

LAND 400 PH2 PUBLIC AIC PLAN (ACQUISITION)

1. COMPANY DETAILS

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2. CONTRACTED WORK-SCOPE

Rheinmetall Defence Australia has entered into an acquisition contract with the Commonwealth of Australia to provide specified armoured Combat Reconnaissance Vehicles (CRVs) for the Australian Defence Forces (ADF). The scope of the contracted services includes all activities necessary to manage, design, develop, construct, integrate, test, deliver, install and commission a minimum of 211 CRVs with supporting infrastructure to the Commonwealth in accordance with the contract.

The LAND 400 Phase 2 Acquisition contract is valued at over \$3,334 million AUD with the Australia expenditure of the contract being \$1,685 million AUD. The contract will be delivered in accordance with an agreed delivery schedule over a period of 9 years from August 2018.

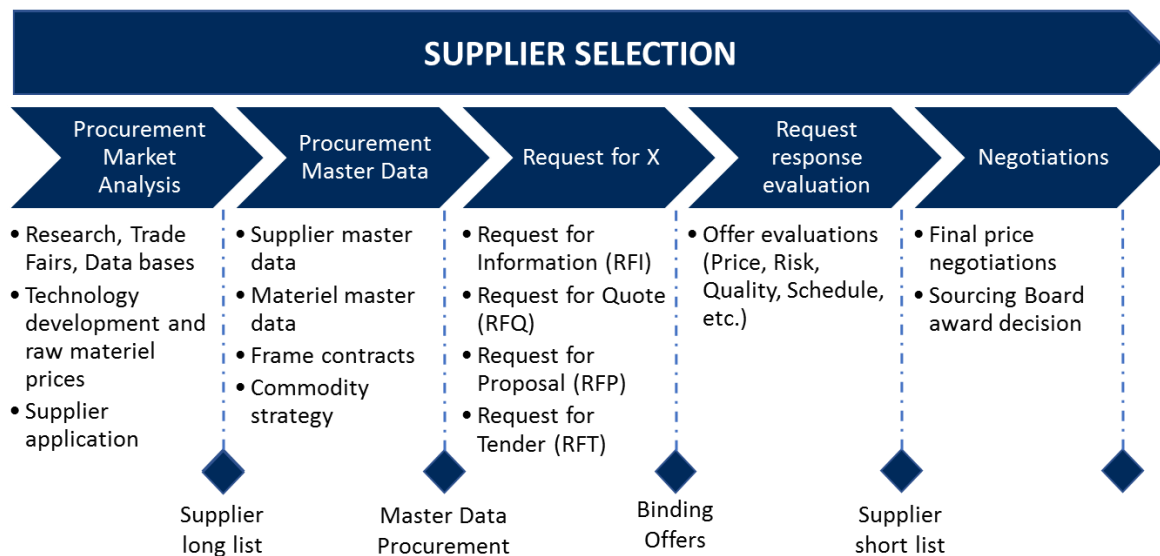
3. INDUSTRY REQUIREMENT WORK PACKAGES

The Industry Requirements for the LAND 400 Phase 2 Acquisition Contract are listed below:

IR Number	IR Title	Work Packages
IR1	High End Systems of Systems Integration	Undertake design activities to integrate the CRV into the Commonwealth operational environment. This will include interface design and testing.
IR 2	High End Systems of Systems Integration	Install and Integrate C4I, GFE, such as Battle Management Systems, Electronic Counter-Measures, Counter-IED systems, GPS, radios, weapons software & sensor data in accordance with the design, engineering and other technical requirements.
IR 3	Support of mission and safety critical software	The conduct of mission and safety critical software updates, maintenance and repair tasks. This will include software fault detection and correction, software integration of new capabilities onto the platform and updates of existing software.

4. SUBCONTRACTOR DETAILS

In addition to ongoing supplier identification and development, Rheinmetall is working with Australian industry to meet the quality and price targets for the LAND 400 Phase 2 Acquisition Program. After the price and quality targets have been met, Rheinmetall will award work packages to Australian companies. The graphic below shows the supplier selection process for new suppliers entering the supply chain.



Rheinmetall has identified the companies listed below as being capable to deliver into the LAND 400 Phase 2 Acquisition Program. Rheinmetall is currently working with these companies to ensure the price, quality, and schedule targets are met. Rheinmetall will need additional companies to those listed below across all commodity groups to meet the demands of the LAND 400 Phase 2 Acquisition Program.

