

March 19, 2020

Subject: Coronavirus General Manager Update #2

To the Men and Women of NASSCO-Norfolk,

The health and well-being of the men and women of NASSCO, along with your families, is a priority and we are working to take all recommended steps to ensure your safety. The situation with COVID-19 is changing hour to hour and every effort is being made to keep up with the information being provided by the CDC, local health departments, and NASSCO San Diego.

Much has happened with the COVID-19 pandemic since my first update just two days ago. The information being provided by our HR team is spot-on and aligned with what NASSCO San Diego is sharing. I am happy to report that as of now, no NASSCO-Norfolk employee, subcontractor or resource labor worker has reported a positive COVID-19 test result. Additionally, no Navy personnel on ships we are currently working have reported a positive COVID-19 test result. This is great news for us now, but we must continue to follow the guidance provided at the Federal, State and Company levels.

I want you to know that all of your efforts are recognized and appreciated! The challenge remains how to keep our employees safe while continuing to do the necessary work for our national defense. We have taken a number of steps to support all of you, as I know each of you are facing challenges within your own homes regarding childcare, health and safety. Below is a list of specific actions to date:

- All NASSCO locations are offering alternative or flexible work schedules due the school closings or for any personal reasons. It is imperative that the Company remain as flexible as possible. As such, employees, working with your Supervisor:
 - Have the opportunity to move to a different shift or time period so long as the change will not impose significant disruption to business operations.
 - Temporary liberal leave is authorized now during the period of the school closures (currently until 3/27). This will be reevaluated if the school closures extend further. If utilizing liberal leave, you have the option of using PTO or unpaid time. Employees on an unpaid status may qualify for income replacement benefits through local unemployment offices.
- I am working closely with my management team to implement an option for some employees to work remotely from home. Of course, the ship repair business requires most to be on-site, however, some employees could work remotely. Please communicate with your Supervisor if this option could work for your position.
- Due the high demand, the additional antibacterial hand sanitizers we ordered now have an estimated delivery date of Friday (3/20). Once received, our Facilities Department will deploy them throughout Ligon, Harper, Norfolk Naval Shipyard and Indian River Road locations. Additionally, hand washing stations have too long a backlog, so our Facilities and Production personnel are in the process of building these to deploy shortly as well.

GENERAL DYNAMICS

NASSCO-Norfolk

- As you know, we are currently executing a lot of work and have begun prioritizing the work on the ships. Rather than add to this workload, we have discussed with the Navy to delay the start of our next availability, the Leyte Gulf SRA, which is contracted to start next Monday (3/23). I believe it would benefit both the Navy and NASSCO-Norfolk to delay the start.
- The Federal guidelines for large group meetings or gatherings has changed. As a result, I have now directed that all locations follow the guideline and limit attendance to 10 or fewer people. I realize this is more difficult, but the experts tells us it's a good practice to follow. Please try the best you can to adhere to these guidelines, as well as the social distancing as much as practicable.
- I invite you to stay on top of the emails distributed by our HR team. If you miss one or two, the significant guidance can be found on our local portal or at www.nassco.com. Keep in mind there may be differences in the posted communications that are specific to San Diego.
- All Company travel has been suspended at all four NASSCO locations until further notice.

The work we do is critical in supporting our national defense and must continue through this crisis. The Assistant Secretary of the Navy sent guidance to all shipyards stating that we are a "critical infrastructure industry" and as such, must continue to provide support to the fleet the best we can.

Again, this is a rapidly changing situation and I will do everything I can in the best interest of our employees, the Company, and the country as we work through this crisis together. Lastly, I want to thank each of you for the proactive actions you are taking every day to care for yourselves, your families, and each other. This is an extremely stressful time. We need to continue to work together as a strong, OneNASSCO team.

Sincerely,


Kevin Terry
General Manager