



KEEPING YOU ORGANIZED

February 23, 2018

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Dear Valued Customer:

On July 1, 2018, 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 continue to operate at a high level of capacity utilization
- Cost inputs to the production of paper have increased over the last year (raw material, energy, chemicals, etc.)
- Steel prices and packaging costs have increased
- Labor costs, both domestic and internationally, continue to increase

As in the past, Smead continues to aggressively manage costs and drive efficiencies in supply chain, manufacturing and all aspects of our organization. These efforts have paid dividends and allowed Smead to avoid a price increase since 2014. 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 2018 and beyond.

Sincerely,

THE SMEAD MANUFACTURING COMPANY

Dan Wagner
Vice President of Sales