

MILLER HERMAN INC
Form DEF 14A
September 03, 2009

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN
PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

- Filed by the registrant [X]
- Filed by a party other than the registrant []
- Check the appropriate box:
- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

HERMAN MILLER, INC.
(Name of registrant as specified in its charter)

(Name of person(s) filing Proxy Statement, if other than the Registrant)

- Payment of filing fee (Check the appropriate box):
- [X] No fee required
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

- (1) Title of each class of securities to which transaction applies: _____
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- (2) Form, schedule, or registration statement no.: _____
- (3) Filing party: _____
- (4) Date filed: _____

Notice of 2009

ANNUAL MEETING OF SHAREHOLDERS PROXY STATEMENT

Herman Miller, Inc., and Subsidiaries

Herman Miller is a 100-year-old-plus company that places great importance on design, the environment, community service, and the health and well-being of our customers and our employees. Innovative ways to improve the performance of our customers' organizations have become our hallmark. Our award-winning furniture, services, and other products are available through retailers and dealers around the world. Whether your world is an office, a school, a home, or a hospital and whether you are a customer, an employee, a shareholder, or a member of our community we work hard to create a better world around you.

**Notice of 2009
Annual Meeting of Shareholders
Proxy Statement**

Herman Miller, Inc., and Subsidiaries

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September 3, 2009

Dear Shareholder,

Last year was tough on businesses and people around the world. The economic crisis hit Herman Miller and our industry hard, and we're still feeling it. The employees of Herman Miller, despite employment reductions, a 10 percent cut in hours and pay, and some benefit reductions, have responded with thoughtful determination. Our customers have continued to receive the same impeccable quality and outstanding service they have come to know from Herman Miller and our dealer partners. We ended the year profitably and are well positioned to take advantage of the opportunities we know the economic downturn will offer us.

In June, because the hard work on the parts of many people had put us in a good position financially, we were able to acquire Nemschoff, a \$90 million manufacturer of healthcare furniture. This alone is a good indication of the extraordinary performance of Herman Miller people under uncertain and rough conditions. On top of that, we launched several exciting new products, including the award-winning Embody® and Setu chairs.

We don't believe we will see the end of what some are calling "The Great Recession" until the spring of 2010. We believe our business is stable, and we are continuing to invest in the capabilities and products that will enable us to grow and prosper as the general economy improves.

Where we stand financially and why

In the long run, our financial objective must be to create positive economic value for our shareholders, which includes our employees. Given a dramatic drop in demand for our products, our focus this past year has been on ensuring that we have the financial flexibility to endure the downturn and the strength to invest in things that will give us a lasting advantage when the market recovers. While we did not meet our objectives for improving EVA® or creating value for our shareholders this past year, we did an incredible job of adjusting our costs to respond to the lower demand, conserving our cash, and implementing changes to our balance sheet.

While Herman Miller's level of debt was modest for a company of our size, nevertheless we decided to use some of our cash to repay \$75 million of our debt to increase our financial strength. We restructured some of our banking relationships to ensure we had the flexibility to work through this difficult period. We also significantly reduced our dividend to help conserve cash that we could then use to reduce our debt and invest in programs for the future.

Financial highlights

It was a year of dramatic changes in the economy that had a significant negative impact on each of our business units. In total, sales were down 19 percent, and orders were down 22 percent. These two figures do not adequately reflect the severity of the economic impact: our top line was down 34 percent in the second half of the year. While we have a business model that includes a variable cost structure, we had to act swiftly to position the business for the new economic reality. By the end of the year we reduced our cost structure by 26 percent, and we were able to complete the year with \$151 million of operating income, or 9.3 percent of sales. This included a 5.9 percent operating income performance in the fourth quarter, despite a 38 percent year-over-year decline in revenue. In addition to the cost reduction efforts, we renegotiated our revolver during the most challenging credit crisis in U.S. history and received less restrictive covenants in the process, clearly a testament to our financial position. Altogether, these actions right-sized our business and helped to generate \$92 million of cash from operations and a cash and investment balance of \$204 million.

All in all, our actions this past year were focused on ensuring our financial strength and competitive position while continuing to invest in our future.

