

THE SEASSPAN SHIPYARDS

REPORT

President's Message

When Seaspan won the opportunity to build ships for Canada under the National Shipbuilding Procurement Strategy in 2011, there were 60 office staff and 120 tradesmen and women working at Vancouver Shipyard (VSY). Today, over 400 professional engineers, project planners, controllers and managers, supply chain experts and staff support 750 tradespeople as we manage four concurrent shipbuilding programs. We have grown exponentially over the past five years and I recently announced changes to the VSY organizational structure and senior management to keep pace with the program's evolution.

A key component of this included establishing a single point of accountability for VSY's overall performance. As such, a new role of Senior Vice President and General Manager – VSY was created. Following the recruitment process, we found the successful candidate at Seaspan. Effective March 1, **Paul Thomas** has been promoted from Vice President, Engineering – VSY to this newly created position. With Paul's promotion to SVP and GM – VSY, Paul is pleased to announce the promotion of **John Petticrew** to Vice President, Engineering – VSY. John has over 42 years of shipbuilding experience, spanning three different continents. He came

to VSY in November 2016 as Director of Engineering. Additionally, **John Lyle** has been appointed to Vice President, Operations - VSY while **Andrew Hale**, currently Director of the Joint Support Ship program is now Vice President of NSS program delivery.

I am confident these changes to our management structure will enable our maturing organization to reach its full stride in 2017.

Please let us know if you have any questions or comments on our work, or on the contents of this newsletter by e-mailing **Tim Page**, Vice President – Government Relations, Seaspan Shipyards directly at: tpage@seaspan.com.

Sincerely,

Brian Carter

President, Seaspan Shipyards

Visit by Minister LeBlanc and Coast Guard Commissioner Thomas

Seaspan welcomed federal Fisheries, Oceans and Coast Guard Minister LeBlanc and Coast Guard Commissioner Thomas to Vancouver Shipyards on

February 16 to discuss progress on the National Shipbuilding Strategy (NSS) with senior management, tour our world-class facility with management and tradesmen and women, and participate in a unique keel laying ceremony for Offshore Fisheries Science Vessel (OFSV) #2. In congratulating Seaspan on its NSS progress, the Minister also made a point to emphasize the Prime Minister's support for the program, his Government's support for the Coast Guard's important mission and Seaspan's role in building the Coast Guard's next generation of vessels.

Visits by Ministers Foote and Sajjan

The Government of Canada made two important NSS announcements at VSY on February 28 by Public Services and Procurement Canada Minister Foote and Defence Minister Sajjan. The first was recognition by Minister Foote that the third and final OFSV is under construction.

The second was a public confirmation of the \$230 million Design and Production Engineering contract award for the Joint Support Ship. In welcoming



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the Ministers and their announcements, Seaspan Shipyards President **Brian Carter** said: "Today's announcements are the latest examples of the National Shipbuilding Strategy delivering tangible results for Canada. Seaspan works hard every day, with an increasing number of domestic suppliers across the country, to build ships for Canada and jobs for Canadians. This is an important step towards bringing the Joint Support Ship to life. The impacts of the design, engineering and planning efforts will be felt for years to come at Seaspan. The NSS has enabled us to continue our growth as a West Coast centre of excellence in shipbuilding and ship repair, with all the benefits that come along with it."



Seaspan's Victoria Shipyards Continues to Excel on Naval Repair Work

Seaspan's Victoria Shipyards (VSL) enjoys a long-standing record of excellence in the repair, maintenance and upgrading of Canada's naval fleets. Our work continues on HMCS Regina and HMCS Corner Brook, part of Canada's submarine fleet, as VSL prepares to receive the first of two New Zealand frigates off the back of the quality and timeliness of the work performed for the Canadian Navy's Halifax Class Frigates.

Socio-Economic Benefits Growing Across Canada from the National Shipbuilding Strategy

There is a good deal of focus in the public domain on the progress being made to build ships for the Coast Guard and Canadian Navy through the NSS. There is less attention being given to the positive socio-economic benefits that are resulting from the Government's decision to build ships in

Canada by Canadians. Through Seaspan's involvement in the program in 2016 alone, we executed \$184 million in new supplier contracts, 93% of which were awarded to 142 Canadian businesses, and 87% of which went to small and medium sized enterprises across the country. We continue to invest directly and indirectly in creating shipbuilding journeymen and women in the key trades that define the future of our industry and today we have 57 apprentices, 30% of which are of aboriginal decent and/or female. We are living the dream thanks to the NSS as are an increasing number of Canadians across the country.

Oceans Protection Plan and the Coast Guard's Request for Information

Late last year, the Liberal government announced a multi-billion dollar Oceans Protection Plan. Less than two weeks later, it released a request for information from the Canadian Coast Guard for emergency towing and response capability and for interim icebreaking. As a leading provider of integrated marine services operating on Canada's west coast for over 130 years, Seaspan Marine has notified Canada of its interest in the emergency towing and response opportunity. VSY is considering how it can best support Canada's interest in interim icebreaking capability consistent with its responsibilities to the Coast Guard under the NSS.



Seaspan ULC CEO Jonathan Whitworth Speaks at the Canadian Club in Ottawa

On February 14, Seaspan CEO **Jonathan Whitworth** toasted Canada's 150th Birthday in a Valentine Day's speech to the Canadian Club in Ottawa. His speech celebrated Canada's maritime tradition and the Coast Guard's important role on the west coast - past, present and future – in an ever changing and increasing complex maritime domain. His remarks underscored the vision and importance of the NSS to recapitalize the Coast Guard with the vessels it needs to support Canada's maritime ambitions in the 21st Century and the resulting socio-economic benefits that are being realized across the country as a consequence of Seaspan's role as Canada's strategic, long term supplier of non-combat vessels.