

WESTRAC CUSTOMER INFORMATION UPDATE – COVID-19

All information is current as at **20 July 2020** but is subject to change without notice.

People

1. How is WesTrac managing the health of its team members?

WesTrac is currently meeting or exceeding Federal and State government advice regarding travel restrictions, social distancing, self-isolation and personal hygiene to minimise the spread of COVID-19.

2. How is WesTrac managing business continuity through this period?

WesTrac has activated its Crises Management strategy and enacted our business continuity plans to ensure critical business processes remain operational throughout the COVID-19 pandemic. We are actively monitoring the situation and will continue to update our business plans as the situation develops. We have provided updates across all of our major customer facing business process in this question and answer guide including: our workshop and branch network, field service teams, parts supply chain, and new and used machine inventory.

3. Is WesTrac aware of any team members who have COVID-19 in their operations?

WesTrac is not aware of any team members who have attended work and tested positive for COVID-19. We are doing everything to control the spread of COVID-19, which has included ongoing awareness and communication with team members.

Workshops and Branches

4. Has WesTrac had to shut down any of its locations or does it plan to in the near future?

No, WesTrac is currently operational across all work locations in both NSW/ACT and WA. The WesTrac team members who had been working remotely to limit the number of people at our facilities have since returned to work at all branches, with the exception of Sydney (Casula).

Due to the proximity of our Sydney facility to the COVID-19 cluster linked to the Crossroads Hotel, we have elected to ask Sydney based office team members to work from home until further notice. There have been no members of the WesTrac Sydney team who visited the Crossroads Hotel between the 3rd and the 10th and returned to the office, the steps taken were precautionary.

5. Has our workshop capacity been impacted by issues surrounding COVID-19?

No, at the time of writing WesTrac has not experienced any reduction in workshop or warehouse capacity as a result of the COVID-19 control measures. Our operational and functional teams have been executing their business continuity plans, this includes putting hygiene and distancing measures in place through our operational areas, which will ensure capacity disruptions are minimised while keeping our people safe.

6. What is WesTrac doing to ensure there a no capacity shortfalls

Whilst we are monitoring the COVID-19 situation closely our operations teams have been executing Business Continuity Plans which include, but are not limited to; social distancing and increased cleaning regimes in workshops, centralised planning and scheduling teams to expedite and redirect resources or equipment repairs as required, increased supervision and quality processes as well as engagement with third party suppliers to ensure supply chains are not compromised. We are continuing to reach out to our customers to identify any critical work and develop action plans to ensure we can deliver on these commitments.

7. How will WesTrac manage its service operations in the event of a major COVID-19 infection?

WesTrac has over 2000 technicians employed across 32 branches which gives us the ability to schedule and complete service work across several locations including customer sites and other regional locations where necessary. We are proactively managing our business continuity plans and ensuring they remain fluid and up to date as the situation changes. If we are required to close one or multiple workshops due to a COVID-19 infection, we would be communicating actively and regularly with any customers impacted by the changes to minimise customer disruption and support ongoing business continuity.

Field Service

8. How will WesTrac manage its field service operations in the event of a major COVID-19 infection?

WesTrac will refer to our Business Continuity Plan which outlines multiple options such as working from home for administrative staff and Government directives such as social distancing and increased hygiene for all. In the event of an outbreak on a site, any infected individuals would be treated in line with current medical and Government guidelines and replacement team members will be redeployed when appropriate. WesTrac has over 2000 technicians with a range of qualifications. We will select the most suitable technician and redeploy them.

9. What is the impact to field service capacity?

COVID-19 is currently having no impact on our field service capacity. Our Business Continuity Plan outlines risk mitigation actions to reduce our chances of having a team member infected and ensures we have contingency plans in place in the event of an infection.

10. What measure are in place for field service representatives visiting my site?

All our staff have been briefed on the Government's latest guidelines. They all carry hand sanitiser and we enforce social distancing while working. Our team will perform a specific COVID-19 Take 5 assessment that ensures the current health of the technician, site specific analysis, personal hygiene equipment and approval to be on a customer site.

