



March 23rd, 2021

RE: OCM Freight Surcharge Notice

Dear Valued Customer,

As we have all experienced recently, market conditions continue to put immense pressure on the cost of raw materials and finished goods. At the same time, rising diesel fuel costs and a limited supply of drivers have also increased shipping rates dramatically and this trend is expected to persist over the next few months. As a result, OCM can no longer absorb the full cost of the shipping expense on freight allowed orders.

Therefore, effective Monday, April 5th, OCM will implement a freight surcharge of 3% on all freight allowed orders. Freight allowed orders are simply orders where OCM pays the freight expense because the free freight order requirement has been met. The freight surcharge will be calculated against the total sales value of the freight allowed order and added as a line item on the order confirmation and final invoice. This surcharge will also apply to backorders and secondary shipments that qualify as freight allowed orders. Any special regional freight considerations must also be updated to reflect the freight surcharge so please discuss these details with your OCM Regional Sales Manager or local OCM Independent Sales Representative.

Again, this freight surcharge will not affect any orders other than freight allowed orders. Please note that the current content of our standard freight policy is not changing at this time. The most recent version of our freight policy is dated February 23rd, 2021, and can be found on the home page of our website at www.ocm-inc.com. Your OCM Regional Sales Manager or local OCM Independent Sales Representative will be your primary contacts for questions and additional information.

Above all, OCM remains committed to open and transparent communication with you, our customers, to ensure you are informed of these ever-changing market conditions. We will monitor these market conditions driving this surcharge and as these conditions change, we will review the ongoing need for the surcharge and communicate accordingly. We recognize the impact of sudden increases on your business and will do our best to manage this volatility as we forge ahead together in these unprecedented times. On this note, below is a link showing the recent surge in diesel fuel prices as a relevant factor.

<https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM EPM0 PTE YORD DPG&f=W>

Regards,

Ray Sullivan

Ray Sullivan
Vice President of Sales and Marketing
OCM Inc.