



Hunter Douglas N.V.  
The Independent Committee of the Board of Directors  
Piekstraat 2  
3071 EL Rotterdam  
The Netherlands

May 19, 2021

Dear Sirs:

Thank you very much for your reply (April 30<sup>th</sup>, 2021) to my April 21<sup>st</sup> letter. I maintain the strongest of objections to most all your counterpoints, and, as a consequence of significant new information that has since come to light, **reiterate my call for the Independent Committee ('the IC') to repeal its recommendation of this shambolic Offer.** These new developments comprise the massive inflection in the financial performance of the Company; and the emergence of a Minority Group of shareholders, constituting almost a majority (~45%) of the minority shares outstanding.

First, to the fundamental inflection in the earnings power of the business. In my original letter I contended that NIBC's Fairness Opinion – relied upon by the IC in recommending the Offer – was stale and based upon incomplete information. Indeed, the IC, in its response to me, appears to concede many of my points in this regard, stating, '*When deciding to recommend the Offer on December 12, 2020 (the date of the merger agreement), the Independent Committee took into account the then available forecast. No results or preliminary results for Q4 2020 were available at that time.*'

But why is more up-to-date financial information not being considered by our Independent Board now? How is it reasonable to rely on the lack of information *at that time* when updated information is now readily, and obviously, available? There is no 'statute of limitations' for the consideration of information regarding the Offer's fairness. The IC has a *continuous* obligation to protect our best interests as minorities – an obligation you seem content to frustrate by refusing to incorporate the latest performance numbers from the Company. Your fiduciary duties did not end on December 12, 2020 (the date the offer was formally recommended); and to act otherwise would be a serious breach of governance statutes.

As the most recent First Quarter results demonstrate, our Company is producing record profits. First quarter revenues and EBITDA were +26% and +108% year-over-year, respectively, and *basically every comparable listed company globally is portending incredibly strong end-markets for the foreseeable future.* Simply put, when NIBC conducted their 'valuation work' last

December, HDG's LTM EBITDA was \$514mm; as of today, that number is \$625mm; and given the trajectory of the business and typical seasonality, **2021 EBITDA will quite likely be well north of \$700mm**. Even by mid-year – the time this transaction may be debated before a judge in Curacao – the run-rate earnings power of the business will be >\$650mm, or ~30% higher than the level upon which NIBC, and the IC, delivered their flawed approval for the Offer. **On the basis of the exact same methodology, simply updated for the current run-rate earnings power of the business, the Offer price should be raised 40%.**

Secondly, since my first missive, it has come to my attention that a significant group of shareholders ('the Minority Group'), comprising ~2.5mm of the 5.5mm minority shares outstanding (ie, almost half of all minorities in existence), have committed to not only vote against the Offer but have hired Amsterdam and Curacao counsel and will protect their rights vigorously in any subsequent squeeze-out hearing. As I posited in my original letter, at current terms the acceptance rate for this Offer would be 'embarrassingly low', and the emergence of the Minority Group makes this outcome a *fait accompli*. Since a certain portion of the free float is held by investors who simply cannot own delisted stock under any circumstances, **such a low total acceptance ratio for the Offer is tantamount to a total rejection of the transaction by nearly every single discretionary investor in the Company**. This outcome speaks to the complete and total failings of the Board, and the IC, in recommending this derisory Offer, and may ultimately prompt regulatory inquiry. Needless to say, I am supportive of the Minority Group and commit to exercise my rights in a similar fashion.

In any case, I doubt the Curacao courts will look kindly on an Offer that could win nary 50% acceptance from minorities – much less 40% or 30% (which seems plausible as it currently stands). Unless the Offer's terms are revised significantly higher, I foresee a lengthy, fractious squeeze-out hearing that ultimately accords minorities their just consideration – north of 150 EUR/share, taking into account the newly-disclosed acceleration of the business – whilst frustrating the objectives of Mr Sonnenberg in launching this action in the first place. Whilst it seems too much to ask for our IC to agitate properly for minority interests, at the very least they should be ashamed to continuing recommending a transaction that so obviously fails the fairness test for basically every single active investor on the register. Repealing the Recommendation is thus not just the right thing to do, but the only thing to do.

In my previous letter, I suggested that should this transaction go through, Mr Sonnenberg would only be outdone in the history of Dutch expropriators by Peter Minuit, who stripped Manhattan from its indigenous owners for a few trinkets in 1626. It turns out that judgement was premature. With the inflection in the business demonstrated in the first quarter, selling this business at 64 EUR/share has graduated from mere expropriation to unadulterated theft. Perhaps, therefore, the more accurate comparison is to 17<sup>th</sup> century Dutch pirate Piet Pieterzoon Hein – famous for looting so much silver that it almost bankrupted the Spanish Empire. Certainly, as minorities it feels as if our crown jewel of a company is being extracted under duress, and all under the watch of a feckless and complicit Board.

In closing, I reiterate my call for the IC to abandon its recommendation in favor of the Offer, and to do what's right for all shareholders: either extract an improved offer commensurate with the Company's true fair value; or allow the shares to remain freely traded on the Amsterdam market.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Raper', with a stylized, cursive script.

Jeremy Raper