

# Notice of Suspension of Operations

*June 15, 2026*

To Whom It May Concern,

I am writing to formally notify you of an important strategic decision made by Groupe Beneteau that will directly affect your current supply agreement with REC Boat Holdings LLC. We want to ensure you receive this communication with full transparency and in a timely manner.

## Decision to Suspend the Four Winns, Scarab and Wellcraft Fisherman Brands

Groupe Beneteau has made the decision to suspend production and distribution of the brands produced REC BOAT Holdings, effective **Q3 2026**. All manufacturing operations at the Cadillac, Michigan facility will cease, and all associated procurement and supply chain activities will be wound down accordingly.

This decision follows consecutive years of significant financial losses within the powerboat segment, driven by a combination of structural market challenges, including:

- Rising interest rates impacting consumer demand and dealer inventory levels;
- The need for significant inventory normalization across the dealer network;
- Intensifying price competition in the entry and mid-range fiberglass segment.

Despite the dedication and quality of service demonstrated by our vendor partners, the cumulative operating losses recorded in 2024 and 2025 are no longer sustainable. This decision was made after careful deliberation at the highest level of the organization.

## Formal Notice of Suspension of Activities

All procurement, purchase order issuance, and supply activities will cease on or before the effective termination date, except as otherwise outlined in this letter. Certain provisions of your agreement, including confidentiality and intellectual property obligations, shall survive termination and remain in full force and effect.

## Outstanding Purchase Orders & Invoices

We are committed to honoring all financial obligations incurred prior to the termination date. The following commitments apply:

- ▶ **OPEN PURCHASE ORDERS** All confirmed purchase orders issued prior to the date of this letter will be honored in full. No new purchase orders shall be issued beyond this date unless required to fulfill outstanding open orders in production, customer service or warranty. Please do not initiate production on any unconfirmed or pending orders without written authorization from your dedicated procurement contact.
- ▶ **OUTSTANDING INVOICES** All outstanding invoices for goods delivered and services rendered up to the effective termination date will be processed and paid in accordance with the agreed payment terms of your contract. Please ensure all invoices are submitted no later than July 31, 2026, to allow for timely processing.
- ▶ **CONTACT FOR BILLING QUERIES**

For any questions related to outstanding payments or invoice reconciliation, please contact Kristie LENON at [k.lenon@beneteau-group.com](mailto:k.lenon@beneteau-group.com) phone number 213-779-2327

## Transition Support & Wind-Down Commitments

We understand that this notice may have operational and financial implications for your business, and we are committed to managing this wind-down in a fair and orderly manner. The following support measures will be in place:

- ▶ **DEDICATED CONTACT** Your procurement contact in the supply chain team will be reaching out to you within the next five (5) business days to coordinate all wind-down activities, address open items, and provide a clear timeline for final deliveries and closeout.
- ▶ **PRODUCTION WIND-DOWN COORDINATION** We will work collaboratively with you to minimize disruption, including aligning on final delivery schedules, managing any work-in-progress inventory, and providing reasonable lead time for production stoppage.

► **ONGOING COMMUNICATION** We are committed to maintaining open and transparent communication throughout this process. Any changes to timelines, contacts, or procedures will be communicated to you promptly and in writing.

## Closing

We sincerely value the partnership we have built with your organization and the contributions you have made to the Rec Boat Holdings supply chain. This outcome is the result of broader market and financial realities and is in no way a reflection of the quality of your products or services.

We are committed to ensuring this transition is handled with the professionalism and respect that your partnership deserves.

Should you have any questions or concerns regarding the contents of this letter, please do not hesitate to reach out to us directly.

Yours sincerely,

---

Patricia Foltier | Supply Chain Manager Groupe Beneteau / REC Boat Holdings LLC

p.foltier@beneteau-group.com | 231-779-2346