

MILLER HERMAN INC  
Form DEF 14A  
August 30, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
(Rule 14a - 101)  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant   
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))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §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)

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August 30, 2011

Dear Fellow Herman Miller Shareholder,

After a couple of difficult years, I'm happy to report to you that Herman Miller's employees and the creative network we're part of have turned in a remarkable performance. Thanks to the effort, perseverance, and patience on the parts of Herman Miller's employee-owners, we have emerged from a tough period with our values intact, our competitive position strong, and our strategy from past years beginning to pay off.

As I said last year, I'm pleased that we were able to balance three things-honoring our obligations to investors, keeping the talent we have, and investing in ways that broaden our markets. When we balance all of these things, we are making sure the Herman Miller community will thrive for years to come.

The core of our business continues to center on serving the furniture needs of businesses within North America. Over the past six years, however, we have made a deliberate and sustained effort to broaden our mix of customers and channels to market. We have pursued this direction through both internal development and acquisitions. We are beginning to see positive results from this broadening and deepening of our markets. This more diverse customer base is beginning to provide great opportunities for growth and future stability during economic cycles.

#### Financial highlights

We recorded the largest increase in sales in a 1-year period in Herman Miller's history. Earnings per share were \$1.06, up from \$.43 last year-a 147% improvement. Our EVA rose from \$6.4M to \$26.6 million, we achieved a Return on Invested Capital of 27% on the full year, and we generated \$91 million cash from operations. We reduced our debt by \$50 million and contributed over \$50 million to employee pension plans. These last two items were important goals we had set to improve our financial flexibility for dealing with economic cycles in coming years.

Special thanks and recognition go to our sales teams in each of the business units. They did a great job of connecting with our customers and dealers. In particular, the North America Work business sales team had great success implementing our strategy to drive market share and increase sales to our dealers.

The International team had a very strong business rebound, led by the team in Asia, who has continued to increase our presence in the region and build on our relationship with POSH, a leading manufacturer and distributor of quality office furniture in Asia. Since 2008, we have had a strategic alliance with POSH. In March, 2011, we entered into an agreement to acquire the company, and we plan to complete this acquisition this fiscal year. This year we opened a new showroom in Hong Kong and a new retail store in Tokyo.

The Geiger team had the largest percentage increase in orders with a year-over-year rise of 76%. Sales at Geiger were up 26%. The Retail team had another strong year and exceeded our expectations with our new on-line retail store. As you can see, great performance in a wide range of markets contributed strongly to the great year we had. We look forward to continued broad performance.

#### New products and showrooms

In 2011, we invested \$35 million in product development; we spent on average over the previous four years 2.2% of sales on R&D. This year, we began to see results. We introduced a remarkable number of new products, and made significant progress in strengthening the impact of our facilities on customer encounters and sales. In fiscal 2011, approximately 22% of total revenue was derived from sales of products introduced over the past four years.

\* Herman Miller Healthcare continues to develop. Two years ago we acquired Nemschoff, and last year at NeoCon we re-branded our healthcare business and launched the Compass system. This innovation has been a focal point for demonstrating to our customers and dealers that we are serious about the healthcare business, and it served to act as catalyst for the combined power of Herman Miller and Nemschoff. We have had some significant wins with the combined group and are making great progress toward our long-term vision.

This year, we completely re-directed the GreenHouse public space to be a focus point for all of Herman Miller Healthcare. For the first time, the Herman Miller Healthcare team-including Nemschoff and Brandrud-has a real home. All our products are in one place; we have a great place to interact with customers and a home base for events and demonstrating our history and achievements in healthcare.

\* Products from International and the North American Work Business. We launched Canvas Office Landscape; the award winning SAYL line of ergonomic seating; the Arras desk system (from International for the Asian market); the Everywhere tables; the Flo monitor arm; and, several new products from Geiger. Our Research and Development, Marketing and Operations teams did a great job of developing and bringing these important new products to market.

