

CAPABILITY STATEMENT

Hastings Deering



MINING

Wherever there's mining, we're there

We are invigorated by the challenges put to us every day to assist our customers improve productivity, lower costs and achieve safer work-places.

This is why we have invested to bring to our customers the expertise and capability to deliver just that. With our new Centres of Excellence in Draglines and Longwalls and our Product Performance Centre we have the operational and maintenance expertise to assist our customers maximise fleet performance and optimise cost.

We are stepping up our investment in technologies that will help our customers achieve the next level of productivity, cost and safety. Starting with real time event monitoring and Big Data based expert condition analysis, we can deliver significant value to our customers. Combined with the Cat suite of scalable Mine and Fleet Management solutions and our state of the art SOS fluids laboratory we already have one of the most integrated offerings in the market – and there is more to come.

As a core value, we are committed to *No Harm*. Over the last four years we have achieved a step change in our TRIFR. Whilst this is a never ending journey, we are proudly contributing to safer work-places.

Going forward we are focused on delivering genuine value to our customers. Right now, using lean Six Sigma Continuous Improvement methodologies, Hastings Deering is delivering better than ever quality and value. This combined with more service operations, parts inventory, component rebuild centres, field service trucks and skilled advisors on customer sites across our region we're rising to the challenges our customers put to us every day to deliver.

In aspiring to be our customers' trusted partner, Hastings Deering is digging deeper than ever to assist them achieve sustainable success.



MARK SCOTT,
CHIEF OPERATING
OFFICER

An 80 year history of partnering with our customers to deliver the solutions that support their success...

HASTINGS DEERING GROUP

Established in 1932, the Hastings Deering Group is one of the top five Cat dealers worldwide. The company is the exclusive distributor for the sale of Cat equipment, technology solutions, parts and service support in our territories. Headquartered in Brisbane, Queensland, Australia, Hastings Deering has approximately 3000 employees, across 23 business service centres throughout Queensland, Northern Territory, Papua New Guinea, the Solomon Islands and New Caledonia.

We sell, rent, and offer outstanding support and parts distribution services for customers across a range of industries, including mining, construction, oil and gas, transport, power systems, government, primary industries and marine.

In 1992, the Hastings Deering Group was purchased by Sime Darby Berhad, one of the oldest and largest Cat dealers in the world and a multinational organisation with more than 200 companies operating in 26 countries.

OVER 8 DECADES OF SERVICE
4 COUNTRIES OF OPERATION
3,000 EMPLOYEES
23 BUSINESS CENTRES



Our aspiration... our customers choose us because we understand their needs and consistently deliver the best solutions

THE BROADEST RANGE OF MINING SOLUTIONS FOR BOTH ABOVE AND BELOW GROUND MINING

CAPABILITY

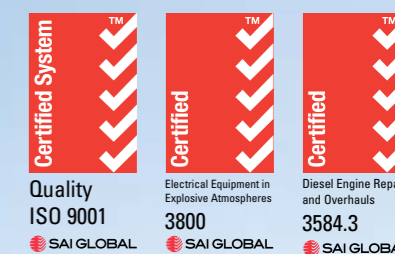
- » New, used and rental mining, construction and materials handling equipment
- » 23 specialist workshops across Queensland and the Northern Territory, New Caledonia, Papua New Guinea and the Solomon Islands offering:
 - General maintenance and repairs
 - Specialist engine and driveline rebuilds, remanufacturing
 - Ready to go parts exchange (engines, drivelines)
 - Welding, machining, hard chroming
 - Cat trained quality service technicians with access to the latest diagnostics and Technical Bulletins
 - Field service and on-site support for projects
 - Commissioning services

- » 24/7 parts availability across all sites, backed up by three major Australian Cat parts facilities including Yatala Queensland, plus the Australian and global Cat dealer network
- » Comprehensive on-line and B2B parts procurement
- » Advanced fleet management and mine operations technologies with Cat EMSolutions™ and MineStar™:
 - Hastings Deering Helpdesk
 - Applications specialists to assist effective implementation
 - Data collection, BIG DATA analytics and condition analysis
 - Modern, robotised fluids analysis laboratory
- » Operational and maintenance strategy advisory services for Draglines and Longwalls via our respective Centres of Excellence