Parts Logistics and Supply

11. What is WesTrac doing to manage inventory levels across parts and new machines?

WesTrac undertakes regular monitoring of our parts and machine inventory levels including a weekly review of service fill rates, back order volumes, wait times and total sales. This information provides us with an accurate view of our past ability to meet customer demand for parts and new machines and, assuming customer buying habits remain normal, will allow us to anticipate and manage any major future constraints in our supply chain. In addition to this, we have also conducted a full analysis of our historical parts demand and forecasted future demand aiming to ensure we have sufficient stock holdings of critical and fast-moving parts.

12. Will international travel restrictions have the potential to impact inbound freight capacity?

Whilst the full impact of international travel restrictions is yet to be fully understood, we are not currently experiencing any shortage in available air or sea freight capacity inbound into Australia. We are working closely with Caterpillar and our transport providers to manage this situation and we have contingency plans in place should they be required.

13. How will you manage parts deliveries if there is a major infection across your distribution network?

WesTrac employs over 300 individuals in our parts distribution division alone and we have a network of over 30 branches across two dealerships to service our customers. We also have access to a casual labour hire workforce which we actively use to support and supplement our permanent team members meaning we can add capacity to our operations if required. We are actively managing how our team members work together and engage with one another on site to minimise the chances of a major infection event and we have business continuity plans in place to continue to operate critical areas of our business in the event we do see Covid-19 cases impacting large numbers of our team.

14. What is WesTrac/Caterpillar doing to manage demand peaks relating to COVID-19?

A critical factor in enabling WesTrac and Caterpillar to continue supplying our customers with parts and machines through this period is to ensure we normalise demand as much as possible across our supply chain. This means we are monitoring customer ordering patterns closely to identify and deter large, unplanned and unrequired buy-ups which place unnecessary pressure on the global supply chain and risk causing a panic response from other customers.

15. How is WesTrac managing the risk of freight and driver movements between Victoria and New South Wales?

Freight movements are exempt from the border closure between NSW and Victoria and a majority of freight is being waved through at the border with only a small random sample being inspected by Police. WesTrac freight providers are reporting some very minor

delays, however, we do not currently anticipate these delays will have any material impacts to our delivery times. In the event we experience any disruption to our northbound freight routes from Melbourne, WesTrac will seek to source emergency parts out of Caterpillar's Queensland distribution centre to minimise any disruption to customers.

WesTrac continues to enforce social distancing and hygiene protocols across all of our sites and with our suppliers and contractors. Linehaul drivers coming out of Victoria will not be interacting directly with any of our customers as deliveries are unloaded and consolidated in transport hubs prior to delivery to WesTrac and our customers. We will continue to remain vigilant in relation to our team member interactions with Victorian delivery drivers.

Parts Availability

16. Is WesTrac currently anticipating any major impacts on parts supply as a result of COVID-19? If not, why not?

Given all the information we have available today, WesTrac is not currently anticipating any significant impacts on our parts supply chain specifically relating to COVID-19 for the following reasons:

- Our analysis indicates sufficient stock is available across the local and global Caterpillar network to support current demand;
- If required, WesTrac is able to source and ship parts direct from multiple sources including: other Australian dealers; Caterpillar's Melbourne, Queensland and Singapore distribution facilities; as well as Caterpillar's international supply hubs in both Morton (USA) and Grimbergen (Belgium).
- Caterpillar employs a multi-supply sourcing strategy to minimise the risk of single source suppliers impacting their global supply chain, this strategy provides alternative options to support Caterpillar and dealer parts demand globally;
- While China is a major supplier of the world's steel and is a key manufacturer of Caterpillar parts, China's COVID-19 infection rate has stabilised, and their supply chain is expected to return to normal before any impacts to our supply chain eventuate.