\* Herman Miller introduced the word “ergonomics” to our industry in 1976, and we moved last year to strengthen our position as industry leader. We launched the Thrive portfolio of ergonomic solutions, and acquired U.K. technology support company Colebrook Bosson Saunders.

#### Farewell and thanks to Brian Griffiths

This year marks the 20th and final year Brian Griffiths has served on Herman Miller's Board of Directors. He has served through times of great change at Herman Miller, but his commitment to the company, its shareholders, and its employees has never wavered. On behalf of the many people in the Herman Miller community over the past two decades, I'd like to thank Brian for giving us his wisdom and dedication, and we wish him all the best.

Where to from here?

This past year marked our 106th year as a company and community. Today Herman Miller includes 5,700 people in about 20 countries. The people of our community speak over 25 languages. We continue to find strength in our diversity, and we will continue to work hard to keep our business and community alive, growing, and flexible.

Naturally we cannot predict the future-except to say that, like all corporations, Herman Miller will have to deal with a complex mix of economic, social, and political conditions. We believe the ideas and values behind Herman Miller serve us in good stead. They give us a strong foundation from which to serve our customers and communities, grow and change, and continue to improve the everyday lives of people around the world.

Thank you for supporting us with your investment, and we look forward to the coming years together.

Sincerely,  
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 10, 2011, by means of remote communication on the Internet at [www.virtualshareholdermeeting.com/MLHR11](http://www.virtualshareholdermeeting.com/MLHR11), at 10:30 a.m.

(EDT) for the following purposes:

1. To elect three directors, each for a term of three years
2. To approve the Herman Miller, Inc. 2011 Long-Term Incentive Plan
3. To consider and vote upon a proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm
4. To vote, on an advisory basis, upon the compensation paid to the Company's named executive officers
5. To vote, on an advisory basis, upon the frequency of future advisory votes on executive compensation
6. 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 12, 2011, will be entitled to vote at the meeting.

Please note that this year's Annual Shareholders' 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](http://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 via the internet by visiting [www.virtualshareholdermeeting.com/MLHR11](http://www.virtualshareholdermeeting.com/MLHR11) and following the instructions. Regardless of whether you expect to attend the meeting through the Internet, please vote your shares in one of the ways listed above.

By order of the Board of Directors

Daniel C. Molhoek, Secretary to the Board

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Herman Miller, Inc.

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Proxy Statement Dated August 30, 2011

This Proxy Statement and the accompanying Proxy, which are being made available to shareholders on or about August 30, 2011, are furnished to the shareholders of Herman Miller, Inc. (the "Company," "our" or similar pronouns), 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 10, 2011, at 10:30 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 and submit your questions during the Annual Meeting, please log on to [www.virtualshareholdermeeting.com/MLHR11](http://www.virtualshareholdermeeting.com/MLHR11). You will need to enter the 12-digit control number received with your Notice or Proxy to enter the meeting.

#### 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 9, 2011.

**Vote by Internet During 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, follow the instructions to vote during the meeting.

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 9, 2011.

**Vote by Mail** Complete, date, and sign your Proxy. Mail it in the prepaid envelope provided so that it reaches us before October 10, 2011.

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 proposals 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 and voting via the



Internet. However, attendance at the meeting does not automatically serve to revoke a Proxy.

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#### Election of Directors

The Board of Directors of the Company has nominated Mary Vermeer Andringa, J. Barry Griswell and Brian C. Walker for election as directors, each to serve until the 2014 annual meeting. Each of the nominees previously has been elected as a director by our shareholders, and each of the nominees was approved by the Board following the recommendation of our Nominating and Governance Committee.

The latter portion of this Proxy Statement contains more information about the nominees. Unless otherwise directed by a shareholder's proxy, the persons 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 three 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.

However, in an election where the only nominees are those recommended by the Board, any director who receives a greater number of votes "withheld" than those "for", will be required to tender his or her resignation under the majority voting provisions of our Corporate Governance Guidelines. Under those Guidelines, the Nominating and Corporate Governance Committee is required to consider the resignation and recommend to the Board whether to accept or reject the tendered resignation. The Board is required to act on the resignation no later than 90 days after certification of the shareholder vote at that meeting. The Company will publicly disclose the Board's decision whether to accept the resignation or the reasons for rejecting the resignation, if applicable.

