



HUNTER DOUGLAS N.V.

**SHAREHOLDER CIRCULAR
(ALSO SERVING AS EXPLANATORY NOTES TO THE AGENDA)**

in relation to

the Extraordinary General Meeting of Hunter Douglas N.V.

To be held at:

Dokweg 19, Maduro Plaza, Willemstad, Curaçao

Dated January 14, 2022

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LETTER TO SHAREHOLDERS

January 14, 2022

Dear Shareholders,

We are pleased to invite you to Hunter Douglas' Extraordinary General Meeting in connection with the Transaction (i.e. the Block Trade, the Asset Sale and the Buy-Out). The Extraordinary General Meeting will be held on February 8, 2022 at Dokweg 19, Maduro Plaza, Willemstad, Curaçao and will start at 10:00 a.m. local time.

On December 30, 2021, following an unsolicited approach by 3G Capital, the Purchaser, an entity incorporated for purposes of the Transaction by funds affiliated with 3G Capital, and Mr. Ralph Sonnenberg, the Seller, entered into a definitive block trade agreement for the sale by Seller of a controlling interest of 75% in a holding vehicle (HoldCo) to Purchaser. By selling a 75% interest in HoldCo, Seller indirectly sells 75% of its existing indirect shareholding in Hunter Douglas. Seller's total indirect interest represents approximately 93.59% of the issued and outstanding shares in Hunter Douglas at the date of this Shareholder Circular.

The Board (unless indicated otherwise in this Shareholder Circular, in each case comprising only the Independent Directors and not Mr. Ralph Sonnenberg), unanimously supports the Transaction, and Hunter Douglas, Mr. Ralph Sonnenberg, Purchaser, and certain of their affiliates have entered into a support agreement in relation to the Transaction. In the Support Agreement it has been agreed, among other matters, that immediately following consummation of the Block Trade, subject to the approval by the Extraordinary General Meeting and certain other customary conditions, the entire business of Hunter Douglas will be sold and transferred to HoldCo (and/or one or more wholly-owned subsidiaries of HoldCo) and that as promptly as practicable thereafter statutory buy-out proceedings in accordance with applicable Curaçao law and Hunter Douglas' articles of association will be initiated in respect of any remaining shares in Hunter Douglas.

Further details of the Transaction are contained in Part 2 of this Shareholder Circular.

Completion of the Transaction is conditional upon, among certain other requirements, approval of the Resolutions at the Extraordinary General Meeting. Hunter Douglas' shareholders are hereby asked to vote in favour of such Resolutions. The Board considers the Transaction to be in the best interests of Hunter Douglas and its stakeholders, including its shareholders. Accordingly, the Board unanimously recommends that you vote in favour of all the resolutions to be proposed at the Extraordinary General Meeting, including to approve the Asset Sale, as further set out in the agenda to the Extraordinary General Meeting and this Shareholder Circular. Mr. Ralph Sonnenberg has committed to vote the shares indirectly held by him (representing approximately 93.59% of the issued and outstanding shares in Hunter Douglas at the date of this Shareholder Circular) in favour of the Resolutions.

The Agenda and this Shareholder Circular are available on Hunter Douglas' corporate website (<http://investor.hunterdouglasgroup.com>). The Shareholder Circular contains important information about the Transaction and related matters and all Hunter Douglas shareholders are advised to read this document in its entirety before casting a vote.

All votes are important to us and we welcome you to cast your vote. We look forward to seeing you on February 8, 2022.

Yours sincerely,

Hunter Douglas N.V.

By: A. Ruys

Title: Non-executive director

By: A. Nühn

Title: Non-executive director

By: F.N. Wagener

Title: Non-executive director

1 INTRODUCTION

On December 30, 2021, following an unsolicited approach regarding the Transaction by 3G Capital around September 2021, an entity incorporated for purposes of the Transaction by funds affiliated with 3G Capital (the Purchaser), and Mr. Ralph Sonnenberg (the Seller) entered into a definitive block trade agreement for the sale of a controlling interest of 75% in a holding vehicle (HoldCo). By selling a 75% interest in HoldCo, Seller indirectly sells 75% of its existing indirect shareholding in Hunter Douglas. Seller's total indirect interest represents approximately 93.59% of the issued and outstanding shares in Hunter Douglas at the date of this Shareholder Circular.