- » Industry leading training via our Registered Learning Centres in Port Moresby, Central Queensland and Brisbane focussing on:
 - Operator Training in both Familiarisation and Application modes
 - Maintenance Training (Technical)
 - Technology Systems including Automation Training
 - Air-Conditioning

ACCREDITATIONS

- » Our quality management systems are third party accredited to AS/NZS ISO 9001:2008.
- » Our Central Queensland Operations have underground accreditations covering Electrical Equipment in Explosive Atmospheres and Diesel Engine Repair and Overhauls under AS/NZS 3800:2012 and AS/NZS 3584.3:2012 respectively.



Continuously investing in the highest calibre people for industry leading expertise...

WE INVEST IN OUR PEOPLE SO THEY KNOW MORE, DO MORE, IN LESS TIME WHILST ACHIEVING THE HIGHEST QUALITY. WE TRAIN THEM TO BE THE INDUSTRY BENCHMARK TECHNICIANS. WHEN THEY WEAR THE HASTINGS DEERING UNIFORM, THEY ARE COMMITTED TO DELIVERING THE HASTINGS DEERING STANDARD.

DIVERSITY AND OPPORTUNITY

Our focus is on maintaining a flexible and agile work-force across the business to ensure we have the experience and capability in place to deliver the outcomes our customers expect. We have formal strategies in place to achieve an innovative, high performance culture where every employee is encouraged to be at their best.

LOCAL RESPECT

We value the sharing of skills across our regions, but also respect the value of local residents. As a result, 99 percent of all of our employees are citizens of the country in which they work.

HASTINGS DEERING LEARNING CENTRES

Hastings Deering is a Registered Training Organisation. Our three Learning Centres in Brisbane, Central Queensland and Port Moresby provide a range of nationally recognised, accredited and non-accredited courses covering Basic and Advanced Operator training, Maintenance training inclusive of Air-conditioning, and Technology systems training to address the needs of the mining industry.

Our training excellence has been recognised through being awarded the Caterpillar Service Training Excellence Award (STEA) in 2015.

This is a globally coveted accolade that recognises the highest standards of training and proficiency.

In 2016, Hastings Deering remains one of the largest trainers of apprentice Diesel Mechanics in Australia, continuing our tradition of training the very best tradespeople. We choose to do this so we can deliver the highest quality, Cat specific trained technicians to ensure our customers experience the best possible Cat ownership experience.



Safety and sustainability is totally integrated into our day to day operational culture...



DEVELOPING AN EMPOWERED WORK-FORCE CULTURE IS FUNDAMENTAL TO ACHIEVING OUR GOALS. OUR VISIBLE ONEHD FELT LEADERSHIP PROGRAMME ARTICULATES THE VALUES WE LIVE BY; NO HARM, INTEGRITY, TRANSPARENCY AND CARE.

SAFETY

At Hastings Deering we have implemented five year Strategic Safety Plans designed to support the delivery of a No Harm workplace. Since 2012, we have achieved a company-wide transformation of our safety performance with a >85% reduction of our Total Recordable Injury Frequency Rate (TRIFR). However, we will never be satisfied until No Harm is achieved.

ENVIRONMENT

Our current environmental impact minimization focus is on the reduction of CO2 emissions, waste and water management.

To assist our customers, Hastings Deering provides expert advice to optimise equipment maintenance approaches that can improve fuel burn, reduce emissions, reduce component wear and increase service intervals. Repower options can also contribute to lowering fuel consumption and emissions. We have executed repower projects for D11R dozers and re-engineered hard rock loaders to reduce carbon emissions by 40 per cent and particulates by 42 per cent respectively.

ACCREDITATIONS

Hastings Deering's safety and environmental management systems are third party accredited to AS/NZS 4801:2001, and AS/NZS ISO 14001:2004 respectively.