The Board of Directors currently consists of eleven directors, of which ten are independent. Lord Brian Griffiths of Fforestfach is not standing for re-election; accordingly, as of the date of the Annual Meeting, the Board will consist of ten members. The maximum number of directors for the Board is thirteen. The Amended and Restated Bylaws of Herman Miller, Inc. require that directors shall be divided into three classes, each class to be as nearly equal in number as possible. Each class shall hold office until the third succeeding Annual Meeting and until their successors shall be duly elected and qualified or until their removal or resignation.

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

#### Proposal to Approve the Herman Miller, Inc. 2011 Long-Term Incentive Plan

The Board has adopted, subject to your approval, the 2011 Long-Term Incentive Plan (the "Plan"). The Plan will replace the Company's existing Long-Term Incentive Plan that was approved by our shareholders in 1994. Upon approval of the Plan, no additional awards will be granted under the previous plan. No awards under the Plan have been granted or will be granted unless and until the Plan is approved by the Company's shareholders at the Annual Meeting. The Plan provides for the grant of a variety of equity-based awards, described in more detail below, such as stock options, including incentive stock options as defined in section 422 of the Internal Revenue Code, as amended (the "Code"), stock appreciation rights, restricted stock and restricted stock units, performance shares, and other stock based awards. A copy of the Plan is attached as Appendix I to this Proxy Statement.

#### Purpose of the Plan

The Plan is intended to promote the long-term success of the company for the benefit of its shareholders through stock-based compensation, by aligning the personal interests of the company's key employees with those of its shareholders. The Plan is designed to allow selected, key employees of the company and certain of its subsidiaries to participate financially in the company's future, as well as to enable the company to attract, retain, and reward such employees.

#### Why You Should Vote in Favor of the Plan

Consistent with the stated purpose of the Plan, we believe our future success depends on our ability to attract, motivate and retain high quality employees and directors and that approval of the Plan is critical to achieving this success. We would be at a severe competitive disadvantage if we could not use equity-based awards to recruit and compensate our employees and directors.

The use of equity as part of our compensation program is also important to our continued success because it fosters a pay-for-performance culture, and rewards the named executive officers for performance that generates consistent and long-term enhancement of shareholder value which are important elements of our overall compensation philosophy. We believe that equity compensation motivates employees to create shareholder value because the value employees realize from equity compensation is based on our stock performance. Because equity compensation awards under the Plan will be subject to vesting and/or performance criteria, the Plan also aligns the goals and objectives of our employees with the interests of our shareholders and promotes a focus on long-term value creation.

Proposal to Approve the Herman Miller, Inc. 2011 Long-Term Incentive Plan (continued)

We also believe we have demonstrated our commitment to sound equity compensation practices. We recognize that equity compensation awards can dilute shareholder equity and, therefore, we have carefully managed our equity incentive compensation to assure that the cost of equity compensation to our shareholders is reasonable in relation to the important benefits gained. Consistent with this commitment, the proposed plan includes the following features:

•Contingent forfeiture of awards ( Section 3.3)

•"Claw-back" provision to recoup awards under specific circumstances (Section 3.4)

•No repricing of stock options and stock appreciation rights without prior shareholder approval (Section 3.5)

•Prohibition on certain share recycling practices (Section 4.2.d)

•40% limit on grants of full-value awards and on awards to any one employee (Section 4.3)

•Prohibition on grants of discounted stock options and stock appreciation rights (Sections 6.4.b and 7.2.b)

#### DESCRIPTION OF THE PLAN

The following is a summary of the key provisions of the Plan and is qualified in its entirety by reference to the full text of the Plan which is attached to this Proxy Statement.