The Block Trade Agreement represents a private transaction between Purchaser and Seller, and accordingly not a public offer for shares in Hunter Douglas. In connection with the Block Trade Agreement, Hunter Douglas, Seller, Purchaser, Beheer and HoldCo have entered into the Support Agreement. The parties to the Support Agreement have agreed that, subject to the terms and conditions set out therein, among other matters, Beheer shall, as promptly as practicable after Completion and completion of the Asset Sale, initiate statutory buy-out proceedings in accordance with applicable Curaçao law and Hunter Douglas' articles of association for all remaining outstanding shares in Hunter Douglas (the Buy-Out). As a result of the Buy-Out, Beheer will acquire all shares of minority shareholders in Hunter Douglas for a price to be determined by the Curaçao Court. As discussed in more detail in Section 2.1 under d) in this Shareholder Circular, in the Buy-Out, the Curaçao Court will be requested to award each relevant minority shareholder EUR 175 per Ordinary Share, which is the same price per Ordinary Share that Seller will receive pursuant to the Block Trade, and EUR 0.43 per Preferred Share, which is a higher price than the nominal value of EUR 0.24 per Preferred Share that Seller will receive pursuant to the Block Trade (in each case without interest and less any applicable withholding taxes, noting that amounts received in the Buy-Out are not expected to be subject to Dutch dividend withholding tax).

As noted in the Letter to Shareholders set out in this document, the Transaction is conditional upon, among other things, the approval of certain resolutions by the Extraordinary General Meeting. Further details of the Extraordinary General Meeting and the Resolutions are set out in Part 3 of this Shareholder Circular.

The Board considers the Transaction to be in the best interests of Hunter Douglas and its stakeholders, including its shareholders. Accordingly, the Board unanimously recommends that you vote in favour of all Resolutions, including to approve the Asset Sale, as further set out in the Agenda and this Shareholder Circular. Mr. Ralph Sonnenberg has committed to vote the shares indirectly held by him (representing approximately 93.59% of the issued and outstanding shares in Hunter Douglas at the date of this Shareholder Circular) in favour of the Resolutions presented for vote at the Extraordinary General Meeting.

The Agenda and this Shareholder Circular are available on Hunter Douglas' corporate website (<http://investor.hunterdouglasgroup.com>). This Shareholder Circular contains important information about the Transaction and related matters and all Hunter Douglas' shareholders are advised to read this document in its entirety before casting a vote.

2 THE TRANSACTION

2.1 Summary of principle terms of the Transaction

a) Block Trade Agreement

Pursuant to the terms of the Block Trade Agreement, Seller has sold, conditional upon the conditions set out therein, a 75% stake in HoldCo to Purchaser. By selling a 75% interest in HoldCo, Seller indirectly sells 75% of its existing indirect shareholding in Hunter Douglas, as

well as 75% in certain holding entities through which Seller holds its indirect shareholding in Hunter Douglas. Seller's total indirect interest represents approximately 93.59% of the issued and outstanding shares in Hunter Douglas at the date of this Shareholder Circular.

The Block Trade Agreement values the Ordinary Shares at EUR 175 per share, and the Preferred Shares indirectly held by Seller at their nominal value of EUR 0.24 per share. This valuation of the Ordinary Shares implies an enterprise value for Hunter Douglas of approximately USD 7.1 billion.¹ The Ordinary Share Price represents a 73% premium to Hunter Douglas' Ordinary Share closing price on December 30, 2021, of EUR 101.40, and a 64% premium to Hunter Douglas' all-time high Ordinary Share closing price before announcement of the Transaction of EUR 106.40.

The obligation of each of Seller and Purchaser to complete the Block Trade is conditional upon, among others, satisfaction or waiver of the following conditions:

1. receipt of the approval by the Extraordinary General Meeting of the Resolutions, and such approvals being in full force;
2. no judgment having been rendered by a court of competent jurisdiction that is enforceable and in effect and prohibits Completion; and
3. receipt of certain required regulatory approvals, including approvals from the competition authorities in the United States and Poland, which approvals must be in full force and effect or their relevant waiting periods (and any extensions thereof) expired or terminated.

The Block Trade Agreement may be terminated, subject to, and in accordance with, the terms and conditions set out in the Block Trade Agreement:

1. by mutual written consent of Seller and Purchaser;
2. by Purchaser in case any of the conditions for Completion set out above have not been waived or satisfied, or are incapable of being satisfied, on or before September 30, 2022, or if Seller fails to comply with certain of its obligations at Completion, in each case subject to certain exceptions and cure periods; or
3. by Seller in case any of the conditions for Completion set out above have not been waived or satisfied, or are incapable of being satisfied, on or before June 30, 2022, or if Purchaser fails to comply with certain of its obligations at Completion, in each case subject to certain exceptions and cure periods.

In certain instances, in case of termination by Seller of the Block Trade Agreement, Purchaser will be required to pay Seller a termination fee.

b) Support Agreement

The Board unanimously supports the Transaction, and Hunter Douglas, Mr. Ralph Sonnenberg, Purchaser, Beheer and HoldCo, have entered into the Support Agreement in relation to the Transaction. Among other matters, it is agreed in the Support Agreement that:

¹ Converted into USD at EUR/USD exchange rate of 1.13 as of December 30, 2021.