Other accomplishments

Strengthening the Herman Miller brand and better integrating strategy, R&D, and marketing

Our new website, which by now I hope you have seen, is a great improvement—more visual, easier for specifiers and customers to use, more in line with the many facets of our company. The Marketing team produced *Herman Miller Tales*, a modular video of four of our unique stories. We plan to add more, and you can see this on our website at hermanmiller.com/About-US.

Introduction of new products

We launched Embody last October at Orgatec and the Setu chair at NeoCon this June, where it won two awards. We have redesigned the Celle® chair, increasing its comfort and expanding its market. And so, simultaneously, we have our competitors playing catch-up at the high-end of the task chair market and working to fill an entirely new category created by Setu.

Introduction of new products

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International introduced Sense® tables, Abak® Environments Bench, and Cubix . Intent furniture was added to our systems offering. We have new, low-cost filing and storage through the fast market response work by the filing and storage team. And our new Herman Miller Energy Manager, a fantastic way to save energy at the workstation level, has led to recent wins.

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The expansion of our retail footprint

Costco customers have enthusiastically welcomed good design in the form of the Equa® and Caper® chairs, thousands of which we shipped last year to Costco stores around the country. Based on the first year's results, I think we have found a good partner for the future, and we are working on some new products that will expand our relationship.

Our dealers and the last mile

The application of Herman Miller Performance System (HMPS) principles to the crucial work our dealers do for customers has become a strong point of competitive advantage and differentiation. Customers actually see a difference—cleaner, more organized job sites and significantly reduced installation time.

Strengthen our distribution in Asia

Last August, right before the Olympics, we signed an alliance agreement with POSH, a Hong Kong-based office furniture manufacturer. Distribution is a real challenge in China, and POSH has a strong channel, with over 20 dealers.

Our alliance with Legrand

Legrand North America, which sells Wiremold products, is part of The Legrand Group. This well-regarded company employs over 34,000 people worldwide and had sales of over \$4.5 billion in 2008. Wiremold/Legrand is the industry leader in cable and wire management systems, as well as an innovative manufacturer of electrical and network infrastructures. By embedding our Convia product in the Wiremold ceiling and floor electrical boxes, we will be giving a huge new group of customers ways to manage and conserve energy, increase the flexibility of their buildings, and improve the productivity of their employees. This alliance will add 400 people selling the Convia solution and the Herman Miller Energy Manager. It is a major achievement and, we hope, a turning point in the commercialization of Convia.

What's Ahead?

You can believe my team and I have spent a lot of time considering the answer to that question. To be blunt—no one knows for sure. Based on the work that Herman Miller employees have done this past year, the new capabilities we have in place, and the spirit of the people of Herman Miller, I am very confident in our long-term future. I believe in the long run our ability to grow and find new customers and markets will result in great value to you, our shareholders.

Thanks to each and every one of our shareholders for your support. We know that the financial performance last year was not up to our expectations; yet we also believe that we are in a great position to create value for shareholders, which includes Herman Miller employees.

I honestly believe it has been one of the toughest years since Herman Miller's founder had to deal with the Great Depression in 1930. That crisis led DJ De Pree and Herman Miller into a wonderful new opportunity—modern furniture and industrial design. I am confident that as we keep our eyes open, and our community healthy, we are beginning a great new time for Herman Miller right now.

Sincerely,

/s/ Brian C. Walker

Brian C. Walker
President and Chief Executive Officer

Notice of Annual Meeting of Shareholders

The annual meeting of the shareholders of Herman Miller, Inc. (the company), will be held on October 15, 2009 by means of remote communication on the Internet at the Company's web site, www.hermanmiller.com, at 11:00 a.m. (EDT) for the following purposes:

1. To elect five directors, one for a term of one year and four for a term of three years
2. To consider and vote upon a proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm
3. To transact such other business as may properly come before the meeting or any adjournment thereof

Shareholders of record at the close of business on August 17, 2009, will be entitled to vote at the meeting.

Please note that this year's Annual Meeting will be held via the Internet only. The accompanying proxy materials include instructions on how to participate in the meeting and the means by which you may vote your shares of Company stock.

