

Produced in Native Format

PLAINTIFFS TRIAL
EXHIBIT
P-01689_00001



Performance and Development Process (P.D.P.)

Andrx Commitment to Excellence (A.C.E.)

Jay Spellman
Employee's Name

Employee's Signature

Date

Florida Distribution Center Manager
Employee's Job Title

National Distribution
Employee's Department

Patrick Cochrane
Manager's Name

Manager's Signature

Date

Al Paonessa
Next Level Manager's Name

Next Level Manager's Signature

Date

1/1/2005
Review Period **From** (MM/DD/YR)

12/31/2005
Review Period **To** (MM/DD/YR)

Please check one:

☒ Employee Self-Review

☐ Manager Review

Please check one:

☐ Interim Review

☐ Annual Review

Instructions - Cover Page

Complete all pertinent data on the cover page to include: Employee's Name, Job Title, Department, Manager's Name, Next Manager's Name, Dates, and Review Period "To" and "From".

Check the box to indicate whether the review is an Employee Self-Review or a Manager Review.

Check the box to indicate whether the review is an Interim Review or Annual Review.

Instructions - Goals and Objectives

The Senior Management Team sets the strategic direction for the organization that establishes a vision of what the Company will look like in three to five years. Each employee should establish three to five (3-5) goals based on annual plan, department, team and business unit goals. Managers work with their direct reports to set individual goals together. If more than five goals (5) are needed, hidden cells at the bottom of the spreadsheet can be expanded to record additional goals.

The **S.M.A.R.T.** format should be used when creating individual goals:

Specific - Exactly what should we focus on?

Measurable - Can the desired result be quantified? What equates to an effective or highly effective rating?

Attainable - Is the goal realistic? What has the individual's past performance been? What have others in the organization or industry done?

Relevant - Is there a logical connection to overall business goals? What is the priority of goal relative to other goals? Will accomplishing goal make a difference in the organization?

Time bound & Trackable - When will the goal be done and how will data be collected to measure goal attainment on an ongoing basis?

Once SMART goals are created, they are weighted in importance from 1 to 3 according to the following:

3 = Critical/Essential

2 = More Important

1 = Important

The goals and objectives as well as the overall appraisal are evaluated on the following rating scale. When an employee is completing the self-review, he/she should enter a "X" in the appropriate rating box below "Emp" and entering a proposed importance rating. After the self-review has been completed, it should be forwarded to the manager. The manager completes the form by entering a "X" in the appropriate rating box below "Mgr", and enter the importance weighting. The numeric rating for each goal will be calculated automatically based on the rating box selected.

Rating Scale & Definitions

5 = Consistently Exceeds

The employee consistently exceeds all expectations for responsibilities and objectives, skills, abilities and commitment to the job. Possesses superior knowledge of major aspects of the total job. Has proven extraordinary accomplishments.

4 = Frequently Exceeds

Achieves and frequently exceeds expectations for responsibilities and objectives. Demonstrates necessary skills and abilities for the job. Possesses a working knowledge of major aspects of the job. Performance is above what is normally expected.

3 = Consistently Meets

Generally meets established expectations for responsibilities and objectives. Demonstrates required skills, abilities, and commitment to the job. Possesses some knowledge of the major aspects of the job. Overall performance is satisfactory.

2 = Occasionally Meets

Employee does not always meet all expectations. Possesses most necessary knowledge and skills; however, they need additional training or commitment to the job. Meets minimal requirements for the job.

1 = Below Expectations

Does not meet expectations. Does not demonstrate necessary knowledge, skills or abilities. Immediate and substantial improvement needed. Includes a performance improvement plan.

The Goals and Objectives Rating will calculate automatically at the bottom of the sheet based on the results of the weighting and rating totals.

Instructions - Cultural Drivers

Cultural Drivers define how all Andrx employees should conduct themselves while performing the task, duties, and activities related to their specific role. Behavioral indicators are the objective, verifiable actions and activities someone can exhibit to show others they are performing in a manner that supports the cultural drivers.