1. immediately following Completion, Hunter Douglas shall sell its entire business to HoldCo (and/or one or more wholly-owned subsidiaries of HoldCo) (as further described below under "Asset Sale"); and
2. as promptly as practicable following Completion and completion of the Asset Sale, statutory buy-out proceedings will be initiated in respect of any remaining shares in Hunter Douglas (as further described below under "Buy-Out").

The obligation of parties to the Support Agreement to implement the Asset Sale and the Buy-Out is conditional upon satisfaction or waiver of the following conditions:

1. Completion having occurred;
2. receipt of the approval by the Extraordinary General Meeting of the proposals set out in the Agenda, and such approvals being in full force; and
3. no judgment having been rendered by a court of competent jurisdiction that is enforceable and in effect and prohibits completion of the Transaction.

The Support Agreement may be terminated:

1. by mutual written consent of the parties thereto; or
2. if the Block Trade Agreement has been validly terminated in accordance with its terms.

c) Asset Sale

In accordance with the terms of the Support Agreement, in order to enable HoldCo to obtain full ownership of the Hunter Douglas business, and as requested as an essential part of the Transaction by 3G Capital, Hunter Douglas will, immediately upon Completion, subject to the approval of the Resolutions by the Extraordinary General Meeting and certain other customary conditions, effect the Asset Sale by selling and transferring its entire business to HoldCo (and/or one or more wholly-owned subsidiaries of HoldCo).

The consideration due by HoldCo to Hunter Douglas in the Asset Sale will be a note payable by HoldCo (or its relevant wholly-owned subsidiary taking transfer of the business) to Hunter Douglas in an aggregate amount of EUR 6,096,545,252.27. This amount equals the value of all Hunter Douglas' outstanding shares based on (i) the Ordinary Share Price for all outstanding Ordinary Shares, (ii) the Nominal Preferred Share Price for the Preferred Shares indirectly held by Seller, and (iii) the Preferred Share Price for the Preferred Shares held by Hunter Douglas shareholders other than Beheer. The note will remain outstanding until completion of the Buy-Out (as further described below). Upon consummation of the Asset Sale, (a) Hunter Douglas will only hold the note received in consideration for the Asset Sale, (b) HoldCo (and/or one or more of its designated wholly owned subsidiaries) will own all of Hunter Douglas' business operations, and (c) the Hunter Douglas shareholders will continue to own shares in Hunter Douglas.

In the Support Agreement, Purchaser, HoldCo and Beheer have committed to provide Hunter Douglas with such funds and other support as may be needed from time to time in order for Hunter Douglas to be able to fulfil its (financial, payment and/or contractual) obligations after the completion of the Asset Sale until Hunter Douglas has been dissolved and liquidated after the Buy-Out.

d) Buy-Out

In accordance with the terms of the Support Agreement, as promptly as practicable following Completion and completion of the Asset Sale, Beheer shall commence statutory buy-out proceedings before the Curaçao Court in respect of all Ordinary Shares and Preferred Shares held by any shareholder of Hunter Douglas (other than those then held by Beheer), in accordance with Section 250 CCC and article 12 of the articles of association of Hunter Douglas. Upon completion of the Buy-Out, Beheer is expected to be the sole shareholder of Hunter Douglas.

The price to be paid for shares in the Buy-Out proceedings will be determined by the Curaçao Court in accordance with applicable law. In the Support Agreement, it has been agreed that Beheer and its affiliates will take the position in the Buy-Out proceedings that such price should amount to EUR 175 for each Ordinary Share and EUR 0.43 for each Preferred Share (in each case without interest and less any applicable withholding taxes, noting that amounts received in the Buy-Out are not expected to be subject to Dutch dividend withholding tax). Accordingly, the Buy-Out is intended, and HoldCo and Beheer have expressly committed, to allow minority shareholders of Hunter Douglas to benefit from the same cash price for their Ordinary Shares as Seller receives pursuant to the Block Trade and a higher cash price for their Preferred Shares than Seller receives.

Although amounts received in the Buy-Out are not expected to be subject to Dutch dividend withholding tax, Hunter Douglas can offer no assurances and has no responsibility with respect to the tax treatment of shareholders in the Buy-Out. Shareholders are urged to consult their own tax advisers as to the Dutch or other tax consequences in connection with the disposal of Ordinary Shares or Preferred Shares pursuant to the Buy-Out.

2.2 Strategic rationale

Hunter Douglas is the world market leader in window coverings and a major manufacturer of architectural products, with a diverse portfolio of trusted brands that are recognized around the world.

