

THE HISTORY OF OUR BRANDS

Each generation has imaginatively seized opportunities that were right for the times and striven to improve the business. The principles laid down by Harry Fellowes during the first part of the twentieth century have been faithfully respected and preserved:

- A belief in the value and dignity of all people.
- A commitment to integrity in all business dealings.
- A passion for innovation, resulting in products of superior quality, usefulness, and value.
- A commitment to continuous improvement.

First Generation:

1917-1952

Harry Fellowes, a man who had to leave school to help support his family by age 14, had followed his father in the trade of tailoring. By the time he was 31, he had ventured out on his own and established the H.L. Fellowes & Company, Custom Clothes Makers, in downtown Chicago.

A naturally outgoing and curious man, he had introduced himself to a young businessman renting a nearby office. This young entrepreneur, Walter Nickel, had created an innovative file box to hold transaction records held by banks like canceled checks and issued deposit slips. The box was made of economical corrugated board and featured a secure string and button closure to protect the documents. An identification label marked the contents. It was lightweight, yet strong enough to do the job. Harry Fellowes was intrigued.

One day in the spring of 1918, Harry Fellowes noticed Mr. Nickel packing up his business. He learned that Mr. Nickel had been drafted to serve in WWI. A deal was quickly struck: Harry Fellowes would buy Mr. Nickel's business for \$121.40 – roughly the inventory value. Sensing a better business opportunity, Mr. Fellowes decided to close his own business in custom-made suits and devote himself to Mr. Nickel's business in storing standard size bank documents. When Walter Nickel returned from the war six months later in December, 1918, he rejoined the business as a minority shareholder in the newly incorporated Bankers Box Company.

Harry Fellowes was more than lucky. He correctly assessed the potential for records keeping and trusted his instincts. The newly enacted Federal Income tax legislation would inaugurate stricter records keeping requirements. He worked imaginatively and tirelessly to market the file box to banks and commercial businesses across the Midwest of America. He branded his file box "Liberty" – a name that fit the patriotic spirit of the day. He advertised in newspapers and magazines always offering a free sample with the return of a coupon.



Low cost "Liberty" boxes solved the growing need to organize inactive business records



Harry Lamar Fellowes
First President of the
Bankers Box Company

The young company

Grew on the strength of the innovative Liberty box

and its economical solution to a growing problem. Always promoting his products, Harry's sons, Folger and John, remembered their father loading up the car with Liberty Boxes on family vacations. When the family would drive through a town, the children stopped for ice cream while Harry Fellowes visited a local bank, made a pitch, and left a free sample behind. Encouraged by the success of the Liberty box, Mr. Fellowes decided to alter his selling strategy by tapping into existing distribution offered by a growing number of office products dealers. During the 1930's, the Bankers Box Company slowly evolved from a regional to a national manufacturer as it benefited from a network of dealers who carried local inventories of file boxes for banks and businesses.

The economic collapse of the Great Depression brought hardship to all American businesses. Bankers Box Company wages were cut several times, but the company retained its workers even though demand for the products fell. In 1932 Harry's son Folger left college to help his father in the selling of the products. Son John followed in 1938. But, both sons joined the army several years later to serve during World War II. Harry Fellowes persevered, nevertheless, and the business survived. After the war, Folger and John returned to the business and began a phased changeover to second generational leadership.



"On time and complete" deliveries became their performance standard



The first production line, circa 1925

Second Generation:

1952-1983

The responsibilities for the second generation were divided according to their natural gifts. Folger Fellowes, the more outgoing of the two, had been drawn into the selling of the products. His brother, John, from the beginning had taken to the manufacturing and administrative side. They would work side by side as "Mr. Outside" and "Mr. Inside". It worked brilliantly in business and carried over into their personal lives.

Folger Fellowes became the "face" of the company to most of its customers. Originally offering "exclusive distribution" to one dealer in each geographic market, the company expanded its distribution over time to multiple dealers and wholesalers in markets across the U.S. By the 1950's a strong sales force and national distribution was making the Bankers Box Company a market leader in records storage systems.



H. Folger Fellowes



John E. Fellowes

Meanwhile

John Fellowes led the manufacturing side

with improved manufacturing methods and a replenishment system which kept inventories balanced. He brought systems and procedures to the administration of the business and introduced Profit Sharing. In 1956 the company moved from its awkward multi-floor manufacturing operation in Chicago to a new 30,000 sq. ft. factory and office in Franklin Park, Illinois. Several years later a small manufacturing operation was opened in Anaheim, California. Other regional manufacturing plants followed in Cranbury, New Jersey, Dallas, Texas, and Atlanta, Georgia.

James ("Jamie") Fellowes, Harry's grandson and John's son, joined the business in 1969. Months later, Folger Fellowes died unexpectedly of a heart attack. Though the loss of Folger Fellowes represented an enormous blow to the business, the new father and son combination filled the gap over the next few years and led the company into a timely expansion of the company's product range and its geographic reach as subsidiary companies were established in Canada and the United Kingdom. With the retirement of John Fellowes in 1983, Jamie Fellowes succeeded his father as President, thus bringing a third generation into the leadership of the business.

Third Generation:

1983-2014

By the late seventies micrographics and digital technology began to change the way American businesses operated. These technologies tended to limit the need for paper document filing and storage. But, these technologies also opened the door to new opportunities. In 1982 the company ventured beyond corrugated file boxes and drawers for the first time. As a natural adjacency to the storage of records, the company introduced a line of German-made paper shredders under the brand name "Fellowes," thereby broadening its scope in records management solutions. Then, a year later the company acquired a business making PVC (plastic) filing systems for microfiche and "floppy disks". Both new product ranges succeeded and led to rapid expansion over the next twenty years with hundreds of new products and over 25 company acquisitions in the broad categories of business machines and computer accessories.

