

LETTERHEAD

February 25, 2016

Name
Address
Dear (Name),

RE: SECURITY INCIDENT - IMMEDIATE ACTION REQUIRED

At Pharm-Olam International (the “Company”) we value you and respect the privacy of your information, which is why, as a precautionary measure, we are writing to let you know about a data security incident that involved the inadvertent disclosure of your personal information, **including your name and Social Security number**. We take the security of your personal information very seriously, and sincerely apologize for any inconvenience this incident may cause. This letter contains information about steps you can take to protect your information, and resources available to help you.

On February 23, 2016, due to a security incident, your 2015 W-2 form was disclosed to an unauthorized recipient. The W-2 form includes your name, address, Social Security number, and 2015 wage information. This incident is being internally investigated. We also immediately notified law enforcement and appropriate authorities/entities, and are cooperating with their concurrent investigation.

The Company deeply regrets that this incident occurred. As an added safeguard and in order to facilitate credit monitoring and identity theft prevention service, we have arranged for IDT911 to provide you with identity protection services for 12 months at no cost to you. Information on enrollment in this program is listed under **STEP 1** in the Instructions below.

We highly encourage you take to following steps:

1. Regularly review your credit report, and bank and credit card statements.
2. Obtain and carefully review your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report online at www.annualcreditreport.com, by calling toll-free 1-877-322-8228, or by mailing an Annual Credit Report Request Form (available at www.annualcreditreport.com) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA, 30348-5281. In addition, you may also purchase a copy of your credit report by contacting one or more of the three national credit reporting agencies listed below :
 - Equifax: 1-800-685-1111, www.equifax.com
 - Experian: 1-888-397-3742, www.experian.com
 - TransUnion: 1-800-888-4213, www.transunion.com
3. Promptly notify your local law enforcement authorities, and possibly the Federal Trade Commission Consumer Protection Division, if you note any suspicious activity, or suspected identity theft.
4. Consider placing fraud alerts or a credit freeze on your credit report(s). There are two types of fraud alerts: an initial alert and an extended alert. See Instructions below for more information.
5. Consider filing IRS form 14039 informing the IRS of the security incident.
6. Some states offer additional consumer protection services and information. Specific information as it applies to your state may be listed in the following steps.

We sincerely regret any inconvenience or concern that this matter may cause you, and remain dedicated to protecting your information. Isabelle Trevidic (Senior Director, Global HR) and Natalie Gassen (Chief Financial Officer) are available to discuss any of your questions regarding this matter.

Isabelle Trevidic may be reached at (713) 559-5964 (Voip:11964) isabelle.trevidic@pharm-olam.com
Natalie Gassen may be reached at (713) 559-7981 (Voip:11181) natalie.gassen@pharm-olam.com

Again, the instructions are detailed below. Please take immediate action to ensure the protection of your information.

Sincerely,
Natalie Gassen
Chief Financial Officer

INSTRUCTIONS

STEP 1: **Enrolling with Vendor:**

We are providing you with access to **Triple Bureau Credit Monitoring and Triple Bureau Credit Report*** services at no charge. These services provide you with alerts for twelve months from the date of enrollment when changes occur to any of one of your Experian, Equifax or TransUnion credit files. This notification is sent to you the same day that the change or update takes place with the bureau. In the unlikely event that you notice any suspicious activity we are also providing you with full access to fraud resolution experts. This resolution service will last for a full year. These services will be provided by **IDT911**, a company that specializes in identity theft education and resolution.

How do I enroll for the free services?

To enroll in **Credit Monitoring*** services at no charge, please log on to **https://www.myidmanager.com/promo_code.html** and follow the instructions provided. **When prompted please provide the unique code, which will be provided separately, to receive services.**

To take advantage of the **IDT911** services, or to obtain additional information about these services, **please call the IDT911 help line 1-800-405-6108** and supply the fraud specialist with your unique code.