3G Capital is committed to support Hunter Douglas in the next phase of its growth and ambitions, with a view to further expand its window coverings and architectural products business while continuing to be the best in the industry, develop and introduce innovative new products and, as part of a buy-and-build strategy, to strengthen its business further through targeted acquisitions that fit into Hunter Douglas' strategy.

As owner-operators, 3G Capital and its principals have a proven track record of investing in and growing consumer branded businesses over a long-term horizon, and supporting management teams in the execution of their strategy. In previous transactions over the years, 3G Capital has driven innovation and growth and expanded the international reach of its companies and brands.

The contemplated delisting of the Hunter Douglas shares and private ownership will have various benefits, including:

1. the ability to quickly and effectively (i) facilitate the implementation of the Group's strategy or strategic decisions and (ii) respond to rapidly changing markets;
2. the ability to achieve an efficient capital structure (most notably from a financing perspective), which would, among others, facilitate intercompany transactions and dividend distributions; and
3. reduced costs as a result of no longer having to comply with continued obligations as a listed company, including extensive market disclosure and financial reporting obligations, having to organise physical general meetings of Hunter Douglas and the related governance costs.

In the context of the aforementioned, the Independent Directors further consider and believe that Hunter Douglas and its shareholders do not fully reap the benefits of a listing on Euronext Amsterdam because the trading volumes for Hunter Douglas' shares are low. Having Hunter Douglas and the Group operate without minority shareholders and without a listing on Euronext Amsterdam (or any other stock exchange) enhances the sustainable success of its business and its long-term prospects. As a privately held company, Hunter Douglas' management will be able to fully dedicate its time to the execution of Hunter Douglas' strategy and management of the Group's business.

2.3 Non-Financial Covenants

HoldCo has agreed to, in accordance with the terms and subject to the conditions of the Support Agreement, comply with the Non-Financial Covenants described below for a period up to the first anniversary of Completion:

a) Strategy

1. Following Completion, HoldCo will continue its ambition to grow the business in a manner that reflects the current business strategy and policies of the Group. HoldCo intends to preserve the Group's culture and philosophy. HoldCo fully supports the strategy of the Group and does not intend to effect a material change in the Group's strategy and policies, for the avoidance of doubt taking into account, and as acknowledged and agreed by the Parties, that the Group continuously is, and always has been, adapting itself from time to time to the ever-changing environment in which it operates, and will continue to do so. Such continuous change and adaptation to new circumstances are inherent to the Group's strategy, and part of its success.
2. HoldCo will remain supportive of the Group's ambitions, will seek to capitalise on the increased business opportunities that the Group will have in a non-listed setting, including, if appropriate, by increasing the investments by the Group.

b) Employees

3. HoldCo will respect the existing rights and benefits of the employees of the Group, including existing rights and benefits under their individual employment agreements, collective labour agreements, social plans, and including existing rights and benefits under applicable existing covenants made to employee representation bodies and trade unions.
4. HoldCo will respect the existing pension rights of the Group's current and former employees.
5. HoldCo will respect the Group's current employee consultation structure.

c) Financing, company integrity and disposals

6. HoldCo will ensure that the Group will remain prudently financed to safeguard business continuity and to support the sustainable success of the business.
7. HoldCo will not transfer, sell, or otherwise dispose of, or cause the Group to transfer, sell or otherwise dispose of, any material strategic asset of or any material business operated by the Group, if such sale, transfer or disposal would result in an aggregate reduction of consolidated annual profit of the Group of more than fifteen per cent (15%), calculated on the basis of the latest adopted consolidated annual accounts for the Group at the time of such sale, transfer or disposal.

Any deviation from the Non-Financial Covenants and any enforcement of, or, if applicable, decision not to enforce, the Non-Financial Covenants by Hunter Douglas shall require the prior approval of the Independent Board Member (as defined below).

2.4 Financial assessment of the Transaction

The Board, in consultation with its financial advisor Rabobank, has carefully reviewed the price to be paid for the business of Hunter Douglas in the Asset Sale, and the Ordinary Share Price, in light of the immediate, medium and long-term prospects of Hunter Douglas. In doing so, the Board has taken into account a range of valuation methodologies and financial analyses that are customarily used in the assessment of the price in a public transaction.

In this context, the Board also took into account Hunter Douglas' historical and current ownership profile, its reasonable strategic alternatives other than the Transaction, the liquidity of its publicly traded shares as well as that the Transaction contemplates a change of control of Hunter Douglas and the Group. Accordingly, the price to be paid in this Transaction includes a control premium, which is the result of extensive negotiations between Seller and Purchaser. The Transaction provides the remaining shareholders with the excellent opportunity to realize an exit at the same price as, and in respect of the Preferred Shares, a higher price than, the controlling shareholder receives.

