

LAND 400 Phase 2 PUBLIC AIC PLAN (ACQUISITION)

1. COMPANY DETAILS

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2. CONTRACTED WORK-SCOPE

Rheinmetall Defence Australia (RDA) 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 \$3.432 billion AUD with the Australia expenditure of the contract being \$1.735 billion AUD. The contract will be delivered in accordance with an agreed delivery schedule over a period of 9 years from August 2018.

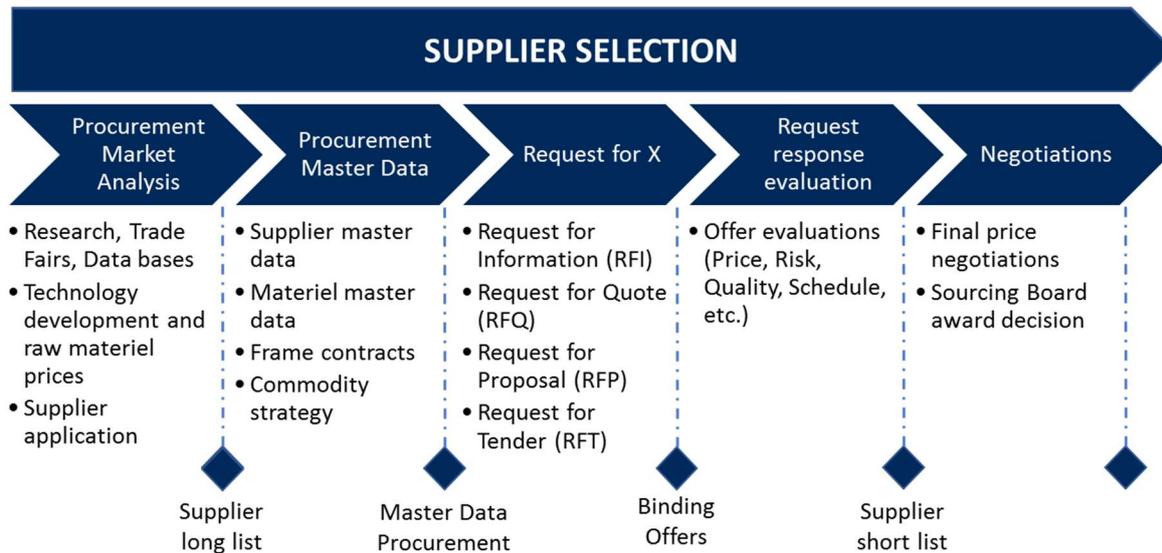
3. INDUSTRY REQUIREMENT WORK PACKAGES

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, RDA 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, RDA will award work packages to Australian companies. The graphic below shows the supplier selection process for new suppliers entering the supply chain.



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

Current LAND 400 Phase 2 Acquisition Program Capable Companies

Able Industries	EYLEX	Penske
Advanced Navigation	Frontline Manufacturing	Precision Metal Group Aust.
Albins	Galvin Engineering	Rockpress
Allplates	GCI Group	Rojone
AME	Global Manufacturing Group	Van Halteren /H.I.Fraser
Andrew Engineering	GPC Electronics	SUPASHOCK
APT	Hilton Manufacturing	Tectonica Australia
AW Bell	Hofmann Engineering	TEi Services
AXIOM	Huber and Suhner	Thales
Bisalloy Steels	IntelliDesign	Thomas Global
Boeing Defence Australia	Laserdyne	Thomas Warburton
Cablex	LASS	TNT Australia
Campagno Engineering	Marand Precision Engineering	Toolcraft
Crown Engineering	Marathon tyres	TRT - Tidd Ross Todd

Curtis Wright, Australia	Masters & Young	
DirectEdge Defence	Milspec	
DVR Engineering	Minemech Services	
Elexon Electronics	MoTeC	
Entech	Nezkot	
Extel	Nupress	