What can I do on my own to address this situation?

If you choose not to use these services, **we are strongly urging you to follow the steps listed below.**

* Services marked with an “*” require an internet connection and e-mail account and may not be available to minors under the age of 18 years of age. Please note that when signing up for monitoring services, you may be asked to verify personal information for your own protection and in order to confirm your identity.

STEP 2: **Information about Identity Theft Prevention**

We recommend that you regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report online at www.annualcreditreport.com, by calling toll-free 1-877-322-8228, or by mailing an Annual Credit Report Request Form (available at www.annualcreditreport.com) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA, 30348-5281. You may also purchase a copy of your credit report by contacting one or more of the three national **credit reporting agencies** listed below.

Equifax: P.O. Box 740241, Atlanta, Georgia 30374-0241, 1-800-685-1111, www.equifax.com
Experian: P.O. Box 9532, Allen, TX 75013, 1-888-397-3742, www.experian.com
TransUnion: P.O. Box 1000, Chester, PA 19022, 1-800-888-4213, www.transunion.com

When you receive your credit reports, review them carefully. Look for accounts or creditor inquiries that you did not initiate or do not recognize. Look for information, such as home address and Social Security number, that is not accurate. If you see anything you do not understand, call the credit reporting agency at the telephone number on the report.

STEP 3:
Information about Identity Theft Prevention

We recommend you remain vigilant with respect to reviewing your account statements and credit reports, and promptly report any suspicious activity or suspected identity theft to us and to the proper law enforcement authorities, including local law enforcement, your state's attorney general and/or the Federal Trade Commission ("FTC"). You may contact the FTC or your state's regulatory authority to obtain additional information about avoiding identity theft.

Federal Trade Commission, Consumer Response Center
600 Pennsylvania Avenue, NW, Washington, DC 20580, 1-877-IDTHEFT (438-4338),
www.ftc.gov/idtheft

For residents of Massachusetts: You also have the right to obtain a police report.

For residents of North Carolina: You may also obtain information about preventing and avoiding identity theft from the North Carolina Attorney General's Office:

North Carolina Attorney General's Office, Consumer Protection Division
9001 Mail Service Center, Raleigh, NC 27699-9001, 1-877-5-NO-SCAM, www.ncdoj.gov

STEP 4:
Placing a Fraud Alert or a Credit Freeze

Fraud Alerts: There are also two types of fraud alerts that you can place on your credit report to put your creditors on notice that you may be a victim of fraud: an initial alert and an extended alert. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An initial fraud alert stays on your credit report for at least 90 days. You may have an extended alert placed on your credit report if you have already been a victim of identity theft with the appropriate documentary proof. An extended fraud alert stays on your credit report for seven years. You can place a fraud alert on your credit report by calling the toll-free fraud number of any of the three national credit reporting agencies listed below.

Equifax:	1-888-766-0008, www.equifax.com
Experian:	1-888-397-3742, www.experian.com
TransUnion:	1-800-680-7289, fraud.transunion.com

Credit Freezes (for Non-Massachusetts Residents): You may have the right to put a credit freeze, also known as a security freeze, on your credit file, so that no new credit can be opened in your name without the use of a PIN number that is issued to you when you initiate a freeze. A credit freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. If you place a credit freeze, potential creditors and other third parties will not be able to get access to your credit report unless you temporarily lift the freeze. Therefore, using a credit freeze may delay your ability to obtain credit. In addition, you may incur fees to place, lift and/or remove a credit freeze. Credit freeze laws vary from state to state. The cost of placing, temporarily lifting, and removing a credit freeze also varies by state, generally \$5 to \$20 per action at each credit reporting company. *Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company.* Since the instructions for how to establish a credit freeze differ from state to state, please contact the three major credit reporting companies as specified below to find out more information:

Equifax: P.O. Box 105788, Atlanta, GA 30348, www.equifax.com
Experian: P.O. Box 9554, Allen, TX 75013, www.experian.com
TransUnion LLC: P.O. Box 2000, Chester, PA, 19022-2000, freeze.transunion.com

You can obtain more information about fraud alerts and credit freezes by contacting the FTC or one of the national credit reporting agencies listed above.

