

FIRST QTR. 2018

BOARDTALK

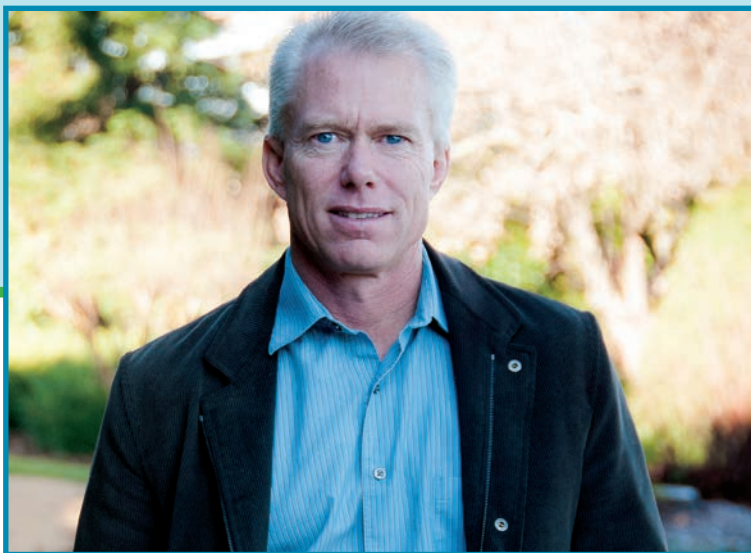


SIERRA
PACIFIC
INDUSTRIES

SUSTAINABLY
MANAGED
FORESTS

GROWING FORESTS FOR OUR FUTURE.

Made in the U.S.A!



TRANSPARENT VALUES

MARK EMMERSON

and fairness. It's how we do business, within SPI and with our customers, vendors, and financial partners. It is important to us that every member of the team understands they have a voice and knows that voice will be heard. We want each crew member to be comfortable in elevating ideas that can make SPI a better workplace, as well as raising concerns if you feel or observe that others are not living up to the Company's expected conduct.

From our timberlands into our mills and facilities, Sierra Pacific operations are production-driven. We depend on a successful, productive crew of talented individuals safely creating quality products that meet our customers' needs. Just like practicing sustainable stewardship of our forests ensures SPI access to renewable resources for generations to come, the practice of transparency and equality in the workplace ensures a thriving and dynamic crew over the long-term.

One of the most unique benefits of choosing to fulfill your career at Sierra Pacific is the encouragement and individual development each of you receive. SPI can only provide those opportunities if we first commit to providing a fair and vibrant workplace. Our open door policy is the foundation of that commitment. This means talking to your supervisor, manager, or others that are available to listen and learn, such as HR coordinators, other supervisors, superintendents, managers, or any of the Company's leadership.

We are continually humbled by the talent, drive, and dedication of the 5,000+ Sierra Pacific team members. Ensuring a workplace where each one of you can develop your talents to the fullest depends on a free flow of communication and ideas. Red has said many times that the key to SPI's success has been the people that have chosen to share their talents with this organization. I agree.


Mark

Wherever I turn these days – from newscasts to articles to social media feeds – “transparency” is a common theme. Transparency in business practices, interpersonal communication, government, and financial reporting is a trending topic. As a private family-held company, the requirements around transparency in areas like investments and financial results are much less rigorous than with public companies or government. When it comes to our crew, transparency is of vital importance to providing equal opportunities, encouraging open and honest communications, nurturing innovation, and maintaining the “family” atmosphere that defines us.

The term “transparency” refers to being able to see through any given object, color, or layer. Transparency at SPI is a two-way street: Every crew member should know the Company's values, policies, and our standards and expectations. Moreover, everyone needs to have access to advancement opportunities as well as equal access to supervisors, managers, or the owners (including me) through our open door policy. It is our priority and our duty to provide this information and access to everyone. In turn, we want you to be transparent with the Company, whether that be an idea you have for improving efficiency of a process, a safety or environmental concern, a complaint, or feedback on things you like or believe are going well. Simply put, we want to know what you are thinking and how you are feeling.