5. LOCATION

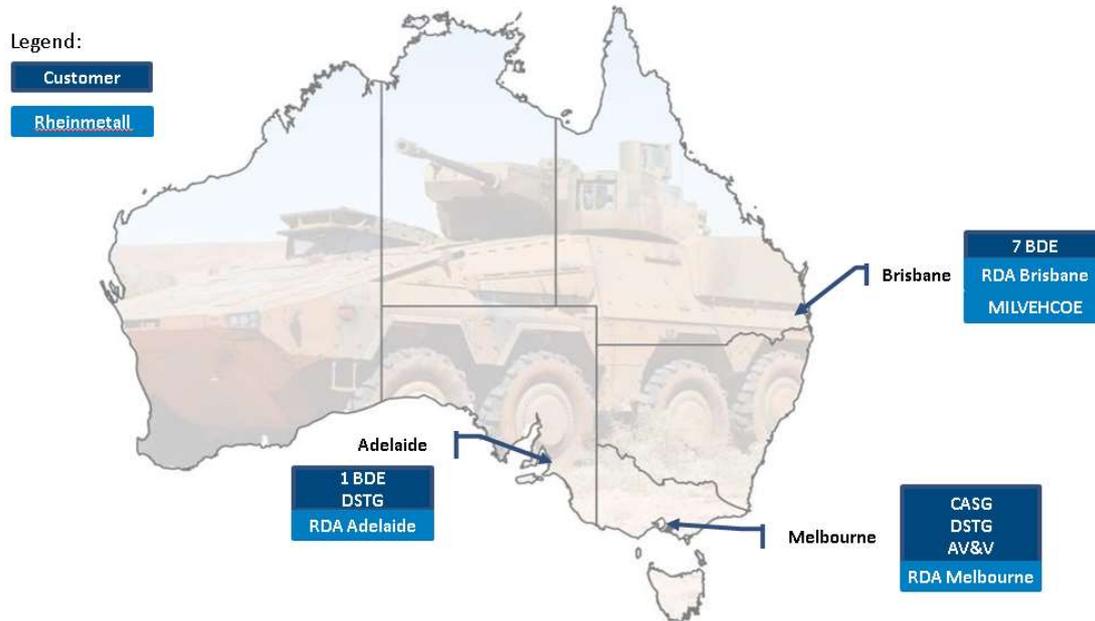
As the centrepiece of the LAND 400 Phase 2 Acquisition Program, RDA has established Australia's premier, globally competitive Military Vehicle Centre of Excellence (MILVEHCOE) in Ipswich, Queensland with a number of other sites throughout Australia. MILVEHCOE will contribute to the development, assembly 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 continue to 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 RDA facilities across the world.

6. KEY OFFERINGS FOR AUSTRALIAN INDUSTRY

RDA's commitment to AIC begins with the substantial investment it has made in its Military Vehicle Centre of Excellence (MILVEHCOE). The MILVEHCOE offers a unique sovereign industrial capability to Defence with the ability to design, build, test, train and sustain a suite of complex Defence products for both Australia and global markets. RDA has successfully completed the construction and initial commissioning of the MILVEHCOE. Serial production of the first LAND 400 Phase 2 vehicles is underway at MILVEHCOE with assembly of initial Australian Boxer vehicles complete and delivered to the Commonwealth.



RDA's presence in Australia

RDA has almost completed transfer of technological knowhow and is continuing to 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.

RDA is continuing to undertake 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

RDA's MILVEHCOE will support the development and the build of vehicles for programs worldwide. RDA 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. RDA will

provide guidance to those companies that want to improve their capabilities and enter the RDA Defence Industry Network for domestic and global opportunities.

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

Program	Export Country	Description	Timeframe
HX Trucks	Multiple	With the current LAND 121 program RDA 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.	2018 +
BOXER	Multiple	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: <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. • German Army Heavy Weapons Carrier (HWC) variant of the BOXER. • The United Kingdom MIV program. Targeted opportunities in Europe, the Middle East and the Asia Pacific regions.	2018 +
BOXER	Australia	<ul style="list-style-type: none"> • 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

RDA is a global Defence Equipment and Service provider and is committed to bringing the best Australian capabilities into its Australian Supply Chain to support its growth strategies across the L400 Phase 2 Program and build Australian sovereign capability.

With a view to achieve that, RDA has deployed a multi-pronged strategy of regular engagement with industry partners and the Australian Small & Medium Enterprises (SMEs) community throughout the length of the program and beyond. The scope of the engagement would range from Business to Business supplier visits to coordinated networking at large defence industry events as well as engagement with all levels of Government.

RDA remains committed to fostering partnerships with and providing support to local SMEs with a view to cultivating and preserving the specialised skills and capabilities necessary to effectively execute the LAND 400 Phase 2 Acquisition Program and bolster Australia's stature as a key defence exporter.

The various initiatives undertaken are as follows:

- To reach out extensively across the SME community within Australia. This includes RDA's bespoke Supplier portal (www.rheinmetallindustry.com.au), which provides opportunities for Australian suppliers to become a part of RDA's Defence Industry Network and express interest on work packages.
- RDA AIC and Global Supply Chain Program (GSCP) teams will conduct ongoing industry engagements, supplier visits and participate in Defence industry forums. RDA's AIC team continues to organise various roadshows across different states and territories and conduct B2B business engagements with suppliers to understand their capabilities.
- Develop strategic partnership with Office of Defence Industry Support (ODIS) for industry development and support to eligible Australian SMEs seeking to enter RDA supply chains, or to export their products and services. ODIS can assist the SME with Quad Charts and various tools to help them enter into the Defence market, and provide advice on export development and promotion, supply chain facilitation and business development.
- Work with Key Enablers, Industry and Research Organisations (including SMEs, Academia, Universities, and Research Institutions) and facilitate SME participation to encourage new product and material development.
- Work with various peak industry bodies such as the Australian Industry Defence Network (AIDN) and the Defence Teaming Centre (DTC) to develop initiatives to expand Australian supplier capabilities.
- Support Supplier Diversity and Indigenous Owned Business Enterprises (work with Supply Nation) and Veteran owned Business Enterprises to assist in building their capabilities to support the Program.
- Ensure Australian companies with new and emerging capabilities have access to RDA's GSCP team.
- Participate in various defence forums (for example: Land Forces and Indo-Pacific) showcasing RDA products and engaging with suppliers to participate in various Programs both in Australia and globally.
- Support SME Capability Development by engaging with SMEs alongside the RDA Quality team to conduct capability gap analysis, build development plans and track capability ramp-up.