**Administration** The Plan is administered by the Executive Compensation Committee of the Board (the "Committee"), which is required to consist of no fewer than three non-employee directors, as defined in Rule 16b-3(b)(3) of the Securities Exchange Act of 1934 and each of whom must qualify as an "outside director" under Section 162(m) of the Code. The Committee determines the employees of the company and its subsidiaries who are to be granted awards, the types of awards (or combinations thereof) to be granted, the number of shares of common stock to be covered by each award, the terms and conditions of any award, such as conditions of forfeiture, transfer restrictions, and vesting requirements.

**Shares Under the Plan** Subject to certain adjustments, the maximum number of shares that may be issued under the Plan is three million shares. No more than 450,000 of the Plan's shares may be awarded to any one employee, and no more than 40% of the Plan's shares may be awarded as full value awards (defined in the Plan as awards other than options or SAR's). Any shares that are subject to awards that terminate by expiration, forfeiture, cancellation, or otherwise, without the issuance of those shares, are credited back to the Plan. However, shares tendered or withheld in connection with the exercise of options or deducted or delivered in connection with a tax withholding obligation, as well as shares purchased by the Company with proceeds of stock option exercises, are not available for future awards under the Plan. No awards under the Plan may be made after the tenth (10th) anniversary of the effective date of the Plan.

**Forfeiture of Awards** Awards may be subject to forfeiture by participants to the extent a participant violates or breaches any agreement between the participant and the Company or any Company policy or procedure, including the Company's Code of Conduct. Also, awards may be subject to forfeiture if a participant is terminated for cause. Awards under the Plan are subject to mandatory repayment by a participant to the extent that participant is or becomes subject to any Company clawback or recoupment policy or any law or regulation that imposes mandatory recoupment.

#### Types of Awards

The following types of awards may be granted under the Plan.

An "Option" is a contractual right to purchase a number of shares at a price determined at the date the option is granted. The exercise price included in both incentive stock options and nonqualified stock options must equal at least 100 percent of the fair market value of our stock at the date of the grant. The Plan prohibits the repricing of an option or

stock appreciation rights.

A “Stock Appreciation Right” is an award with the right to receive stock or cash of an equivalent value in an amount equal to the difference between the price specified in the stock appreciation right and the prevailing market price of the company's common stock at the time of exercise. As with options, the per share exercise price for a stock appreciation right may not be less than 100 percent of the fair market value of our stock on the date of grant.

“Restricted Stock” is an award of common stock granted to an employee for no or nominal consideration. A recipient of a restricted stock award will have all the rights of a shareholder, including the right to vote and receive dividends. In general, shares of restricted stock are subject to forfeiture if the participant does not meet certain conditions such as continued employment over a specified vesting period, and/or the attainment of specified Company performance objectives.

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Proposal to Approve the Herman Miller, Inc. 2011 Long-Term Incentive Plan (continued)

"Restricted Stock Unit" is an award representing the right to receive, in cash and/or shares of common stock, subject to certain conditions such as continuing employment and/or the achievement of specified performance or other objectives.

An "Other Stock-Based Award" is any other award that may be granted under the Plan that is valued in whole or in part by reference to or is payable in or otherwise based, on common stock.

"Performance Share" is an award of the right to receive stock or cash of an equivalent value at the end of the specified performance period upon the attainment of specified performance goals. Performance Awards are a type of award where the grant, exercise and/or settlement of such award is contingent upon the achievement of pre-established performance goals and other terms established by the Committee. The Committee may designate certain Performance Awards as qualified awards under section 162(m) of the Code, entitling the cost of such awards to be deductible by the Company for income tax purposes. Performance goals for the Performance Awards may include any of the following business criteria:

- (1) adjusted earnings;
- (2) return on equity (which includes adjusted return on equity);
- (3) earnings per share growth (which includes adjusted earnings per share growth);
- (4) basic earnings per common share;
- (5) diluted earnings per common share;
- (6) adjusted earnings per common share;
- (7) net income;
- (8) adjusted earnings before interest and taxes;
- (9) earnings before interest, taxes, depreciation and amortization;
- (10) operating cash flow;
- (11) EVA® performance under the Company's EVA® Management System Technical Manual;
- (12) operations and maintenance expense;
- (13) total shareholder return;
- (14) operating income;
- (15) strategic business objectives, consisting of one or more objectives based upon meeting specified cost targets, business expansion goals, new growth opportunities, market penetrations, and goals relating to the acquisitions or divestitures, or goals relating to capital-raising and capital management.
- (16) common share price; and
- (17) any combination of the foregoing.

