



## **Bartlett Maritime Corporation**

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**Policy Document:** *HR-520*

**Revision:** *Initial Issue*

**Effective Date:** *March 28, 2023*

### **Corporate Succession Plan**

**Purpose:** The purpose of this **Corporate Succession Plan** is to both document the Corporation's controlling equity owner's **Ownership Continuity Plan and Commitment**, as well as to establish **Corporate Policy** regarding planning for succession within the Board of Directors and Senior Operating Management levels of Bartlett Maritime Corporation and all subsidiaries. This is an essential Corporate responsibility and function, particularly since the Corporation and its subsidiaries intend to enter into long-term (up to 30 years in duration) contracts with the US Government.

#### **Fundamental Underlying Principle:**

**People as Policy.** To achieve long-term success, the Corporation and its subsidiaries must successfully attract, recruit, hire, train, develop and retain a workforce which, at all levels, always reflects the Corporation's absolute commitment to excellence in results. Consistent with the **Continuous Process Improvement** element of the Corporation's **Accelerated Performance™ Production Optimization Program**, discussed in more detail herein and elsewhere, the Corporation's performance regarding its commitment to the fundamental underlying principle of **People as Policy** must be periodically reviewed, assessed, and further developed in execution to remain relevant and effective.

#### **Succession Plan Responsibility:**

The **Chief Executive Officer, President and Chief Human Resources Officer** will collaborate to review the Corporate Succession Plan on an annual basis, or when significant company changes occur. Normally this review will coincide with the Corporation's Annual Strategic Planning Process, conducted annually during the 3<sup>rd</sup> Calendar Quarter. The Annual Succession Plan update is to be completed and approved by operating management by August 31<sup>st</sup> of each year, ready for presentation to the Board of Directors for approval during the 3<sup>rd</sup> Quarter Board Meeting.

#### **Establishment and Changes to This Policy Document:**

This policy document, and any changes to it, require approval of the Bartlett Maritime Corporation **Board of Directors**. While this policy document is eligible for public release, as may be directed by the **Board**

**of Directors**, each Annual Succession Plan document, and all supporting documentation, contains sensitive Human Resources and company planning data and information and, as such, is **Company Private** and shall only be reviewable by Corporate Officers and those with an absolute need to know.

### **Ownership Continuity Plan and Commitment**

The controlling equity owner of Bartlett Maritime Corporation is CAPT Edward L. Bartlett, Jr.

While future compensation plans will include equity participation for senior operating executives, CAPT Bartlett intends to remain the controlling equity owner of Bartlett Maritime Corporation.

The Corporation's long-term objective is to remain a privately held corporation, controlled by the Bartlett family. CAPT Bartlett's wife, Ms. Lisa M. Bartlett, who is more than 10 years younger than CAPT Bartlett, is the Assistant Board Secretary and is a Member of the Board of Directors. Ms. Bartlett will inherit CAPT Bartlett's controlling equity ownership to eventually be succeeded equally by CAPT Bartlett's 5 children and then their children. CAPT Bartlett currently has 5 grandchildren, with additional grandchildren possible/likely.

*The Corporation notes that CAPT Bartlett's youngest child, who will be eligible to succeed Ms. Bartlett and/or a sibling and serve as Chairman (see the preferential qualifications to serve as Chairman at 6.b below), will not reach retirement age until more than a decade after the full maturity of long term (30-year length) US Government contracts entered into within the next 5 years.*

While the long-term plan is for Bartlett Maritime Corporation to remain a family-controlled privately held company, the Corporation may elect at a future date to pursue public equity listing to facilitate future growth. While this is possible, the Corporation's currently approved Strategic Plan does not include such a public equity listing plan.

*Consistent with the fundamental objective of the founding of Bartlett Maritime Corporation there is no short or long term plan to sell the company to any different ownership group/entity.*

### **Near Term Leadership Continuity Commitment:**

Current Senior Leadership at all Levels is committed to remaining at least through the successful startup of the Component Repair Center.

### **Corporate Succession Planning Policy:**

#### **1. Succession Planning as an Element of Establishing, Developing, and Sustaining the Appropriate Corporate Culture for Bartlett Maritime Corporation and its Subsidiaries.**

As an essential element of the US Navy nuclear powered ship and submarine construction and maintenance industrial base, establishing, developing, and sustaining an appropriate Corporate Culture is fundamental to both mission and business success.