On December 30, 2021, the Board received a Fairness Opinion from Rabobank, to the effect that both (i) the price to be paid for the business of Hunter Douglas pursuant to the Asset Sale and (ii) the valuation of EUR 175 per Ordinary Share, are fair from a financial point of view.

The Fairness Opinion was provided solely for the benefit of the Independent Directors of Hunter Douglas, in connection with their evaluation of the Transaction.

In addition to providing the Fairness Opinion, Rabobank renders financial advice in relation to the Transaction to the Independent Directors in its capacity as financial advisor. Fees payable to Rabobank for rendering the Fairness Opinion are not contingent on completion of the Transaction.

2.5 Funding of the Transaction

Purchaser has obtained, subject to customary conditions, fully committed financing for the Transaction from reputable global financial institutions along with its existing equity commitments for the consideration payable under the Block Trade Agreement as well as the Buy-Out.

2.6 Decision-making process by the Independent Directors and Board recommendation

After having been informed of the interest of 3G Capital to acquire a controlling stake in Hunter Douglas, and understanding that support of the Board was a condition to the potential transaction, the Independent Directors evaluated the terms of the potential transaction as negotiated between Seller and 3G Capital. The Transaction has enabled the Independent Directors to negotiate and agree the best terms for the benefit, and in the best interests of Hunter Douglas, the Group and its stakeholders, including its shareholders.

From the outset it was considered by the Board whether any of the members of the Board had a direct or indirect conflict of interest within the meaning of article 2:11 CCC and/or article 14(13) of Hunter Douglas' articles of association. Mr. Ralph Sonnenberg was determined to have a conflict of interest in respect of the Transaction. Accordingly, Mr. Ralph Sonnenberg did not partake in any deliberations and decision-making of the Board with respect to the Transaction.

In connection with the Transaction, the Board has resolved that the Independent Directors have the authority to review, negotiate and approve the agreements and other documentation in relation to the Transaction, to implement the Transaction on behalf of Hunter Douglas, to retain independent advisors and to take or omit to take any measures they may deem advisable in connection with the Transaction and the implementation thereof, including the authority to represent Hunter Douglas in these matters. The Independent Directors have extensively consulted with their own independent financial and legal advisors.

The Independent Directors, together with their independent financial and legal advisors, held extensive discussions regarding the Transaction, in the form of regular weekly meetings or impromptu meetings as appropriate. The Independent Directors also met with 3G Capital and Seller to better understand the terms and consequences of the Transaction for Hunter Douglas, the Group and its stakeholders, including its shareholders. The Independent Directors have assessed the Transaction, including the timing and strategic rationale (see Section 2.2 above) thereof, the financial terms of the potential transaction (see Section 2.4 above), the risks of the Transaction for Hunter Douglas and the (absence of) alternatives. The Independent Directors further assessed the Transaction in view of Hunter Douglas' strategy and prospects.

Furthermore, important factors in the overall assessment of the Transaction by the Independent Directors and their advisors include that, as part of and for the term of the Non-Financial Covenants, HoldCo agreed to:

1. fully support the current strategy of Hunter Douglas and expressed to have no intention to effect a material change in the strategy;
2. not to on-sell any material strategic asset of or any material business operated by the Group; and
3. respect the existing employee rights and the Group's current employee consultation structure,

in each case, on the terms as described under Section 2.3 of this Shareholder Circular.

In relation to the Block Trade, Purchaser and Seller confidentially notified and consulted with the Board in accordance with article 8 in combination with article 5 of the NOCLC, and the Board resolved, *inter alia* in view of the terms and conditions of the Block Trade Agreement and the Support Agreement, to support the Transaction and to exempt Purchaser and HoldCo from any obligation to launch a public offer in respect of Hunter Douglas under applicable Curaçao law insofar as such obligation may arise as a result of the Transaction.

In the decision-making process, the Independent Directors have carefully considered the various agreements related to the Transaction and the transactions contemplated by such agreements, taking into account all relevant facts and circumstances. The Independent Directors have taken into account their fiduciary duties, and have carefully considered the strategic rationale of the Transaction and the interests of Hunter Douglas and its stakeholders, including its shareholders.

2.7 Other relevant information regarding the Transaction

Post-Completion governance of Hunter Douglas

Pursuant to the terms of the Support Agreement, effective upon and subject to Completion:

1. Mr. Ralph Sonnenberg, Mr. François Wagener and Mr. Adrianus Nühn will resign from their respective positions as member of the Board;

2. Mr. Justin Fox, Mr. Brad Brown and Mr. Evert Wind will be appointed as members of the Board; and
3. Mr. Anthony Ruys will remain and continue to be a member of the Board as the Independent Board Member.