Red, George, and I, in addition to others in leadership positions across the Company, are committed to promoting a workplace built on treating each other with respect, honesty,

RETIREMENT CERTIFICATES EXPLAINED!

On March 15, your supervisor handed you a retirement certificate that shows your retirement plan contributions for 2017. Pictured below is an **example** of a retirement certificate.

SIERRA PACIFIC INDUSTRIES EMPLOYEES' RETIREMENT PLAN
RETIREMENT CERTIFICATE FOR 2017

COMPANY CONTRIBUTION
(40% VESTED)
\$1,843.08

EMPLOYEE 401(k) CONTRIBUTION
(100% VESTED)
\$2,500.41

COMPANY 401(k) MATCH
(40% VESTED)
\$1,750.00

You are currently vested 40% in your Company and 401(k) Match Accounts. If you continue your participation in the Plan, you will be fully vested as of December 31, 2020.

The total Contribution to your Sierra Pacific Industries Employees' Retirement Plan for 2017 is \$6,093.49.

This statement is issued for information only. Specific details of the Plan are included in the Plan Document.
The Vanguard Group is the Trustee of the Plan. Inquiries regarding account balances or asset allocation can be made by calling the Vanguard Group at 1-800-523-1188.

401(k)

The money you add to your retirement account each paycheck by payroll deduction.

401(k) MATCH

The amount that Sierra Pacific contributes to your retirement, up to \$1,750, by matching what you put into your 401(k) during the year.

COMPANY CONTRIBUTION

A pool of money that Sierra Pacific creates each year. This is shared among eligible crew members based on hours worked, years of service, and earnings for the year.

WHAT IS VESTING?

For Company Contribution and Match, vesting is the amount you are entitled to receive if you leave employment. Vesting is progressive, starting from 20% vested (2 years of service) to 100% vested (6 years of service).

CHECK OUT YOUR STATEMENT FROM VANGUARD IN APRIL TO SEE HOW MUCH YOUR TOTAL BALANCE HAS GROWN!

BENE-FACTS



BECOMING
TOBACCO
FREE
BENEFITS

DIABETES
MANAGEMENT
PROGRAM

WEIGHT
MANAGEMENT
PROGRAM
& BENEFITS

EMPLOYEE
ASSISTANCE
PROGRAM

Limitations apply.

Call **HEALTH BENEFITS** at **(530) 378-8200** for full program details!

GET #CONNECTED

Congratulations to Mark Lathrop, retiring Community Relations Manager, for sharing the most popular crew member photo of the quarter. Mark captured a cozy pair of bald eagles camping out in an osprey nest at our SPI main office in Anderson, CA in early January. His photo garnered a combined 141 likes, 3 comments, and 6 shares.

Get **#CONNECTED**. Forward your photo via Facebook message or directly to broe@spi-ind.com with permission to re-post and you might see your photo here! Stay in touch with your **#spifamily**!



SIERRA PACIFIC INDUSTRIES REFER - A - FRIEND

WE ARE GROWING AND COULD USE YOUR HELP!
CASH FOR REFERRALS! SEE YOUR HR COORDINATOR FOR DETAILS!



SUPPORTING COMMUNITIES MAKES A DIFFERENCE

The Foundation provides support for many projects in the communities where SPI operates. These gifts continue giving well past their initial donation date.

In 2012, the Sierra Pacific Foundation made a \$1 Million commitment to Shasta County's One Safe Place (OSP.) OSP provides legal services, safety, and emotional support to partners, children, and seniors affected by domestic violence and sexual assault.

OSP's effectiveness was recently demonstrated in a story we received. A 10-year-old girl was to be placed in immediate foster care to remove her from an abusive living situation. However, a foster family could not be found to take the child. It appeared as though the girl was going to have to remain in her unsafe home. OSP stepped in.