We encourage you to vote your Proxy, at your earliest convenience, by one of the following means:

By visiting www.proxyvote.com on the Internet;

And if you request paper materials

By calling (within the U.S. or Canada) toll free at 1-800-690-6903; or

By signing and returning your Proxy card

You may also vote at the meeting by faxing your Proxy to (616) 654-7218 before the polls are closed during the meeting. Regardless of whether you expect to attend the meeting through the Internet, please vote your shares in the one of the ways listed above.

By order of the Board of Directors

Daniel C. Molhoek, Secretary to the Board September 3, 2009

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Herman Miller, Inc.

855 East Main Avenue
PO Box 302
Zeeland, Michigan 49464-0302

Proxy Statement Dated September 3, 2009

This Proxy Statement and the accompanying Proxy, which are being made available to shareholders on or about September 3, 2009, are furnished to the shareholders of Herman Miller, Inc., in connection with the solicitation by the Board of Directors of proxies to be used at the Annual Meeting of Shareholders. This meeting will be held on October 15, 2009 at 11:00 a.m. (EDT). Please note that this year's Annual Meeting will be held via the Internet rather than in person.

How to Participate in the Electronic Meeting

In order to participate in this year's Annual Meeting, please log on to www.hermanmiller.com and click on the "About Us" then "For Our Investors" section and the "Annual Meeting Webcast" link at least 15 minutes prior to the start of the 11:00 a.m. meeting to provide time to register and download the required audio software if needed. All shareholders will need to register by entering your name and, if you would like to ask a question during the meeting, you will also need to enter the 12-digit control number received with your Notice or Proxy. Questions that would be appropriate to raise in person and that relate to the purpose of the meeting will be accepted during the meeting. To submit questions, please access the Annual Meeting Webcast and select "Ask a Question."

Solicitation of Proxies and Voting

Each shareholder, as an owner of the company, is entitled to vote on matters scheduled to come before the annual meeting. The use of proxies allows a shareholder to be represented at the annual meeting if he or she is unable to attend the meeting via the Internet.

You can vote by any of the following methods

Vote by Internet Before the Annual Meeting Use your computer to access the website listed on the Proxy (or the written Notice mailed to you) and, with the Proxy or Notice in hand, record your vote. The deadline for internet voting is 11:59 p.m., EDT, on October 14, 2009.

If you request paper materials you may also

Vote by Telephone Call the toll free telephone number provided with your Proxy and, with the Proxy in hand, follow the instructions. The deadline for telephone voting is 11:59 p.m. EDT on October 14, 2009.

Vote by Mail Complete, date, and sign your Proxy. Mail it in the prepaid envelope provided so that it reaches us before October 15, 2009.

Vote by Facsimile During the Annual Meeting You may vote by facsimile during the Annual Meeting prior to the announcement that the polls are closed. You may do so by faxing a marked and signed copy of your Proxy to 1-616-654-7218.

If your Proxy is properly executed, the shares represented by the Proxy will be voted at the Annual Meeting of Shareholders and at any adjournment of that meeting. Where shareholders specify a choice, the Proxy will be voted as specified. If no choice is specified, the shares represented by the Proxy will be voted for the election of all nominees named in the Proxy and for the proposal described in this Proxy Statement.

A Proxy may be revoked prior to its exercise by (i) delivering a written notice of revocation to the Secretary of the company, (ii) executing and delivering a Proxy at a later date, or (iii) attending the meeting via the Internet and voting via fax. However, attendance at the meeting does not automatically serve to revoke a Proxy.

5 Herman Miller, Inc., and Subsidiaries

If you request paper materials you may also

Election of Directors

The Board of Directors has nominated Michael A. Volkema, Paget L. Alves, Douglas D. French, John R. Hoke III, and James R. Kackley for election as directors. Mr. Volkema has been nominated to serve a one year term until the 2010 annual meeting of shareholders; the other four nominees would serve until the annual meeting in 2012. Under our Bylaws, our directors serve in three separate classes, each having a term of three years and each class is to be nearly equal in number to the other classes. In order to accomplish that objective, Mr. Volkema is being nominated to serve in the class of directors whose term expires in 2010. Each of the nominees previously has been elected as a director by our shareholders, except for Mr. Alves who was appointed to the Board in fiscal 2008.

