Operational Segmentation, Preferred Sourcing, Global Recognition

Regular Level: Tactical Segmentation, Secondary Sourcing, NPI Collaboration, Regional Recognition

Conditional Level: Conditional RFQs and and Alternate Sourcing

Path to Partner-Level Vision Statement:
To shape the Ag industry through mutually beneficial relationships anchored on TRUST, QUALITY, COMMITMENT TO INNOVATION and STRONG SUPPLIER PERFORMANCE.



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Increasing Performance and Transparency



Collaboration & Transparency

AGCO’s business performance is closely intertwined with the performance of its valued suppliers. A failure to manage and monitor supplier performance can lead to major supply chain disruptions, delivery problems, poor quality, and other issues that damage a AGCO’s credibility, as well as the bottom line.

A key objective of the **ASPIRE** Supplier Relationship Management program is the ability for AGCO to accurately measure, monitor, report and communicate global supplier performance. **APEX** is the web-based system that will enable both quantitative and qualitative measures of overall supplier performance to help guide Global Commodity Team sourcing decisions based upon relationship status derived from performance results.

APEX will foster increased collaboration and provide transparency of status and performance results for suppliers through individualized dashboards and scorecards. APEX will also serve as the common platform for bilateral business processes such as PPAP and NCR management.

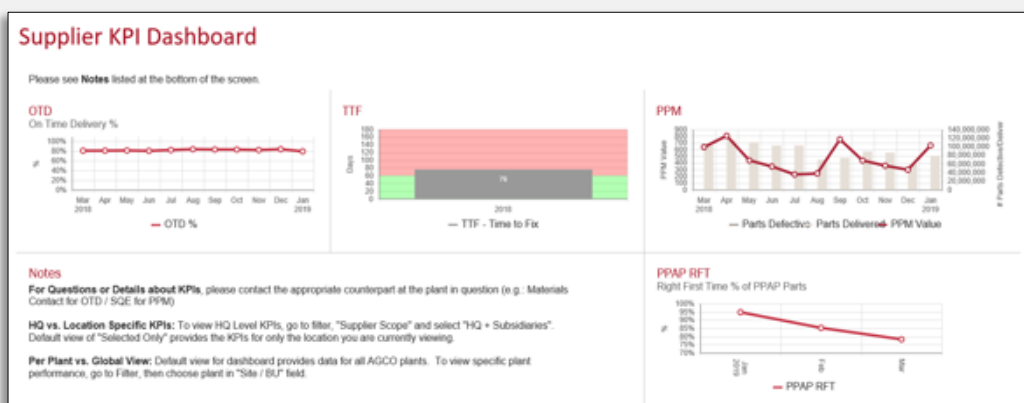
Key Performance Indicators

The APEX system will be used to measure, track, and report select key performance indicators (KPI's) and enable two-way communication for continuous improvement, as well as providing access to supplier information, including contracts and agreements.

KPI's Include:

- Parts Per Million (PPM)
- Non-conformance Claims (NCR's)
- On-time Delivery (OTIF)
- New Product Introduction (PPAP/OTIF & RFT)
- Risk Scores (financial & non-financial)
- Savings
- Warranty

APEX KPI dashboard illustration



The Details



Cross-Functional Performance Requirements for Direct & Indirect Purchasing:

The following pages summarize performance targets within ASPIRE



Be part of it.

Quality



Quality Requirements

In order to pursue our goal of zero defects, a consistent advanced quality planning process (APQP) must be implemented between AGCO and its suppliers. This includes effective serial monitoring, re-qualification, and continuous improvement of both products and processes. Failure-free processes and products must be developed, planned, implemented and assured, jointly, by AGCO and its Suppliers.

AGCO can only make progress if it can rely on the commitment of its suppliers. This is why AGCO offers a quality approach based essentially on preventive action based in four areas:

- The Supplier Validation Process based on the SRR+ Assessment Audit and Technical Process Assessment (TPA) for defined processes.
- **The Nomination Process**, based in the Technical Review, including feasibility analysis by the Supplier.
- **Product Quality Assurance**, to ensure that the preventive and formalized quality measures are defined and applied. From the PPAP process (APQP process for more complex components with development tasks), to the serial follow up.
- **Supplier Performance (KPI)**. AGCO monitors the Supplier's performance taking into account the following KPI's (Supplier Quality Indicators).
 - PPM compared with the Global Target per commodity family
 - NCR (Non conformity Report) Impact and Reactivity.
 - Project Status compared with Schedule
 - Cost of Poor Quality

For additional definition and explanation on AGCO's quality standards, please reference: AGCO's Supplier Quality Guideline: GSQ 01 (or latest version).

