



Dear Valued Customers,

On June 1st, 2019, the Trump Administration officially increased the tariff on over \$200 billion worth of imported products from China from 10% to 25%. Since the announcement of this increased tariff on May 10th, 2019, OCM has focused its efforts on customer engagement, cost analysis, domestic mill response, and supplier communication to understand more completely the impact of these tariffs in our key markets. While we must take steps to offset these immediate cost increases, it is our goal to be as balanced as possible with our implementation in order to show the highest level of support to our customers. It is important to note that OCM manufactures and supplies many products from here in the United States, from North America, and from overseas countries outside of China. Therefore, OCM will only pass along the tariff on products we import directly from China and our planned increases will range from 8% to 12% on these products only.

Unlike the initial 10% tariff in September, OCM has decided to delay implementation of this additional tariff until July 1st, 2019. We feel this delay provides our customers sufficient time to prepare for implementation on their end. The timing also enables all of us to monitor the current trade situation more closely in the context of what has proven to be a rather volatile political climate. OCM will pay very close attention to updates as they occur and share timely information as it becomes available.

On a related note, OCM does not currently import products from Mexico so the newly proposed tariffs on imported products from Mexico do not pertain to OCM.

In the meantime, should you have any questions, please contact your local OCM independent representative or OCM sales manager directly.

Regards,

Ray Sullivan

Ray Sullivan
Vice President Sales and Marketing
OCM Inc.