SAVE up to $1,200 with a New Federal Tax Credit on Energy-Efficient Hunter Douglas Shades*

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- Help reduce your monthly utility costs with Hunter Douglas shades specifically designed to provide year-round insulation
- Contribute to a more sustainable environment by lowering your energy use

* For tax credit details and restrictions and a list of qualifying products, see the Manufacturer's Certification Statement and FAQs at www.hunterdouglas.com/tax-credit. Hunter Douglas and its dealers are not tax advisors. Consult a tax professional regarding your individual tax situation and ability to claim a tax credit related to the purchase of the qualifying Duette® Honeycomb Shades. © 2023 Hunter Douglas. All rights reserved. All trademarks used herein are the property of Hunter Douglas.

FEDERAL TAX CREDIT: Energy Efficient Home Improvement Credit Frequently Asked Questions (FAQs)

Please review the Hunter Douglas Manufacturer's Certification Statement and Qualifying Product Document available at *www.hunterdouglas.com/tax-credit* for specific qualifying product details and restrictions, and also consult with your tax advisor to determine other eligibility requirements for claiming this particular Federal Tax Credit opportunity.

Below are answers to some frequently asked questions.

Q: What is the Federal Tax Credit for Energy Efficient Home Improvement Credit?

A: To help provide incentives for homeowners to make energy-efficiency home improvements, the federal government offers tax credits as a way to offset the costs of these upgrades. Per the Inflation Reduction Act of 2022, the Federal Tax Credit is available on an annual basis from January 1, 2023–December 31, 2032.

- Qualifying product(s) must be installed in an existing residential principal residence (no secondary homes or rental properties) by December 31 of the qualifying tax year.

Q: How does the Federal Tax Credit Work?

A: This is not cash in your hand (like a rebate, which gives you cash back after you've made a purchase), but a tax credit—which is an amount of money that you subtract directly from the taxes that you owe.

Q: Which Hunter Douglas products currently qualify for the Federal Tax Credit?

A: Certain Hunter Douglas Honeycomb Shades with qualifying fabrics, operating systems and size combinations, that are inside mount over double pane, clear glass windows currently qualify for the Federal Tax Credit. For specific qualifying products, details and restrictions, refer to the Manufacturer's Certification Statement and related Qualifying Product Document available at *www.hunterdouglas.com/tax-credit*.

- Products must be installed by December 31 of the qualifying tax year.
- Qualifying products meet applicable energy performance standards as identified in the International Energy Conservation Code (IECC) for U-factor and Solar Heat Gain Coefficient for all climate zones.

Q: What is a Manufacturer's Certification Statement?

A: A Manufacturer's Certification Statement is a signed statement from Hunter Douglas (which, along with the Qualifying Product Document) certifies whether the specific product purchased by you qualifies for the tax credit, subject to specified product details and restrictions.

- You can find the Hunter Douglas Manufacturer's Certification Statement and related Qualifying Product Document at *www.hunterdouglas.com/tax-credit*.

Q: How much do you receive for the Federal Tax Credit?

A: Qualifying products are eligible for a tax credit equal to 30% of the "purchase price" of the products, up to a maximum annual amount of $1,200.

- Applicable "purchase price" is the amount paid by you for the product(s), including sales tax, and does not cover the costs for measuring or installing of qualifying products. If sales tax is charged on both the shade and the installation labor, only the portion of the sales tax applicable to the shade, and not any sales tax applicable to the labor, is included in the "purchase price" that you apply to the 30%.

Q: What is the maximum Federal Tax Credit amount I can get each qualifying tax year?

A: Even if you purchase multiple qualifying products in a year, the maximum amount of the Federal Tax Credit during any taxable year is $1,200. For example, if you spend up to $5,000 during the year on a single qualifying product or multiple qualifying products, you are only eligible to receive 30% up to a $1,200 cap (30% of $5,000 = $1,500 and you receive $1,200 under the tax credit). Consult with your tax advisor to determine your eligibility for this tax credit.

Q: What is the time frame during which the Federal Tax Credit can be earned on qualifying Hunter Douglas products?

A: Starting January 1, 2023–December 31, 2032, the $1,200 annual limit applies, meaning you can claim the maximum credit for each taxable year, for purchases in those years, through year-end 2032. The Manufacturer's Certification Statement must apply to those products and corresponding receipt purchase dates. Consult your tax advisor for further details.

Q: What do I need to submit for the Federal Tax Credit?

A: You should retain your itemized Hunter Douglas invoice, proof of payment (receipt), a copy of the applicable Manufacturer's Certification Statement and the applicable pages of the Qualifying Product Document that addresses the specific products that you purchased. To claim the tax credit, you will need to complete the applicable IRS forms and submit them with your tax returns. The credit is usually taken on Form 5695. Please note that the IRS may change or update this tax form, so you should consult your tax advisor as to the correct form to file or visit the IRS website.

