

DECLARATION OF PHILIP E BONTRAGER

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INTRODUCTION

DECLARATION OF PHILIP E. BONTRAGER

I, Philip E. Bontrager, declare on the basis of personal knowledge, or where indicated, on information and belief, as follows:

DECLARANT'S PROFESSIONAL BACKGROUND

I am the President and Chief Executive Officer of the Sauder Manufacturing Company, 930 West Barre Road, Archbold, Ohio, 43502. I have served in this role from October 2005 to the present.

From June 2003 to October 2005, I served as the Vice President, Business Strategy for the Sauder Woodworking Co., the corporate parent of Sauder Manufacturing Co.

Prior to joining the Sauder organization, my professional roles included the following:

- From 2001 to 2003 I worked as an independent business consultant. My primary client was a denominational publisher of printed religious materials where I served as the interim CEO, developing and implementing a business re-structuring and financial turnaround.
- From 1999 to 2002 I was the President of Gardens Alive! Inc., a privately-held manufacturer of organic lawn and garden products based in Lawrenceburg, Indiana.
- From 1983 to 1999 I served in a variety of business leadership roles of increasing responsibility in business strategy and general management for the Hill-Rom Company and its publicly traded parent corporation, Hillenbrand Industries, Inc. At that time, the Hill-Rom Company annually exceeded \$1.2 billion in global revenue from its hospital

patient room furniture business; Hillenbrand Industries, Inc. generated more than \$2.1 billion in annual revenue.

- My key roles included Vice President & General Manager, Architectural Products (1997 – 1999) with global responsibility for Hill-Rom’s medical gas products and equipment business, Vice President & General Manager, Europe (1993 – 1997), where I had overall business leadership responsibility for Hill-Rom’s therapy bed business in Europe, and Vice President, Business Strategy (1986 – 1993) where I had responsibility for Hill-Rom’s global business strategy for hospital furniture and medical devices.
- Prior to these leadership roles, from 1983 to 1986 I worked as a strategy manager and analyst for Hill-Rom’s parent corporation, Hillenbrand Industries, Inc.
- And from 1982 – 1983 I worked as a financial analyst for the Eli Lilly Company.

I hold a Master’s in Business Administration with Distinction from the Ross Graduate School of Business, The University of Michigan (1982) and a Bachelor of Arts, Economics from Goshen College (1979).

I have 35 years of experience leading senior executive teams and aligning organizations’ resources to effectively implement business and product strategies.

Since 2003, I have served in senior executive positions in the Sauder organization, a privately-owned company that is among the largest wooden furniture manufacturers in North America. In my role since 2005 as President and Chief Executive Officer of one of its wholly-owned subsidiaries, Sauder Manufacturing Company (“SMC”), I have gained knowledge and experience in the design, structure, function, and manufacture of institutional seating.

I regularly interact with SMC’s customers and potential customers in each of our markets, often in their place of business around the United States. I regularly visit each of SMC’s manufacturing plants to review performance and interact with leaders and production

operators in their work environment. And I regularly visit SMC's product design and engineering facilities to review product research and development activity. This is in addition to the regularly scheduled performance and status updates conducted with the senior leadership of SMC.

The last 10 years (2005 – 2015) as President & CEO at Sauder Manufacturing Company in its institutional furniture business combined with 16 years of experience (1983 – 1999) as a senior executive of the Hill-Rom Company's hospital patient room furniture business, I have gained significant experience in the design and manufacture of institutional furniture.

I do not have an engineering degree; however, since 1983, my professional career has been spent primarily working for companies that design and manufacture innovative products in the institutional furniture industry.

Since 2005, serving as the President and Chief Executive Officer of a designer and manufacturer (i.e. SMC) of institutional seating with more than 500 employees, I participate on a daily basis in the diverse spectrum of activities, opportunities, and challenges that provides.

I have a good comprehension of United States Patent "US 8,585,136 – CHAIR WITH COUPLING COMPANION STOOL BASE" (the patent under review), and of the prior art patents involved in the two petitions for an *Inter Partes* Review that are currently underway.

As a result of my experience, I believe I am a person having at least an ordinary level of skill, knowledge, and conventional wisdom, in the art of institutional seating.

COMPANY BACKGROUND

Founded in 1945, the Sauder Manufacturing Company is a wholly-owned, independently operated subsidiary of the Sauder Woodworking Co., North America's largest manufacturer of ready-to-assemble residential furniture.

With more than █████ employees, Sauder Woodworking Co. sells products to consumers via major retailers, e.g. Wal-Mart, Target, Office Depot, Staples, and Amazon. The company also is a primary manufacturer of wood furniture products for IKEA in North America.

Sauder Manufacturing Company ("SMC") designs, develops, manufactures, and sells configure-to-order furniture for customers in the institutional furniture markets in healthcare (i.e. hospitals), in higher education (i.e. colleges & universities), in human services, and in churches.

SMC's products are primarily in the seating category, e.g. chairs, recliners, sleep sofas, church pews, and similar items.

In higher education, SMC develops, manufactures, and sells chairs for student dorm rooms and lounges in university residence halls, i.e. the "education market".

Given similar user demographics (age, life style, etc.) and the similar environment in residential facilities for enlisted members of the armed services, selected SMC products sold to the education market also have application in housing for enlisted personnel on military bases. This is commonly referred to in the trade as the "GSA Market."

SMC's products are sold through our national network of dedicated sales representatives in each market we serve. SMC's sales representatives call on individual customers to assess their needs, demonstrate products, and determine with the customer the appropriate product configuration for each order.

Traditional media advertising (e.g. television, ads in printed journals and newspapers, etc.) does not play a major role in promoting SMC's products to customers.

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