

## OCM Inc. Updated Freight Policy

September 2<sup>nd</sup>, 2025

OCM Inc. has always believed that a reasonable freight policy that includes a specified dollar amount for free freight (also known as freight allowed) has supported our customers' day-to-day business to help manage final landed product costs. Good policy should also provide some level of flexibility by creating certain exceptions and exclusions in a competitive industry with a dynamic cost structure. For example, OCM Regional Sales Managers may tailor special regional free freight programs to meet local competitive situations and make other exceptions at their discretion.

Here is a recap of the OCM customer standard free freight (freight allowed) policy:

- **Standard Free Freight (Freight Allowed) Policy of \$20,000 for stock orders.**
- Mixed orders with oversized products beyond 5' on a skid will now require a **\$25,000 minimum order** for free freight. Oversized products include: handset forms over 5', coil rod, Euro rod, pencil rod, Mesh Form, and other forming ties over 5' long. Oversized products take up additional space in a truck which increases the freight expense.
- Regional/local "exception" freight allowed dollar amounts will remain in effect—OCM Sales Representatives to advise.
- Flatbeds are not considered part of the standard free freight policy and must be quoted separately. Allowances may be made for the difference in cost between a flatbed and boxed truck when the freight allowed requirement is met.
- Secondary shipments and backorders that originate from freight allowed orders will ship as freight allowed. Maximum 1 free freight secondary shipment or backorder per original freight allowed order.
- All shipments that originate from a non-freight allowed order will be charged freight. Freight quotes can be provided and the 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 freight allowed 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 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.