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FEDERAL TAX CREDIT: Hunter Douglas Dealer Federal Tax Credit Frequently Asked Questions (FTCs)

Energy efficiency is using the least possible amount of energy to reach a desired outcome, whether driving home from work, heating or cooling a home, or having enough light to read a book. One way to make a home more energy efficient is by using window coverings. They help regulate the amount of sunlight that enters and heat that escapes from homes and buildings through the window.

Americans are feeling the impact of rising costs of heating and cooling their homes, punctuated by inflation and drastic weather changes. As a Hunter Douglas Dealer you have the opportunity to provide beautiful, energy-efficient window coverings that make consumers' homes more comfortable and provide financial incentives at the same time.

Based on recent studies from the United States Department of Energy National Laboratories, consumers can save up to 15% on their annual energy bill with energy-efficient Hunter Douglas Honeycomb Shades.

FTC INTRO

Q: What is the Federal Tax Credit?

A: The incentive, which is part of the Energy Efficient Home Improvement Credit under the Inflation Reduction Act of 2022 (IRA), makes it possible for consumers to prioritize energy efficiency as they consider interior home updates.

- The tax credit is equal to 30% of the costs up to $1,200 of all eligible energy-efficient home improvements made during the year.
- Available on an annual basis from January 1, 2023 – December 31, 2032.
- The previous $500 lifetime limit on the total credit amount will be replaced with a $1,200 annual limit.
- Qualifying product(s) must be installed in an existing residential principal residence (no secondary homes or rental properties) by December 31 of the qualifying tax year.

Q: How do Federal Tax Credits Work?

A: This is not cash in your hand (like a rebate, which gives you cash back after you've made a purchase), but a tax credit—which is an amount of money that you subtract directly from the taxes that you owe.

Q: Which Hunter Douglas products currently qualify for the Federal Tax Credit?

A: For a list of qualifying Hunter Douglas Duette® Honeycomb fabrics, operating systems and size combinations, visit the Federal Tax Credit section in the Reference Guide or *www.hunterdouglas.com/tax-credit* and review the Hunter Douglas Manufacturer's Certification Statement and Qualifying Product Document.

- Products must be inside mount installed over double pane, clear glass windows.
- Products must be installed by December 31 of the qualifying taxable year.
- Qualifying products meet energy performance standards as identified in the International Energy Conservation Code (IECC) for U-factor and Solar Heat Gain Coefficient for all climate zones.

Q: Does Hunter Douglas have a competitive advantage with the Federal Tax Credit?

A: Hunter Douglas, as an industry leader, has the largest portfolio of window treatments eligible for the tax credit.

FTC INCENTIVE AMOUNT

Q: How much is the incentive for the Federal Tax Credit?

A: Qualifying products are eligible for a tax credit equal to 30% of the "purchase price" of the products, up to a maximum annual amount of $1,200.

- Applicable "purchase price" is the amount paid by the consumer for the product(s), including sales tax, and does not cover the costs for measuring or installing of qualifying products. If sales tax is charged on both the shade and the installation labor, only the portion of the sales tax applicable to the shade, and not any sales tax applicable to the labor, is included in the "purchase price" that you apply to the 30%.
- For one taxable year, the tax credit cannot exceed $1,200 for the amount paid for the energy efficiency improvements installed.
  - For example, if a consumer spends up to $5,000 during the year on a single qualifying product or multiple qualifying products, they are only eligible to receive 30% up to a $1,200 cap (30% of $5,000 = $1,500 and they receive $1,200 under the tax credit). Advise consumers to consult with their tax advisor for further details.

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FEDERAL TAX CREDIT: Hunter Douglas Dealer Federal Tax Credit Frequently Asked Questions (FTCs) continued

FTC DEALER SELLING STRATEGY

Q: How can the Federal Tax Credit help dealers increase sales?

A: With an available $1,200 energy efficiency tax incentive each year there are so many opportunities to add incremental sales and upsell with PowerView® Automation.

Although Duette® shades have a unique position among window coverings to qualify for this tax credit, the tax credit opportunity applies to other energy-efficient product categories as well, such as windows and HVAC systems. It is critical, therefore, that the tax credit opportunity is heavily promoted to successfully compete against other home product categories that will be vying for consumer attention.

- Utilize sales marketing tools: Select at least one marketing tool (print ad, paid social media, commercial, etc.) and commit to running and investing in a marketing campaign.
- Talk about the benefits, including energy savings, of Honeycomb Shades and the Federal Tax Credit on every call.
- Upsell with PowerView Automation on qualifying fabrics, as there are no restrictions on size limitations for this operating system; optimize energy efficiency with schedules through scenes and automations.
- Merchandise showroom with "up to $1,200 Federal Tax Credit savings" information to invite questions and discussion.
- Add more units to sale to maximize money saving from tax credit and savings from heating and cooling on energy bills.
- Reach out to leads that were never activated or ordered; open all Quotes not Sold.
- Use this as an opportunity to re-engage with prior customers to finish the whole home or update existing products.
- Leverage Hunter Douglas National Rebate Promotion (when applicable) in addition to the tax credit.
- Use the tax season to re-engage past consumers for a future purchase for more tax savings in the next year.

