

**DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED PURSUANT TO
SECTION 72(2) ENTERPRISE ACT 2002**

COMPLETED ACQUISITION

Dear [REDACTED]

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 20 November 2019

Completed acquisition by Hunter Douglas N.V of 247 Home Furnishings Limited

We refer to your letter dated 27 November 2019 requesting that the CMA consents to derogations to the Initial Enforcement Order of 20 November 2019 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Hunter Douglas N.V. (Hunter Douglas) and its subsidiary Buismetaal III B.V. (Buismetaal) are required to hold separate the 247 Home Furnishings Limited (247 Home Furnishings) business from the Hunter Douglas business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Hunter Douglas and Buismetaal may carry out the following actions, in respect of the specific paragraphs:

Paragraph 5(l) of the Initial Order

1. The individuals listed in Annex 1 (the 'Clean Team') may receive such information from 247 Home Furnishings as is strictly necessary for the purposes of consolidating Hunter Douglas group financial information to ensure compliance with external accounting and reporting obligations (the 'Sensitive Information') in the form of the template previously approved by the CMA;
2. the CMA may agree to changes to the composition of the Clean Team made in writing;
3. the Clean Team must each enter into a non-disclosure agreement in the form set out in Annex 2 ('the NDA') which has been approved in advance by the CMA and governs their obligations to keep the Sensitive Information confidential, not circulate that information more widely than other members of the Clean Team and only use the confidential information for the purposes it was received;
4. Sensitive Information must not be disclosed to any persons outside the Clean Team other than on a consolidated and aggregated basis;
5. where information is disclosed in accordance with Clause 4, the Clean Team shall not offer or receive any commentary on that information and the Clean Team shall not receive any information or commentary in response from the individuals to whom they have made or from whom they have received a disclosure;

6. appropriate physical and IT firewalls shall be put in place to prevent unauthorised individuals from accessing the disclosed information; and
7. detailed records must be kept of all communications between the merging parties for this purpose.

Suzanne Van Scheijen

Assistant Director, Mergers

11 December 2019

ANNEX 1

INDIVIDUALS TO WHICH THE DEROGATION APPLIES

[✂]

ANNEX 2

NON-DISCLOSURE AGREEMENT

HUNTER DOUGLAS ACQUISITION OF 247 HOME FURNISHINGS

To: Hunter Douglas N.V.

Background

1. On 19 February 2019 Hunter Douglas entered into an agreement to purchase 247 Home Furnishings (the “Transaction”). In relation to the Transaction the Competition and Markets Authority (the “CMA”) issued an Initial Enforcement Order on 20 November 2019 prohibiting the integration of the 247 Home Furnishings business with the Hunter Douglas business whilst the CMA carries out an investigation into the compatibility of the Transaction with the Enterprise Act 2002.
2. Whilst the Initial Enforcement Order is in place 247 Home Furnishings must continue to act as an independent competitor. 247 Home Furnishings must therefore be managed and operated separately from Hunter Douglas and the general rule is that there must be no exchange of confidential information (as defined in the Initial Enforcement Order) between 247 Home Furnishings and Hunter Douglas (the “General Rule”).
3. Failure to comply with the General Rule (except where permitted in accordance with Paragraph 4) could lead to significant fines for Hunter Douglas as well as personal sanctions for the individuals involved. Personal sanctions will include internal disciplinary proceedings and if the behaviour amounts to a breach of UK competition law, could include a prison sentence, unlimited fine and disqualification from acting as a director for up to 15 years.
4. The CMA has granted a derogation (the “Derogation”) to Hunter Douglas whereby a small number of individuals at Hunter Douglas (the “Clean Team”) may receive such financial information from 247 Home Furnishings as is strictly necessary for the purposes of consolidating Hunter Douglas group financial information to ensure compliance with external accounting and reporting obligations (the Permitted Purposes” at Annex 1). Full details are specified in the Initial Enforcement Order and the derogations made under it, which are available on the CMA’s website.

Declaration

5. I, the undersigned, hereby undertake to:
 - i. Keep confidential and not knowingly share any confidential information which I receive relating to 247 Home Furnishings with any other Hunter Douglas personnel (except other members of the Clean Team who are named in the Derogation);
 - ii. Only use confidential information obtained from 247 Home Furnishings for the purposes described in Annex 1;
 - iii. Return and/or destroy records and copies of any document containing 247 Home Furnishing confidential financial information should the transaction ultimately be prohibited by the CMA; and

- iv. Contact [✂] general counsel of Hunter Douglas, if I need advice as to how to comply with this non-disclosure agreement or have any reason to believe that it might have been breached.
- 6. I confirm that I have read, understood and will comply with this letter and with the Initial Enforcement Order and Derogation and am aware of the serious sanctions for failing to maintain the confidentiality of 247 Home Furnishings' confidential information.

Name:

Date:

Countersigned by Hunter Douglas N.V.:

Name:

Date:

Annex 1

Permitted Purposes

The CMA has consented to you receiving 247 Home Furnishings confidential information so that you can exercise the authorisation rights outlined below, on behalf of Hunter Douglas:

1. Authorisation rights in relation to ongoing financial reporting obligations, in particular:

- (i) Collection and consolidation of monthly management reports;
- (ii) Collection and consolidation of monthly transactional profit and loss accounts;
- (iii) Collection and consolidation of monthly trial balance sheets.