The latter portion of this Proxy Statement contains more information about the nominees. Unless otherwise directed by a shareholder's proxy, each person named as proxy voters in the accompanying proxy will vote for the nominees named above. If any of the nominees become unavailable, which is not anticipated, the Board of Directors, at its discretion, may designate substitute nominees, in which event the enclosed proxy will be voted for such substituted nominees. Proxies cannot be voted for a greater number of people than the number of nominees named.

A plurality of the votes cast at the meeting is required to elect the nominees as our directors. Accordingly, the five people who receive the largest number of votes cast at the meeting will be elected as directors. Shares not voted at the meeting, whether by abstention, broker non-vote, or otherwise, will not be treated as votes cast at the meeting.

The Board of Directors recommends a vote FOR the election of each person nominated by the Board.

Ratification of Appointment of Independent Registered Public Accounting Firm

Our Audit Committee has appointed Ernst & Young LLP (Ernst & Young) as our independent registered public accounting firm for the fiscal year ending May 29, 2010. Representatives of Ernst & Young will be present at the annual meeting of shareholders and available to respond to appropriate questions submitted in advance. The Ernst & Young representatives will have the opportunity to make a statement if they so desire.

Although the submission of this matter for approval by shareholders is not legally required, our Board of Directors believes that such submission follows sound corporate business practice and is in the best interests of our shareholders. If our shareholders do not approve the selection of Ernst & Young, the selection of this firm as our independent registered public accounting firm will be reconsidered by the Audit Committee.

The Board of Directors recommends a vote FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

Disclosure of Fees Paid to Independent Auditors

Aggregate fees billed to us for the fiscal years ended May 31, 2008, and May 30, 2009 by our independent registered public accounting firm, Ernst & Young, were as follows:

Fiscal Year Ended	May 31, 2008	May 30, 2009
Audit Fees ⁽¹⁾	1,252,000	1,251,050
Audit Related Fees ⁽²⁾	26,000	30,600
Tax Fees ⁽³⁾	91,000	32,850
All Other Fees	0	0
Total	\$ 1,369,000	\$ 1,314,500

(1) *Includes fees billed for the audit of and accounting consultations related to our consolidated financial statements included in Form 10-K, including the associated audit of our internal controls, the review of our financial statements included in our quarterly reports in Form 10-Qs, and services in connection with statutory and regulatory filings.*

(2) *Includes fees billed for audits of employees benefits plans and accounting consultations that are unrelated to the audit or review of financial statements.*

(3) *Includes fees billed for tax compliance, tax advice and, tax planning.*

Our Audit Committee has adopted a policy for pre-approving all permissible services performed by Ernst & Young and other firms. This policy requires the Committee's pre-approval of all services that may be provided by our independent registered public accounting firm and certain audit services provided by other firms. The policy authorizes the committee to delegate to one or more of its members pre-approval authority with respect to permitted services. All of the services provided by Ernst & Young under the captions Audit Fees, Audit Related Fees, and Tax Fees were approved by the Audit Committee under this policy.

Voting Securities and Principal Shareholders

On August 17, 2009, we had 55,844,151 shares of common stock issued and outstanding, par value \$.20 per share. Shareholders are entitled to one vote for each share of common stock registered in their names at the close of business on August 17, 2009, the record date fixed by our Board of Directors. Votes cast at the meeting and submitted by proxy will be tabulated by our transfer agent. As of August 17, 2009, no person was known by management to be the beneficial owner of more than five percent of our common stock, except as follows.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Barclays Global Investors, NA 45 Fremont Street San Francisco, CA 94105	4,508,792 ⁽¹⁾	8.07
Columbia Wanger Asset Management L.P. 227 West Monroe Street, Suite 3000 Chicago, IL 60606	3,938,600 ⁽²⁾	7.05

(1) *This information is based solely upon information as of December 31, 2008 contained in the 13G filed on February 5, 2009 by Barclays Global Investors, NA with the SEC, including notice that it has sole voting power as to 3,782,132 shares and sole dispositive power as to 4,508,792 shares.*

(2) *This information is based solely upon information as of December 31, 2008 contained in the 13G filed on February 5, 2009 by Columbia Wanger Asset Management L.P. with the SEC, including notice that it has sole voting power as to 3,731,500 shares and sole dispositive power as to 3,938,600 shares.*

Director and Executive Officer Information**Security Ownership of Management**

The following table shows, as of August 17, 2009, the number of shares beneficially owned by each of the Named Executive Officers (NEOs) identified in the executive compensation tables of this Proxy Statement and by all directors and executive officers as a group. Except as described in the notes following the table, the following persons have sole voting and dispositive power as to all of their respective shares.