Preferred Target	0 PPM	TTF <30 Days	100% PPAP Right First Time
Performance Expectations	Signed AGCO Warranty Agreement	Signed AGCO Quality Agreement	
Min. Threshold	< Commodity PPM Target	TTF <60 Days	90% PPAP Right First Time

Logistics & Materials Management



1. On Time in Full (OTIF) Performance

On time supply measures the supplier's ability to meet AGCO Corporation's requirements on time and at the right quantity to our global locations. Our objective is to achieve a stable flow of on time supply into our operating sites in support of AGCO Corporation meeting our customer delivery expectations 100% of the time. One time supply enables our AGCO Production System (APS) to produce world class products on a consistent and reliable basis.

AGCO Corporation desires to choose preferred suppliers and strategic partners who consistently supply the right quantity of product at the right time to our sites around the world.

AGCO Corporation's measurement for on time supply is:

- A. **Direct Material Suppliers** - 2 days early and 0 days late to the order shipping or delivery date. 100% of the order line quantity, no partial credit will be given for partial quantities.
- B. **Freight Carriers** - 0 days early and 0 days late to the agreed to transit time and 100% of the transportation order quantity . No partial credit will be given for partial delivery quantities. The transportation lead time is based on the agreed to transportation time as specified in the Transportation Agreement.

2. Logistics Agreement

Suppliers are expected to participate and comply with the terms of the AGCO Corporation Logistics Agreement. The Logistics Agreement defines the AGCO Corporation expectations in the key areas of: 1) Lead time, 2) Supplier Network Collaboration (EDI or Portal) SNC System participation, 3) Packaging and labeling compliance, 4) Transportation Management System participation, and 5) Capacity Management System participation.



Logistics & Materials Management



3. Performance Compliance

Supplier performance compliance to AGCO Corporation’s Materials Management expectations is critical to our site operating performance and meeting customer delivery expectations. The supplier’s compliance with our critical system includes the following:

SNC - Supplier Network Collaboration (EDI or Portal)

- Order confirmation completed on time,
- ASN (advanced shipping notice) transmitted on time and accurate ASN data.
- Electronic invoicing

TMS - Transportation Management System

- Transportation order submitted on time
- Accurate Transportation data used.

Capacity Management System

- Review of available capacity done on time
- Capacity updates completed on agreed to frequency

Not all systems are available in all regions/sites. Performance calculations will be the average of the seven criteria outlined above and expressed as a percentage.



Preferred Target

OTIF: 100%

Compliance: 100%

Performance Expectations

Signed Logistics agreement

Min. Threshold

OTIF: 93%

Compliance: 93%

Cost Management



1. Cost Reduction

AGCO expects suppliers to: Deliver 3% year-over-year cost reduction on current business, through productivity improvement, SIG (Supplier Idea Generation) projects, and other initiatives; Meet NPI cost targets; Collaborate on tooling cost reduction; and provide transparency throughout the supply chain.



2. Continuous Improvement

Suppliers are strongly encouraged to implement rigorous internal processes for value engineering and supply chain cost management. AGCO strives to work with suppliers who actively collaborate with us to achieve optimum supply solutions. Suppliers should continuously focus on cost structure improvement and driving LEAN improvements through AGCO’s Supplier Development initiatives. This supports AGCO’s strategy to make fact-based sourcing decisions based on total cost that will yield mutually beneficial results.

Performance Expectations

Meet NPI Cost Targets

SIG Value creation

3% YOY



Supplier Idea Generation (SIG)



1. SIG Program Overview

AGCO operates in a competitive marketplace. Consumers have more choices than ever before, and are diligent in selecting equipment and machinery that provides the best performance and value for their hard earned money.

The SIG program is designed to enhance collaboration between AGCO and our suppliers. This collaboration is vitally important because you, our suppliers are experts in your respective industries. From plastics to castings to electronics, you have incredibly deep knowledge in your field!.

AGCO wants and needs your very best ideas, most innovative products, and cutting edge solutions, to integrate into our products!

