



KEEPING YOU ORGANIZED

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August 31, 2018

Dear Valued Customer:

On January 1, 2019, The Smead Manufacturing Company will be implementing a price advance for all filing products.

There are several factors that have influenced our decision, including:

- Paper mills are continuing to operate at a high level of capacity utilization
- Steel prices have increased significantly through the first half of 2018, a trend likely continue into 2019
- Packaging costs have increased
- Labor costs and transportation costs, both domestic and internationally, continue to increase
- Poly costs have increased
- Tape, film, and adhesives have increased

As in the past, Smead continues to aggressively manage costs and drive efficiencies in supply chain, manufacturing and all other aspects of our organization. These efforts have paid dividends and have allowed Smead to keep the frequency and size of price advances below those of Smead's competition. In addition, the impact of the cost saving efforts has enabled us to hold the price advance on the largest percent of the product offering to the low to mid-single digits, 4-5%.

We appreciate your continued support of Smead and look forward to our continued partnership through 2019 and beyond.

Sincerely,

THE SMEAD MANUFACTURING COMPANY

A handwritten signature in black ink that reads "Dan Wagner". The signature is written in a cursive style with a large, looped initial "D".

Dan Wagner  
Vice President of Sales