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Since late in the 3<sup>rd</sup> quarter thermal paper mills around the world have been unable to secure enough leuco dye to supply the global industry forcing allocations on thermal paper converters. The vacuum has created a secondary market where leuco dye is being sold at premiums to thermal paper mills. Supply is scarce and forecasting production has been very challenging for the thermal paper mills to manage.

We have been very fortunate to date to be able to supply full allocation to our customers but too have been paying premiums to insure full allocation. At this time we are implementing allocation levels per item per customer until the market conditions ease. We caution that current market conditions may last into the 3<sup>rd</sup> quarter and have already been informed of an additional price increase for April 1<sup>st</sup> by several thermal suppliers.

Understanding that we are experiencing unprecedented times and that managing each of our businesses has become relatively more difficult, we share in your frustration. However, the rapid escalation of thermal paper and other grades continues. Liberty Greenleaf will be increasing pricing on all thermal, bond and carbonless items shipping on or after Monday, March 5, 2018.

This adjustment will apply to the following grades of thermal paper.

All POS Thermal - Lightweight, Standard, Heavy Weight, Alpha Free, 2 Sided	8%
All Non POS Thermal - Gaming/Lottery/Label/Tag/Ticket Thermal	3%
Bond	9%
Carbonless	6%

We value our continued partnership and are committed to keeping you competitive, while providing quality products and reliable service. Communications with our suppliers remain very fluid and we will react accordingly to any changes in the market.

Your updated pricing profile will be sent in the next two weeks. Please contact your sales representative with any questions or if you need any additional information.

Sincerely,

Mike Rapier  
CEO Liberty Greenleaf

Gregg Mosby Jr.  
COO Liberty Greenleaf