For AGCO to WIN in the market, we need your help and collaboration. We can't do it without you. And when AGCO wins, you also win via increased sales, market share growth, and enhanced margins.

SIG is simply the process to enhance this collaboration. It is a web portal where suppliers can submit ideas to reduce cost or improve performance. SIG also incorporates a rigorous project tracking and reporting module, so you are never left wondering what the status of your projects. Finally, SIG incorporates on-site workshops to benchmark best practices in our industry.

2. Vision

To engage AGCO's suppliers to provide their best **ideas**, **technology**, and **solutions**, enabling AGCO to design and build superior products that deliver industry leading operating margins.

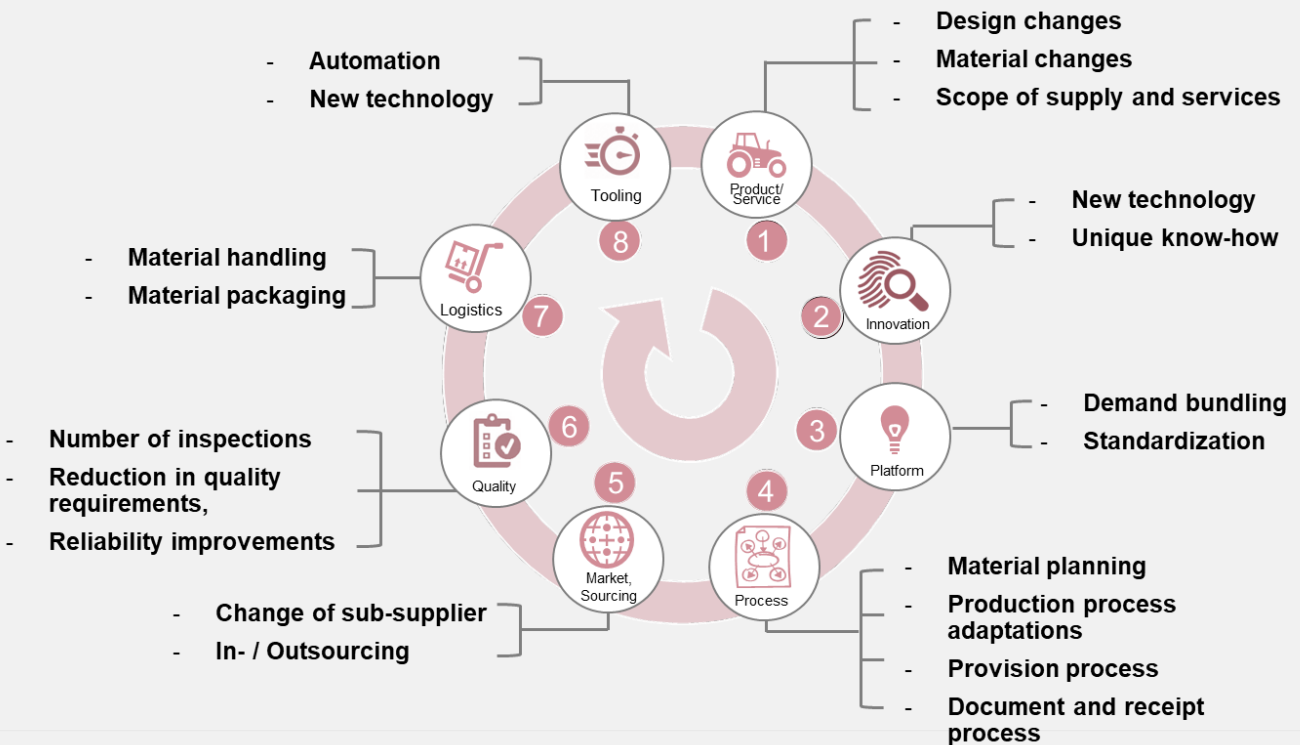


Supplier Idea Generation (SIG)



Potential Levers

Nearly any idea that delivers quantifiable value can be considered!



Supplier Idea Generation (SIG)



SIG is a mutually beneficial approach

1. Savings are shared between AGCO and Supplier

During the SIG process, AGCO and the Supplier closely collaborate to identify and implement innovative ideas that make our products more competitive in the market. We understand that this takes real effort on both sides, and therefore we should share in the rewards.

