

[Company Name]
[Company Address]
[City, State, Zip Code]
[Date]

Subject: Notification of Adoption of Shareholder Rights Plan

Dear Shareholder,

The Board of Directors of [Company Name] (the "Company") is writing to inform you that it has formally adopted a Shareholder Rights Plan (the "Plan").

Purpose of the Plan

The primary objective of the Plan is to protect the long-term interests of the Company and its shareholders. It is designed to ensure that all shareholders receive fair and equal treatment in the event of any unsolicited attempt to acquire a controlling interest in the Company. The Plan aims to reduce the likelihood of coercive takeover tactics and to provide the Board with sufficient time to evaluate any proposals and explore alternatives that maximize shareholder value.

How the Plan Works

Under the Plan, the Board has authorized the issuance of one preferred stock purchase right (a "Right") for each outstanding share of common stock held by shareholders of record as of [Record Date].

- Initially, these Rights are not exercisable and will trade automatically with the shares of common stock.
- The Rights will become exercisable only if a person or group acquires beneficial ownership of [Percentage, e.g., 10% or 15%] or more of the Company's outstanding common stock without Board approval.
- If triggered, the Plan allows shareholders (other than the acquiring person or group) to purchase additional shares of the Company at a significant discount, thereby diluting the ownership interest of the acquiring party.

Impact on Shareholders

The adoption of the Plan is not intended to prevent a fair and market-valued merger or acquisition. It does not change the financial reporting of the Company, nor does it have any immediate tax consequences for shareholders. No action is required from you at this time to receive or exercise these Rights.

Further Information

A Summary of the Rights Plan and the complete Rights Agreement will be filed with the Securities and Exchange Commission (SEC) and will be available on the Company's investor relations website at [Website URL].

The Board remains committed to acting in the best interests of the Company and all its shareholders.

Sincerely,

[Signature]

[Name of Board Representative/Chairman]

[Title]

[Company Name]