FTC DEALER RESPONSIBILITY & RESOURCES

Q: As a dealer, what am I required to do for the Federal Tax Credit?

A: Ensure the consumer has an itemized and detailed Hunter Douglas invoice showing qualifying products and costs (must include product, operating system and size), proof of payment (receipt) and access to the Manufacturer's Certification Statement and applicable pages of the Qualifying Product Document that addresses the specific products that consumer purchased. The consumer can find the Manufacturer's Certification Statement and Qualifying Product Document at *www.hunterdouglas.com/tax-credit*. The consumer will need to provide all of these items to their tax advisor.

Q: What is a Manufacturer's Certification Statement?

A: A Manufacturer's Certification Statement is a signed statement (and applicable supporting information) from the manufacturer certifying that the specific product purchased qualifies for the tax credit and which includes specific product details and restrictions.

- You can find the Hunter Douglas Manufacturer's Certification Statement at *www.hunterdouglas.com/tax-credit*.

Q: If a consumer purchases a product in December 2022 and qualifying products are installed in January 2023, can they qualify for the tax credit?

A: Yes— the consumer will need to submit for the 2023 tax year.

Q: Where can I find marketing material to promote the Federal Tax Credit?

A: You can find all Hunter Douglas Federal Tax Credit marketing tools in the Hunter Douglas Marketing Assets Portal.

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FEDERAL TAX CREDIT: Hunter Douglas Dealer Federal Tax Credit Frequently Asked Questions (FTCs) continued

Q: Where can I find more Federal Tax Credit sales tools and resources?

A: The following sales tools have been updated with assets and documents to assist with selling with the Federal Tax Credit:

- In the Reference Guide there is a new section titled Federal Tax Credit; this section helps you easily identify qualifying fabrics, operating systems, design options and sizes.
- Learning Center
- The Link/ Newsroom
- HighSpot/Navigator

To learn more about Energy Efficiency watch the Planet Home: Energy Efficiency for Your Home and AERC Program Intro training in the Learning Center

FTC CONSUMER RESPONSIBILITY & RESOURCES

Q: Where will consumers find information for the Federal Tax Credit?

A: Consumers can find information on the Hunter Douglas tax credit landing page: *www.hunterdouglas.com/tax-credit*

To claim the tax credit, consumers will need:

- An itemized and detailed Hunter Douglas invoice showing qualifying products and costs (must include product, operating system and size) and proof of payment (receipt).
- Manufacturer's Certification Statement and Qualifying Product Document.

The credit is usually taken on Form 5695. However, the IRS may change or update this tax form. Consumers should consult their tax advisor as to the correct form to file or visit the IRS website.

FTC HUNTER DOUGLAS QUALIFICATIONS EXPLAINED

Based on the government qualifying metrics for the Energy Efficient Home Improvement Credit under the Inflation Reduction Act of 2022 (IRA), Hunter Douglas has identified the list of qualifying products.

Q: Why do some fabrics not qualify?

A: Some fabrics do not qualify because they do NOT meet certain IRS requirements for the Federal Tax Credit.

Q. Why are some fabrics listed as "Some Non-Qualifying"?

A: In some cases, certain sized shades do not meet certain IRS requirements based on operating system and size specifications, while in others they do. To make it easier to identify these specifications, we have created size charts which can be found in the Qualifying Product Document.

Q: What Operating systems Do NOT Qualify?

A: Vertiglide™, Skylift™, Simplicity™, EasyView® Arch (ALU & Duette only), and Specialty; including Sidelights, Shapes, Cut-outs and Magnetic Hold Down Brackets do not qualify.

Q: Do all fabric colors qualify?

A: Yes, for all eligible fabrics, all colors qualify.

Q: What Duette design options do NOT qualify?

A: Duolite®, Two-on-One Headrail, TrackGlide™ (ALU & Duette Only), and LightLock® (ALU & Duette Only) do not qualify.

Q: What mounting styles do NOT qualify?

A: Outside Mount and End Mount do not qualify.

POWERVIEW® AUTOMATION

Q: Why do all eligible fabrics qualify for PowerView and PowerView Top-Down/Bottom-Up ?

A: The ability of PowerView Gen 3 Automation to add an energy efficiency schedule through the PowerView App allows for optimal energy-efficient operation of the shade. This and the fact that the shades meet the other IRS requirements enables shades with the PowerView and PowerView Top-Down/Bottom-Up operating systems to qualify for the tax credit. See the AERC Automation Schedule in the Energy Efficiency section of the Reference Guide.

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