Able Industries	DGH Engineering	LASS
Albins	Direct Edge	Milspec
Allplates	Entech	Nezkot
AME	Extel	Nupress
APT	Ferra Engineering	Penske
AW Bell	Frontline Manufacturing	Precision Metal Group
AXIOM	G & O Kert Pty Ltd	Redarc
Bissalloy	GCI Group pty ltd	Rojone
Bluescope	Global Manufacturing Group	Supacat
Cablex	Hetech Pty Ltd	Tectonica
CAS	Hilton	TEi Services Pty Ltd
Century Engineering	Hofmann Engineering	Toolcraft
Codan	IntelliDesign	NIOA
Curtis Wright, Australia	Kidde Deugra	

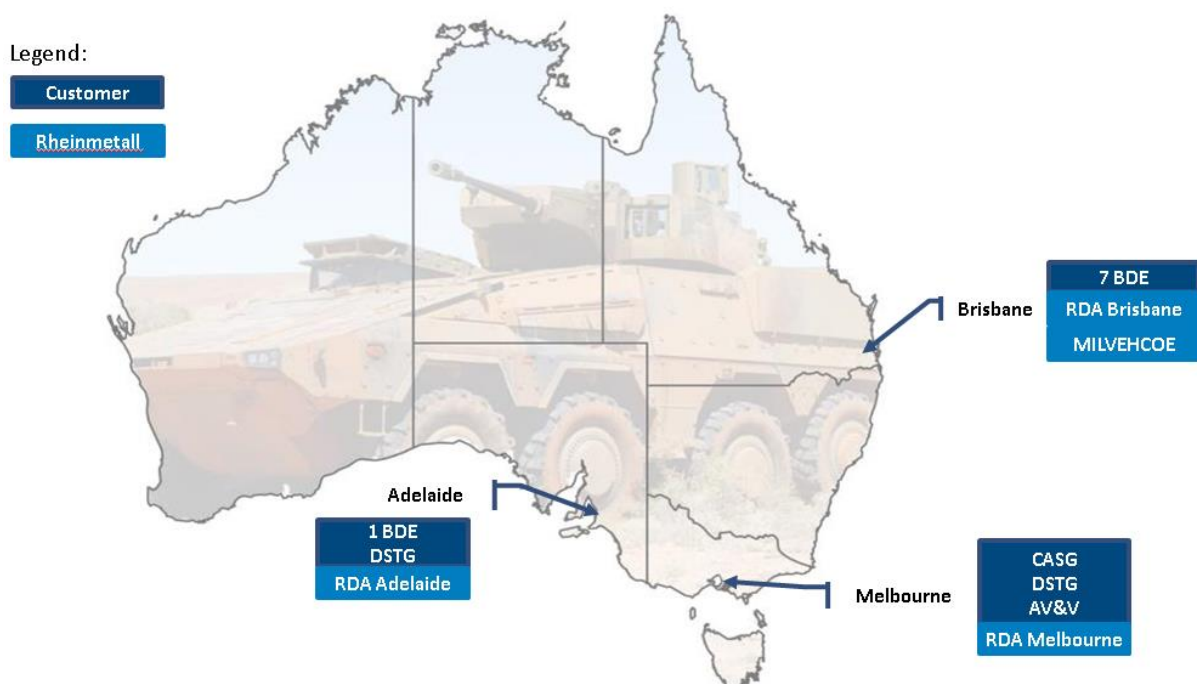
Current LAND 400 Phase 2 Acquisition Program Capable Companies

5. LOCATION

As the centrepiece of the LAND 400 Phase 2 Acquisition Program, Rheinmetall will establish Australia's premier, globally competitive Military Vehicle Centre of Excellence (MILVEHCOE) in Ipswich, Queensland with a number of other sites throughout Australia. Initially, the MILVEHCOE will contribute to the development, assembly and support requirements for the 211 BOXER CRVs. It will create new Australian direct and indirect jobs for the duration of the LAND 400 Phase 2 Acquisition Program and be capable to deliver the following activities:

- a. Mechanical and software design and development;
- b. Vehicle and system manufacture;
- c. Test and evaluation;
- d. Education and training; and
- e. Through Life Support.

The MILVEHCOE will create enduring relationships with the Commonwealth, industry and academia to develop innovative technologies and capabilities to contribute to Australia's long-term defence objectives. This will also give staff employed at the MILVEHCOE opportunities to develop their own skills and experiences through the secondment to Rheinmetall facilities across the world.