All AGCO suppliers are expected to deliver year over year productivity savings. SIG is one lever to help attain that savings. Implemented savings exceeding the productivity expectation will be shared between AGCO and the supplier for the first year.

Additionally, savings exceeding agreed annual targets will carry over and be applied to the next year's savings goal.

All of these actions are aimed at accelerating AGCO's performance improvements. When we are successful in the market, both AGCO and the supplier win!



2. Collaboration strengthens the relationship between AGCO and the Supplier

- Early participation in new vehicle programs
- Strengthened relationship between AGCO and Supplier
- Shared first year savings
- SIG is a lever to achieve productivity goals
- Validated products that supplier can offer in the market



Supplier Idea Generation (SIG)



5. What are the expectations?

Electronic Idea Submission:

For our Partner-Level and Preferred suppliers, we expect you submit ideas that will enable you to achieve your annual cost reduction target.

Because not all ideas will pass AGCO's validation process, it's important to "fill the hopper" with more ideas so that you are able to achieve your cost reduction target. Savings exceeding annual targets will carry over and be applied to the following year, so there is no risk to bring forward ideas as soon as possible.

On- Site Benchmarking Workshops:

Benchmarking workshops are a great way to see AGCO's products up close and to gain a deep understanding of how your parts and components contribute to the performance of the AGCO product.

If you are able and willing to travel to one of AGCO's workshops, we encourage you to participate. We will do all we can to make it an interesting and productive experience!

6. Frequently Asked Questions

What criteria does AGCO use to evaluate ideas? AGCO evaluates ideas based on the potential benefits vs. the risks and investment required.

How are ideas prioritized?: Generally AGCO prioritizes ideas that can be implemented within one year, and that deliver significant savings.

What is the validation process?: Validation requirements are determined by AGCO engineering. This may range from simple fit-up testing to lab or field testing.

Will AGCO keep my idea confidential?: YES, AGCO will always treat supplier's SIG ideas as confidential and will respect existing confidentiality agreements. AGCO will not share one supplier's SIG ideas with any other supplier.

Who do I contact with questions about the program? Please contact your Commodity Manager or the SIG program manager, Chris Kutish at supplierideageneration@agcocorp.com



NPI Collaboration & Supplier Innovation



1. NPI Collaboration & Innovation

Suppliers play a crucial role in the product development process at AGCO. Forward-thinking suppliers recognize the need to promote product innovation while ensuring quality, performance and affordability.

AGCO desires to work with preferred suppliers and strategic partners who consistently support our new product development in our sites around the world.

KPIs for NPI Collaboration & Innovation will include both objective and subjective elements. AGCO will consistently reward with new business suppliers who demonstrate excellent NPI performance by:

- providing cost competitive solutions that reduce AGCO's total cost of ownership;
- delivering timely and proactive input based on their technology expertise;
- deliver excellent quality systems / components;
- showing true partnership spirit by anticipating problem identification & resolution, constantly keeping an open communication flow ;
- constantly acting as innovator in their field.

2. Performance Targets

PPAP Parts On-Time Delivery (PPAP/OTIF) measures the supplier's ability to meet AGCO's requirements for components to be delivered to our global sites on-time and at the right quality during NPI (New Product Introduction) launches. Our objective is to complete the Pre-Series/Series build phase in our assembly lines in a timely fashion, in order to proceed with all necessary validations and smoothly introduce new product in the market.

AGCO's measurement for PPAP/OTIF is:

- A score of 100% is awarded for the delivery of PPAP parts on or before the agreed due date.
- A score of 0% is awarded if parts are delivered after the agreed due date.

AGCO's measurement for PPAP Right-First-Time (RFT) is:

- A score of 100% is awarded for PPAP parts that pass quality criteria the first-time submitted.
- A score of 0% is awarded for PPAP parts that fail quality criteria the first-time submitted.

Additional Expectations

- 100% of the order quantity must be submitted, no partial credit will be given for partial quantities.
- PPAP documentation is required as specified.

Preferred Target

PPAP/OTIF: ≤ due date 100%

PPAP RFT: Pass 100%

Performance Expectations

Aftersales



1. Serviceability

AGCO has a strong focus to ensure our customers and dealers are able to use AGCO's products at any time they need it.