Two social workers affiliated with OSP took custody of the traumatized 10-year-old. They took her to dinner, clothes shopping, and then on to OSP for a safe night's sleep. By the following day, a foster family had been secured. One community member involved in seeking intervention for this child expressed her gratitude by explaining, "Organizations such as One Safe Place are there and able to help when the government resources are not available soon enough." The Foundation is proud to support organizations such as OSP. Together, we are nurturing healthier communities and working toward a future where everyone in our community feels strong, healthy, and safe at home.

WINDOWS H3[®] COMING TO RED BLUFF

There's a new product line in town! Windows' popular H3[®] products have previously only been manufactured in Wisconsin. As the popularity of this window continues to grow, a new H3[®] production area is being added in northern California - right across the street from our existing Red Bluff facility!

Sierra Pacific acquired a 33-acre Louisiana Pacific site on the other side of Reading Road in Red Bluff and has developed that investment into a significant expansion of its west coast production capacity. The main building adds 120,000 square feet while an additional 35,000-40,000 square feet can be found in other buildings on the property.

At H3[®]'s core is the patent pending design and construction known as Fusion Technology™. Fusion Technology™ is the perfect integration of extruded aluminum, vinyl, and solid wood. It's extremely durable and easy to install.



120,000 square feet building for H3[®] production area and new powder coating line

With two H3[®] production lines running, we are excited to offer shorter lead times and delivery times to our customers.

In addition, a new state-of-the-art powder coating line is being installed in the acquired facility providing substantial gains in efficiency and the ability to coat parts up to 16' long. Changing colors on the current Red Bluff powder line takes three people 35 minutes to complete. With the new line, color changes will take just one person only seven minutes to complete!

The H3[®] production and operation of the new powder line at the new site is expected to begin by March 30, 2018.

SPOTLIGHT ON SUCCESS: JUSTIN MCCABE PROVES QUALITY REALLY IS JOB ONE

From chain puller to SPI Oroville's QC Supervisor, Justin McCabe has maintained a commitment to his job that has led to his success in moving up through the ranks. He explains: "I challenge myself to learn as much as possible. From the beginning, I wanted to learn how everything worked in the mill and I let my supervisor know that I wanted to move up in the company." Justin believes when a supervisor or manager sees someone with a passion for the work that wants to excel and learn new things, it's natural to want to mentor that individual.

When Justin returned to his hometown of Oroville in 2001 after serving in the Marines, he was looking for a career. SPI Oroville had just finished construction when he was brought on as an entry-level laborer. He initially started as cleanup. Just a few weeks later, he moved to pulling chain.

"ASK YOUR SUPERVISOR WHERE YOUR PLANT NEEDS CROSS-TRAINING FOR COVERAGE. BE THE CREW MEMBER THAT KNOWS ALL THE JOBS."

By September of that same year, Justin bid into the Relief/Lead job. Justin's desire to learn all the different jobs, made him useful to the successful operation of the plant. This positioned him well to demonstrate the experience necessary for the relief position.

Justin continued to excel in the relief position. He applied for the sawmill supervisor opportunity in January 2003, went through the interview process, and was promoted. In March 2008, Justin was promoted again to his current QC Supervisor position which includes filling in for the plant manager when necessary. In this role, Justin is able to put into practice a strong belief he holds. "Lead by example. Regarding safety, making quality products, production, attitude...lead by example," encourages Justin.

When asked what his advice would be to any SPI crew members that have ambition, Justin had many great insights to share. "Volunteer for overtime. There are opportunities to do different things. Treat everyone with respect and you'll find that they will respect you. Never stop learning. Knowledge is key. Ask your supervisor where your plant needs cross-training for coverage. Be the crew member that knows all the jobs."

Another area Justin discussed was the importance of reliability. In his nearly 17 years with Sierra Pacific, Justin has never missed a day. He has never been late. As he explains, "If you're not at work, the job doesn't get done."