17. Can WesTrac and Caterpillar guarantee my parts supply?

While WesTrac and Caterpillar are monitoring the COVID-19 situation closely and our supply chain teams have been executing Business Continuity Plans which include, but are not limited to, utilising alternative sources and/or air freight, redirecting orders to other distribution centres, and prioritising the redistribution of critical parts, we are not in a position to make any guarantees relating to parts supply. This position has not changed under the COVID-19 response plan and does not differ from our standard approach to managing our supply chain.

Despite some recent media coverage suggesting disruptions to Caterpillar's global supply chain, we wish to reassure customers that a vast majority of Caterpillar's parts and new machine manufacturing and logistics network remain fully operational. While Caterpillar has announced some short-term new machine factory shut downs in parts of the US, South America and Europe, these closures are having a minimal impact on WesTrac's customer base. In the small number of cases where new machine delivery timelines have been impacted, we are communicating directly with our customers.

We continue to receive weekly updates regarding the Cat parts supply chain and we are not currently seeing any materials impacts to our parts supply. We are working with Caterpillar and other Australian dealers to ensure business continuity moving forward and will notify customers if the situation changes.

Please continue to refer to our [website](#) for updates regarding COVID-19 business continuity plans and contact your local WesTrac representative if you have further questions.

18. Will WesTrac notify me if there are impending or current impacts to parts supply related to COVID-19?

Yes, WesTrac is committed to providing as much timely and transparent information as possible to our customers during this time. If we start to anticipate or experience parts or machine supply constraints as a result of COVID-19, we will notify you as soon as practicable.

19. How can Customers work with us to secure their parts supply in the short, medium and long term?

Now more than ever we are encouraging our customers to provide us with as much information as possible regarding their parts, service and machine requirements moving forward. If you are changing your maintenance schedules, planning a large volume of work or looking to purchase parts outside of your normal demand patterns, we request you contact your local WesTrac representative and provide them with this information, so we can work with you to better plan and forecast your demand for our products and services. If we can plan for your future requirements accurately and in a timely manner, we will be in far better position to ensure your supply and minimise any inconvenience to your business.

20. Are there any delays regarding airfreight?

Due to the increasing numbers of unplanned flight cancellations across Australia's domestic airfreight network, WesTrac wishes to advise customers requiring emergency freight to utilise road express services over air freight until further notice. For NSW customers this will add an additional 24 hours to most emergency freight delivery times, but will minimise the potential for unexpected freight delays of a longer duration resulting from cancelled flights.

New and Used Machines**21. Is there any impact to machine delivery times?**

All Caterpillar facilities are currently operational. We have been made aware of some Caterpillar manufacturing facilities which temporarily suspended operations. The impact was limited to a delay on machines which had not yet completed manufacturing. Any impact to customer orders were communicated directly to the customer by their WesTrac representative.

22. Is it safe for my machine sales representative to visit my workplace?

Our team and customers' safety are our priority and we are following all the recommendations of the Australian Government Department of Health to protect ourselves and others. Before visiting your worksite, our sales representative will firstly contact you to get your verbal consent. Our field-based personnel will always follow the correct hygiene and social distance recommendations. Included are some of the measures we have put in place to safeguard our people and our customers when partaking in machine demonstrations; machines will be wiped clean before and after demonstration, we will provide hand sanitizer for all the participants before the contact with units, 1.5m distancing will be required during visit and a no handshake policy will be applied.

If you have been exposed to someone that may have been infected with COVID-19, please inform your sales representative during your phone call so we can postpone the visit.

23. Can I visit a WesTrac branch and inspect a new or used machine?

We recommend that you contact your WesTrac representative to arrange for an appointment for a site demonstration or inspection. All interactions at WesTrac sites will follow the correct hygiene and social distance requirements. When visiting our branches machines will be wiped clean before and after demonstration, hand sanitizer will be provided, a 1.5m distancing will be observed, and a no handshake policy will be applied.