The nuclear powered ships and submarines supported by the Corporation and its subsidiaries are the most technical platforms in the world. Excellence, in all of its aspects, is required to ensure the safe operation of these ships and submarines, and the safety of their crews. This necessitates a focus on and a complete commitment by all personnel, starting at the top and including every single employee, to both safety and absolute quality and a strict adherence to procedural compliance and other technical product and process requirements. In other words, an absolute performance-based commitment to excellence in results.

Bartlett Maritime Corporation (BMC) has codified this approach to Corporate Culture in its **Accelerated Performance™ Production Optimization Program**. The eight elements of the BMC **Accelerated Performance™ Production Optimization Program** include *Customer Buy-in, Continuous Process Improvement, Capital Investment, Six Sigma Quality, Workforce Ownership, Lean Manufacturing Principles, Aggressive Training* and *Process Assessments*. These eight elements, together the Corporation's **Accelerated Performance™ Production Optimization Program**, drive both excellence and growth, supporting long term enterprise success.

Implicit in the definition of Corporate Culture described above, and explicitly stated here to erase any doubt, is an absolute commitment to both business and personal integrity at every level of the Corporation. As such, the maintenance of this business and personal integrity standard is an individual responsibility of every single employee.

It is the policy of the Corporation that a key criterion for assessment when considering candidates for designation for future position assignment as an element of the Annual Succession Plan will be the candidate's demonstrated leadership in their current position in the unending process of establishing, developing, and sustaining the appropriate Corporate Culture.

## **2. Equal Opportunity Policy.**

With the Corporation's absolute commitment to excellence in all aspects of the operation of the Corporation and its subsidiaries, Bartlett Maritime Corporation, by the very nature of its Corporate Mission, is a performance-based organization. The safe and reliable operation of US Navy nuclear powered ships and submarines which are serviced and supported by the Corporation fundamentally requires this performance-based absolute commitment to excellence in results.

History has repeatedly demonstrated that this performance-based absolute commitment to excellence in results is best achieved by ensuring that hiring and retention practices draw from all sectors of the available talent pool to achieve the most highly qualified, motivated and completely committed workforce possible which brings a diversity of experience, background and outlook.

What matters at Bartlett Maritime Corporation is an individual's ability to satisfy their bona-fide occupational qualification requirements, sharply focused on properly executing the work task-at-hand, and successfully focused on building and participating in a performance-driven team camaraderie. We embrace this performance-based absolute commitment to excellence in results while valuing each person's right to thrive as an individual.

Finally, we take great pride in our work, and in the nuclear powered ships and submarines in the US Navy fleet which we support. At the bottom line, it truly is *"all about the ships"*.

This equal opportunity driven, performance-based absolute commitment to excellence in results perspective will be reflected in all succession planning and employee development considerations and actions by the Corporation and its subsidiaries.

## **3. Policy to Focus on Long-Term Business Continuity of Leadership.**

Acting within all applicable State and Federal laws and regulations in the locations where the company operates, it is the policy of the Corporation to seek to achieve long-term business continuity of leadership through an awareness of the ideal of a fully qualified, appropriately experienced multi-generational leadership team.

At the time of initial issue of this Policy document it is recognized that the Corporation skews to a more experienced leadership team, as is appropriate for a start-up in this challenging, highly technical industry. This is particularly beneficial for the Corporation, both at this stage of development and within the context of the current

nuclear powered ship and submarine industrial base challenges for several reasons:

- a. Many members of the Bartlett leadership team are some of the only leaders still involved in this industry who have actual experience with the submarine industrial base when it was last at its peak. **This hands-on experience is critical to regrowing the industrial base rapidly.**
- b. This **hands-on experience from the last period of peak volume is largely absent from the current Navy and industry leadership** teams at NAVSEA, PEOs and within major industrial base company leadership. Most of these current leaders (outside the Bartlett Maritime Corporation leadership team) have not experienced the nuclear powered ship and submarine industrial base, including both the public and private shipyards, operating at full capacity in the 1980s or the actions taken as part of downsizing capacity at the end of the first Cold War which now must be rebuilt.
- c. Current Corporation leadership traces its own development to their own industry mentors, many of whom had the personal experience of the original accelerated nuclear powered submarine program which successfully put nuclear power to sea onboard USS *Nautilus* (SSN 571) in only 7 years, as opposed to the 15 year schedule prediction of J. Robert Oppenheimer, who led The Manhattan Project to rapidly develop the first nuclear weapon during World War 2. In addition, these original mentors of current Corporation leadership were personally involved in the very successful effort which delivered 65 new submarines into commissioned service – including all 41 submarines of the first generation of SSBNs – in less than 8 years during the 1960s.
- d. This successful program history of being able to deliver urgent requirements on an accelerated schedule, impressed on current Corporation leadership by their mentors, resulted in those senior members of the Corporation’s leadership team being able to rapidly shift from Seawolf Class detailed design and construction to successfully both develop and deliver Virginia Class on an accelerated schedule during the tumultuous post-first Cold War period for the industry.
- e. This experience and personal history of current Corporation leadership in delivering on challenging, urgent production schedules is, in fact, inherent in the naming of the Corporation’s production optimization program as the **Accelerated Performance™ Production Optimization Program.**