The key goal of the AGCO Parts division is to address the main priorities ensuring customer satisfaction and with that driving brand loyalty. Several independent surveys have shown that the main drivers for customer loyalty are:

- Replacement parts availability when, where and in the quantity needed
- Superior quality
- Competitive replacement part prices

Becoming a Partner-Level supplier to AGCO means supporting a product throughout its life cycle from concept to production until the end of service life time.

Having Part specific KPI's in ASPIRE will allow AGCO to make best overall decisions on whom to partner with in our supply base.

There is strong competition in the market to gain shares of the Aftersales. Only a strong partnership between AGCO and its supply base will allow us to achieve customer expectations and ensure their loyalty.

2. Performance Targets

AGCO will continue to reward suppliers with our business with demonstrated performance in the following areas:

- On time delivery
- Quality
- Purchase Price Variance (PPV)
- Fill Rate

3. Benefits

AGCO Aftersales honors our relations with our Partner-Level suppliers who support our goals to achieve the best solutions for our customers.

Securing our market potential by having the right products at the right time benefits AGCO and its Partner-Level suppliers.

On time delivery, quality and competitive pricing are key drivers to our success. Having visibility of these metrics in one globally shared system will help our supply base to understand and achieve our expectations.

Supporting AGCO to fulfill our customer's service life commitment further allows our supply base to benefit from products over a longer period of time and become more deeply involved in new development.



Sustainability & Risk Management



1. Being a Supplier to AGCO

AGCO takes supply chain risk management seriously and expects the same from our suppliers.

AGCO expects all of its suppliers to:

- Provide timely and equitable adjudication of AGCO Supplier Warranty Claims in accordance with AGCO Supplier Warranty Terms
- Proactively monitor their own supply base for financial stability, FCPA compliance etc.
- Be transparent with regards to potential issues no matter who is at fault
- Work in a collaborative manner to resolve issues
- Respond in a timely manner to requests by AGCO



Sustainability & Risk Management



2. Environmental Progress

AGCO expects our global suppliers to operate in an environmentally friendly manner. Environmental improvements can be made in the following ways:

- Energy efficiency at supplier facilities
- Emission reductions through resourceful use of transportation in the supply chain
- Waste reduction and conscientious waste disposal
- Water conservation and risk mitigation

Awareness of, and improvement in, a supplier's environmental footprint will increase the supplier's standings within AGCO.

3. Innovative Collaboration

AGCO's supply chain consists of some of the best suppliers in the world, and only together with the supply base can we explore the innovation that global farmers require in order to meet the demands of the future. Sustainability follows innovation, and suppliers that come to AGCO first with innovative ideas are rewarded with status and new business opportunities.

4. Human Rights & Diversity

AGCO's responsibilities lie not only in protecting and managing our own labor pool, but also in holding our suppliers (and our suppliers' suppliers) to the same high standard in terms of ensuring a safe, legal, and healthy labor force. We believe that diverse suppliers bring innovation and new ways of thinking to the supply chain, and we promote the use diverse suppliers within all tiers of the supply chain.

5. Zero Tolerance on Bribery

AGCO's sourcing decisions are based on suppliers' capabilities and performance, considering best cost, quality, delivery, innovation / technology and sustainability. AGCO has ZERO tolerance for suppliers who try to influence to any AGCO employee or representative. sourcing decisions by providing gifts of value.

