



CONFIDENTIAL

May 28, 2021

Dear Valued Partner,

Providing competitive and stable pricing to our customers is a top priority of Lancer Worldwide. With that in mind, we would like to update you on the challenges we are facing and how they will impact you.

During the post pandemic recovery, we have experienced cost increases, supply shortages, and extended lead times for raw materials, components, transportation, and labor. We have seen double-digit percentage increases in material costs over the last five months, despite our efforts with vendors to avoid the increases. It is no longer sustainable for us to absorb these cost increases.

Effective July 1, 2021, our list price will increase by an average of 7%. Contracted customers will be contacted by our sales leadership team to review and discuss specific details. We will honor current pricing on those orders received before July 1 that have confirmed ship dates in July. Given current conditions, we encourage you to place your orders early.

We at Lancer Worldwide are grateful for your continued partnership as we look forward to a stronger 2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Adams".

Scott Adams  
Interim President

---

DEDICATION IN ACTION™

6655 Lancer Blvd. | San Antonio, TX 78219 | [lancerworldwide.com](http://lancerworldwide.com) | 210.310.7000

A HOSHIZAKI Company