#### Amendment or Termination

The Board may at any time amend, discontinue, or terminate all or any part of the Plan. No amendment may be made without shareholder approval that would increase the aggregate number of shares of common stock that may be issued under the Plan, change the definition of employees eligible to receive awards under the Plan, or otherwise materially increase the benefits to participants in the Plan. Except as required by law, the termination or any amendment of the Plan may not impair the rights of any participant, without his or her consent.

#### FEDERAL TAX CONSEQUENCES

The following summarizes the consequences of the grant and acquisition of awards under the Plan for federal income tax purposes, based on management's understanding of existing federal income tax laws. This summary is necessarily

general in nature and does not purport to be complete. Also, state and local income tax consequences are not discussed and may vary from locality to locality.

Options Plan participants will not recognize taxable income at the time an option is granted under the Plan unless the option has readily ascertainable market value at the time of grant. Management understands that options to be granted under the Plan will not have a readily ascertainable market value; therefore, income will not be recognized by participants before the time of exercise of an option. For Nonqualified Stock Options, the difference between the fair market value of the shares at the time an option is exercised and the option price generally will be treated as ordinary income to the optionee, in which case the Company will be entitled to a deduction equal to the amount of the optionee's ordinary income.

Proposal to Approve the Herman Miller, Inc. 2011 Long-Term Incentive Plan (continued)

With respect to incentive stock options, provided certain employment and holding period conditions are met, participants will not realize income for federal income tax purposes as a result of the exercise of such options. In addition, if the shares acquired as a result of the exercise of an incentive stock option are disposed of more than two years after the date of the option is granted and more than one year after the date the option was exercised, the entire gain, if any, realized upon disposition of such shares will be treated as capital gain for federal income tax purposes. Under these circumstances, no deduction will be allowable to the company in connection with either the grant or exercise of an incentive stock option. Exceptions to the general rules apply in the case of a “disqualifying disposition.”

If a participant disposes of shares of common stock acquired pursuant to the exercise of an incentive stock option before the expiration of one year after the date of exercise or two years after the date of grant, the sale of such stock will be treated as a “disqualifying disposition.” As a result, the participant would recognize ordinary income and the company would be entitled to a deduction in the year in which such disposition occurred. The amount of the deduction and the ordinary income recognized upon a disqualifying disposition would generally be equal to the lesser of: (i) the sale price of the shares sold minus the option price; or (ii) the fair market value of the shares at the time of exercise minus the option price. If the disposition is to a related party (such as a spouse, brother, sister, lineal descendant, or certain trusts for business entities in which the seller holds a direct or indirect interest), the ordinary income recognized generally is equal to the excess of the fair market value of the shares at the time of exercise over the exercise price. Any additional gain recognized upon disposition, in excess of the ordinary income, will be taxable as capital gain. In addition, the exercise of incentive stock options may result in an alternative minimum tax liability.

**Stock Appreciation Rights** Upon the grant of stock appreciation right, the participant will realize no taxable income, and the company will receive no deduction. Upon the exercise of the stock appreciation right, the value of the shares and/or cash received is generally taxable to the participant as ordinary income, and the Company generally will be entitled to a corresponding tax deduction.

**Restricted Stock** Recipients of shares of restricted stock that are not “transferable” and are subject to “substantial risk of forfeiture” at the time of grant will not be subject to federal income taxes until the lapse or release of the restrictions or sale of the shares, unless the recipient files a specific election under the Code to be taxed at the time of grant. The recipient's income and the company's deduction will be equal to the excess of the then fair market value (or sale price) of the shares less any purchase price.