- f. **Key members of the current Bartlett Maritime leadership team actually participated in the decision process which produced the current nuclear powered ship and submarine industrial base configuration, and deeply understand the various tradeoffs which were made.**
- g. While it is obvious that the current Bartlett Maritime Corporation senior leadership team will have all retired by the end of the anticipated 30-year contracts, there is time to grow and develop the next generation of leaders, and to ensure that the next generation of leaders are both well developed and completely prepared to lead this important work. **This provides a significant advantage for both the Corporation and its customers as the Corporation's initial, highly experienced leadership team acts as experienced, hands-on mentors of the next generation of industry leaders, just as those who successfully developed Nautilus in the first place mentored the Corporation's current leadership.**
- h. The Corporation recognizes that **what is needed most urgently in our industry to fully support the nuclear powered ship and submarine industrial base right now is leadership which knows "what needs to be done" to exponentially accelerate the pace of improvement and which has the wisdom and knowledge to successfully deliver the required results on an accelerated schedule.** Over the next several years there will be a continual focus by the Corporation's leadership team on building the next generation of leaders for our industry.

In support of the discussion above concerning building the next generation of industry leaders, it is noted that seven of the Corporation's current leadership team members are approximately a decade or more younger than the Corporation's current **Chairman & CEO** and **President & COO**. These seven leadership team members have undergraduate college graduation dates of 1983, 1984, 1985, 1986, 1990, 1993 and 1994. As such, **the Corporation does already include a multi-generational leadership team to ensure an effective succession plan.**

#### **4. Corporate Officer and Non-Officer Key Leader Candidate Identification Policy.**

It shall be the responsibility of all Corporate Officers and non-Officer Key Leaders, at all levels, to develop and maintain a personal, robust network of external contacts. This personal network of external contacts should range from high potential college students to experienced executives. This will facilitate consideration of members of these networks of external contacts as candidates for either

immediate assignment or development for future assignment to leadership positions within the Corporation.

#### **5. Candidate Development Policy.**

The Corporation will develop and maintain, as a matter of course, a robust multi-level training and education program. This will range from basic skills training for skilled trades personnel to advanced skills training for skilled trades personnel and will include an executive education program.

As an element of the advanced skills training program for skilled trades personnel, the Corporation will identify high potential skilled trades personnel for consideration to be sponsored for associate degree programs.

As an element of the executive education program, the Corporation will identify high potential skilled trades personnel for consideration to be sponsored for undergraduate or other leadership and/or advanced education.

As another element of the executive education program, the corporation will identify high potential personnel who have completed their undergraduate education for consideration to be sponsored for various post-graduate or other professional development education programs. These post-graduate or other professional development education programs will range from various professional certification programs to master's degree and/or MBA programs, to non-degree executive education programs, all conducted either at Corporate locations or at appropriate educational institutions.

These various training and education programs will all be conducted to provide appropriately trained and qualified operating and executive personnel and to contribute to the development of high potential candidates for future assignment to senior operating and/or executive positions.

#### **6. Board of Directors Succession Plan.**

- a. The **Chairman of the Board**, currently CAPT Bartlett, will be designated by the controlling equity owner and will preferentially be the controlling equity owner.
- b. Once controlling equity ownership transfers to CAPT Bartlett's children, the **Chairman of the Board** will be selected by the Bartlett Family equity owners, preferentially from Bartlett Family equity owners who have earned a minimum of an undergraduate degree and who have previously held operating company or banking industry leadership and/or management positions.

Multiple of CAPT Bartlett's children currently meet these preferred qualification requirement and/or are on-track to meet these preferred qualification requirements within the anticipated timeframe when they may become eligible for such position.

