

Transition Talk

Issue 1

September 2015

Akron Drug Product Campus

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– Doug Daniels



Transition Talk: Keeping you informed

After months of anticipation, the acquisition has finally closed, and a new chapter is unfolding at 300 Delivery Drive. Whether you're new to Xion or a veteran employee, you will likely experience a period of adjustment as the two organizations blend into a unified force.

We have created this newsletter as a source of news and information about Xion, our culture and the changes taking place during the transition.

Many of the questions you have are the same ones we are currently evaluating and finalizing during this period of transition: What is the best organizational structure to get the job done? Which processes work best and which ones should go? Which teams work best together?

“We don't have all the answers, but we'll tell you what we do know, and we'll provide you with updates as quickly as we have them,” said

Cecil Wright, vice president and general manager of Xion Akron. “The better we understand one another, the more quickly we can navigate the process of coming together as one team with a common vision.”

A variety of channels are available for you to ask questions and get answers during the transition: a mentoring program, a Q&A email portal, iNet articles, posters and eBoard updates.

Please let us know if you encounter an issue that has not been addressed, and we will do our best to address it through one of these forums. You can also send questions or comments to akron.communications@xion.com.

Company names and employee names have been changed to maintain confidentiality.





Meet George and Doug: Leading the way for transition success

This is the first in a series of leadership team profiles to be featured in upcoming issues.

For two men who just met in August, George Pridon and Doug Daniels share remarkably similar perspectives on what it takes to lead people successfully.

It isn't about power, and it isn't about being right. It's about listening to ideas, respecting divergent opinions, and moving the business forward as seamlessly as possible.

"Our interactions should be positively memorable, not negatively memorable," said Pridon, director of

strategic manufacturing operations. "I've learned from the experiences I've had under previous managers what motivates me and what doesn't, and I try to reflect the positive behaviors with my own team. I have a strong willingness to listen to both sides and to draw conclusions only after a lot of thought. I'm open to answering any kind of questions that come through the door."

Likewise, Daniels describes himself as a transparent leader who values openness and honesty with his team. As associate director of manufacturing, he believes that maintaining open lines of communication encourages discussion

and resolution of potential problems before they become significant obstacles for the team.

"I try to keep as many people as possible in the loop, because that transparency motivates people and keeps them connected to what we're trying to accomplish," Daniels said. "I care for the people I work with and I'm interested in ways I can help them in their jobs and in their careers."

As transition leaders at 300 Delivery Drive, Pridon and Daniels have hit the ground running to ensure that production targets are achieved while employees transition into roles that may differ from their previous jobs.

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Not all the answers will be readily apparent, and not every process will flow smoothly from old to new. IT systems have different standards that cannot be easily merged; cultural norms may collide; and the process for bringing the parenteral filling facility online is still being developed. The key to navigating these changes is keeping an open mind.

“People naturally have fear and anxiety about change,” Daniels said. “There are commonalities and differences between the two companies. My mindset is that I embrace these differences, because they are the points of greatest learning. If we can step back and look at our differences, try to understand them and contrast them to what we’ve done at Fauxgen, there will be opportunities for new ideas and new ways of operating that expand our knowledge.”

What’s in a name

In the manufacturing world, acronyms are everywhere you turn – OSD, FVM, PO&T and PF, to name a few. And now there’s a new one: DPC. The 300 Delivery Drive site is now called the Drug Product Campus, while 50 Capitol Street is called the Drug Substance Campus (DSC).

How do they differ? 50 Capitol Street produces the active substances, or ingredients, that make Xion products effective in treating diseases. After the substances are manufactured, Xion sends them off to a contract partner for synthesizing, filling and/or packaging of the final products.

In contrast, 50 Capitol Street will produce the finished dosage forms of the drugs, including tablets and solutions. The site was previously known as the Oral Solid Dose (OSD) facility because Xion only manufactured tablets here, but now the facility provides Xion with parenteral filling capabilities, thus expanding its scope and allowing for greater flexibility.

Gun-jumping: What you should know

It is natural to assume that Xion leaders were busy deciding the new structure at 300 Delivery Drive well in advance of Xion’s acquisition of the Akron Fauxgen facility.

In reality, federal law prohibits two companies in the midst of a merger from openly sharing extensive business information – known as gun-jumping – until the deal has closed and the money has changed hands.

Why is this the case? The Federal Trade Commission’s job is to prevent unfair, deceptive or anticompetitive

business practices. Learning about each other’s business practices, organizational structures, manufacturing costs and other proprietary information could hamper competition if the deal falls through.

Most of the real work of integration began on August 25, when the deal formally closed. Over the coming weeks, we will communicate as much information as we can, as often as we can, about the new organization and your role within it.

Perks!

We appreciate your hard work and dedication. Here are a few of the ways we show our thanks:

- >> Free fountain drinks in the cafeteria
- >> Free fruit in the cafeteria on Mondays and Wednesdays
- >> Free bagels, muffins, doughnuts, yogurt and fruit in the cafeteria on Thursdays
- >> No parking passes required



One Vision, Many Hands

It might seem that 300 Delivery Drive is the only place at Xion undergoing rapid change. In reality, Xion Akron has undergone transformational growth over the past several years, nearly doubling in size since 2012 and achieving record-breaking production targets in 2014.

“If 2014 seemed like one of the busiest years in our site’s history, that’s because it was,” said Cecil Wright, vice president and general manager of Xion Akron. “Seventeen campaigns and 5 PVRs: There isn’t a biological site in the world that’s accomplished this volume. The industry average is 5 or 6 campaigns.”

While these numbers will be hard to top, that is exactly what the Akron site is aiming to do in the future. According to Wright, output from 300 and 50 combined will likely double over the next five years.

“We are a discovery company,” said Wright. “We transform disease areas that have very little innovation. Our pipeline is rich, and we have a great balance of early, mid- and late-stage compounds. It’s going to revolutionize Xion in terms of the number of patients we serve.”

Across the two campuses, employees are preparing for the challenges ahead: juggling ever greater manufacturing volumes and complexity without adding more layers, processes and rules that could hamper efficiency.

“Meeting these targets will require quick decision making, taking calculated risks, and empowering employees at all levels to lead,” Wright said. “It’s on us as a collective team to figure out how to get this done.”

The scoop on life at Xion

Let’s face it. Having a new job, a new boss, or new responsibilities within your current job can be challenging, and you may not always feel comfortable asking your boss how things work. That’s why we created the Peer Mentoring Program, which matches new employees with legacy Xion employees who can share practical tips and helpful insights about the culture and the organization.

Mentors can help you learn how things get done, both officially and unofficially, while giving you a safe space in which to ask questions and make sense of what you are experiencing at Xion.

By now, most of you have met your peer mentors during new employee orientation. If you haven’t yet been matched, please call Emily Lyons in Human Resources to be connected with a mentor.

Company names and employee names have been changed to maintain confidentiality.

askgeorgeanddoug@xion.com

Have a question? Need a quick answer? Ask George Pridon and Doug Daniels via email. The more topics you raise, the better we’ll know what to communicate to you.

In addition to responding directly to your emails, we will answer the most commonly asked questions in each issue of the newsletter. We look forward to hearing from you!