



Heritage Home Group

1925 Eastchester Drive, High Point, North Carolina 27265
Phone 336-888-4900 Fax 314.863.5306
www.heritagehomegroup.com

Dear Valued Partner,

Today, Heritage Home Group made a significant announcement about our company's future, and I'd like to describe what it means for us and for our continued relationship with you.

HHG has entered into an agreement with RHF Investments Inc (RHF), owner of well-known furniture brands such as Century, Hancock & Moore and Highland House, to acquire our Luxury business, including the Hickory Chair, Maitland-Smith, and Pearson brands. We believe that our Luxury business is a great fit with RHF's portfolio of brands. This transaction provides an opportunity for our Luxury business to join a well-established and successful strategic player in the high-end furniture industry.

In addition, we have signed a Letter of Intent and are in final negotiations with a buyer for the acquisition of both our Thomasville & Co and Broyhill business units. We expect to be able to provide more information on this transaction over the next few days.

We have determined that the best way to facilitate these sales is to execute the transactions through a Chapter 11 bankruptcy process. On July 29, 2018, HHG and certain of its affiliates filed petitions with the U.S. Bankruptcy Court for the District of Delaware to commence a restructuring that will allow the company to seek the sale of its businesses through a court-supervised sale and auction process, enabling us to identify additional potential buyers that may assign even greater value to our brands and their infrastructure.

We are seeking approval from the Bankruptcy Court to conduct the auction in approximately 60 days. Once the Bankruptcy Court has approved the sales, closing of transactions with the winning bidders is expected to occur a few weeks following court approval.

As part of our filing, HHG has obtained a commitment from one of its existing lenders to provide a \$98 million debtor-in-possession financing facility, which will provide additional liquidity and enable us to continue our operations without material interruption while we finalize the sale of our three business units. This additional financing will allow us to continue to provide our iconic products to our customers and to meet our financial obligations related to day-to-day business for all goods and services received post filing. Our supply chain team is dedicated to continuing a long term strategic partnership and we look forward to working with you well into the future.

While the process can create uncertainty and may raise some concerns, we have a well-designed path in front of us to develop the best outcome for all involved and in particular our employees, valued partners and customers. We will continue to keep you updated of any major developments.

In the event you have questions regarding the chapter 11 filing please call our dedicated hotline at: 888-251-2954 (USA/Canada) of +1-310-751-2614 (International).



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I want to thank you for your continued support and dedication. Should you have any questions or concerns, please feel free to contact your usual HHG representative.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. de Villeméjane', with a stylized flourish at the end.

Pierre de Villeméjane
President and Chief Executive Officer