

STANDARD TERMS AND CONDITIONS OF SALE

(Effective February 6, 2025)

1. **Definitions.** **Lancer** means Lancer Corporation, a Texas corporation and any affiliate of Lancer Corporation that is the seller of the Products to which these Terms and Conditions relate. **Buyer** is the purchaser of the Products. **Purchase Order** or **Order** means the Buyer's written order for the Products. **Order Acknowledgment** means Lancer's written confirmation of an Order or a written offer from Lancer to sell the Products to Buyer. **Products** means the beverage dispensing equipment as shown in the Order Acknowledgment. **Affiliate** means any entity that controls, is controlled by or is under common control of Lancer or Buyer, respectively, where control means ownership of fifty (50%) percent or more of the outstanding stock or ownership interests of the entity. **Terms** means these Terms and Conditions of Sale. **Parties**, collectively means Buyer and Lancer, and each shall individually be referred to as a **Party**.

2. **Offer and Acceptance.** **LANCER'S WILLINGNESS AND COMMITMENT TO SELL PRODUCTS TO BUYER IS EXPRESSLY CONDITIONED UPON BUYER'S ACCEPTANCE OF THESE TERMS. LANCER EXPRESSLY OBJECTS TO, REJECTS AND EXCLUDES ANY OTHER TERMS OR CONDITIONS, INCLUDING, BUT NOT LIMITED TO, ANY DIFFERENT, ADDITIONAL OR CONTRARY TERMS AND CONDITIONS PROPOSED BY BUYER, WHETHER IN A PURCHASE ORDER OR ANY OTHER DOCUMENT. ANY ORDER FOR PRODUCTS, WHETHER COMMUNICATED TO LANCER VERBALLY, IN WRITING, BY ELECTRONIC DATA INTERFACE OR OTHER ELECTRONIC COMMERCE, OR BUYER'S COMMITMENT TO MAKE PAYMENT FOR ANY PRODUCTS, OR ANY OTHER INDICATION OF ACCEPTANCE, SHALL CONSTITUTE BUYER'S ACCEPTANCE OF THESE TERMS. LANCER'S REFERENCE TO BUYER'S ORDER OR PURCHASE ORDER NUMBER SHALL IN NO WAY CONSTITUTE AN ACCEPTANCE BY LANCER OF BUYER'S STANDARD TERMS AND CONDITIONS CONTAINED IN AN ORDER, WHICH LANCER EXPRESSLY REJECTS. NO MODIFICATION TO THESE TERMS WILL BE BINDING UPON LANCER UNLESS AGREED TO IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF LANCER.** These Terms, together with Lancer's quotation, Order Acknowledgment, invoices, specifications, and any supplements or attachments thereto issued by Lancer from time to time, shall constitute the entire agreement between Lancer and Buyer for each such sale ("**Agreement**"), and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. In the event of any inconsistency between these Terms and any other parts of the Agreement, the conflict shall be resolved in the following order: the Order Acknowledgment, the invoice, and these Terms. The Order Acknowledgment is a prerequisite to the purchase of the Products and shall be deemed accepted by Buyer unless Buyer rejects the Order Acknowledgment in writing within five (5) business days of receipt. By accepting the Order Acknowledgment, Buyer accepts these Terms which are incorporated into the Order Acknowledgment by reference. Notwithstanding the foregoing, if Lancer and Buyer are parties to a written purchase agreement governing the sale of the Products ("**Master Agreement**"), the Master Agreement shall govern the sale of the Products.

3. **Estimates and Quotations.** Lancer's written estimates and quotations are valid for a period of 30 days from the date of the quotation unless a longer period is set forth in writing by Lancer. Lancer reserves the right to adjust prices after the expiration of the quotation.

4. **Modification and Cancellation of Orders.** Once accepted by Lancer, Buyer may not cancel or change an unfulfilled Order without Lancer's prior, written consent. In the event Lancer approves Buyer's request to modify or cancel of an Order, Buyer shall compensate Lancer for the greater of Lancer's resultant costs and damages, or a cancellation fee equal to 10% of the aggregate amount of the cancelled Order. Lancer shall have the right, without incurring any liability to Buyer to do the following if the production of the Products becomes impracticable: (i) to cancel the Order in its entirety upon written notice to Buyer; or (ii) change production facilities in its discretion without notification to Buyer.