COMMUNITY ENGAGEMENT

Hastings Deering is a strong supporter of community focused programs that promote education, build stronger communities and support health and wellbeing awareness and research initiatives. We invest in local communities as an integral part of our sustainability objective to ensure the communities throughout our dealership region receive real benefit from our activities and reflect the diversity of our workforce.



...we have invested in new technology capability to assist our customers achieve superior productivity, cost and safety... and there's more to come

CENTRES OF EXCELLENCE SUPPORTING OUR CUSTOMERS

To deliver better outcomes for our customers, we have established Centres of Excellence (COE's) as a strategy to bring together a critical mass of expertise close to our customers.

In Toowoomba, we have a rebuild COE specialising in gas powered engines, in Mackay we specialise in Hydraulic Cylinders, Transmissions, Final Drives and Longwalls, in Rockhampton it is engines, and Mt Isa, Underground Vehicles.

All of these COE's utilize lean Six Sigma manufacturing techniques (CPS – Caterpillar Production System) that underpin continuous improvement, increased productivity and a more holistic approach to achieving superior safety outcomes.

We have a Dragline COE in Mackay, comprising experienced electrical, mechanical, structural and dedicated Project Management expertise, to assist our customers in the development and execution of their asset management strategies.

We have also established a Longwall COE in Mackay, that comprises electrical, mechanical, automation and dedicated Project Management expertise to assist our customers achieve outstanding results with their Cat longwalls.

DATA INFORMED FLEET MANAGEMENT
Well-informed, timely equipment management decisions are a prerequisite for controlling costs, improving operations, managing people and reducing risk. Hastings Deering can provide a tailored Cat EMSolutions™ service that uses the data from your machines to maximise the up-time and productivity of your assets. Choose the level of data analysis and interpretation along with maintenance scheduling recommendations through to having Hastings Deering complete the work. Our offering is supported by event alerts, fluids analysis and more.

TAILORING TECHNOLOGY TO MEET CUSTOMER NEEDS
Hastings Deering's own in-house engineering capability can adapt technologies to deliver the solutions our customers want.

- » When a customer wanted to expand Cat Inspect (a mobile, guided inspection app tailored to each machine) to cover additional machine parameters, Hastings Deering modified the standard application to suit.
- » When a customer wanted to install live health and production monitoring on a Cat Rope Shovel on site, Hastings Deering engineered, built, installed and commissioned a solution that was simple and easy to install enabling the customer to see real time production values, alarms and custom information and dash boards
- » When a customer wanted to integrate production figures from their mixed brand fleet into the Cat Minestar™ system, Hastings Deering developed, tested and installed the solution on time and on budget.



CAT MINESTAR™ : OPTIMISING MINE OPERATIONS

Hastings Deering supplies and supports the Cat Minestar™ system suite that can help you enhance safety, reduce costs, improve productivity and boost efficiency. Cat Minestar™ helps you manage everything from material tracking to sophisticated real-time fleet management, machine health systems, autonomous equipment systems and more. The capability sets – Fleet, Terrain, Detect, Health and Command – can be used in combination or individually to allow your operation the flexibility and scalability it needs to be more productive, efficient and safe.

To assist our customers implement change and exploiting the full power of Cat technologies, we're expanding our capability to achieve this through adding application specialists with mine site experience.

AUTONOMOUS HAULAGE: SAFER, MORE PRODUCTIVE MINES

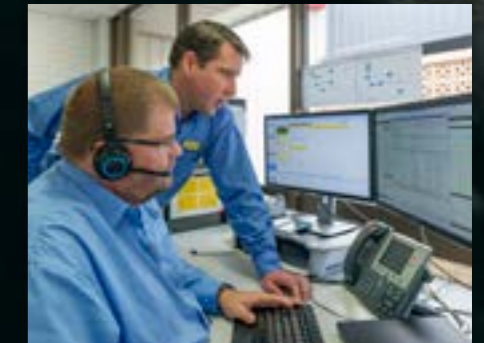
Cat trucks that come when called, position themselves for loading, then move away to their assigned dump locations – all without a single operator on board – this is a reality today and Hastings Deering are able to offer this incredible solution to our customers.