Review the behavioral indicators listed for each Cultural Driver and identify the two to three behaviors for each driver that are most important for the employee's position.

- Modify the indicators to make them appropriate to the role
- Add a new behavioral example more specific to the position

The rating scale consists of a five point scale (defined below). When an employee is completing the self-review, he/she should enter a "X" in the appropriate rating box below "Emp". After the self-review has been completed, the manager enters a "X" in the rating box below "Mgr". The numeric rating for each cultural driver will calculate automatically based on the rating box selected.

- 5 = Coach & Role Model
- 4 = Exhibits All the Time
- 3 = Exhibits Most of Time
- 2 = Exhibits Occasionally
- 1 = Does Not Exhibit

The Cultural Drivers rating will automatically calculate at the bottom of sheet. In addition the Overall Rating for the review will automatically calculate as a combination of the Goals & Objectives Rating and the Cultural Drivers Rating.

Instructions - Development and Comments

Identify up to three development goals.

List activities that will help achieve these goals included support needed and the timeframe in which they will be accomplished.

Describe results to be achieved and next steps necessary.

Provide remarks in the relevant Comments section providing additional detail on results achieved, work accomplishments, and actions to be taken as next steps.

Goals and Objectives

Annual Goals and Objectives	Actual Performance - Employee	Actual Performance - Manager	Rating	
List Individual / Team Goals; link to region / function / key project objectives and primary job requirements.	What was accomplished? What should be done differently to improve the level of accomplishment?		Emp	Mgr
Controlled Substances/Compliance - No increase in number of variances based on daily cycle counts and inventory reconciliation going forward.	There were 32 new variances in 2004, which is an average of 2.67 per month. During all of 2005 there were 19 unresolved variances for an average of 1.58 per month. We also made great strides in the accuracy of the Vendor Returns inventory within the cage. We have cycle counted this inventory monthly and have been able to reconcile all variances in a timely manner via recounts. We will continue to perform inventory counts in the vault twice daily, the cage daily and the vendor returns area monthly.		5	5
				4
				3
				2
				1
Consistently Exceeds =			3	3
			5.0	5.0
Help the Operating Team optimize the potential significant C2 product launches in 2005. (Duragesic, Concerta, Oxycontin)	We were able to optimize the sales dollars by consistently being able to accurately process all CII orders during the launches of generic Duragesic and generic Oxycontin. We were able to train additional staff to facilitate these accomplishments. We were also able to retrofit the vault to accommodate more items allowing Anda to maximize our CII sales dollars			x
			4	
Consistently Exceeds =			3	3
			4.0	5.0

Goals and Objectives

Annual Goals and Objectives	Actual Performance - Employee	Actual Performance - Manager	Rating	
List Individual / Team Goals; link to region / function / key project objectives and primary job requirements.	What was accomplished? What should be done differently to improve the level of accomplishment?		Emp	Mgr
Assume total responsibility of non-trade supply items. This will include securing vendors and 1st level negotiation of price and service.	I have implemented a plan where all non-trade supply items are counted on a weekly basis with the results being sent to the Senior Non-Trade buyer. I will continue to become more involved in the sourcing, negotiating, and completion of non-trade purchases.			5 Consistently Exceeds
				4 Frequently Exceeds
			3	3 Consistently Meets
				2 Frequently Meets
				1 Below Expectations
Consistently Exceeds =			2	2 Weighting (1 to 3)
			3.0	3.0 Rating (1 to 5)
Continue the reduction of Blank V/Vendor Returns Inventory to \$1.7 million, or 1.3% of total inventory. Down from \$2.0 million or 1.54% of total inventory.	The Blank V/Vendor Returns Inventory has been reduced to \$1,574,715.65 (at the end of November). This has been accomplished through the creation of eligible reports, which outline all items that are eligible for return at a given time. I created the programming request for these reports and this has significantly aided in the reduction of the Blank V area.		5	5 Consistently Exceeds
				4 Frequently Exceeds
				3 Consistently Meets
				2 Frequently Meets
				1 Below Expectations
Consistently Exceeds =			3	3 Weighting (1 to 3)
			5.0	5.0 Rating (1 to 5)