5. **Price.** Buyer shall purchase the Products from Lancer at the prices (the "**Prices**") set forth in Lancer's Order Acknowledgment. All Prices are exclusive of all sales, use, and excise taxes, and any other similar

taxes, duties, tariffs and charges of any kind imposed by any governmental authority on any amounts payable by Buyer ("**Taxes**"). Buyer shall be responsible for all such Taxes and charges; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Lancer's income, revenues, gross receipts, personnel, or real or personal property or other assets. The Prices include standard packaging. Unless expressly otherwise agreed by the Parties in writing, the Prices exclude transportation and insurance costs which are the responsibility of the Buyer.

6. Delivery.

(a) Time for delivery is not of the essence. Lancer will use reasonable commercial efforts to comply with the delivery dates set forth in the Order Acknowledgement, but all such dates are estimates only and Lancer does not guarantee to meet such dates. Failure by Lancer to meet the estimated delivery dates does not constitute a cause for cancellation or damages and Lancer will not be liable for any delays, loss, or damage in transit.

(b) Unless otherwise agreed in writing by the Parties, delivery of Products shall be FCA Lancer's warehouse for domestic deliveries and Ex Works Lancer's warehouse for international deliveries (FCA and Ex Works shall have the meaning set forth in Incoterms 2020 (ICC No. 715) with its attendant rights and obligations). Lancer shall properly pack, mark, and ship Products and provide Buyer with shipment documentation. If Buyer provides any special shipping requirements, or packing or crating instructions, all such additional expenses shall be borne by Buyer. Buyer shall be responsible for all loading/unloading costs and provide equipment and labor reasonably suited for receipt of the Products at the delivery point. Buyer is responsible for fees associated with not taking timely delivery of the Products, such as storage fees. Buyer shall make any claim for loss or damage occurring after delivery by Lancer to the delivery point directly with the carrier. In the event Lancer pays transportation and insurance beyond the point of shipment to the destination specified by Buyer, all such costs should be billed to Buyer on the applicable invoice. Title and risk of loss pass to Buyer in accordance with the FCA/Ex Works delivery terms stated above.

(c) Lancer, in its sole discretion, may make partial shipments of Products to Buyer without liability or penalty. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's Purchase Order.

(d) Lancer reserves the right to deliver the quantities stated in Lancer's Order Acknowledgement subject to a deviation not to exceed plus or minus (+/-) ten percent (10%). In the event of any such quantity variance, payment will be based on the actual quantity delivered at the unit price specified in the Order Acknowledgement. Any further deviation beyond the plus or minus (+/-) ten percent (10%) must be approved in advance by Buyer in writing.

7. Credit; Security Interest. As collateral security for the payment of the purchase price of the Products, Buyer hereby grants to Lancer a lien on and security interest in and to all of the right, title, and interest of Buyer in, to, and under the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. If Lancer reasonably believes Buyer may not pay for the Products, it may cancel any outstanding order, withhold or revoke any extension of credit, reduce any unpaid debt by enforcing the foregoing security interest, and take any other reasonable steps to secure itself in addition to the rights set forth in Section 9.

8. Inspection. Buyer shall promptly inspect the Products upon receipt. Buyer will be deemed to have accepted the Products unless it notifies Lancer in writing of any Nonconforming Products (as defined below), stating with specificity all defects and nonconformities within ten (10) days of receipt of the Products. All alleged defects and nonconformities that are not so specified will be deemed waived by Buyer, the Products shall be deemed to have been accepted by Buyer, and no attempted revocation of acceptance will be effective. As used in these Terms, "**Nonconforming Products**" means the Products shipped are different than identified in the Order Acknowledgment or otherwise does not conform to the agreed specifications of the Products. If Buyer timely notifies Lancer of any Nonconforming Products, Lancer shall determine whether the Products are Nonconforming Products. Buyer shall

