

behavior, spawned by a new generation of decision makers. The significant growth in 2015 net income is but a continuation of the trajectory we have maintained since launching in 2006.

Additionally, the tripling of multi-unit account sales in 2015 over the prior year is testimony to good leadership and increased involvement of SMA field managers at the member level, implementation of the "Equity Based Selling" Process, and steadily increasing cooperation and collaboration between SMA and its Member-Owners.

A fine example of this sort of collaboration is 1GPA, which is presently our fastest growing multi-unit account and is a program that was brought to the SMA membership by Brady Industries. Another is the retention and expansion of our program with Landmark Theaters, a project conducted with the sustained help of Leonard Paper over the course of the past five years.

The interdependent working relationship between SMA's field team and champions and associates from our member distributors is enabling significant opportunities across the organization. Supported by investments in technology and superior leadership in SMA's DevOps department, our teams have established SMA's capacity to transact business electronically with end-users on behalf of members in ways that rival our most formidable competitors.

SMA is a cohesive organization of the very best independent distributors, companies that are regarded as strategically prominent in the channel, each in their own right. Our unique member-owned structure continues to propel an uncanny ability to consistently outpace the growth rate of our most coveted suppliers in the channel, a benchmark by which we relentlessly measure our performance. Further, we augment the strengths of our members by providing relevant segment specific guidance and decision support tools that enhance distributor sales force preparedness and business planning.

Member adherence to the fundamentals of SMA's guiding principles has delivered nine years of reliably superior performance, and has elevated the equity of the SMA brand as viewed by suppliers and end users across North America. Members that capitalize on their affiliation with SMA are able to erect competitive barriers to entry that prevent national competitors from penetrating highly-prized local business. This is worthy endeavor as we launch headlong into an uncertain future where the rules of engagement will be rewritten by those that think and act differently.

SMA is poised for continued growth in all areas and the level of success we achieve will be limited only by our restraint in exploiting the myriad of options available to us.

A handwritten signature in black ink, appearing to be "D. Smith", located at the bottom left of the page.