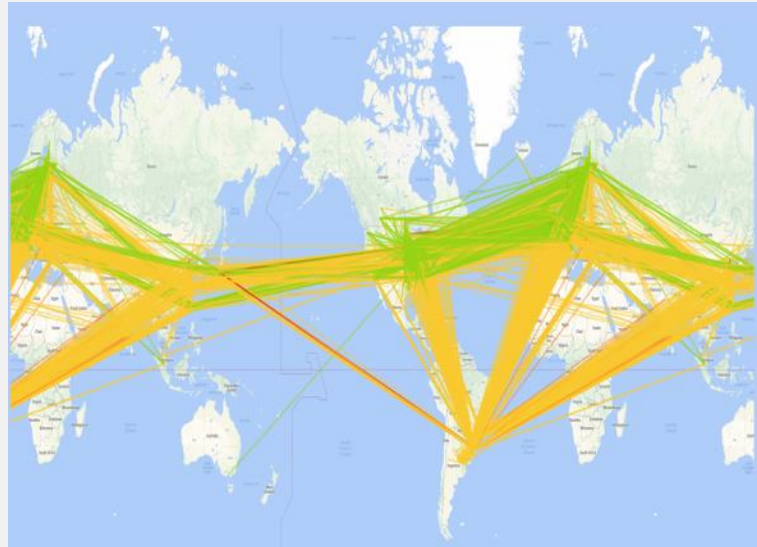


Sustainability & Risk Management



6. How AGCO Monitors Supply Chain Risk

Measuring risk within a global supply chain is no easy task. Global supply chains can be exposed to a seemingly endless number of risk factors. At AGCO, taking proactive measures is a key pillar of supply chain risk management. Accordingly, AGCO utilizes various tools to assess and monitor risks within the supply chain. These risks can range from financial risks to FCPA violations to upstream and downstream mapping of a suppliers supply chain. No matter what the risk, AGCO prefers to be in a position to quickly identify any risk occurrences and react appropriately. Accordingly, AGCO expects full transparency from its suppliers when it comes to supply chain risk management.



INFO PROFILE RELATIONS **RISK** DETAILS COMMENTS DOCUMENTS ASSESSMENTS TASKS NCR/ND INTERNAL KPI DASHBOARD

ABC SUPPLIER
01234568

RELATIONSHIP STATUS
PARTNER

Dun & Bradstreet

DBD (Global Business Ranking) ✔ 1.0

SDI (Supplier Evaluation Rating) ✔ 2.0

SDI (Supplier Stability Indicator) ✔ 0.0

Playbox Score 🎮 63.0

riskmethods Risk Score

Overall supplier score (monthly average) ✔ 30.8

✔ 40 **Visibility** ❌ ❌
✔ 30 **Delivery** ❌ ❌
✔ 20 **Image & Compliance** ❌ ❌
✔ 20 **Market/Cost** ❌ ❌

⚠ See more about this supplier on the [riskmethods portal](#)

Please note that riskmethods does not offer a single region option so that you will need to log in to the platform separately.

Risk links

✔ ⚠ Country Risk
Taxation Risk
D&B Supplier Profiles

Assessments
No assessments

Non-compliance reports

NCR score ⚠ 0

VIEW NCRS NCRs in progress TASKS
 Search all NCRS Open tasks only
 All NCR related links

Systems & Tools Compliance



1. Collaboration & Participation

AGCO sets the highest expectations regarding quality, cost competitiveness, on-time delivery and innovation from our suppliers. AGCO also listens to our valued suppliers who have challenged us to streamline collaboration with our global purchasing organization.

In response, there is no substitute for a collaborative solution that can manage crucial details such as real-time information, transparent performance indications and status updates that are vital to your business. Therefore, AGCO has made strategic investments IT solutions to foster collaboration and innovation with suppliers including tools like APEX and eSourcing.

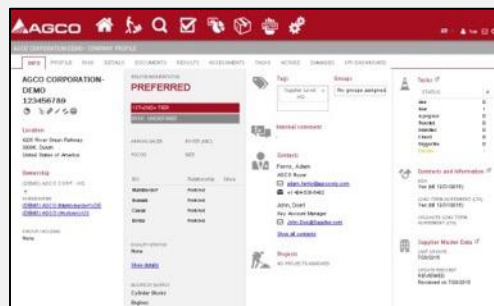
Information technology, and in particular, our new suite of web-based tools, will play a key role in furthering our goals of supply chain integration. By adopting e-business approaches suppliers can reap the benefits of supply chain integration — reduced costs, increased flexibility, faster response times — more rapidly and effectively.

AGCO's e-Sourcing tool streamlines our strategic sourcing process in order to provide an equal opportunity to all our suppliers to bid and compete for our business on a global scale in a fair and transparent manner. Additionally, it will help us bring our supplier collaboration to the next level. AGCO expects suppliers to participate and we will only consider supplier quotes provided thru this tool.

2. Benefits

AGCO's state-of-the-art and easy-to-use IT platforms are designed to generate multiple benefits to each organization, including:

- Streamlined collaboration with AGCO through use of same standards and templates across all brands and sites.
- Increased transparency, visibility, and compliance to AGCO performance standards.
- On-demand access to your organizations relationship status and performance results.
- Enhanced business opportunities through the achievement of higher classification ratings.