furnish written evidence or other documentation of the nonconformity requested by Lancer. If Lancer determines that such Products are Nonconforming Products, Lancer shall, in its sole discretion, (i) replace such Nonconforming Products with conforming Products, or (ii) credit or refund to Buyer such amount paid by Buyer to Lancer for such Nonconforming Products returned by Buyer to Lancer. Buyer shall ship, at its expense and risk of loss, all the Nonconforming Products to such location as Lancer may instruct Buyer in writing. Buyer acknowledges and agrees that the remedies set forth in this Section 8 are Buyer's exclusive remedies for Nonconforming Products. Except as provided in this Section 8 or in Lancer's published return policy as set forth on its website (including the requirement of a RMA# and payment of applicable restocking fees), all sales of Products to Buyer are final and Buyer has no right to return Products purchased under this Agreement to Lancer.

9. Payment Terms. The purchase price is due and payable in accordance with the terms of the Order Acknowledgement (or in the absence thereof, thirty (30) days from the date of Lancer's invoice), without setoff or deduction. If, in the sole discretion of Lancer, Lancer deems the financial condition of Buyer to so require, Lancer may require Buyer to make full or partial payment for the Products in advance. If Buyer fails to make any payment when due, Lancer shall have the right without prejudice to any other remedies available to Lancer under these Terms and at law: (a) to suspend shipment of any Products under this or any agreement between Lancer and Buyer; (b) to terminate the Order or any other order with the Buyer and claim damages from Customer for breach; and (c) to collect interest on such overdue payment at the rate of three percent (3%) compounded monthly, or the maximum rate allowed by law, whichever is less. In addition, Buyer shall reimburse Lancer for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees.

10. Limited Warranty.

(a) Product Warranty. The Products are subject to Lancer's standard product warranties and warranty policy published on its website, currently at: [Lancer-Worldwide-Warranty.pdf](#) (the "**Product Warranty**").

(b) Product Warranty Limitations. The Product Warranty does not apply to any Products that have: (i) been subjected to abuse, misuse, neglect, negligence, accident, improper testing, improper installation, improper storage, improper handling, abnormal physical stress, abnormal environmental conditions or use contrary to any instructions issued by Lancer; (ii) been reconstructed, repaired, or altered other than by Lancer or its authorized representative; or (iii) been used with any third-party products, hardware, or product that has not been previously approved in writing by Lancer. Further, Lancer shall not be liable for a breach of the Product Warranty if Buyer makes any further use of such Products after giving notice of the alleged claim.

(c) DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED HEREIN, THE PRODUCTS ARE SUPPLIED SUBJECT TO LANCER'S STANDARD MANUFACTURER'S WARRANTIES AND COMPRISE LANCER'S SOLE AND ENTIRE WARRANTY OBLIGATION AND LIABILITY TO BUYER, ITS CUSTOMERS AND ASSIGNS IN CONNECTION WITH THE PRODUCTS SOLD HEREUNDER. ALL OTHER EXPRESS OR IMPLIED WARRANTIES ARE DISCLAIMED, INCLUDING ANY WARRANTIES OF: (i) MERCHANTABILITY; (ii) FITNESS FOR A PARTICULAR PURPOSE; (iii) TITLE; OR (iv) NON-INFRINGEMENT; AND WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE. BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY OTHER REPRESENTATION OR WARRANTY MADE BY LANCER, OR ANY OTHER PERSON OR ENTITY ON LANCER'S BEHALF. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 10, THE PRODUCTS ARE PROVIDED ON AN "AS IS" BASIS.

(a) Buyer's Exclusive Remedy for Breach of Warranty. In the event of any breach of the Product Warranty during the warranty period indicated in Section 10(a), Buyer's sole and exclusive remedies shall be as set forth in the Product Warranty. Buyer must comply with the warranty procedures set forth therein.