Credit Freezes (for Massachusetts Residents): Massachusetts law gives you the right to place a security freeze on your consumer reports. A security freeze is designed to prevent credit, loans and services from being approved in your name without your consent. Using a security freeze, however, may delay your ability to obtain credit. You may request that a freeze be placed on your credit report by sending a request to a credit reporting agency by certified mail, overnight mail or regular stamped mail to the address below:

Equifax: P.O. Box 105788, Atlanta, GA 30348, www.equifax.com
Experian: P.O. Box 9554, Allen, TX 75013, www.experian.com
TransUnion LLC: P.O. Box 2000, Chester, PA, 19022-2000, freeze.transunion.com

Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company. The following information should be included when requesting a security freeze (documentation for you and your spouse must be submitted when freezing a spouse's credit report): full name, with middle initial and any suffixes; Social Security number; date of birth (month, day and year); current address and previous addresses for the past five (5) years; and applicable fee (if any) or incident report or complaint with a law enforcement agency or the Department of Motor Vehicles. The request should also include a copy of a government-issued identification card, such as a driver's license, state or military ID card, and a copy of a utility bill, bank or insurance statement. Each copy should be legible, display your name and current mailing address, and the date of issue (statement dates must be recent). The credit reporting company may charge a reasonable fee of up to \$5 to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse of a victim of identity theft, and have submitted a valid police report relating to the identity theft to the credit reporting company.

STEP 5: **IRS Form 14039**

About data breaches and your taxes

Not all data breaches or computer hacks result in tax-related identity theft. It's important to know what type of personal information was stolen. If you've been a victim of a data breach, keep in touch with the company to learn what it is doing to protect you and follow the "Steps for victims of identity theft." You should consider submitting a Form 14039, Identity Theft Affidavit, regardless of whether your identity has been stolen.

What is tax-related identity theft?

Tax-related identity theft occurs when someone uses your stolen Social Security number to file a tax return claiming a fraudulent refund. You may be unaware that this has happened until you efile your return and discover that a return already has been filed using your SSN. Or, the IRS may send you a letter saying we have identified a suspicious return using your SSN.

Know the warning signs

Be alert to possible tax-related identity theft if you are contacted by the IRS or your tax professional/provider about:

- More than one tax return was filed using your SSN.

- You owe additional tax, refund offset or have had collection actions taken against you for a year you did not file a tax return.
- IRS records indicate you received wages or other income from an employer for whom you did not work.

Steps to take if you become a victim

If you are a victim of identity theft, the Federal Trade Commission recommends these steps:

- File a complaint with the FTC at identitytheft.gov.
- Contact one of the three major credit bureaus to place a 'fraud alert' on your credit records.
- Contact your financial institutions, and close any financial or credit accounts opened without your permission or tampered with by identity thieves.

If your SSN is compromised and you know or suspect you are a victim of tax-related identity theft, the IRS recommends these additional steps:

- Respond immediately to any IRS notice; call the number provided or, if instructed, go to IDVerify.irs.gov.
- Complete IRS Form 14039, Identity Theft Affidavit, if your efiled return rejects because of a duplicate filing under your SSN or you are instructed to do so. Use a fillable form at IRS.gov, print, then attach the form to your return and mail according to instructions.
- Continue to pay your taxes and file your tax return, even if you must do so by paper.

If you previously contacted the IRS and did not have a resolution, contact the IRS for specialized assistance at 1-800-908-4490. The IRS has teams available to assist.

Additional information may be obtained from IRS.gov; <https://www.irs.gov/uac/Taxpayer-Guide-to-Identity-Theft>