



December 8, 2017

Dear Valued Appvion Customer,

Effective with shipments on January 1 2018, Appvion is implementing a surcharge on Alpha® 400 2.1 and Alpha® 400 2.3 direct thermal products sold globally as shown in the table below. The surcharge will be effective through the first quarter of 2018 and will be reevaluated for the second quarter in early March 2018.

This surcharge is in addition to all previously announced increases.

| <b>Grade</b>   | <b>Surcharge<br/>Amount</b> |
|----------------|-----------------------------|
| Alpha® 400 2.1 | \$0.85/msf                  |
| Alpha® 400 2.3 | \$0.85/msf                  |

This surcharge is in response to the significant cost increases Appvion has incurred to produce these products due to the global shortage of colorformers.

Please contact your Appvion sales representative with any questions you may have. We value your business and thank you for your continuing support.

Sincerely,

A handwritten signature in black ink, appearing to read 'J Schweitzer', with a stylized flourish at the end.

John Schweitzer  
Director – Thermal POS