Name	Amount and Nature of Beneficial Ownership (1)	Percent of Class (2)
Brian C. Walker	429,936	.77
Gregory J. Bylsma	19,040	.03
Curtis S. Pullen	31,190	.06
Donald D. Goeman	74,671	.13
Andrew J. Lock	75,956	.14
Kristen L. Manos	8,180	.01
Elizabeth A. Nickels	223,150	.40
All executive officers and directors as a group (23 persons)	3,901,030	6.99

- (1) *Includes the following number of shares with respect to which the NEOs have the right to acquire beneficial ownership under stock options exercisable within 60 days: Mr. Walker 170,572; Mr. Bylsma 15,481; Mr. Pullen 19,090; Mr. Goeman 65,627; Mr. Lock 41,085; and Ms. Nickels 163,479.*
- (2) *Calculated based on the number of shares outstanding plus the option shares referred to in footnote (3) below.*
- (3) *Included in this number are 894,997 shares with respect to which executive officers and directors have the right to acquire beneficial ownership under options exercisable within 60 days.*

Director and Executive Officer Information (continued)**The Board of Directors**

The information in the following table relating to each nominee's and director's age, principal occupation or employment for the past five years, and beneficial ownership of shares of common stock as of August 17, 2009, has been furnished to us by the respective nominees and directors. Except as described in the notes following the table, the following nominees and directors have sole voting and dispositive power as to all of the shares set forth in the following table.

Name and Principal Occupation	Age	Year First Became a Director	Shares Owned(1)	Percent of Class (2)
Nominee for Election as Director for Term to Expire in 2010				
Michael A. Volkema Since 2000-- Chairman of the Board, Herman Miller, Inc. July 1995 to July 2004 Chief Executive Officer, Herman Miller, Inc.	53	1995	218,950	.39
Nominees for Election as Director for Term to Expire in 2012				
Paget L. Alves Since February 2008-- President, Sales & Distribution, Sprint Nextel September 2006 to February 2008 President, South Region Sales & Distribution, Sprint Nextel June 2005 to September 2006 Senior Vice President, Enterprise Markets, Sprint Nextel November 2003 to June 2005 President, Strategic Markets, Sprint	55	2007	4,160	.01
Douglas D. French Since June 2007-- Managing Director, Sante Health Ventures May 2004 to May 2007 Principal, JD Resources, LLC January 2000 to May 2004 President and Chief Executive Officer, Ascension Health	55	2002	47,316	.08
John R. Hoke III Since March 2008-- Vice President, Global Footwear, Converse, Inc. From July 2003 - March 2008 Vice President, Global Footwear Design, NIKE, Inc.	44	2005	9,779	.02
James R. Kackley Since May 2002-- Director of various companies 9 Herman Miller, Inc., and Subsidiaries	67	2003	38,904	.07

Director and Executive Officer Information (continued)**Directors Whose Terms Expire in 2011**

Mary Vermeer Andringa Since February 2003-- President and Chief Executive Officer, Vermeer Corporation	59	1999	55,398	.10
Lord Brian Griffiths of Fforestfach Since 1991-- International Advisor, Goldman Sachs International Limited and House of Lords, United Kingdom	67	1991	79,971	.14
J. Barry Griswell May 2008 to December 2008 Chairman of the Board, Principal Financial Group, Inc. and Principal Life From June 2006 to May 2008 Chairman and Chief Executive Officer, Principal Financial Group, Inc. and Principal Life From January 2002 to June 2006 Chairman, Chief Executive Officer and President, Principal Financial Group, Inc. and Principal Life	60	2004	19,202	.03
Mark S. Nemschoff Since June 2009-- Consultant to Herman Miller 1973 to June 2009 President and Chief Executive Officer, Nemschoff Chairs, Inc.	63	2009	2,041,666	3.66
Brian C. Walker Since July 2004-- President and Chief Executive Officer, Herman Miller, Inc. March 2003 to July 2004 President and Chief Operating Officer, Herman Miller, Inc.	47	2003	429,936	.77
Directors Whose Terms Expire in 2010				
C. William Pollard Since April 2002-- Chairman Emeritus, The Service Master Company January 2005 to December 2006 Chairman of the Board, Unum Provident Corporation March 2003 to January 2005 Co-Chairman of the Board, Unum Provident Corporation	71	1985	62,298	.11
Dorothy A. Terrell Since April 2003-- Venture Partner, First Light Capital April 2005 to June 2007 President and Chief Executive Officer, Initiative for a Competitive Inner City	64	1997	36,469	.07
David O. Ulrich Since 1982-- Professor, University of Michigan Business School	55	2001	90,658	.16