Justin enjoys his position. He plans on spending his career at SPI Oroville. He appreciates having a good job with benefits, retirement, and paid vacation. He looks forward to his kids graduating high school and applying for the Sierra Pacific Foundation scholarship. He is grateful to be home every night to spend time with his family.

Justin said it best when he explained: "I love my job! I am very thankful every morning when I get into my truck and head to our mill. We safely make as much high quality lumber as we can. It's a free paycheck when you love what you do. It's not work. You just do what you do."



Hometown:	Oroville, CA
Pets:	Buddy the Chihuahua, 2 cats, 2 turtles, 4 hamsters & lots of fish
Hobbies:	Spending time with my wife & 3 kids boating on Lake Oroville, tinkering in my shop, lifting weights & eating right.
Music:	Country & Classic Rock
Sports:	Whatever my kids are into at the moment! Right now, gymnastics & dance with my girls and looking forward to whatever activities my 3 year old son enjoys.
Before SPI:	4 years in the Marines. THANK YOU for your service, Justin!
Fav Vehicle:	My 1969 Ford Mustang. It's restored except for the interior. My first car was a 1969 Mustang so it's a little nostalgic!

CONGRATULATIONS!

*Thank you for your continued support.
Glad to have you as part of our SPI family!*

Red

Main

George

45 Years!

Lillie Ivery
George McCartney
Charlie Risinger

Red Bluff Millwork
Aberdeen
Sales & Service

40 Years!

Bob Willingham

Red Bluff Millwork

35 Years!

Tim Cardinal
Charlie Dearman
Kathryn Klimowski
Mark Nuich

Red Bluff Millwork
Shasta Lake
Windows Medford
Burney

30 Years!

Jeff Bailey
Larry Bridges
Randy Brown
Karen Coffman
Harold Doderio
Jay Hewitt
Jane Hume
Steve Kern

Anderson
Anderson Poles
Anderson
Shasta Lake
Richfield Reman
Richfield Millwork
Oroville
Shasta Lake

25 Years!

Steve Carey
Allan Cooper
Evan Elsner
Scott Klieforth
Brenda Kunze
Luke Mansuetti
Gus Nord
Dave Porter
Ernie Rodriguez
Lorie Trullinger

Keystone
Quincy
Windows Medford
Windows Sales Intl
Windows Medford
Aberdeen
Windows Sales Bay Area
Richfield Millwork
Lincoln
Windows Red Bluff

20 Years!

Kevin Butcher
Victor Duenas
Alberto Escalante
Trudy Freeman
Peter Hill
Jorge Hinojosa
Christina Matz
Luis Morales
Rhonda Nunes
Jeff Rhoads
Daniel Van Sant
David Willhite

Windows Medford
Lincoln
Red Bluff Millwork
Windows Red Bluff
Lincoln
Quincy
Richfield Millwork
Lincoln
Windows Red Bluff
Windows Red Bluff
Lincoln
Richfield Millwork

15 Years!

Alex Arevalo
Vashan Atkinson
Dennis Belles
Carlos Calderon
Shawn Clark
Kaleb Craig
Neil Dayton
Cipriano Esparza
Denise Guild
Ray Hoskinson

Oroville
Sales & Service
Aberdeen
Lincoln
Lincoln
Oroville
Aberdeen
Windows Red Bluff
Windows Red Bluff
Windows Sales Pac NW

Margarito Ibarra
Larry Jones
Bill Kempton
James Konberg
Ron Landon II
Dave Little
Rene Lopez
Claudio Martinez
Robby McAllister
Steve Melgoza
James Moe
Dave Moran
Romer Olson
Greg Paris
No Pas
Kent Pollock
Ricardo Ponce
Randy Pruett
Billy Quintanilla
Jesse Quinton
Emilio Ramirez
Bernardino Rodriguez
Miguel Salas
Rick Spears
James Steen Jr.
Tara Tisdale
Nemecio Villalobos
Scott Wachowski
Kyle Zirkle

