



12/1/21

RE: OCM Inc. Updated Freight Policy

Dear Valued Customers,

OCM Inc. has always believed that a reasonable freight policy that includes a specified dollar amount for free freight has supported our customers' day to day business to help manage final landed product costs. Over the course of 2021, it has been well documented that supply chain challenges, truck driver shortages, and higher driver wages have increased the cost of shipping products domestically to very high levels. In addition, raw material increases have continued to rise resulting in several price increases throughout the year. Earlier this year, OCM announced a freight surcharge of 3% against the total value of all freight allowed orders. Effective December 1st, 2021, we will eliminate this 3% freight surcharge and replace it with an updated freight allowed policy of \$25,000 net.

Here is a recap of the complete customer freight policy:

- **Standard Freight Allowed (also known as “Free Freight”) Policy of \$25,000 for stock orders. All local “exception” free freight dollar amounts will increase—OCM Sales Representatives to advise.**
- **Flatbeds are never considered part of the standard free freight policy and must be quoted separately, even to a jobsite. Only boxed vans are considered part of the standard free freight policy. Allowances may be made for the difference in cost between a flatbed and boxed truck when the free freight policy requirement is met.**
- **Concrete Handset Forms (including birch plywood), Aluminum Form Ties, Meshform (like Stayform), and Euro Rod will be quoted plus freight whether in a boxed van or flatbed. OCM can offer a freight quote when requested. OCM will no longer pay the freight for \$25,000 orders or truckloads of any of these products.**
- **Wire Mesh and Dowel Basket Assemblies will be quoted FOB King of Prussia, PA unless a freight quote is requested and/or a “delivered” price (freight included in price) is requested in advance.**
- **Mixed orders of general line stock with Concrete Handset Forms (like Steel-Ply), mixed orders of general line stock with Aluminum Form Ties, mixed orders of general line stock with Meshform, or mixed orders of general line stock with Euro Rod must include a \$25,000 minimum value of general line stock and make up a full truckload combined by weight to qualify for free freight.**
- **OCM will cover the freight on (1) secondary shipment of an original freight allowed order when that shipment is located within (2) standard LTL shipping days. Any additional shipments or shipments outside of the 2-day range will have freight quoted and added to the invoice.**
- **Backorders that originate from free freight orders will ship free freight once they are back in stock at the OCM location that is geographically closest to the customer. Maximum 1 free freight backorder shipment per original free freight order will be permitted.**



1120 E. PETERSON RD GRAYSAKE ILLINOIS 60030 | TOLL FREE: 866-457-5710 | (847)-462-4258 | FAX: 847-462-4259

- **All shipments that originate from a non-free freight order will be charged freight. Freight quotes can be provided and customer is able to use their own shipping company for any order.**
- **OCM stock transfers are not to be used as a method to avoid freight charges.**
- **OCM requires standard lead times both to replenish inventory and to ship orders complete. OCM will not cover freight costs for partial shipments of freight allowed orders ahead of standard lead times. Standard lead times for inventory replenishment vary by product and standard lead times for shipping vary by location.**
- **Mixing manufactured orders with general line stock from 2 different locations to reach free freight will not be permitted. Each order must reach the free freight amount separately in order to ship as free freight orders.**

While there may be other examples, the above points represent the vast majority of situations where freight questions may arise. Again, please direct all questions to your local OCM Sales Representative for further discussion and consideration.

OCM Inc. will continue striving to provide the best customer service in the industry with a cost-effective, sensible freight policy that is stays in step with the current environment and supports your ability to manage your business efficiently and profitably. Thank you again for your support of OCM Inc.

Regards,

Ray Sullivan

Ray Sullivan
Vice President of Sales and Marketing
OCM Inc.