



March 24, 2020

Subject: Ensuring Shipbuilding Supply Base Stability During COVID-19

Trusted Shipbuilding Partners:

On March 20, 2020, HII-NNS communicated that, per the president's coronavirus guidelines and Presidential Policy Directive/PPD-21, the shipbuilding industry has been deemed a "critical infrastructure industry." This means that, while following Centers for Disease Control and Prevention (CDC) guidance to protect its workforce, our industry also bears a special responsibility to maintain normal work schedules. HII-NNS and our Navy customer take this commitment seriously and are committed to helping maximize business stability for the critical shipbuilding supply base during the COVID-19 crisis.

As part of our commitment, HII-NNS is working closely with the Navy to explore options for minimizing business impacts to the supply base by increasing liquidity and/or providing other forms of financial assistance. HII-NNS requests that its supply base partners report emerging financial risks, resulting from COVID-19, which may cause immediate financial harm or otherwise negatively impact continuation of operations.

In the March 20 communication, HII-NNS requested notification of COVID-19-related impacts via submittal of a Supplier Impact Report (SIR). HII-NNS suppliers should use the "Broad Business Impacts" section of the SIR to communicate specific financial concerns along with a request for specific assistance that may significantly mitigate significant financial impacts and/or continuation of operations. HII-NNS will use the information provided in the SIR as part of its ongoing internal COVID-19 supply base risk assessment.

As a reminder, please also continue to communicate, via a SIR, specific purchase order line item changes in delivery date expectations to your buyer for any impending deliveries

The SIR template is included in this correspondence and is also attached as a stand-alone MS Excel file named "COVID-19 Supplier Impact Report.xlsx." Completed reports should be provided via email to [NNSSuppliernotification@hii-nns.com](mailto:NNSSuppliernotification@hii-nns.com). Please include your normal buyer POC on copy.

Nothing in this communication is intended to alter the terms and conditions of any Purchase Order you hold with HII-NNS.

Thank you for all you do for the shipbuilding industry and the nation.

Respectfully,

Bryan Caccavale  
Vice President, Supply Chain Management

**COVID-19 Supplier Impact Report**

Supplier Name:

|  |
|--|
|  |
|--|

Supplier Number:

|  |
|--|
|  |
|--|

Date Reported:

|  |
|--|
|  |
|--|

| Description of Impacts | Efforts Taken to Mitigate Impacts | Impacted Purchase Order Number | Impacted Purchase Order Item(s) / Line(s) | Current Delivery Dates | Revised Delivery Dates (based on latest estimates) |
|------------------------|-----------------------------------|--------------------------------|---|------------------------|--|
|                        |                                   |                                |   |                        |  |
|                        |                                   |                                |   |                        |  |
|                        |                                   |                                |   |                        |  |
|                        |                                   |                                |   |                        |  |
|                        |                                   |                                |   |                        |  |
|                        |                                   |                                |   |                        |  |
|                        |                                   |                                |   |                        |  |
|                        |                                   |                                |   |                        |  |
|                        |                                   |                                |   |                        |  |

|  |
|--|
| <b>Identify broad business impacts not covered above</b> |
|--|