Goals and Objectives

Annual Goals and Objectives	Actual Performance - Employee	Actual Performance - Manager	Rating		
List Individual / Team Goals; link to region / function / key project objectives and primary job requirements.	What was accomplished? What should be done differently to improve the level of accomplishment?		Emp	Mgr	
Continue to fine-tune the succession plan at both one and two levels below your position. Especially in the areas of DEA Compliance and Outbound Operations.	We have made significant strides in the fine-tuning of our succession plans within the Distribution area. We have trained the Sr. DEA Clerk to be proficient in all CII processes as well as all critical functions within the Cage including inventory reconciliation and training of staff members. We have also trained a Compliance Clerk in the areas of DEA loss reporting, Arcos filing and communication with carriers regarding losses/thefts. In the area of Outbound Operations we have introduced, trained and become proficient is using the concept of work measurement and accountability to produce quality results. We have refined the process of measuring expedites, lines and units not shipped, bill only's, missing invoices and damages. All members of our Outbound Operations management team are becoming more proficient at performing all Outbound functions.		<input type="text"/>	<input type="text"/>	5 Consistently Exceeds
			4	x	4 Frequently Exceeds
			<input type="text"/>	<input type="text"/>	3 Consistently Meets
			<input type="text"/>	<input type="text"/>	2 Frequently Meets
			<input type="text"/>	<input type="text"/>	1 Below Expectations
Consistently Exceeds =					
			2	2	Weighting (1 to 3)
			4.0	4.0	Rating (1 to 5)

Goals & Objectives Rating - For Management Use Only

<input type="checkbox"/> Consistently Exceeds	<input type="checkbox"/> Frequently Exceeds	<input type="checkbox"/> Consistently Meets	<input type="checkbox"/> Frequently Meets Expectations	<input type="checkbox"/> Below Expectations	13.0	13.0	Weighting Total
					56.0	59.0	Rating Total
					4.3	4.5	G&O Total

☐ There are four additional sets of Goals and Objectives follow this page. If needed, place an "X" in the box to the left. The above totals will account for any information completed in the pages below.

Goals and Objectives

Annual Goals and Objectives	Actual Performance - Employee	Actual Performance - Manager	Rating		
List Individual / Team Goals; link to region / function / key project objectives and primary job requirements.	What was accomplished? What should be done differently to improve the level of accomplishment?		Emp	Mgr	
			<input type="text"/>	<input type="text"/>	5 Consistently Exceeds
			<input type="text"/>	<input type="text"/>	4 Frequently Exceeds
			<input type="text"/>	<input type="text"/>	3 Consistently Meets
			<input type="text"/>	<input type="text"/>	2 Frequently Meets
			<input type="text"/>	<input type="text"/>	1 Below Expectations
			<input type="text"/>	<input type="text"/>	
			<input type="text"/>	<input type="text"/>	Weighting (1 to 3)
			<input type="text"/>	<input type="text"/>	Rating (1 to 5)
			<input type="text"/>	<input type="text"/>	
<input type="text"/>	<input type="text"/>	4 Frequently Exceeds			
<input type="text"/>	<input type="text"/>	3 Consistently Meets			
<input type="text"/>	<input type="text"/>	2 Frequently Meets			
<input type="text"/>	<input type="text"/>	1 Below Expectations			
<input type="text"/>	<input type="text"/>				
<input type="text"/>	<input type="text"/>	Weighting (1 to 3)			
<input type="text"/>	<input type="text"/>	Rating (1 to 5)			
<input type="text"/>	<input type="text"/>				
<input type="text"/>	<input type="text"/>				