With this change in its product portfolio and mix, the company changed its corporate name to Fellowes Manufacturing Company, retaining "Bankers Box" as the brand for its records storage boxes and drawers. Over the next several decades, market leadership was established in "Fellowes" brand paper shredders, binding and laminating machines, computer accessories, workspace management products, and "Body Glove" mobile technology accessories, alongside its now famous brand of Bankers Box.

By the late eighties the company was growing fast, but it faced difficult challenges managing the growth. These internal challenges coincided with great change in the office products industry caused by the emergence of "big box" office products superstores. These new retailers brought on intense pressures on pricing and profitability. At this crucial time Jamie Fellowes asked his brother Peter to join him in the business partnership.

Peter, a PhD in English, had pursued a career in higher education. By his mid-forties Peter's career had advanced from classroom professor to Academic Dean. A promising career in academia lay ahead. Nevertheless, Peter Fellowes sensed the family call and joined his brother in the business in 1989. He became company President several years later with Jamie serving as CEO. The brothers worked together effectively.

The new market of the eighties and nineties required a lower cost basis of operation to meet market pricing pressures. Initially they faced the grim task of dismantling certain structures and ways of doing business because the market had changed.

Manufacturing and distribution were once again centralized for lower cost from five regional plants to a consolidated operation in Itasca, Illinois. Leveraging the volumes of centralized manufacturing, the company began converting corrugated sheets into boxes for the first time through adoption of die-cutting, printing, folding and gluing technologies. It also ventured into wire fabrication, injection molding, and other technologies to improve quality and lower the cost of its products. It began designing and manufacturing its own paper shredders and it introduced the world's first "personal shredder" (PS30/50) in 1990. Automation through robotic technology drove down costs in many manufacturing processes. Advantage Fellowes was introduced in 1990: a new concept in process improvement to drive higher quality and lower cost into repetitive work processes. These measures worked and the company was able to continue to grow while maintaining solid profits in spite of pricing pressures.



Jamie & Peter Fellowes

The company also expanded geographically.

Through a strategy of "green field" start-ups and several strategic acquisitions, the Fellowes business expanded into Europe, Australia, Asia, and Africa. In the early stages the overseas companies tended to look very different from country to country with "acquired" products, different manufacturing technologies, and incongruous methods and cultures. The international business more resembled a collection of loosely related businesses than a cohesive global business.

In 1994 the company set a new course: to create one company for the world. Fellowes would sell exactly the same products, under the same brands, with one global manufacturing base and supply chain everywhere it operated. It would establish one technology platform and one culture for its business worldwide. Achieving this vision proved to be a colossal undertaking. However, the journey began and the vision was ultimately realized with highly beneficial operating advantages.

Peter Fellowes retired in 2006, but another generation had already stepped forward. John Fellowes II, representing the 4th generation, had joined the family business full-time in 2001. He was put on a fast developmental track to expose him to the entire business and prepare him for executive business leadership. In 2012 he became the company's President. Over this final decade of the third generation leadership, John played a key role in the shape and the scale of Fellowes today.

17 Today Fellowes operates 17 overseas subsidiaries on five continents

50% With nearly 50% of its revenue coming from outside of the U.S.



It operates as one cohesive global business with technology which creates visibility and connectivity to all parts.

Fourth Generation:

2014-PRESENT

In June, 2014 Jamie Fellowes celebrated his fiftieth anniversary with the family business, having started as a production worker on the Bankers Box assembly line in 1964. He chose this anniversary to become non-executive Chairman of the Board, making way for John Fellowes II to become Chief Executive Officer.



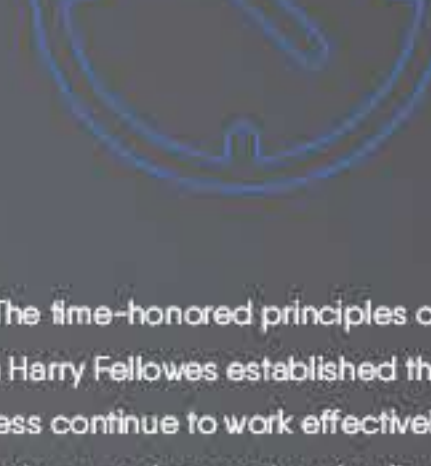
Fourth Generation CEO John Fellowes and Jamie Fellowes, Chairman of the Board

On the threshold of our

100th anniversary in 2017

Fourth generation executive leadership blends fresh thinking with experience and wisdom. Fellowes is well positioned today to continue what it has done well for nearly one hundred years: adapt, change, and grow. The company continues to build on its core competencies with "bottom up" continuous improvement initiatives, while developing new capabilities and establishing new markets.

Because of digital technology, the "core" markets of records storage boxes and business machines to shred, bind, and laminate documents are not expected to grow as these categories once did. However, the use of paper in offices continues and provides a durable base for the business. New growth categories in mobile technology accessories as well as a range of products to promote health and comfort in the workspace are providing strong growth opportunities for the company.



The time-honored principles on which Harry Fellowes established the business continue to work effectively to create an environment and culture in which innovation flourishes and people are motivated to serve global markets with products of superior quality, usefulness, and value.