11. Limitation of Liability. TO THE FULLEST EXTENT PERMITTED BY LAW, IN NO EVENT SHALL LANCER BE LIABLE TO BUYER OR ANY OTHER PERSON CLAIMING BY OR THROUGH BUYER, FOR ANY INJURY TO OR LOSS OF GOODWILL, REPUTATION, BUSINESS, PRODUCTION, REVENUES, PROFITS, ANTICIPATED PROFITS, CONTRACTS OR OPPORTUNITIES (REGARDLESS OF HOW THESE ARE CLASSIFIED AS DAMAGES), OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, PUNITIVE OR ENHANCED DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE, REGARDLESS OF WHETHER SUCH LOSS OR DAMAGE WAS FORESEEABLE OR THE PARTY AGAINST WHOM SUCH LIABILITY IS CLAIMED HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. IN NO EVENT SHALL LANCER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THE AGREEMENT OR THE PRODUCTS, EXCEED THE TOTAL OF THE AMOUNTS PAID TO LANCER UNDER THE PURCHASE ORDER GIVING RISE TO THE CLAIM. THE FOREGOING LIMITATIONS APPLY EVEN IF BUYER'S REMEDIES UNDER THE AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

12. Compliance with Law. Buyer shall comply with all laws applicable to the Agreement, Buyer's performance of its obligations hereunder, and Buyer's use of the Products. Without limiting the generality of the foregoing, Buyer shall (a) at its own expense, maintain all certifications, credentials, licenses, and permits necessary to conduct its business relating to the purchase or use of the Products and (b) not engage in any activity or transaction involving the Products, by way of shipment, use, or otherwise, that violates any law.

13. Export and Sanction Laws. Lancer's obligations are subject to the export administration and control laws and regulations of the United States. Buyer shall comply fully with such laws and regulations in the export, resale, or disposition of the Products. Buyer shall be responsible for applying for and obtaining all required export licenses and approvals and upon request, shall provide documentation of such licenses and approvals to Lancer. Buyer shall be responsible for maintaining and complying with all applicable export reporting requirements. Lancer does not guarantee the issuance of such licenses or their continuation in effect once issued. Buyer agrees and shall cause each of its customers to agree, that it shall commit no acts which directly or indirectly violate any United States export control law, regulation, treaty or other international agreement to which the United States adheres or complies or any applicable export, import or other laws of any other jurisdiction and agrees to indemnify and to hold Lancer harmless from any and all liabilities or costs incurred by Lancer or its affiliates for any reason arising from or connected with any such violation, incurred intentionally or unintentionally. Quotations or proposals made, and any Order Acknowledgments or Purchase Orders accepted by Lancer from a Buyer outside the United States are with the understanding that the ultimate destination of the Products is the country indicated therein. Diversion of the Products to any other destination contrary to United States law is prohibited. Accordingly, if the foregoing understanding is incorrect, or if Buyer intends to divert the Products to any other destination, Buyer shall immediately inform Lancer of the correct ultimate destination. Buyer certifies that it is not on the U.S. Department of Commerce Denied Party or Entity List or the Unverified Parties List and agrees that it will not sell or distribute any Product sold hereunder to any party on such lists. Buyer warrants that in performing its obligations under these Terms, it will not take any action rendering Lancer liable for violation of the United States Foreign Corrupt Practices Act, which prohibits offering, giving, or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, political party, or instrumentality of these organizations, to assist it or Lancer in obtaining or retaining business. Buyer agrees to indemnify, defend, and hold Lancer harmless against any liability arising from any breach of Buyer's obligations under this Section 13.

14. Confidential Information. All non-public, confidential, or proprietary information of Lancer, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by Lancer to Buyer, whether disclosed orally or disclosed or accessed in written, electronic, or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" in connection with the sale of the Products is confidential, solely for Buyer's use in connection with the Agreement, and may not be disclosed or copied unless authorized in advance by Lancer in writing. Upon Lancer's request, Buyer shall promptly return all documents and other materials received from Lancer. Lancer shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

15. Intellectual Property Rights.

(a) Dies, tools, patterns, electronic files and other products of preparation required to produce the Products or services sold or provided under the Agreement shall remain the sole property of Lancer. Additionally, Buyer acknowledges that Lancer's trademarks or any other trademarks applied to the Products or used by Lancer in connection with the Products are the sole and exclusive property of Lancer.

