

DATE: [Insert Date]

TO: Board of Directors, [Company Name]

FROM: [Advisory Firm/Legal Counsel Name]

SUBJECT: Strategic Advisory: Redemption of Shareholder Rights Plan

Dear Members of the Board,

This letter provides a formal recommendation regarding the potential redemption of the Shareholder Rights Plan (the "Poison Pill") currently maintained by [Company Name].

1. Executive Summary

Based on recent market shifts and [Current Hostile Bidder/Acquisition Interest], we advise the Board to evaluate the redemption of the existing Rights Plan. This action is intended to facilitate [Strategic Merger/Negotiated Sale/Capital Restructuring] while ensuring fiduciary duties to shareholders are met.

2. Terms of Redemption

Under the terms of the Rights Agreement dated [Date], the Board has the authority to redeem the Rights in their entirety at a price of \$[Amount] per Right. We recommend the redemption be made effective as of [Date/Event].

3. Strategic Justification

The primary objectives for this redemption strategy include:

- Removal of structural barriers to a superior acquisition proposal.
- Alignment with corporate governance best practices and shareholder proxy advisor recommendations.
- Facilitating the closing of the [Project Name] transaction.

4. Recommended Timeline

- Board Resolution Approval: [Date]
- Public Announcement (Form 8-K Filing): [Date]
- Payment of Redemption Price to Shareholders: [Date]

5. Conclusion

Redeeming the Poison Pill at this juncture serves to maximize shareholder value by allowing for a fair and competitive bidding process. We are prepared to discuss the legal and financial implications of this strategy at your earliest convenience.

Sincerely,

[Signature]

[Name of Lead Advisor]

[Title]

[Firm Name]