Sophisticated control systems and on-board intelligence enable the trucks to navigate the ever changing, often congested mine-site environment, and get the assigned jobs done without meal breaks and shift changes. And if something does go wrong, it will send an alert providing instant diagnostic information, helping to reduce total downtime.

Bottom line, autonomous trucks provide for a safer mine along with more predictable, productive and cost effective hauling.

REMOTE DOZING, UNDERGROUND TRAMMING AND DUMPING: SAFETY AND PRODUCTIVITY

Hastings Deering can offer the Cat MineStar™ Command for remote control Dozing and the autonomous operation of Underground Loaders for tramming and dumping. In both cases, the operator has the ability to control the machine, remote from the job hazards, perhaps kilometres away. For remote dozing, these hazards may include stockpile feeding, leach pad maintenance, high wall toe operation, handling hazardous material and working on unstable surfaces.



SURFACE MINING

The unmatched Cat product line-up for surface mining includes articulated trucks, draglines, semi-autonomous drills, electric rope shovels, hydraulic shovels, mining trucks, motor graders, track-type tractors, wheel dozers, wheel loaders and wheel tractor scrapers.

AUXILIARY EQUIPMENT

From our extensive Cat range we also offer a variety of equipment such as backhoe loaders, water trucks and tool carriers to on-highway trucks and telehandlers, all delivering best in class performance, service back-up and parts coverage.

POWER GENERATION

Cat engines are used extensively to power mine sites and equipment from diesel and gas generator sets to uninterruptable power supplies, automatic transfer switches and electrical switchgear.

LONGWALL

Cat is the global market leader and supplier of complete longwall systems. Our customised systems range from hydraulic roof supports, automated plow systems, shearers, face conveyors and drive systems to automation and roof support carriers. With Cat Top Coal Caving technology customers can substantially increase coal recovery for little incremental cost. This Cat technology is forging a strong reputation for consistently achieving outstanding production.

HARD ROCK

Our range of underground drills, loaders and trucks stand the test of time in a wide range of difficult conditions. They incorporate the latest technology and are proven to deliver productivity, reliability and operator comfort. And with new Cat technologies, it is possible to remotely operate your underground gear from a safe and ergonomic work station far from the machine – either on the surface or underground.



Outstanding savings underscore the value of Cat equipment management technology and *BIG DATA* analysis... all available through Hastings Deering

A 12 WEEK STUDY USING THE BIG DATA CONDITION MONITORING SOLUTION FROM CAT DELIVERED OUTSTANDING VALUE.

12 weeks, 40 machines – 500 hours of unscheduled stoppages and 150 hours of maintenance labour averted ...PLUS...110 hours of unscheduled stoppages and \$460,000 of additional savings identified.

The intent of the study was to quantify the cost and production benefits of the EMSolutions™ *repair before failure* integrated approach which is designed to reduce unscheduled breakdowns that lead to unplanned downtime and lost production.

The study focused on establishing value benchmarks for those elements that directly contribute to reducing breakdowns. Value was calculated from two areas.

- » **Direct cost savings** as a result of performing any given maintenance evolution, in controlled areas, as a planned activity instead of a breakdown and
- » **Residual value savings** achieved by avoiding an early retirement of the component due to a catastrophic failure (calculations included a risk assessment that took into account the remaining life of the components)

The study monitored up to 40 machines and provided 82 recommendations.

Savings achieved during the trial included approximately 500 hrs of unscheduled down-time and an estimated 150 hours of maintenance labour.

From six of the recommendations documented, additional future savings included 110 hours of unscheduled down-time, 472 hours of maintenance labour worth \$60,000 as well as the retention of \$400,000 of component life. The project continues to deliver further, documented incremental savings.

Hastings Deering



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