Rheinmetall presence in Australia

6. KEY OFFERINGS FOR AUSTRALIAN INDUSTRY

Rheinmetall will transfer technological knowhow and provide training support to Australian industry to achieve the capabilities required to develop, build and support the LAND 400 Phase 2 Acquisition Program, provide an Australian based support for the Australian war fighter, and create a globally competitive industrial base.

Rheinmetall is currently undergoing supplier evaluations to establish an Australian sovereign capability through the work packages listed in the following table.

Work Packages	
Transport and Specialist Logistics	Weapon Feeding System
Lighting	Local Situational Awareness System
Casting	Box Building Complex
Electronic Assemblies	Printed Electronic Circuit Boards
Machining	Ballistics Armour
Document Translation	Build / Supply Simulation & Training Equipment
Stabilisation System	Fire Protection System
Armoured Steel Welding	Harness and Looms
Standard Welding	Engines
Cutting and Bending	Gearbox

7. SCOPE OF FUTURE WORK OPPORTUNITIES

Rheinmetall's MILVEHCOE will support the development and build vehicles for programs worldwide. Rheinmetall is looking for companies who are able to increase their capabilities to meet the demands of the international defence market. This includes the upskilling of employees, obtaining company international certifications and investing in new technologies. Rheinmetall will provide guidance to those companies that want to improve their capabilities and enter the Rheinmetall industry network for domestic and global opportunities.

The below listed opportunities are the growth path for Australian companies and Rheinmetall to deliver components beyond LAND 400 Phase 2 to worldwide programs.

Program	Export Country	Description	Timeframe
Lynx product	Multiple	Currently in the development phase Rheinmetall has engaged various Australian companies in the design and material solution for a new medium-weight tracked combat vehicle (the LYNX). Rheinmetall is actively bidding the LYNX vehicle into various programs in Australia, Europe and the USA.	2018+
HX Trucks	Multiple	With the current LAND 121 program Rheinmetall	2018 +

		has already incorporated various Australia companies into its supply chain. Deriving from this engagement various export opportunities are pursued to supply into other truck programs in Europe. In addition enhancements and development opportunities are pursued with Australian suppliers.	
BOXER	Multiple	<p>The established LAND 400 Australian industry network for BOXER will have the chance to export into any other future BOXER program. Potential future BOXER programs include:</p> <ul style="list-style-type: none"> • Enhancements and upgrades to current BOXER user fleets (Germany and the Netherlands). • Follow-on orders for current BOXER users. • The United Kingdom MIV program. • Targeted opportunities in Europe, the Middle East and the Asia Pacific regions. 	2018 +
BOXER	Australia	The LAND 400 Phase 2 program will require future upgrades and capability enhancements to the in-service fleet. There is also the opportunity for additional vehicles and variants that will also create new opportunities for Australia companies.	2018+

8. FUTURE OPPORTUNITIES / INDUSTRY ENGAGEMENT

Rheinmetall is a global Defence Equipment and Service provider and is committed to bringing the best Australian capabilities into its Global Supply Chain to support its growth strategies.

Australian companies with new or emerging capabilities will continue to be identified under the LAND 400 Phase 2 Acquisition Program by the AIC Director as potential Rheinmetall Global Supply Chain members through:

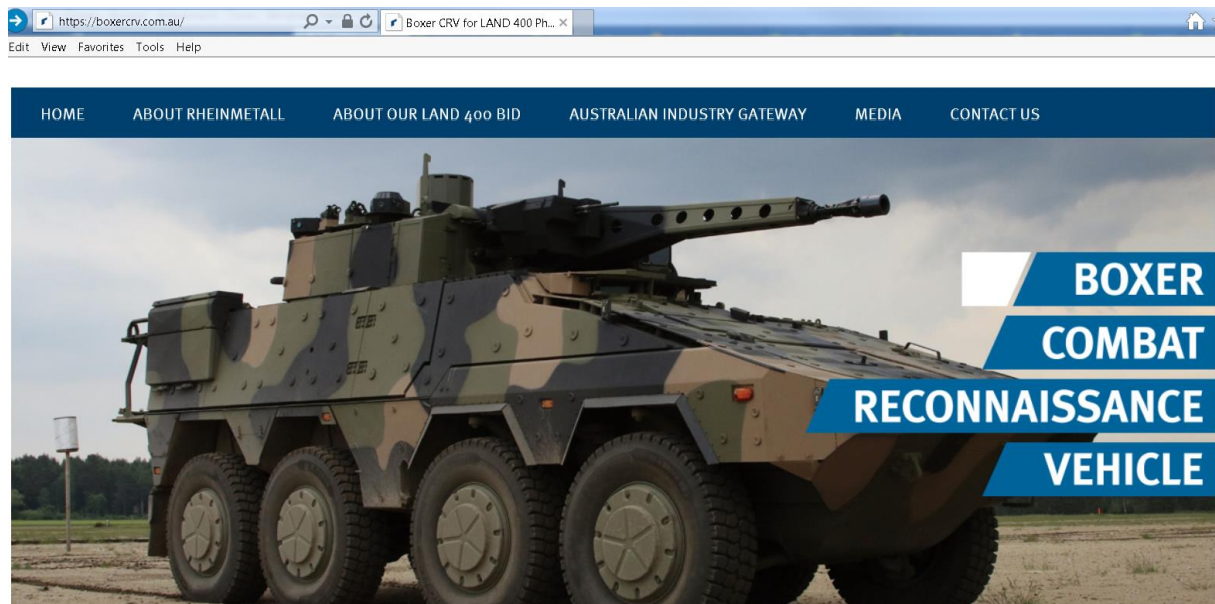
- The LAND 400 Supplier Web Portal that was created to supplement the initial AIC Road Show as a method for future AIC to register its capability directly with the LAND 400 Integrated Project team (IPT).
- an annual AIC Industry conference for existing and future AIC companies,
- Continued membership of peak industry bodies, such as Australian Industry Defence Network (AIDN), and directly liaison with State Industry Development bodies to build a deeper understanding of the current status of Australian Industry Capability and to promote Rheinmetall's future capability requirements.
- Rheinmetall presence at future Australian trade and industry events, engage with existing and emerging Australian companies to better match AIC opportunities with Australian companies.

- e. Maintaining the Public AIC Plan with all relevant emerging AIC opportunities and contact details to engage with the LAND 400 AIC Program.
- f. Developing Global Supply Chain opportunities that are complimentary to the program, or allow participants in the program to extend into other Rheinmetall programs in Australia and globally.

All existing LAND 400 Australian suppliers, as well as emerging Australian companies, will be invited to the annual Rheinmetall LAND 400 Industry Conference. During the proposed annual LAND 400 Industry Conference, Rheinmetall will, in addition to LAND 400, make presentations to specify the additional capabilities that are being sought from Australian Industry to support further global programs. Companies will be provided an opportunity to brief Rheinmetall on their relevant capabilities and to register their interest in supporting Rheinmetall.

Rheinmetall has established an online industry portal ([BoxerCRV.com.au](https://boxercrv.com.au)) for LAND 400 Phase 2 as seen below. Rheinmetall will use this portal to advertise future work, and communicate with the Australian industry network. Companies may contact Rheinmetall directly, submit capability statements, register their interest and make representations about their capability. The portal will ensure that all engagements are registered, tracked and responded to, and also ensure that stakeholders are kept informed on procurement processes.

Rheinmetall will continue to partner with and support local SMEs, developing and maintaining the local, specialist skills and capabilities required to successfully complete the LAND 400 Phase 2 Acquisition Program and position Australia as a major defence exporter.



9. CONTINUED INDUSTRY ENGAGEMENT

Rheinmetall will continue engagement with Australian companies to maximise the number qualified suppliers and incorporate those suppliers into the Rheinmetall Global Supply Chain.

Companies that were not initially rated highly for LAND 400 Phase 2 remain on Rheinmetall's database and through continued engagement will be elevated as their status changes. All registered companies are reviewed every 12 months with the following considerations:

- a. New product/service or machine/capability;
- b. New alliance with overseas manufacturer;
- c. Decision to bring manufacturing to Australia;
- d. Value-add increase on current offering (e.g. full spare parts and warranty provided in Australia);
- e. New capability requirement more aligned with companies' core capability;
- f. Failure of existing supplier in Australia or Overseas; and
- g. Single or sole source supplier undergoing a development process to achieve upgrade (e.g. achieving ISO standard).

Through the LAND 400 Phase 2 Acquisition contract Rheinmetall in partnership with Australian industry will establish a lasting Australian sovereign military capability, while creating local jobs and delivery of high value AIC.

Australian industry companies wishing to support Rheinmetall with existing or emerging capabilities, or to make presentations of their abilities, innovations or value that they can bring to the program, are encouraged to contact Mr. Arthur Hustad, LAND 400 (Acquisition & Support) AIC Director or register through the Rheinmetall Supplier Portal.

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Best Regards,



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