

TO: Astral Vehicles Inc. Factory Managers

FROM: Celine Marshall, CEO of Astral Vehicles Inc.

DATE: XX

SUBJECT: Update on Auto Production Factories

I am writing to update you on the status of our auto production factories. Effective October 23, 2021, we will temporarily shut down ten of these facilities.

As you are aware, the COVID-19 pandemic decreased the demand for auto-grade computer chips, slowing the growth of the automobile industry. In these unprecedented times, we have done our best to predict and adapt to rapidly changing situations. Despite our continued efforts to reduce costs and increase sales, our Q3 fiscal targets remain unmet. Moving forward, we will be closing ten production factories until further notice.

Because the re-opening period for these plants remains undetermined, all non-essential employees must be laid off—I will privately provide each of you with a list of names later today. Timely communication and transparent decisions have always been core values of Astral Vehicles Inc. and this situation is no exception: employees will receive thirty days to evacuate all personal belongings from their worksite. In spite of the advance notice, we understand that layoffs can be frustrating or alarming. As staff well-being is our utmost priority, we have implemented several support resources including on-site mental health facilities.

You, the factory managers, are entrusted with the difficult task of informing your employees about our upcoming plans. Please read the attached documents no later than September 21, 2021 in order to prepare for this responsibility. On September 23, 2021, meet with each departing employee privately to discuss the layoff conditions, sign the Severance Agreement jointly, and respond to any questions the employee may have. During these meetings, adhere to the information outlined in “Appendix A: Layoff Script” from the company’s Termination of Employment Policy. Remember to emphasize that the layoff is not personal, but rather a response to the company’s current financial situation. In addition to demonstrating empathy, honesty, and patience, ensure that all employees know how to access the resources and support available to them. At the end of the meeting, provide the employee with their official Notice of Layoff and encourage them to read through the information at their earliest convenience.

Thank you for your cooperation. If you have any questions, please direct them to hr@astral.com.

Attachments: Astral Vehicles Inc. Termination of Employment Policy; Notice of Layoff; Employee Severance Agreement