Goals and Objectives

Annual Goals and Objectives	Actual Performance - Employee	Actual Performance - Manager	Rating	
List Individual / Team Goals; link to region / function / key project objectives and primary job requirements.	What was accomplished? What should be done differently to improve the level of accomplishment?		Emp	Mgr
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
Consistently Exceeds =			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>
Consistently Exceeds =			<input type="text"/>	<input type="text"/>
			<input type="text"/>	<input type="text"/>

Cultural Drivers					
Drivers	Actual Performance - Employee	Actual Performance - Manager	Rating		
List the specific behaviors that should be exhibited for each Driver while attaining the goals and objectives.	How were results achieved? What should be done differently to improve the level of accomplishment?		Emp	Mgr	
Unity of Purpose	I have established clear and aligned goals to insure all critical factors for the business are met. All barriers that may hinder progress towards goals are removed while maintaining the highest level of integrity.		<input type="text"/>	<input type="text"/>	5 Coach & Role Model
* Shares Insight of critical success factors for the business			4	x	4 Exhibits All the Time
* Establishes clear and aligned goals			<input type="text"/>	<input type="text"/>	3 Exhibits Most of the Time
* Works through teamwork towards a common mission			<input type="text"/>	<input type="text"/>	2 Exhibits Occasionally
* Tests for common understanding and shared ownership			<input type="text"/>	<input type="text"/>	1 Does Not Exhibit
* Focuses energy and resources on priorities adding value					
* Removes barriers that hinder progress toward goals					
* Maintains an unwavering commitment to integrity					
*					
*					
			4.0	4.0	Rating (1 to 5)
Open and Candid Communications	I insure that my voice is heard on all important issues and ensures understanding, acceptance, and accountability. There are times when other's ideas and judgments are criticized but I feel that this type of questioning results in a stronger more productive organization		<input type="text"/>	<input type="text"/>	5 Coach & Role Model
* Promotes environment of openness, trust, and respect			4	x	4 Exhibits All the Time
* Provides and seeks open and honest feedback			3	<input type="text"/>	3 Exhibits Most of the Time
* Ensures voice is heard on important issues			<input type="text"/>	<input type="text"/>	2 Exhibits Occasionally
* Creates information flow allowing for informed decisions			<input type="text"/>	<input type="text"/>	1 Does Not Exhibit
* Ensures understanding, acceptance, and accountability					
* Refrains from immediate judgment and criticism of others' ideas					
* Actively supports decisions that are made					
*					
*					
			3.5	4.0	Rating (1 to 5)

Cultural Drivers

Drivers	Actual Performance - Employee	Actual Performance - Manager	Rating		
List the specific behaviors that should be exhibited for each Driver while attaining the goals and objectives.	How were results achieved? What should be done differently to improve the level of accomplishment?		Emp	Mgr	
Learn from Both Success and Failure	We take full responsibility for all issues that arise as they relate to the distribution department. We develop a contingency plan that allows for quick recovery. We focus on quality results and continuous improvement. I seek opportunities for learning and self-improvement for both my staff and I.		5	x	5 Coach & Role Model
* Acknowledges and learns from successes and failures					4 Exhibits All the Time
* Takes responsibility for things that go wrong					3 Exhibits Most of the Time
* Develop a contingency plan to recover quickly					2 Exhibits Occasionally
* Focuses on quality results and continuous improvement					1 Does Not Exhibit
* Seeks opportunity for learning and self development					
*					
*					
*					
*					
			5.0	5.0	Rating (1 to 5)
Follow Through on Commitments	I act with a sense of urgency and purpose at all times. We develop plans and execute them while following up on progress made towards goals. We address all issue in a timely and effective manner.		5		5 Coach & Role Model
* Acts with a sense of urgency and responsibility			4	x	4 Exhibits All the Time
* Accountable for achieving agreed performance expectations					3 Exhibits Most of the Time
* Develops a plan and executes it					2 Exhibits Occasionally
* Follows-up on progress made toward commitment					1 Does Not Exhibit
* Addresses issues met/not met in a timely and effective manner					
*					
*					
*					
*					
			4.5	4.0	Rating (1 to 5)