In addition, effective upon and subject to Completion, Mr. Ralph Sonnenberg, Mr. Marko Sonnenberg and Mr. David Sonnenberg will resign as Executive Chairman and Co-President and CEO, respectively. As set out below, Mr. David Sonnenberg and Mr. Marko Sonnenberg (for a transition period) will remain active with the Hunter Douglas group.

The Independent Board Member shall resign from, and Hunter Douglas shall take such other actions as are reasonably necessary to ensure that the Independent Board Member ceases to be a member of, the Board, at the earlier of (i) HoldCo (indirectly) holding 100% of the issued and outstanding shares in the capital of Hunter Douglas, and (ii) the Buy-Out having been completed.

The Independent Board Member shall monitor and safeguard the interests of Hunter Douglas and all of its stakeholders, and shall be tasked in particular with monitoring the fair treatment of the minority shareholders of Hunter Douglas.

Sonnenberg family

As set out in this Shareholder Circular, the Sonnenberg family will continue to hold a 25% interest in HoldCo, and accordingly indirectly in Hunter Douglas.

Separately, in connection with the Transaction and subject only to Completion, Mr. Ralph Sonnenberg, Mr. David Sonnenberg and Mr. Marko Sonnenberg have each entered into a restrictive covenant agreement on an arm's length basis, which, in accordance with and subject to the terms thereof, among other things, restricts each of them from competing with the Group for a certain period.

Current Hunter Douglas Co-President and Co-CEO, Mr. David Sonnenberg, will transition to Executive Chairman of the Board of Directors of the Hunter Douglas group after Completion and will continue to be highly involved in the day-to-day business and business strategy, tapping into his 30 years of knowledge and active experience in Hunter Douglas. Mr. Marko Sonnenberg will also continue to be employed by the Hunter Douglas group for a transition period.

Delisting

It is intended that the listing of Hunter Douglas on Euronext Amsterdam and the non-sponsored trading on the open market segment of the stock exchange platform of Börse Frankfurt will be terminated as soon as possible following Completion, and Hunter Douglas has agreed to, upon HoldCo's first written request, take all steps reasonably required to prepare and effectuate such delisting.

Delisting may be achieved in accordance with applicable (policy) rules of Euronext Amsterdam and Börse Frankfurt. In the event that Hunter Douglas will no longer be listed and the Ordinary Shares and the Preferred Shares will no longer be publicly traded, the provisions applicable to the governance of listed companies will no longer apply (noting that the Dutch Corporate Governance Code in any event does not apply to Hunter Douglas as it has its statutory seat in Curaçao) and the rights of remaining minority shareholders may be limited to the statutory minimum, taking into account the post-Completion corporate governance covenants agreed between Seller, Purchaser and Hunter Douglas (see Section 2.7 (*Post-Completion governance of Hunter Douglas*)).

2.8 Timetable

Completion is subject to satisfaction or waiver of certain conditions as described above. Completion is currently expected to occur in Q1 of 2022, following which the Asset Sale will be implemented. As promptly as practicable following Completion and completion of the Asset Sale, the Buy-Out will be initiated.

The anticipated Completion date set out above is indicative only, is based on current expectations and is subject to change. The Buy-Out is a court procedure, and accordingly, the duration of this procedure is not in control of Hunter Douglas, Beheer, Seller, Purchaser or any of their affiliates.

2.9 Information about Hunter Douglas and the Purchaser

Hunter Douglas

The Group is the world market leader in window coverings and a major manufacturer of architectural products. Hunter Douglas has its head office in Rotterdam, the Netherlands, and a management office in Lucerne, Switzerland.

The Group is comprised of 136 companies with 47 manufacturing and 89 assembly operations and marketing organizations. Hunter Douglas employs about 23,000 people and had sales in the first 9 months of 2021 of USD 3.4 billion.

In Q4 2021, consumer confidence and trading conditions remained constructive, and Hunter Douglas expects sales to be in line with Q3 2021. Q4 2021 EBITDA is expected to be between USD 195 – 205 million.

The outlook for 2022 is positive, but uncertainties remain as to when consumer discretionary spending will normalize. Hunter Douglas continues to be in a strong position. Assuming continuation of current market conditions, management anticipates delivering full-year 2022 sales and EBITDA growth of mid-single digits percent versus full-year 2021, excluding the impact from acquisitions and divestments, with an EBITDA margin in excess of 18%.

Hunter Douglas is professionally led by entrepreneurial managers who run Hunter Douglas' business as their own. Hunter Douglas is focused on innovation and operates on the basis of a decentralized organization structure, with a global network of specialized companies where the guiding principle is 'maximum accountability with minimum interference'.

Hunter Douglas' strong brands include:

- HunterDouglas® in North America, Latin America and Asia, and for architectural products worldwide;
- Luxaflex® for residential window coverings in Europe and Australia;
- Levolor® in North America; and
- Hillarys® in the United Kingdom.

