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August 6<sup>th</sup>, 2021

RE: OCM Price Increase Notice Effective September 7th, 2021

Dear Valued Customer,

As I stated in our May 2021 price increase letter, the construction industry has continued to experience a sustained escalation of major cost factors including raw materials and shipping. Global supply chain shows very little sign of improving as shipping capacity has tightened even more over the past few weeks, sending shipping costs soaring to new record levels. For perspective, what used to be a \$4000 total cost for a 20' container last year has now surpassed \$16,000 and is projected to eclipse as much as \$18,000 in the near future. This tightening capacity is also exacerbating shortages in both raw materials and finished goods, pushing prices up to consistently higher levels.

As a result of these continued rising costs—with global shipping costs serving as the main driver—OCM must execute another price increase. Therefore, effective Tuesday, September 7th, 2021, OCM will implement an average price increase in the range of 7% to 10%. Again to be clear, “average range” means some products will increase less than 7% while some products will increase by more than 10%, resulting in an average of 7% to 10% overall. Our goal is to make this particular increase a more targeted increase primarily on the items most directly affected by these historic shipping costs. However, please understand that the rising cost impact will persist beyond 2021 so it is highly likely that additional price increases may occur.

In the meantime, OCM will complete our full cost analysis and will share more specifics in the next couple of weeks. Your OCM regional sales manager or local OCM independent sales representative will be your primary contacts for questions and additional information. OCM will continue to work hard to keep our customers competitive while enhancing our value at the same time. Again, thank you for your continued support of OCM in 2021 and beyond.

Regards,

*Ray Sullivan*

Ray Sullivan  
Vice President of Sales and Marketing  
OCM Inc.