[Employee Name]

[Employee Address]

[City, State, ZIP Code]

Dear [Employee Name],

**RE: Cancellation of Employee Stock Ownership Plan (ESOP) Agreement**

I hope this letter finds you well. I am writing to inform you about the cancellation of the Employee Stock Ownership Plan (ESOP) Agreement that you have been participating in. Unfortunately, due to [provide a brief explanation for the cancellation], we have made the difficult decision to terminate the ESOP program effective [termination date].

We understand that this news may come as a disappointment to you, as the ESOP program provided an opportunity for employees to own shares of the company. Please be assured that this decision was not made lightly, and it was necessary for [reason for termination, such as financial constraints or company restructuring].

As a result of the termination of the ESOP program, the following actions will be taken:

Your participation in the ESOP program will be canceled effective [termination date].

Any existing shares that you have acquired through the ESOP program will be forfeited, and ownership rights associated with those shares will cease.

The value of your forfeited shares will be returned to you as per the terms and conditions outlined in the ESOP agreement. You can expect to receive this payment within [timeframe for payment, e.g., 30 days] from the termination date.

We understand that this change may have financial implications for you, and we encourage you to seek advice from a financial advisor to understand the impact on your personal finances. Additionally, our HR department will be available to address any questions or concerns you may have regarding the cancellation of the ESOP program.

We sincerely regret any inconvenience this may cause and appreciate your understanding during this challenging time. We value your contribution as an employee and remain committed to supporting you in your professional growth within the company.

If you have any questions or require further information, please do not hesitate to contact our HR department at [HR contact information].

Thank you for your understanding.

Sincerely,

[Your Name]

[Your Position]

[Company Name]