- c. Annually, as an element of the annual Corporate Succession Plan process, the **Chief Executive Officer** will present the **Board of Directors** a prioritized listing of potential candidates for future **Board of Directors** positions. Since all **Board of Director** positions are elected to one-year terms at each Annual Meeting of the Corporation's shareholders, held coincident with the 1<sup>st</sup> Quarter Board of Directors meeting, developing this prioritized listing of potential candidates for future **Board of Directors** positions on this annual cadence will facilitate proper vetting of potential **Board of Director** candidates.

## 7. Operating Executive Succession Plan.

- a. The **Chief Executive Officer** will be selected by the **Board of Directors** only from those candidates who have executive experience either in the Corporation or within the industry (to include appropriately experienced former senior Naval Officers or US Government Senior Executive Service Officers). While CAPT Bartlett currently serves both a **Chairman** and **Chief Executive Officer** and has the requisite experience and qualifications for both positions, it is expected that CAPT Bartlett's successors as **Chairman** will not all concurrently serve as **Chief Executive Officer**.
- b. The **President** of the Corporation will be selected by the **Chief Executive Officer**, and as for all **Officer** positions, be approved by the **Board of Directors**, only from qualified candidates who are former senior Naval Officers, US Government Senior Executive Service Officers, or Industry Executives – all with appropriate prior education and experience.
- c. The **Annual Succession Plan** will include:
  - i. An updated listing of all Corporate and subsidiary Officer and non-Officer Key Leadership positions to be addressed in the Succession Plan.
  - ii. Recommendations by the **President** and **Chief Human Resources Officer**, to be approved by the **Chief Executive Officer**, of candidates for each plan position who are "ready now", "ready in 1-3 years" or "ready in 3-5 years".
- d. Preference for all operating leadership succession assignments will be given to proven internally developed candidates. Where



proven internally developed candidates are not ready for a future assignment, consideration shall be given to recruiting and hiring future senior operating leadership candidates, with interim development assignments intended to prepare future candidates for these key leadership positions.

- e. External candidates can be recruited and directly assigned to open Officer and/or non-Officer Key Positions in the event that internal candidates are judged to not be ready for such assignments.

**8. Process and Policy Whenever an Officer or Non-Officer Key Leader Position is Vacated.**

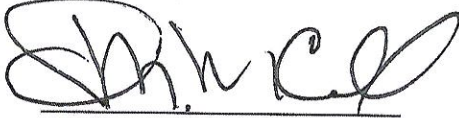
It is the policy of the Corporation that whenever an Officer or non-Officer Key Leader position is vacated within the Corporation or its subsidiaries, that the executive to whom this position reports should first consider the most recently completed Annual Succession Plan during the hiring and promotion process.

This initial consideration of the most recently completed Annual Succession Plan will not, however, override the Corporation's established Human Resources hiring and promotion policies and procedures. As an equal opportunity employer which is committed to establishing and maintaining the most qualified and capable workforce at every level, in compliance with all applicable laws and State and Federal regulations in the locations where the corporation operates, these requirements take precedence over the Annual Succession Plan.

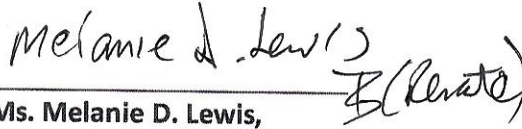
As suggested by the 2 sub-paragraphs immediately above, **Corporate Succession Planning Policy**, as delineated in paragraphs 1 – 8 of this document, is not that the absolute choice for each Officer and non-Officer Key Leader position within the Corporation and its subsidiaries is determined in the annual succession planning exercise. The Annual Succession Planning exercise must, rather, be viewed as a routine, periodic assessment of the robustness of the Corporation's overall leadership team and as an opportunity to identify high potential employees with potential to fill such essential roles so that these high potential future leaders and future senior leaders are provided the appropriate development assignments and opportunities. That such individuals are given first consideration for such advancement opportunities is a natural consequence of the investments made in such individuals, but, as noted above, is not an absolute commitment to assignment or advancement.

The Corporation's **Chief Human Resources Officer** should be consulted via the chain of command with any questions or concerns related to this requirement.

**Submitted:**



**CAPT David McCall, USN(Ret)**  
**President & COO**



**Ms. Melanie D. Lewis,**  
**Chief Human Resources Officer**



**Approved by the Board of Directors:**



**CAPT Edward L. Bartlett, Jr.**  
**Chairman**



**Ms. Lisa M. Bartlett**  
**Assistant Board Secretary & Board Member**