10 Years!

Lance Bain
Dawn Breitzman
Victor Cardenas
Shawn Dotson
Cody Evans
Jesus Garcia
Alan Gulko
Norman Ireton
Ronald Kingsbury
Sergio Mendez
Jeff Minkler
Mark Morris
Nicholas Neher
Ronald Olivas
Myles Pevy
Janel Pickard
David Porter
Jacob Rinke
Oleta Saari
Rod Scott
Joel Shaw
Chadley Smathers
Matthew Smith
Steven Stoner
Josh Welch
Lance Wert
Chris Williamson

Windows Red Bluff
Oroville
Aberdeen
Anderson
Aberdeen
Quincy
Oroville
Windows Red Bluff
Aberdeen
Oroville
Aberdeen
Trucking
Aberdeen
Centralia
Aberdeen
Oroville
Aberdeen
Aberdeen
Oroville
Aberdeen
Aberdeen
Oroville
Lincoln
Aberdeen
Aberdeen
Aberdeen
Oroville
Windows Sales AZ
Windows Red Bluff

Quincy
Windows Sales Bay Area
Richfield Millwork
Centralia
Shelton
Aberdeen
Lincoln
Lincoln
Burney
Burlington
Aberdeen
Lincoln
Windows Sales NorCA
Windows Sales Orange
Lincoln
Windows Merrill
Windows Sales Trnsnd
Lincoln
Quincy
Windows Red Bluff
Aberdeen
Centralia
Lincoln
Shelton
Lincoln
Anderson Fab
Lincoln

5 YEAR ACHIEVEMENTS

*"Welcome to the club! Looking
forward to having you around for
many more years!"*

Red

Perry Allen
Matthew Bell
David Bouback
Mike Bradley
Harold Burss
Clinton Carter
Roman Clark
Tommy Clement
Joshua Cox
Johan Culp
Jonathan Demean
Richard Dorris
William Durbin
Fernando Garcia
David Gilmore
Matt Goss
Jason Hall
Ron Halvorson Jr.
Travis Hamman
Joseph Hanna
Andrew Harmon
Jimmie Hern
Shana Kinsworthy
Alan Larson
Christopher Little
Tony Maldonado
Roy Marti III
Steven Martin
Zack Michael
Desiree Muniz
Carlos Munoz
Diego Munoz
Ben Natho
Joseph Pelletier
Francisco Ramirez
Jr Renteria
Hunter Smith
Josh Thompson
Jaime Torres
Amber Velasco
Chris Wathen
Jeff Wells
Uriah Wells
Wyatt Whittington

Burlington
Anderson Fab
Aberdeen
Sonora
Red Bluff Millwork
Sonora
Red Bluff Millwork
Red Bluff Millwork
Windows Red Bluff
Centralia
Quincy
Red Bluff Millwork
Anderson Fab
Trucking
Red Bluff Millwork
Anderson Main
Quincy
Red Bluff Millwork
Windows Medford
Trucking
Richfield Reman
Lincoln
Red Bluff Millwork
Windows Red Bluff
Anderson
Richfield Reman
Aberdeen
Trucking
Quincy
Windows Sales CO
Richfield Reman
Richfield Reman
Richfield Millwork
Forestry
Richfield Millwork
Red Bluff Millwork
Red Bluff Millwork
Red Bluff Millwork
Windows Red Bluff
Burlington
Richfield Millwork
Trucking
Burney
Chinese Camp

Thank You!

RETIREES



Gary Baker

plans to do some traveling when he retires from his Supervisor position after 22 years at Windows in Red Bluff. First on his list is a trip to Prince Wales Island, Alaska for a couple weeks this summer. Have to assume some fishing is in order, since he and his wife love to fish. A few honey-dos and time on Shasta Lake will round out his list. Sounds like a great plan, Gary!



