



Safety Identification Solutions for All Industries

March 2016

LETTER FROM THE CEO

Time Based Competitive Advantage Positions LEM Products Inc. as Industry Leader

First and foremost LEM Products Inc. genuinely values the business entrusted to us by you, our customers. Because you purchase labels, tags and signs made by LEM Products Inc. our safety identification products are marking machines, equipment and workplace sites around the globe. In 2015 you entrusted 40% more business with us than the previous year and look forward to surpassing that growth in 2016!

Like competition itself, the competitive advantage is a constantly moving target. For LEM Products Inc. the key is not to get stuck with a single simple notion of its source of advantage. We are committed to knowing how to keep moving and always stay on the cutting edge.

We manage time – in production, in new product development, in sales and distribution. Managing time positions LEM Products Inc. to reduce costs, gain capacity, cover more market segments, and upgrade our technology. We are a Time Based Competitor.

Time represents the most powerful new source in today's competitive advantage. Rapid time response to quotation, product engineering and order fulfillment is our competitive advantage. Customer trust and satisfaction is our driving force.

Kaizen, a component of Lean, is the methodology we embrace to eliminate waste and increase efficiency. Kaizen is designed to break down the project mentality of the organization and create a bias toward action. Kaizen events at LEM Products Inc. are planned and structured; enabling our associates to improve some aspect of our business quickly that expands value to our Customers.

Today LEM Products Inc. is capitalizing on-time as a critical source of our competitive advantage: shortening the planning loop in the product development cycle and trimming process time in the factory—managing time the way most companies manage costs, quality, or inventory. In fact, as a strategic weapon, time is the equivalent of money, productivity, quality, even innovation. Managing time has enabled LEM Products Inc. not only to reduce our costs but also to offer expanded product lines, cover more market segments, and upgrade our technological sophistication.

I am committed to leading a business which embraces a shared vision of the future, a business that inspires our associates to aggressively compete for your business and a business that creates jobs, provides benefits to our team and supports our communities.

Thank you for your trust and your business,

A handwritten signature in black ink, appearing to read 'Maureen O'Connor', written in a cursive style.

Maureen O'Connor

CEO