



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.

(Contractor)

hereby provides notice of the following update on

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

☐

Products/Services

_____ New Addition

_____ Update Only

_____ Supporting Documentation

☐

States/Territories

_____ Supporting Documentation

☒

Price Update

x Supporting Documentation

☐

Discontinued Products/Services

_____ 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.

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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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OFS Brands Holdings Inc.

(Contractor)

hereby provides notice of the following update on

this date November 22, 2022.

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



Products/Services

 New Addition
 Update Only
 Supporting Documentation



States/Territories

 Supporting Documentation



Price Update

 x Supporting Documentation



Discontinued Products/Services

 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 an average price increase of 7.4% and the removal of the previously approved temporary surcharge of 3% effective on January 23, 2023. We are also requesting the addition of several dealers as indicated in the attached Authorized Dealer List.

Submitted By: Anna McClelland

Title: Vice President-Specialty Markets

Email Address: amcclelland@ofs.com

☐ Approved by Email: Date 11/29/2022 | 9:50 AM CST

☐ Denied by Email: Date

DocuSigned by:

Robert Zingelmann

Region 4 ESC:

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November 2, 2022

January 2023 Price Adjustment Notice

Dear Partners,

As we prepare for 2023, we want to remain your partner that provides the best price-to-design value.. We closely watch the global indexes and our industry to ensure we remain competitive while offsetting the price hikes directly impacting our organization. While some categories and commodities are no longer at their peak increases, the net impact is still historically high and places exponential pressure on effectively securing materials, capacity, and labor to manufacture high-quality products.

You can be confident that we have managed supply chain challenges, logistic costs, and wage inflation to the best of our ability to deliver to you the most competitive pricing possible. On Monday, January 23, 2023, we will implement an adjusted 7.4% price increase on the OFS and Carolina product portfolios. Please see the details below:

- OFS and Carolina products 7.4% price increase, effective Monday, January 23, 2023
- 3% surcharge (if previously allowed) eliminated on orders beginning January 23, 2023
- Catalogs in CET will be released as immediately available.
- eTools will be updated in January

All orders placed prior to Monday, January 23, 2023, must ship by April 28, 2023, in order to receive the current list pricing.

Thank you for your commitment to OFS and Carolina. Your partnership means so much to us.

Sincerely,

Anna McClelland
VP-Specialty Markets

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OFS Brands Holdings Inc.

(Contractor)

hereby provides notice of the following update on

this date April 25, 2021.

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



Products/Services

____ New Addition

____ Update Only

____ Supporting Documentation



States/Territories

____ Supporting Documentation



Price Update

____ Supporting Documentation



Discontinued Products/Services

____ 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 the acceptance of the enclosed updated list of authorized dealers.

Submitted By: Anna McClelland

Title: Vice President-Specialty Markets

Email Address: amcclelland@ofs.com



Approved by Email: Date 4/26/2021 | 9:02 AM CDT



Denied by Email: Date _____

DocuSigned by:

Region 4 ESC:

Robert Engelmann

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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.

(Contractor)

hereby provides notice of the following update on

this date March 23, 2022.

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.

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Authorized Distributors/Dealers

_____ Addition

_____ Deletion

_____ Supporting Documentation

☐

Products/Services

_____ New Addition

_____ Update Only

_____ Supporting Documentation

☐

States/Territories

_____ Supporting Documentation

☒

Price Update

x Supporting Documentation

☐

Discontinued Products/Services

_____ 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 temporary surcharge of 3% effective on April 4, 2022. This surcharge applies to products only and is directly related to fuel, fuel derivatives and transportation costs. The Surcharge is not permanent and will be reviewed regularly. OFS is also requesting a 9% price increase effective May 16, 2022

Submitted By: Anna McClelland

Title: Vice President-Specialty Markets

Email Address: amcclelland@ofs.com

☐ Approved by Email: Date 3/24/2022 | 8:40 AM CDT

☐ Denied by Email: Date _____

DocuSigned by:

Robert Zingelmann

Region 4 ESC:

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March 23, 2022

Surcharge and Price Adjustment Communication

Surcharge Effective Monday, April 4, 2022

Dear Partners,

Due to current, ongoing global events spiking fuel, fuel derivatives, and material prices and availability prompting immediate supplier surcharges passed onto us, OFS and Carolina will be implementing a 3% surcharge effective Monday, April 4th, 2022, on new acknowledged orders. The surcharge will NOT be retroactive on orders in-house prior to April 4th.

We understand the challenges of adding surcharges to your projects. We hope this advance notice will provide time to communicate and adjust accordingly.

- The surcharge of 3% will be added to all acknowledgments beginning on Monday, April 4th, 2022
- The surcharge will be calculated on net sales and will be a separate line item on your acknowledgment and invoice
- CET, eTools, and the online price lists will be updated with reminders regarding the surcharge

We'll monitor fuel, fuel-related materials, and freight costs closely and as the network recovers from the current shock and shows signs of stabilization, we look to eliminate the surcharge.

May 16, 2022, Price Adjustment Notification

In addition to the above-described surcharge, OFS and Carolina will implement a 9% price increase, effective Monday, May 16th, 2022.

- eTools will be updated in May
- Catalogs in CET will be released as immediately available
- Any PDF price lists will have a sticker added to the cover indicating the increase

All orders placed prior to Monday, May 16, 2022, must ship by September 3, 2022, in order to receive the current list pricing, even with the 3% surcharge should it still be in effect.

Notes on increases and surcharges

Over the last 24 months, we've tried to conservatively implement price adjustments. Inflation, market escalations. Recent spikes in fuel and raw materials, as well as material availability, have necessitated us and our suppliers to secure goods and house inventory well in advance of normal purchasing cycles.

Below are a few examples of increases excluding supplier fuel surcharges:

- International freight: 300-600%
- Plywood: 58.4%
- Cut Foam: 55%
- Packaging: 8%
- Finish(on veneer): 10%
- Steel: 26%
- Electrical: 10%
- HPL: 6%

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- Oil and oil derivatives have significantly spiked and even some downward movement is still at a 50-60% increase from 18 months ago (see oil/barrel [chart](#) below)



As the whole world continues to face inflationary pressures, I'm proud that our company has fought hard to protect our clients from even higher price volatility over the past several months. But, we have not been able to offset all the negative price pressure, I can assure you that as you review our price adjustments in comparison to our competitors, we have one of if not the most favorable price-to-value proposition over the past 24 months. You can be confident that we have managed supply chain challenges, logistic costs, and wage inflation to deliver to you the most competitive pricing possible.

Please contact us with any questions or concerns.

Sincerely,

Anna McClelland

Anna McClelland
VP-Specialty Markets

ofs.com

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OFS Brands Holdings Inc.
(Contractor) hereby provides notice of the following update on
this date May 17, 2022.

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**

x Addition
____ Deletion
x Supporting Documentation

☐ **Products/Services**

____ New Addition
____ Update Only
____ Supporting Documentation

☐ **States/Territories**

____ Supporting Documentation

☐ **Price Update**

____ Supporting Documentation

☐ **Discontinued Products/Services**

____ Supporting Documentation

☐ **Other** _____

____ Supporting Documentation

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

Dealer additions including: Bluespace, K Office, Officeworks, RCF, Three Rivers, Total Office

Complete list attached dated May 9, 2022

Submitted By: Anna McClelland

Title: VP-Specialty Markets

Email Address: AMcClelland@ofs.com

☐ **Approved by Email:** Date 5/18/2022 | 1:13 PM CDT

☐ **Denied by Email:** Date _____

Region 4 ESC:

DocuSigned by:

Robert Zingelmann
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