**Restricted Stock Units** No taxable income is realized by a participant upon the grant of a restricted stock unit award. Upon distribution of the shares subject to the award or payment of cash, the participant would recognize ordinary income based upon the fair market value of the shares at the time the stock is delivered or in the amount of cash received by the participant. The Company will be entitled to a deduction at the time and in the amount that the participant recognizes ordinary income.

**Performance-Based Awards** Participants are not taxed upon the grant of performance-based awards. Upon receipt of the underlying shares or cash, a participant will be taxed at ordinary income tax rates on the amount of cash received and/or the current fair market value of stock received, and the company will be entitled to a corresponding deduction. The participant's basis in any Performance shares received will be equal to the amount of ordinary income on which he or she was taxed and, upon subsequent disposition, any gain or loss will be capital gain or loss.

**Tax Deductibility Limitations** The Plan is intended to enable the company to provide certain forms of performance-based compensation to executive officers that will meet the requirements for tax deductibility under Section 162(m) of the Code. The Code limits the allowable tax deduction that may be taken by the company for



compensation paid to its chief executive officer and the three other highest paid executive officers (other than the CEO and the CFO). The limit is currently set at \$1,000,000 per executive per year; however, compensation payable solely on the account of the attainment of performance goals is excluded from this limitation.

#### Adjustments for Certain Corporate Transactions

**General Antidilution Adjustments** The Plan provides for the adjustment of the terms of outstanding awards in order to preserve the proportionate interest of the holders in those awards if the number of outstanding shares of the Company's common stock has increased or decreased or other changes in the Company's stock occur due to the result of any recapitalization, reclassification, stock split, adverse stock split, spin-off, combination of stock, exchange of stock, stock dividend or other distributions payable in capital stock or other similar adjustments in the Company's common stock. If the Company is the surviving entity in any reorganization, merger or similar transaction with one or more entities which does not result in the change of control, any options, stock appreciation rights, restricted stock or restricted stock units will pertain to and apply to the securities to which a holder of the number of shares of common stock subject to those awards would have been entitled immediately after the transaction, with any corresponding, proportionate adjustment to the per share option price or SAR price. In addition, as a result of any such transaction, performance-based awards will be adjusted to apply to the securities that a holder of the number of shares of stock subject to such performance-based awards would have been entitled to receive immediately after the transaction.

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Proposal to Approve the Herman Miller, Inc. 2011 Long-Term Incentive Plan (continued)

Adjustments for Change in Control Transactions in Which Awards Are Not Assumed Except as otherwise provided in an award agreement, upon a change in control of the Company in which the outstanding awards are not assumed or continued, awards other than performance-based awards, will be deemed to be immediately vested, or the Committee, at its election, may cancel those awards and pay the value of those awards to participants. With respect to performance-based awards under any such transaction, if less than half the performance period has lapsed, those awards will be converted into shares or similar securities assuming target performance has been achieved. If at least half of the performance period has lapsed, those performance-based awards will be converted into shares or similar securities based upon actual performance to date.

Adjustments for Change in Control Transactions in Which Awards Are Assumed or the Company is the Surviving Entity Except as otherwise provided in an award agreement, in the event of a change in control in which the Company is the surviving entity or under which outstanding awards are assumed or continued, the Plan provides for a corresponding adjustment to the outstanding awards to preserve the intrinsic value of those awards by the Company or its successor; provided, those outstanding awards would be subject to accelerated vesting, if, within a two (2) year period following a change in control the participant's employment is terminated without cause or the participant terminates for good reason.

**REQUIRED VOTE FOR APPROVAL**

The affirmative vote of the majority of the company's outstanding common stock represented and voted at the annual meeting, by person or by proxy, is required to approve the Plan. While broker non-votes will not be treated as votes cast on the approval of the Plan, shares voted as abstentions will be counted as votes cast. Since a majority of the votes cast is required for approval, the sum of any negative votes and abstentions will necessitate offsetting affirmative votes to assure approval. Unless otherwise directed by marking the accompanying proxy, the proxy holders named therein will vote for the approval of the Plan.

The Board of Directors recommends a vote FOR the approval of the proposed plan.