Cultural Drivers

Drivers	Actual Performance - Employee	Actual Performance - Manager	Rating							
List the specific behaviors that should be exhibited for each Driver while attaining the goals and objectives.	How were results achieved? What should be done differently to improve the level of accomplishment?		Emp	Mgr						
Willingness to Take Measured/Appropriate Risks	I feel that I am one who will challenge the status quo to continue to try to make the organization more successful and profitable. We are willing to take calculated risks in order to obtain that more successful organization.		<input type="checkbox"/>	<input type="checkbox"/>	5 Coach & Role Model					
* Capitalizes on opportunities that contain an acceptable level of risk after thoughtful analysis			4	x	4 Exhibits All the Time					
* Draws on personal experience and factual information			<input type="checkbox"/>	<input type="checkbox"/>	3 Exhibits Most of the Time					
* Takes calculated risk based on available information			<input type="checkbox"/>	<input type="checkbox"/>	2 Exhibits Occasionally					
* Generates creative solutions challenging on status quo & inspires creative thinking in others			<input type="checkbox"/>	<input type="checkbox"/>	1 Does Not Exhibit					
* Anticipates potential negative consequences to decision so they may be avoided when possible										
*										
*										
*										
*										
			4.0	4.0	Rating (1 to 5)					
Recognize and Celebrate Success	I need to be more cognicent of the fact that my staff needs more positive feedback on a daily basis. I feel that we reward those who excel in their responsibilities but it is the every-day accomplishments that need to be recognized. While I respect and value all of our employees I need recognize that at times my direct style of management may be misconstrued as a style that doesn't allow for the employee to feel the correct amount of dignity and respect.		<input type="checkbox"/>	<input type="checkbox"/>	5 Coach & Role Model					
* Recognizes every-day accomplishments			<input type="checkbox"/>	<input type="checkbox"/>	4 Exhibits All the Time					
* Celebrates achievements toward major objectives			3	x	3 Exhibits Most of the Time					
* Rewards those who excel in performance and go over and above responsibilities			<input type="checkbox"/>	<input type="checkbox"/>	2 Exhibits Occasionally					
* Treats others with dignity and respect as they would want to be treated			<input type="checkbox"/>	<input type="checkbox"/>	1 Does Not Exhibit					
*										
*										
*										
*										
*										
			3.0	3.0	Rating (1 to 5)					
Cultural Driver's Rating - For Management Use Only			<input type="checkbox"/> Coach & Role Model	<input type="checkbox"/> Exhibits All the Time	<input type="checkbox"/> Exhibits Most of Time	<input type="checkbox"/> Exhibits Occasionally	<input type="checkbox"/> Does Not Exhibit	4.0	4.0	Cultural Driver's Rating
Overall Rating - For Management Use Only			<input type="checkbox"/> Consistently Exceeds	<input type="checkbox"/> Frequently Exceeds	<input type="checkbox"/> Consistently Meets	<input type="checkbox"/> Frequently Meets Expectations	<input type="checkbox"/> Below Expectations	4.2	4.3	Overall Rating

Name: Jay Spellman

DEVELOPMENT PLAN		
GOAL	ACTIVITIES, SUPPORT & TIMEFRAME	RESULTS / NEXT STEPS
Controlled Substances/Compliance - No increase in number of variances based on daily cycle counts and inventory reconciliation going forward.		
Assume total responsibility of non-trade supply items. Gain all responsibility for the budget of the Weston Distribution Center. Meet/exceed all budget requirements.		
Continue the reduction of Blank V/Vendor Returns Inventory to \$1.5 million, or 1.3% of total inventory		
Continue to fine-tune the succession plan at both one and two levels below your position. Especially in the areas of DEA Compliance, Outbound Operations and Inbound Operations.		
Help the Operating team accomplish the goal of inputting all lot number information at confirmation time to comply with new regulations.		

MANAGER'S ACTION/COMMENTS:

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EMPLOYEE'S ACTION/COMMENTS:

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