

## **Appendix A**

### **Inter-Office Memorandum**

**To: All Employees of Pharma Co.**

**From: Gregory Seagate, Director, Human Resources**

**\*\*For internal distribution only\*\***

December 27, 20X1

Today, the leaders of Pharma Co. have determined to discontinue the research and development of our line of Live4mor pharmaceuticals, which was initially publicized as the company's response to the marketplace demand for more drugs embodying the latest in anti-aging pharmaceutical technologies.

As a result of management's decision to eliminate its activities pertaining to the Liv4mor line of pharmaceuticals, we will be implementing a one-time, nonvoluntary termination plan to reduce our workforce. Although management has not yet identified which employees will be terminated, the current restructuring plan involves a reduction of approximately 120 to 125 engineering, facility management, and operational management employees of the 140 employees that currently work at the Plant A facility in Bellevue, Oklahoma, which represents 10 percent of our total workforce. To support our employees during this difficult time, the Company will be offering a one-time termination benefit to employees, consisting of 10 weeks' pay in addition to our historical practice of providing two weeks' pay to employees involuntarily terminated for nonperformance-related reasons, for a total benefit of 12 weeks' pay. Receipt of the one-time termination benefit is contingent on continued service through the date the Company closes the facility. The workforce reduction is expected to be completed by January 31, 20X2.

Our president and chief executive officer, Scott B. Streaser, made the following remarks this morning: "The restructuring plan that we are announcing today is a painful but unavoidable action given the change in the company's priorities and the competition in the marketplace. While we are still a financially strong company, the restructuring plan will better prepare us for the future. Decisions will be communicated as soon as possible. In the meantime, please feel free to contact me with any questions or concerns."

Gregory

## **Appendix B**

### **Press Release**

#### **Pharma Co. Announces Early Lease Termination**

**Tulsa, OK, December 29, 20X1** — Pharma Co., a leading pharmaceutical developer, today announced its plan to terminate the lease on its Plant A facility located in Bellevue, Oklahoma, as part of its management restructuring and cost-cutting measures. Earlier today, Pharma Co. entered into an oral agreement with the lessor to terminate the lease. The lease termination fee is \$1.3 million.

The lease agreement was originally entered into in February 2006 and stipulated that Pharma Co. would occupy 100 percent of a 146,300-square-foot building in Bellevue for a term of 10 years.

Pharma Co. plans to vacate the Plant A facility on January 31, 20X2, at which time it will sign the lease termination agreement.