



Request for Contract Update

Pursuant to the terms of contract number R191813 for Furniture & Installation. Contractor must notify and receive approval from Region 4 ESC when there is an update in the contract. No request will be officially approved without the prior authorization of Region 4 ESC. Region 4 ESC reserves the right to accept or reject any request.

OFS Brands Holdings Inc. _____ hereby provides notice of the following update on
(Contractor)
this date October 16, 2020.

Instructions: Contractor must check all that may apply and shall provide supporting documentation. Requests received without supporting documentation will be returned. This form is not intended for use if there is a material change in operations, such as assignment, bankruptcy, change of ownership, merger, etc. Material changes must be submitted on a "Notice of Material Change to Vendor Contract" form.

Authorized Distributors/Dealers
____ Addition
____ Deletion
____ Supporting Documentation

Price Update
 x Supporting Documentation

Products/Services
____ New Addition
____ Update Only
____ Supporting Documentation

Discontinued Products/Services
____ Supporting Documentation

States/Territories
____ Supporting Documentation

Other _____
____ Supporting Documentation

Notes: Contractor may include other notes regarding the contract update here: (attach another page if necessary).

OFS Brands Inc. is requesting a price adjustment effective February 1, 2021 to Current List Price at time of order.
Commercial announcement letter is enclosed

Submitted By: Anna McClelland

Title: Vice President-Specialty Markets

Email Address: amcclelland@ofs.com

Approved by Email: Date 10/27/2020 | 1:16 PM PDT

Denied by Email: Date _____

DocuSigned by:
Robert Engelmann
Region 4 ESC: _____
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October 14, 2020

Subject: 2021 Price Adjustment and Product Discontinuations

Hello. All of us at OFS hope this message finds you and your business doing well. 2020 certainly has presented a range of challenges and opportunities for our industry. Our position is to continue to invest and deliver products with high design value along with services and programs that promote business ease.

Our product development and design teams are diligently studying and working to bring solutions forward that address the evolving needs of people being safe, productive and comfortable in the variety of spaces they spend their day.

2021 Price list adjustment

The swift, hopefully temporary, contraction of the industry has caused lots of fluctuations in supply and demand. Our Supply Chain and Operations team have adapted our business quickly in response to the pandemic while preparing to support you through the various pace of regional, national and global recovery. While we have been able to mitigate cost pressures from reduced volume inefficiencies, continuous improvement initiatives and responsible organizational planning, we have experienced cost increases related to:

- Shrinking supplier economies of scale from contraction
- Increases on key input materials due to surging home goods sales
- Logistics pressure from capacity constraints
- Continued tariff burdens throughout the portfolio

We will implement a price increase as outlined below resulting in a blended 2% increase when averaged across the entire portfolio.

Effective February 1, 2021, price lists and etools will be updated with the following information:

- 3.25% increase on the Carolina portfolio
- 2.25% increase on the OFS portfolio with exceptions below
- 1.25% increase on Impulse, Pulse and Staks

2020 Product and materials discontinuations

Discontinuing products, options and surface materials is essential as it allows for manufacturing and inventory capacity to be allocated to our best-performing products and future development. We know transitions away from discontinued products are never easy; however, portfolio refinement creates room for the next wave of successful, relevant introductions to help you win business.

ofs.com

1204 East Sixth Street
Huntingburg, IN 47542
800.521.5381



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Below outlines the products being discontinued on February 1, 2021. Inventory depletion processes will go into effect as we work towards mitigating excess material at year-end. We're communicating to you in advance to work on any standard programs that may include discontinued products or surface materials so you have time to work towards an alternative OFS or Carolina solution. Please contact your OFS or Carolina representative with any questions.

Discontinued series & options	Brand	Replace with	Brand
Orchestra lounge	Carolina	Modern Amenity	Carolina
Senso (specific models)	Carolina	Theatre, Logique	Carolina
Reverie (specific models)	Carolina	Evergreen sleepover	Carolina
Exam stool	Carolina	New product coming	Carolina
Modern Amenity (Grey poly arm caps)	Carolina	Black poly arm caps	Carolina
Hug (Grey & Taupe resin arm caps)	Carolina	Black resin arm caps	Carolina
Elani (Grey & Taupe poly arm caps)	Carolina	Black poly arm caps	Carolina
Lado	Carolina	Airus	OFS
Ten (except models 705m and 715m)	Carolina	Genus, Harpin	OFS
Arise	OFS	Sleek, Pur	OFS
Bendz	OFS	Heya, Lotiv	OFS
Eleven Credenza	OFS	Rowen	OFS
Hitch	OFS	Vide	OFS
Mystique (40437 only)	OFS	Mystique (40037)	OFS
Re	OFS	Staks, Obeya	OFS
Staks (CPC finish only)	OFS	MSL powdercoat	OFS
Harpin (Goldenrod, latte, & Moss)	OFS	N/A	OFS
Acen/Genus (Scarlet & Oasis Mesh)	OFS	N/A	OFS
Sladr/Zonal (Citrus & Sangria Mesh)	OFS	N/A	OFS
HB (Green, White, Orange & Tan Knit)	OFS	N/A	OFS
Airus (Scarlet, Deep Blue & Oasis Mesh)	OFS	N/A	OFS

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Insync (Carmel, Chocolate, Fern, Garden, Java, Latte, Lime, Lipstick, Midnight, Orange, Pewter, Silver, Splash, White Knit)	OFS	Black	OFS
Insync (Battleship, Slate, White Plastic)	OFS	Black	OFS
3mm edge banding	OFS, Carolina	2mm	OFS, Carolina
Bead & Flair edge profiles	OFS, Carolina	Square profile	OFS, Carolina

We hope this early communication assists with your business planning. We truly appreciate your business and look forward to a very successful 2021 with you.

Thank you and all the best,

Nick Blessinger
VP, Marketing

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