APEX Supplier Performance System



eSourcing provided by SynerTrade



Indirect Purchasing



1. Indirect Purchasing at AGCO

Indirect procurement requires a unique balance of disciplined processes and technology, engagement with stakeholders and diverse expertise across a range of suppliers. At AGCO, we look to partnering with suppliers for long-term growth.

Indirect Procurement refers to the acquisition of goods and services that are not directly included into the product's Bill Of Materials:

- Products and Services needed by the organization's supporting functions such as Human Resources, Marketing, Finance, Legal, Information Technology, Travel, etc.
- Products and Services which support manufacturing operations such as M.R.O. (Maintenance, Repair, Operations), Chemicals, Liquids, Gas, Tools, etc.
- Products in the final manufactured product and not part of the Bill of Material such as Paint, Coatings, Lubricants, etc.....
- Products and Services which support sites operations such as facility management, real estate, office supply, etc.
- Capital expenditures

In order to effectively measure and manage indirect suppliers and service providers, an indirect scorecard has been developed.

2. Performance Targets

AGCO measures performance from indirect strategic suppliers as follows:

Quality, Delivery and Support: Degree to which supplier fulfills the scope of work requested (including meeting SLAs and on-time delivery, providing defect free solutions and timely notifications of changes and support.

Cost: Degree to which supplier provides competitive pricing and cost structures, delivers within budget, and demonstrates value to AGCO by proactively identifying savings opportunities.

Flexibility & ease of doing business: Degree to which supplier's account team has established a productive and healthy working relationship, and supplier's staff exhibit subject matter expertise and relevant knowledge in a timely fashion including successfully resolving any issue.

Strategic Partnership: Degree to which supplier shares industry best practices and proactively transfers knowledge to AGCO staff, understands the nature of AGCO business and industry and proactively provides valuable, innovative, and on-target solutions relevant to AGCO's roadmap.

Risk & Compliance: Degree to which supplier complies with AGCO safety, security and privacy standards, demonstrates financial stability, and proactively communicates documentation and testing of disaster recovery plans.

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Summary of Expectations

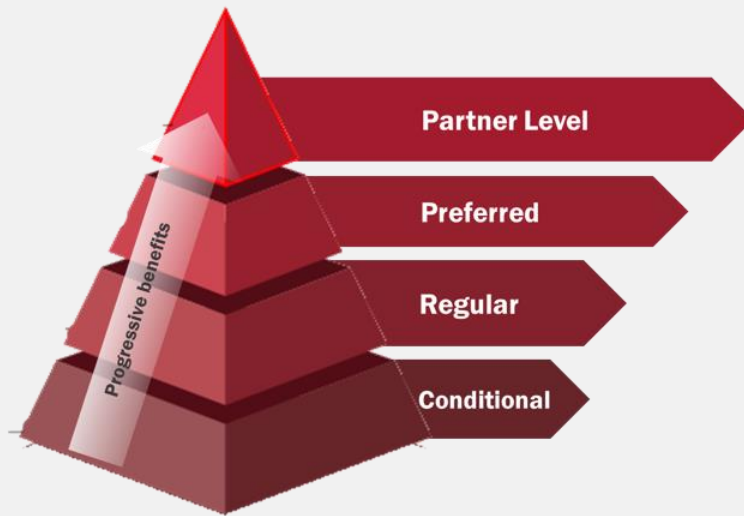


1. ASPIRE Classification Structure



Successful performance management requires strong leadership, organizational alignment, good business processes, effective communications and being part of the process. Mutual benefits are achieved with successful results, including: reduced costs, reduced risks, and increased value.

Quantitative and qualitative performance criteria are used to determine supplier classification status at pre-defined intervals. Suppliers will compete on a level playing field for each and every requirement, and thus will continually be provided with maximum opportunities to grow their businesses.



Achieving Greatness. Together!



Contact Details

For additional information on the ASPIRE program, APEX system or SIG, please contact:

APEX System:

Technical Assistance & General Questions: apexadmin@agcocorp.com

ASPIRE/AGCO Path to Partner-Level Program:

General Questions : AGCOGlobalPurchasing@agcocorp.com

SIG (Supplier Idea Generation):

General Questions: supplierideageneration@agcocorp.com

ASPIRE Program Management

AGCO Global Purchasing Strategy & Methods



Be part of it.