- (1) Shares shown for each director include the following number of shares which that director has the right to acquire beneficial ownership under stock options exercisable within 60 days: 31,037 shares for Mr. French; 32,460 shares for Mr. Kackley; 16,948 shares for Ms. Andringa; 25,605 shares for Lord Griffiths; 170,572 shares for Mr. Walker; 33,573 shares for Mr. Pollard; 26,775 shares for Ms. Terrell; and 90,658 shares for Mr. Ulrich.
- (2) Percentages are calculated based upon shares outstanding plus shares that may be acquired under stock options exercisable within 60 days.
- (3) Includes 1,612 shares owned of record and beneficially by Mr. Pollard's wife. Mr. Pollard disclaims beneficial ownership of these shares. Additionally, 19,500 shares are owned by a family partnership.

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Mr. Kackley also is a director of PepsiAmericas, Inc. and Orion Energy Systems, Inc. Mr. Volkema is a director of Wolverine Worldwide, Inc. Mr. Griswell is a director of Principal Financial Group, Inc. and Principal Life and Mr. Walker is a director of Briggs & Stratton Corporation. Ms. Terrell also is a director of General Mills, Inc. There are no family relationships between or among our directors, nominees, or any of our executive officers.

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Corporate Governance and Board Matters

Board Governance Guidelines

For many years, our Board of Directors has been committed to sound and effective corporate governance practices. These practices reflect the Board's long-standing philosophy that a proper structure, appropriate policies and procedures, and reflective cultural factors provide the cornerstone to good governance. The Board documented those practices by adopting our Board Governance Guidelines. These Guidelines address director responsibilities, the composition of the Board, required Board meetings and materials, Board committee composition and responsibilities, and other corporate governance matters. Under our Guidelines, a majority of the members of our Board must qualify as independent under the listing standards of the National Association of Securities Dealers (NASD). Our Guidelines also require the Board to have, among other committees, an Audit Committee, Executive Compensation Committee, and a Nominating and Governance Committee, and that each member of those committees qualify as an independent director under the NASD listing standards. Our Board Governance Guidelines, as well as the charters of each of the foregoing committees, are available for review on our website at www.hermanmiller.com/governance.

Code of Conduct

Our Board has adopted a Code of Conduct that applies to all of our employees, officers, and directors. This code also serves as the code of ethics for our CEO and senior financial officers. This code is posted on our website at www.hermanmiller.com/code. Any changes to or waivers of the code must be approved by the Board of Directors and will be disclosed. There were no changes or waivers in fiscal year 2009.

Determination of Independence of Board Members

As required by our Board Governance Guidelines, our Board has determined that each of our directors, other than Messrs. Walker and Nemschoff, qualifies as an Independent Director, as such term is defined in the NASD listing standards, and that none of those directors has a material relationship with Herman Miller. The Board's determination was made as a result of its review of completed individual questionnaires addressing the nature and extent of each member's relationship with the company and taking into consideration the definition of Independent Director under the NASD rules. Our Board also determined that each member of the Audit Committee, Executive Compensation Committee, and Nominating and Corporate Governance Committee meets the independence requirements applicable to those committees as prescribed by the NASD listing standards, and, as to the Audit Committee, the applicable rules of the Securities and Exchange Commission.

