To: All US Holley Teammates
From: Human Resources
Date: October 20, 2025
Subject: 2026 Benefits & Open Enrollment Update – Working Spouse Coverage Policy

Dear Teammates,

As part of our ongoing effort to provide high-quality, affordable healthcare benefits for you and your families, we want to take a moment to talk openly about an important change that will take effect next year, so that you have time to plan accordingly.

Like many employers across the country, Holley Performance Brands has seen a significant rise in healthcare costs. Medical inflation, new technology, and higher utilization are all driving expenses upward and while we continue to absorb a large share of these costs, we also need to make responsible decisions to ensure our plans remain sustainable for everyone long term.

Beginning in the upcoming plan year, Holley will adopt a **Working Spouse Coverage Policy**. This means that if your spouse is employed and has access to medical coverage through their own employer, they will no longer be eligible to participate in Holley's medical plan. Spouses who do not have access to employer-sponsored coverage will continue to be eligible, as will all dependents and children under the plan. This change helps ensure that the cost of healthcare is shared fairly between employers when both provide access to coverage for the same family.

This approach is a common practice among many employers and is designed to help balance fairness and cost-sharing while protecting the quality of the benefits we offer our employees. By focusing our resources on teammates and dependents who do not have other coverage options, we can better manage costs and continue to provide strong benefits and wellness support for our Holley family.

We understand this is a meaningful change, and we want to support you through it. The HR and Benefits teams will provide clear guidance and support during open enrollment to help you understand how this policy may affect you and your family.

We deeply value everything you do to make Holley a great place to work and an industry leader. Thank you for your continued commitment, your hard work, and your understanding as we make changes that protect our shared future.

Important Notes:

- **This change applies only to medical coverage - dental and vision plans are unchanged.**
- **Dependent children are not affected. You can still cover them on Holley's plan.**
- **All Teammates must sign an affidavit verifying their spouse's eligibility for coverage during open enrollment.**
- **Providing false information will result in repayment of all healthcare costs and separation of employment.**

Action Required:

- **If your working spouse is currently on Holley's medical plan and their employer offers and contributes to health insurance, you will need to remove your spouse from Holley's plan during open enrollment, and they must enroll in their employer's health plan for 2026.**

Our Benefits team is available to answer your questions at **Benefits@Holley.com**. Holley will host education sessions during open enrollment to help you understand your options.

Working Spouse Coverage Policy – FAQ:

Are Teammates required to sign an affidavit stating that their spouse isn't offered coverage elsewhere?

- **Yes**

Does the working spouse coverage policy apply to Holley's Dental and Vision plans?

- **No**

If my spouse is currently working and has access to health insurance through their employer, can they enroll in Holley's plan?

- **No. If your spouse is working and has access to health insurance through their employer, they are no longer eligible to enroll in Holley's medical plan.**

If my spouse is currently covered on their employer's health plan, and they lose that coverage, am I able to add them to my Holley plan?

- **Yes. Your spouse's loss of coverage would be considered a qualifying life event, which means they could be enrolled in Holley's plan immediately. You will go to ADP > Benefit Enrollments > Report a Change > select life event > add spouse coverage and provide your supporting documentation. As with any qualifying life event, this needs to be completed within 30 days of the event.**

If my spouse enrolls in their own employer's medical plan, can they stay on my Holley medical plan and use it as secondary coverage?

- **No, they cannot remain on your Holley medical plan if they are offered coverage through their employer.**

Are children impacted by the working spouse coverage policy?

- **No, you may cover eligible dependent children on the health plan of your choice, the Holley plan or your spouse's plan.**

My spouse has insurance available through his/her own employer, but the employer does NOT contribute toward the cost of the insurance. Can my spouse still enroll in Holley's plan in this case?

- **Yes, your spouse can enroll in Holley's plan if their employer does not contribute toward the cost of the insurance. You do need to be able to show documentation of this to Benefits.**

What if my spouse is on Medicare, Medicaid, or Tricare?

- **The working spouse coverage policy does not apply if your spouse is on Medicare, Medicaid, or Tricare.**