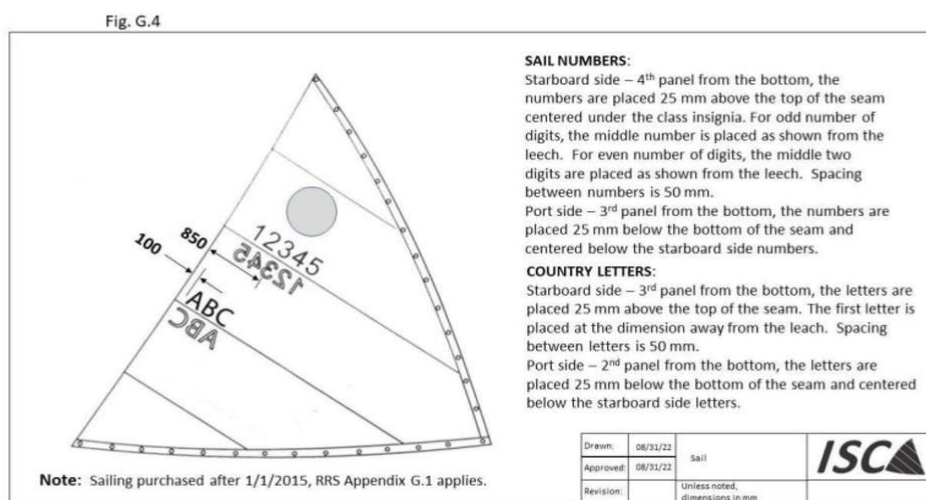


LASERPERFORMANCE STATEMENT REGARDING THE 2023 SUNFISH WORLDS IN ECUADOR AND THE CANCELLATION OF THE EVENT BY THE SUNFISH CLASS

Over the years LaserPerformance has been proud to support the Sunfish Worlds with boats, logistics and staff. Hundreds of boats have been supplied on an annual basis. This has not been a commercial initiative but a commitment to supporting the International Sunfish Class Association (“Sunfish Class”) and the Sunfish sailing community. We have marketed and promoted the Sunfish all around the world, including supplying boats and parts to the Italian and French Sunfish Class.

Notably, in 2017 LaserPerformance proposed to the Sunfish Class a five (5) year sponsorship starting in 2018 with a cash value of \$433,750. The plan also provided for special pricing of race sails to Sunfish Class members (for details see below). This sponsorship was rejected by the Sunfish Class.

Recently, to our dismay, the International Sunfish Class Association, took the unilateral decision to eliminate the trademarks “Sunfish” and the Sunfish logo from its website and removed any mention of the Sunfish boat or logo in its Rules (<https://www.sunfishclass.org/rulesandmeasurement>). Even the word “Sunfish” and logo were eliminated as shown in the example below.



This action was taken by the Sunfish Class even though the Sunfish Class has “Sunfish” in its name and there is an agreement between LaserPerformance trademark owner and the Sunfish Class that allows for the use of the name and logo. The Agreement requires that any change from the name and logo requires LaserPerformance’s approval. The unauthorized change by the Sunfish Class has come in the form of a new logo “ISCA” with the A in the pattern of a red and white Sunfish sail.



Without any consultation between the Sunfish Class and LaserPerformance, this new logo was applied to a Sunfish Race sail and an announcement was made that the Sunfish Class is now authorizing North Sails to sell the Race sail with the "ISCA" logo. Remarkably, North Sails have repeatedly cited they cannot determine when Race sail can be ordered by LaserPerformance since they have no knowledge when fabric will be available. Subsequently the Sunfish Class announced that North "ISCA" Race sails would be authorized and available as well as Selden spars. These actions by the Sunfish Class constitute a breach of the Sunfish Class Agreement with the trademark owner and also constitute interference with LaserPerformance's supplier business relations.

LaserPerformance asked the Sunfish Class to reverse its decisions and have parts supplied through LaserPerformance but the Sunfish Class stated that it had the right to take such actions and that the North "ISCA" Race sails were "non-negotiable". It was not LaserPerformance's decision to stop providing Sunfish boats to Ecuador, rather it was the Sunfish Class's decision to cancel the event and chart a different course at the expense of Sunfish Worlds in Ecuador. These remarkable unilateral turn of events are in the face of agreed charter arrangements with Ecuador and finalized sail designs as requested by Ecuador. LaserPerformance has committed to the purchase of unique sails for the 2023 Worlds which will now lead to a financial loss.

After the Sunfish Class announcement, we proposed in writing to immediately meet with them to address outstanding issues and urged the Sunfish Class to conclude the outstanding Builders Agreement and the outstanding World Sailing agreement without further prevarication. This request was turned down. If the Sunfish Class is serious about a continuing relationship, then these documents need to be discussed and signed.

At a technical level the Sunfish Class has not visited LaserPerformance production facilities for the past five (5) years and no technical discussions have been had on parts or quality improvement unless initiated by LaserPerformance. The Sunfish Class needs to take its technical responsibilities unconditionally and immediately. We have also proposed a schedule of meetings and annual visit for which we have received no response.

We hope that the Sunfish Class will change its mind and attitude towards LaserPerformance. We only seek engagement and collaboration. The past few years with COVID and supply chain issues have not been easy for us, and we have acknowledged the challenges. However, LaserPerformance has addressed these issues - boat production is well on schedule and last year's Sunfish Worlds boats for Italy were considered to be some of the best ever produced. We have improved our parts supplier arrangements and are determined to continue this process until all parts issues are equally resolved.

This is a call to action for the Sunfish Class to reverse a course that aims to separate itself from LaserPerformance and Sunfish sailors and instead to work together for the benefit and growth of the global Sunfish community.

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