(c) Each party is and will continue to be the sole owner of any intellectual property owned by it prior to the date of the Agreement. Any new intellectual property relating to the methods of production, assembly, or supply of the Products which is conceived, made, authored or reduced to practice by Lancer under this Agreement shall be Lancer's sole and exclusive property. To the extent any such rights vest in Buyer by operation of law, Buyer hereby agrees to assign and convey such rights to Lancer without the payment of any amounts including any royalties, commissions or profit participation charges. Buyer will not make any adverse claim regarding intellectual property owned by or to be assigned to Lancer.

16. Installation and Technical Advice. Unless otherwise agreed in writing, Buyer is solely responsible for the installation and operation of Products sold hereunder, including, without limitation, obtaining all permits, licenses, or certificates required for the installation or use thereof. Any technical advice offered or given by Lancer in connection with the installation or use of any Products is solely an accommodation to Buyer, and Lancer disclaims any warranty and is not liable or responsible for Buyer's reliance on or use of that advice. Without Lancer's prior written consent, Buyer shall not use, duplicate, or disclose any technical data disclosed to Buyer for any purpose other than for installing, operating, maintaining, or using the Products.

17. Miscellaneous.

(a) Force Majeure. Any delays in or failure of performance of Lancer shall not constitute default or give rise to any claims for damages if and to the extent that such delay or failure is caused by occurrences beyond the control of Lancer, including, but not limited to: acts of God or the public enemy, acts of government, acts of Buyer, expropriation or confiscation of facilities; compliance with any order or request of any governmental authority, compliance with priority or allocation orders or preference ratings issued by the government, epidemics, quarantine restrictions, acts of war, acts of terrorism, rebellion or sabotage or damage resulting therefrom; embargoes or other export restrictions, wrecks or delays of transportation, inadequate transportation facilities, inability or difficulty in obtaining raw materials, a significant increase in the price of materials, fires, floods, explosions, unusually severe weather, accidents, breakdowns; riots or strikes or other concerted acts of workmen, whether direct or indirect; or any other causes whether or not of the same class or kind of those specifically above named which are not within the control of Lancer and which, by the exercise of reasonable diligence, Lancer is unable to prevent or provide against.

(b) Assignment; Binding Effect. No assignment of Buyer's rights hereunder may be made without the prior written consent of Lancer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(c) Waiver. No waiver by Lancer of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Lancer. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement by Lancer operates or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder by Lancer precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege by Lancer.

(d) Relationship of the Parties; No Third Party Beneficiaries. The relationship between the Parties is that of independent contractors. Nothing contained herein shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever. This Agreement is for the sole benefit of the parties hereto and their respective

successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

(e) Governing Law; Jurisdiction. The Agreement is governed by and construed in accordance with the laws of the State of Texas without giving effect to its conflict of law principles. The provisions of the United Nations Convention on the International Sale of Goods will not apply to this Agreement. Lancer and Buyer agree that any legal suit, action, or proceeding hereunder shall be brought and resolved exclusively by the State and Federal courts located in San Antonio, Texas, and the courts to which an appeal therefrom may be taken; provided that any party shall have the right, to the extent permitted by applicable law, to proceed against any other party or its property in any other location to the extent necessary for the enforcing party to enforce a judgment or other court order. Each of the parties hereby consents to the jurisdiction of such courts and waives all questions of jurisdiction and venue. Legal process in any proceeding may be served on any party anywhere in the world. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THESE TERMS OR THE TRANSACTIONS COMTEMPLATED HEREBY.

(f) Notices. All notices shall be in writing and addressed to the parties at the addresses set forth on the face of the Order Acknowledgment or to such other address for either Party as that Party may designate by written notice. All notices must be delivered by nationally recognized overnight courier, or certified or registered mail (in each case, return receipt requested).

(g) Severability. If any provision of these Terms is determined to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of these Terms or invalidate or render unenforceable such term or provision in any other jurisdiction.

(h) Survival. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following provisions: Payment Terms, Credit; Security Interest, Compliance with Law, Confidential Information, Limited Warranty, Limitation of Liability, Intellectual Property Rights, Export and Sanctions Laws, and Miscellaneous.