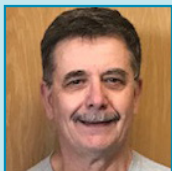
Vincent Eddis

retired from his Sawfiler position in Quincy after 33 years with SPI. He didn't have much to say other than he plans to stay busy with hiking, cycling, and steelhead fishing. Have fun, Vincent!



Jeff Keller

has retired from his Forestry Accountant position in Anderson after 15 years. He will spend more time with his children in Oregon, South Dakota, and Okinawa. Jeff is involved with his church and enjoys giving back to the community. He enjoys motorcycle touring and is planning a week-long trip to the southern tip of Chile. Stay safe on the road, Jeff!



William Kraemer

from Windows in Medford retired from his Powder Coat Machine Operator position after 27 years. He plans some fixer-upper projects around his house with grandkids on the top of his priority list. A cruise down the Mississippi River and fishing and hunting trips to Canada will ensure a busy schedule. How did you ever have time for work, William?



Tom LaMendola

will be sawing logs in bed instead of at the mill. He retired from his Sawyer position at Sonora after 21 years with the company. Ranch work, grandkids, fishing, and hunting are on his list in no particular order. We like your balanced schedule, Tom!



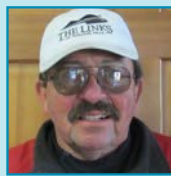
Mark Lathrop

has retired from his Community Relations Manager position after 42 years with SPI. He accepted a part-time Exec Dir position with the Loggers Association of Northern CA. He and his wife have a jewelry business they will continue. Traveling, hunting, and his four Labrador Retriever kids keep him busy. Mark thanks the Emmersons for helping his kids with scholarships and affording him so many opportunities over the years.



Terry Monroe

after 18 years with Windows, retired from his Driver position in Olympia. Traveling with his wife and solo travel on his new motorcycle are in his near future. He has some home remodeling ideas coming up and he will spend lots of time with his grandchildren. Hanging out at the YMCA will keep him in fighting shape. Good stuff, Terry!



Ron Morgan, Sr.

has travel plans after retiring from his Cutstock Grader position after six years at Red Bluff Millwork. A trip to visit family in Montana and then on to South Carolina's Myrtle Beach for golf will keep him busy. There could be a little fishing and Harley-riding to fill in the gaps. Sounds like you have it all figured out, Ron!



Stephan Norris

after 46 years with SPI, has retired from his Millwright position in Sonora. He will help out his in-laws now that he has more time. He plans to build a motorcycle and teach his kids how to ride. A cross-country trip all the way to Key West is planned with his wife on their motorcycle. Be safe and have fun, Stephan!



John Paoli, Jr.

retired from his Moulder Crew position after 29 years at Richfield Millwork. Grandkids will keep him very busy between baseball games and teaching them how to gold pan. Leave a few nuggets for the rest of us and don't wear out the grandkids, John!



Wayne Schmidt

plans to enjoy more time with his grandchildren in his retirement after 35 years from his Mulling position in Medford. He loves to fish, especially ice fishing. Traveling the United States with his wife will be a priority. Gardening both vegetables and flowers will keep him busy when he's home. Enjoy retirement, Wayne!



Richard Shibler

after 24 years with Windows in California and Arizona, retired from his Service Tech position. He has some rental properties that will keep him busy and he has plans to build a large deck at home. For fun, he will go gold prospecting in the mountains near his house. ATV riding will keep the breeze in his face. Remember, Richard, to have more fun than work!



Deborah Shields

retired from her Machine Operator position after 14 years at Windows in Red Bluff. First, a trip to Maui is her priority. She has five acres of property that will keep her busy. She also plans to volunteer at the Haven Humane Society. Don't forget the sunscreen, Deborah!



Kathy Tonelli

plans to take one day at a time after retiring from her Filer position at Red Bluff Millwork after a 32-year career. She said when she was originally hired, it was for a temporary position and it lasted 32+ years. A cruise to Alaska this summer and lots of motorcycle rides with friends will keep her entertained. Have a great time and be safe, Kathy!