Meeting Attendance

Each of our directors is expected to attend all meetings of the Board and applicable committee meetings. The annual meeting of shareholders is held via the internet and the directors are encouraged to join the webcast. Six of our directors did so for our 2008 Annual Shareholders Meeting. During fiscal 2009, the Board held five meetings; each director attended at least 75 percent of the aggregate number of meetings of our Board and Board committees on which they served. Consistent with the requirements of our Guidelines, our Board met in executive sessions, without the presence of management, following the conclusion of each regularly scheduled Board meeting. These meetings were chaired by the Chairman, Mr. Volkema. In addition, following all of the regularly scheduled Board Meetings, the independent directors met separately. These meetings were chaired by the board's lead director. Mr. Pollard currently serves as lead director.

Communications with the Board

Shareholders and other parties interested in communicating directly with one or more of our directors may do so by writing to us, c/o Corporate Secretary, 855 East Main Avenue, PO Box 302, Zeeland, Michigan 49464-0302. The Corporate Secretary will forward all relevant correspondence to the director or directors to whom the communication is directed.

Director Nominations

Our Bylaws contain certain procedural requirements applicable to shareholder nominations of directors. Shareholders may nominate a person to serve as a director if they provide written notice to us not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting of shareholders and, with respect to any special meeting of shareholders, not later than the close of business on the 10th day following the date on which the meeting is first publicly announced or, if there is no announcement, the 10th day following the date on which the notice of that meeting was first sent to our shareholders. The notice must include (1) the name and address of the shareholder providing notice and of the person or persons nominated, including information on the securities of the Company held by those individuals, including any derivative securities, the details of which are set forth in our Bylaws, (2) a representation that the shareholder is a current record holder and will continue to hold those shares through the date of the meeting and intends to attend the meeting in person or by proxy, (3) for each proposed nominee, (a) all information relating to that person that would be required to be

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disclosed in a proxy statement required to be made in connection with solicitations or proxies for election of directors in a contested election pursuant to Section 14 of the Securities and Exchange Act of 1934 (including that person's written consent to be named in the proxy statement as a nominee and to serve as a

11 Herman Miller, Inc., and Subsidiaries

Corporate Governance and Board Matters (continued)

director if elected), and (b) a description of all direct and indirect compensation and other material monetary arrangements existing during the past three years, as well as any other material relationships between or among the shareholders (and beneficial owner, if any) and their respective affiliates and associates and the proposed nominee and his or her respective affiliates and associates, including all information required to be disclosed pursuant to Rule 404 under Regulation S-K, and (4) the completed and signed questionnaire from each nominee with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made.

Our Nominating and Governance Committee is responsible for reviewing the qualifications and independence of the members of the Board. However, it has not established specific, minimum qualifications for director nominees. This committee does assess the experience and background of prospective candidates, including his or her independence. The committee's charter authorizes the committee to consider all factors it considers appropriate, including the candidate's experience and knowledge of our history and culture, as well as his or her experience and background in manufacturing, design, marketing, technology, finance, management structure and philosophy, including his or her experience as a senior executive officer of a public company. In light of these general requirements, our governance committee reviews the suitability of each person nominated to our Board. In the past, through the board evaluation process, the committee has determined whether there were any skills or experience that needed to be added to the Board and used that information to help establish criteria for Board member searches and candidate evaluation. Other than the procedural requirements described above, the Board has not adopted a policy with regard to the consideration of director candidates nominated by shareholders. All candidates, by whomever nominated, are evaluated in the same manner and under the same standards.

The Nominating and Governance Committee has not received any recommended nominations from any of our shareholders in connection with our 2009 annual meeting. The nominees who are standing for election as directors at the 2009 annual meeting are incumbent directors and each was recommended by the committee.

12 2009 Proxy Statement

Board Committees

Our Board has four standing committees. Committee responsibilities are detailed in written charters. These charters are available on our Internet website at www.hermanmiller.com/charters. The committees are as follows:

Executive Compensation Committee

We have an Executive Compensation Committee comprised of J. Barry Griswell (chair), Paget L. Alves, Douglas D. French, and John R. Hoke III. The Executive Compensation Committee recommends to the Board the annual executive incentive plan and the annual remuneration of our Chief Executive Officer and President, approves the annual remuneration and executive incentive plan for the other executive officers, grants employee stock options and other equity awards, and acts as the administrative committee for our employee stock option and long-term incentive plans. The committee met four times during the last fiscal year. A description of the Committee's processes and procedures for the consideration and determination of executive and director co