RDA 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.

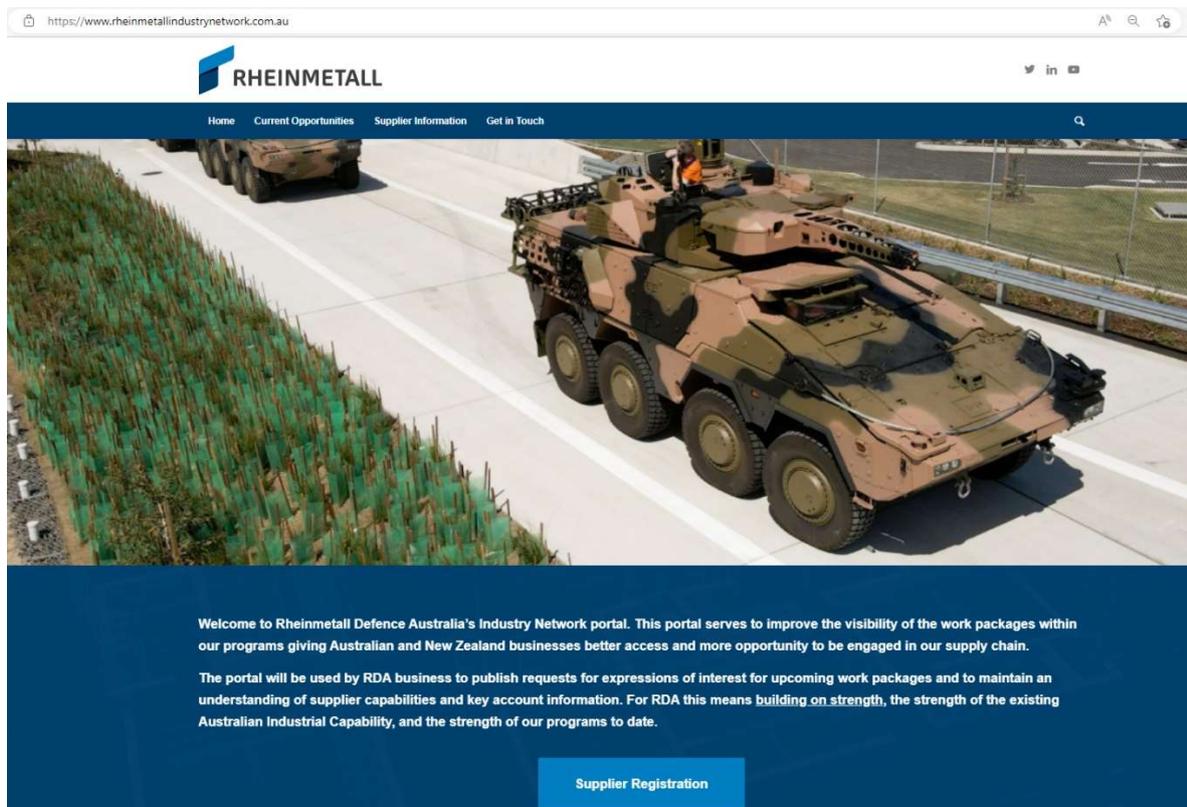
9. CONTINUED INDUSTRY ENGAGEMENT

RDA conducts on-going industry engagement with Australian companies to maximise the number of qualified suppliers registered in the bespoke Supplier portal designed to support the BOXER CRV and other current and future programs.

RDA has continued to develop its Australian supply chain knowledge and understanding of capability to support LAND 400 Phase 2. RDA has built awareness of supplier's capabilities across every milestone through roadshows, industry networking events and supplier visits. RDA has translated this awareness to knowledge with market testing and supplier audits. RDA will continue to build a truly sustainable long-term presence in Australia through:

- a) Partnerships with SMEs to support LAND 400 Phase 2 and other domestic and export opportunities;
- b) Ongoing growth of the MILVEHCOE to develop and manufacture vehicles for global markets and service vehicles supporting regional operations.

RDA has an online, bespoke supplier portal used to capture Supplier registration and be able to search supplier capability. The portal is a key tool for RDA's procurement program to identify new suppliers for LAND 400 Phase 2 and manage current suppliers. SMEs are encouraged to register their details and interest in working with RDA via the portal. Program capability needs can be matched to SME capabilities from the portal. Specific SMEs in the capability groups required can then be targeted for inclusion in the relevant program procurement activities.



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

Australian companies wishing to support RDA with existing or emerging capabilities are encouraged to register their interest with RDA through the online Supplier Portal:

The RDA AIC team can be contacted as below:

Supplier Portal: www.rheinmetallindustrynetwork.com.au

Email: procurement.australia@rheinmetall.com.au

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