NO LOST TIME IN 2017!

The following facilities had NO LOST TIME in 2017. Congratulations to these dedicated crew members and thank you for your commitment to safety!

**ANDERSON POLES
FAB SHOP ANDERSON
FAB SHOP SHELTON**

**FORESTRY
SHASTA LAKE**

**SONORA
WINDOWS MERRILL**





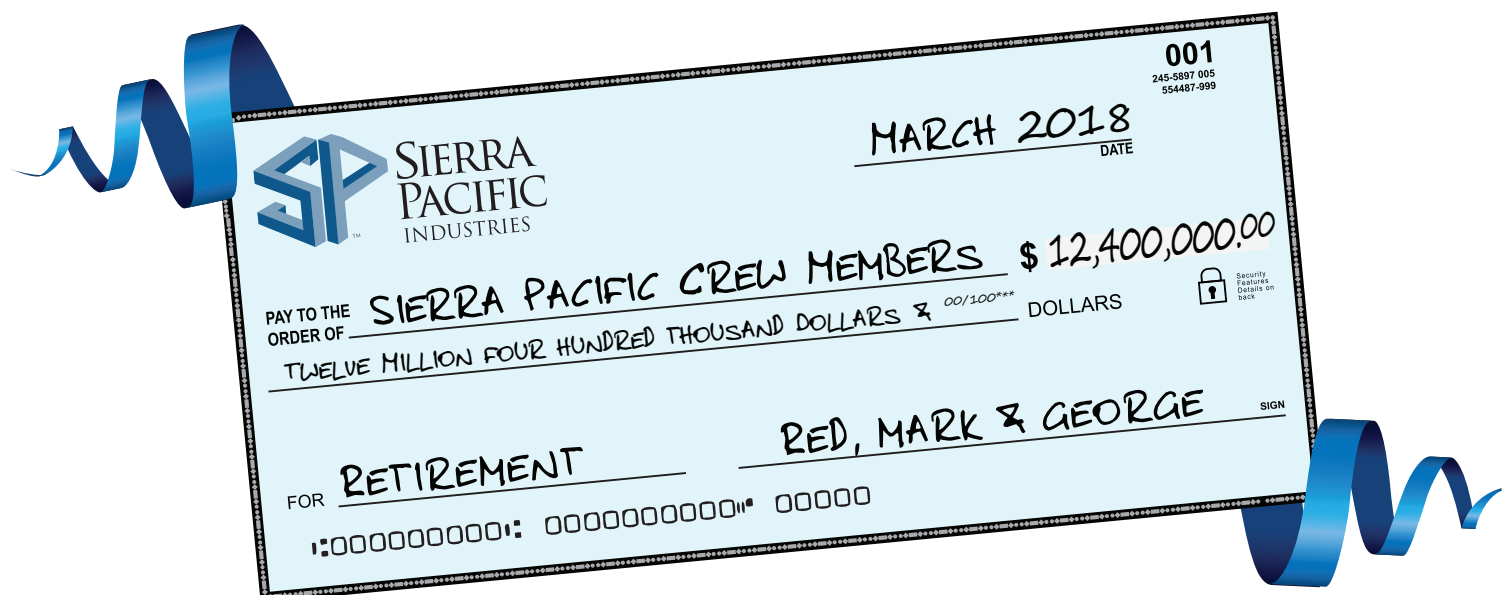
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RETURN SERVICE REQUESTED

YOUR SIERRA PACIFIC RETIREMENT PLAN

For 2017, Sierra Pacific will contribute \$12.4 million to the retirement accounts of eligible crew members. We are very pleased to be able to offer this great retirement plan, including a combined amount of both the 401(k) Match and Company Contribution, for the future of you and your family.



Thank you for your
dedication and commitment
to Sierra Pacific.