Beheer, currently a full indirect subsidiary of Seller, is Hunter Douglas' direct controlling shareholder. Beheer currently owns:

- 30,559,366 Ordinary Shares (approximately 87.84% of all issued and outstanding Ordinary Shares); and
- 34,242,517 Preferred Shares (approximately 99.4% of all issued and outstanding Preferred Shares).

Purchaser

The Purchaser is an entity incorporated by funds affiliated with 3G Capital for purposes of the Transaction. The Purchaser is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, registered with the Trade Register of the Netherlands Chamber of Commerce under number 84793430. The Purchaser is wholly-owned by Arrow Acquisition Holdco Limited (UK Holdco), a company established under the laws of England and Wales. UK Holdco in turn is wholly owned by 3G Special Situations Fund V LP, a limited partnership under the laws of the Cayman Islands, managed and/or advised by 3G Capital Partners II LP, a limited partnership under the laws of the Cayman Islands.

3G Capital is a global investment firm focused on long-term value, with a particular emphasis on maximising the potential of brands and businesses. The firm and its partners have a strong history of generating value through operational excellence, board involvement, deep sector expertise and an extensive global network. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent. 3G Capital's main office is in New York City. For more information on 3G Capital, please go to <http://www.3g-capital.com>.

3 EXTRAORDINARY GENERAL MEETING

3.1 Agenda

The Extraordinary General Meeting will be held on February 8, 2022, at Dokweg 19, Maduro Plaza, Willemstad Curaçao at 10:00 a.m. local time. The Extraordinary General Meeting will be open to holders of Ordinary Shares and holders of Preferred Shares.

The agenda for the Extraordinary General Meeting will consist of the following voting items:

1. The appointment of the following persons nominated to the Board effective upon Completion:
 - (i) Mr. Justin Fox, born in New York, United States of America on September 6, 1987;
 - (ii) Mr. Brad Brown, born in New York, United States of America on October 26, 1981; and
 - (iii) Mr. Evert Wind, born in Coevorden, the Netherlands on July 17, 1974;
2. The granting of full and final discharge for their acts of management, to the maximum extent permitted by applicable law, to the following members of the Board who will resign from their positions effective upon Completion:
 - (i) Mr. Ralph Sonnenberg;
 - (ii) Mr. François Wagener; and
 - (iii) Mr. Adrianus Nühn;
3. The approval of the Asset Sale;
4. The appointment and authorisation of each individual member of the Board, as in office at the time of the Extraordinary General Meeting or in office at any time thereafter, to represent Hunter Douglas, to the extent and insofar a conflict of interest exists within the meaning of applicable Curaçao law with respect to any of the members of the Board, in relation to all legal acts that will be executed in connection

with the Transaction, and to ratify such acts to the extent and insofar they have been executed prior to the date of the Extraordinary General Meeting,

(these resolutions together, the "**Resolutions**").

The approval of each of the Resolutions at the Extraordinary General Meeting requires a simple majority of votes cast at the Extraordinary General Meeting. Mr. Ralph Sonnenberg has committed to vote the shares indirectly held by him (representing approximately 93.59% of the issued and outstanding shares in Hunter Douglas at the date of this Shareholder Circular) in favour of the Resolutions.

The Agenda, this Shareholder Circular (which serves as the explanatory notes to the Agenda), the notice to the Extraordinary General Meeting, the form of proxy for voting at the Extraordinary General Meeting may be inspected and can be obtained free of charge at Hunter Douglas N.V., Dokweg 19, Maduro Plaza, Willemstad, Curaçao, or Piekstraat 2, Rotterdam, The Netherlands, at ABN AMRO Bank N.V. tel.nr.: +31 20 344 2000, email: corporate.broking@nl.abnamro.com and on Hunter Douglas' corporate website (<http://investor.hunterdouglasgroup.com>).

4 RECOMMENDATION TO SHAREHOLDERS

On the basis of its due and careful consideration of the Transaction and the related actions as contemplated in the Support Agreement, the Board has unanimously concluded that the Transaction is in the best interests of Hunter Douglas and its stakeholders, including its shareholders. Therefore, the Board unanimously supports the Transaction and recommends that shareholders vote in favour of the Asset Sale and all other Resolutions, as further set out in the Agenda and this Shareholder Circular.

The Board may change its recommendation of the Transaction to the extent not doing so would be inconsistent with the fiduciary duties of the members of the Board under Curaçao law and the principles of good corporate governance under Dutch law.

ANNEX A – DEFINITIONS

Capitalised terms used in this Shareholder Circular have the meaning given below, unless the context requires otherwise. Words in the singular include the plural and vice versa.

