

From: Kelly, Peter
Sent: Tuesday, March 31, 2020 5:19 PM
To:

Subject: National Pen Tennessee

Dear Colleagues,

Following on from last Friday's global business update, we have continued to monitor the impact of Covid-19 as further restrictive measures are imposed by governments around the world. National Pen has been heavily impacted by the global crisis with revenues dropping by as much as 80%. The spread of the virus has severely impacted our short-term financial performance, and has also imposed significant risk to the future of the business if we do not take urgent action now. We anticipate that the ramifications of Covid-19 will continue for a number of months resulting in a substantial reduction in our overall business size.

We are continuously assessing all areas of the global business and have already made many changes to provide greater protection to our organization in the long-term. In line with this, we have conducted a review of operations in Shelbyville. Due to the significant reduction in demand in the US and Canada, we need to make further significant adjustments to the processes in Tennessee.

I regret to inform you that the following areas will be impacted by these adjustments:

Contact Center

- A new CRM Lead Team will be created consisting of 20 existing employees. This team consisting largely of high performing account managers will manage our top long-term customer accounts in the future
- All remaining CRM positions and TA positions will be transitioned to our Montego Bay facility over the coming 8 weeks with these roles being terminated in Shelbyville with effect from April 1st 2020
- As part of this transition to Montego Bay, the following Contact Center functions and teams will also fully transition between now and June 26th:
 - The Quality Team
 - The Administration Support Team
 - The Vendor Team
 - The Graphics Team
 - The Atlas Customer Care Team

- The Training Team
- The Contact Center Management Team
- There will be no impact on the Business Intelligence or Mail Room teams
- Consultations with all affected groups will commence immediately

Production

A decision has also been taken to transition some of our manufacturing processes from Tennessee to our factory in Tijuana Mexico, and this decision will regrettably impact some team members at our Shelbyville Production Facility. The transition will likely be executed within the timeframe of April 24th - June 15th 2020. The areas impacted by this decision are the following:

- Drinkware (Silkscreen single, full color & ceramic mug)
- Flatbed Deco (Deco Flats & casino pencils)
- Inkjet Pencil

We have always valued the contributions of all Shelbyville team members. The decision to implement restructure plans is a regrettable and unfortunate consequence of the current global crisis.

HR will be providing all necessary support and assistance to those impacted by today's announcements.

Management and HR are available should you have any questions.

Sincerely,

Peter

Peter Kelly

President & Chief Executive Officer

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