Defined terms	Definitions
3G Capital	3G Capital Partners
Agenda	The agenda to the Extraordinary General Meeting
Asset Sale	The sale and transfer of the entire business held by Hunter Douglas to HoldCo (and/or one or more designated wholly-owned subsidiaries of HoldCo)
Beheer	Bergson Beheer B.V., a company incorporated under the laws of the Netherlands with its corporate seat in Rotterdam, the Netherlands, and registered with the Trade Register of the Netherlands Chamber of Commerce under number 81081227
Block Trade	The sale and transfer by Seller to Purchaser of 75% of the shares in the share capital of HoldCo, pursuant to, and subject to the terms and conditions set out in, the Block Trade Agreement
Block Trade Agreement	The Block Trade agreement, dated December 30, 2021, between Seller and Purchaser
Board	The board of directors of Hunter Douglas
Buy-Out	Buy-out proceedings before the Curaçao Court in respect of the Ordinary Shares and Preferred Shares held by any shareholders of Hunter Douglas (other than Beheer), in accordance with Section 250 CCC and article 12 of the articles of association of Hunter Douglas
Completion	Completion of the Block Trade
CCC	The Civil Code of Curaçao (<i>Burgerlijk Wetboek van Curaçao</i>)
Curaçao Court	The court of first instance (<i>Gerecht in eerste aanleg</i>) of the Joint Court of Justice of Aruba, Curaçao, Sint Maarten and of Bonaire, Sint Eustatius and Saba (<i>Gemeenschappelijk Hof van Justitie van Aruba, Curaçao, Sint Maarten en van Bonaire, Sint Eustatius en Saba</i>)
Euronext Amsterdam	The regulated market operated by Euronext Amsterdam N.V.
Extraordinary General Meeting	Hunter Douglas' extraordinary general meeting, to be held in connection with the Transaction
Fairness Opinion	The fairness opinion from Rabobank issued to the Board on December 30, 2021, in relation to the Transaction
Group	Hunter Douglas and its subsidiaries and participations, including, for the avoidance of doubt, each of their respective subsidiaries and participations
HoldCo	Solis I B.V., a company incorporated under the laws of the Netherlands with its corporate seat in Rotterdam, the Netherlands, and registered with the Trade Register of the Netherlands Chamber of Commerce under number 84939621
Hunter Douglas	Hunter Douglas N.V., a public limited liability company (<i>naamloze vennootschap</i>) incorporated under the laws of Curaçao with its corporate seat in Willemstad, Curaçao, and registered with the commercial Trade Register of the Curaçao Chamber of Commerce & Industry under number 5778
Independent Board Member	Mr. Anthony Ruys
Independent Directors	The directors of the Board, not including Mr. Ralph Sonnenberg
Letter to Shareholders	The letter from the Independent Directors to the shareholders of Hunter Douglas, dated January 14, 2022

NOCLC	Curaçao National ordinance on the control of listed companies (<i>Landsverordening zeggenschap in ter beurze genoteerde vennootschappen</i>)
Nominal Preferred Share Price	EUR 0.24
Non-Financial Covenants	The non-financial covenants described in Section 2.3 of this Shareholder Circular
Ordinary Share Price	EUR 175
Ordinary Shares	The ordinary shares in the share capital of Hunter Douglas, each with a nominal value of EUR 0.24
Preferred Share Price	EUR 0.43
Preferred Shares	The preferred shares in the share capital of Hunter Douglas, each with a nominal value of EUR 0.24
Purchaser	Arrow Acquisition Bidco B.V., a company incorporated under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands, and registered with the Trade Register of the Netherlands Chamber of Commerce under number 84793430
Rabobank	Coöperatieve Rabobank U.A.
Resolutions	has the meaning given to such term in Section 3.1 of this Shareholder Circular
Seller	Mr. Ralph Sonnenberg
Shareholder Circular	This Shareholder Circular
Support Agreement	The support agreement, dated December 30, 2021, between Hunter Douglas, Seller, Purchaser, HoldCo and Beheer
Transaction	The Block Trade, the Asset Sale and the Buy-Out
UK Holdco	Arrow Acquisition Holdco Limited, a company incorporated under the laws of England and Wales, having its registered office in London, United Kingdom and registered in England and Wales with the company number 13797505

IMPORTANT INFORMATION

This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities.

This document contains forward-looking statements that reflect Hunter Douglas' current views with respect to future events and financial and operational performance. These forward-looking statements are based on Hunter Douglas' beliefs, assumptions and expectations regarding future events and trends that affect Hunter Douglas' future performance, taking into account all information currently available to Hunter Douglas, and are not guarantees of future performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and Hunter Douglas cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to Hunter Douglas or are within Hunter Douglas' control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing Hunter Douglas.

Any forward-looking statements are made only as of the date of this document, and Hunter Douglas assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.