### 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 June 2, 2012. 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. This ratification of the appointment of Ernst & Young requires the affirmative vote of a majority of the votes cast on this proposal. Unless otherwise instructed by you, brokers, banks, and other street name holders will have the discretionary authority to vote your shares on this matter.

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 29, 2010, and May 28, 2011, by our independent registered public accounting firm, Ernst & Young, were as follows:

Fiscal Year Ended	May 29, 2010	May 28, 2011
Audit Fees <sup>(1)</sup>	1,226,600	1,234,700
Audit Related Fees <sup>(2)</sup>	35,000	3,800
Tax Fees <sup>(3)</sup>	296,895	52,385
Total	\$1,558,495	\$1,290,885

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.

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

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

Our Audit Committee has adopted a policy for pre-approving 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.

Proposal to Approve, on an Advisory Basis, the Compensation Paid to the Company's Named Executive Officers

In accordance with recently enacted federal legislation, we are offering our shareholders the opportunity to vote, on an advisory basis, on the compensation of our named executive officers. As a result, you are asked to vote upon the following resolution at this year's Annual Meeting,

“RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed in the Company's proxy statement for this Annual Meeting pursuant to the rules of the SEC, including the “Compensation Discussion and Analysis,” the compensation tables and narrative disclosure, is hereby APPROVED.”

The Executive Compensation Committee of the Board (the "Committee") believes that the total compensation paid to the President and the other named executive officers, as disclosed in the Compensation Discussion and Analysis, is fair and appropriate and should be approved by our shareholders. The compensation of the named executive officers is designed to vary with the results of the business and to reward consistent improvement in the results delivered to shareholders. In 2011 the compensation program performed as intended and rewarded the named executive officers with increased variable compensation consistent with the Company's improved performance.

In fiscal 2011 the Company achieved significantly improved sales and operating results and our stock price returned to levels approaching those before the “great recession.” Sales in fiscal 2011 increased 25%, outpacing furniture industry growth, and net income increased 150%. Sales increased by double digit amounts in each quarter and resulted in the largest full year dollar sales increase in the Company's history.

In fiscal 2009, in the midst of the great recession, the Committee reduced the base salary and long-term incentive grants of the named executive officers and in both 2009 and 2010 none of the named executive officers received an incentive cash bonus. As a result of the improved results in fiscal 2011 the base salaries and long-term incentives of the named executive officers were returned to their normal levels, though the President and Chief Executive Officer received no increase to his base salary. In addition, the improved earnings generated sufficient EVA to result an Executive Incentive Bonus for the first time in 3 years.

The Board and Committee believe that the performance of the executive compensation programs during 2011 was consistent with our compensation philosophy and objectives as described below and is appropriate in light of the Company's overall performance. In addition, each of the elements of compensation paid to the named executive officers has been benchmarked against comparable positions derived from reputable sources including Towers Perrin Executive Compensation Database, Watson Wyatt Top Management Compensation Report, and the Mercer Executive Database and found to be at or below the median for such element.

In addition, each of the elements of compensation has been benchmarked against comparable positions and found to be at or below the median for such element.

The Board of Directors recommends a vote FOR this proposal. This vote is advisory and non-binding; however, the Board of Directors and Committee will review and consider the voting results in connection with future deliberations concerning our executive compensation program.

Proposal to Approve, on an Advisory Basis, the Frequency of Future Advisory Votes on Executive Compensation

We are also offering our shareholders the opportunity to vote on how often the Board should ask our shareholders to provide an advisory vote on executive compensation. The Board believes that because our current executive incentive targets are set annually, an annual vote on executive compensation is most appropriate. You may choose to vote in any one of four manners on the proxy. You may indicate that you prefer this vote every one, two or three years or you may abstain. If no choice is specified, the shares represented by your proxy will be voted in favor of management's recommendation that the vote be conducted every year. The shareholder vote on this issue is advisory. Because it is not binding upon us, the Committee and our Board of Directors may decide that it is in the best interest of our shareholders and our Company to hold an advisory vote on executive compensation more or less frequently than the option approved by our shareholders. However, the Committee and the Board will consider the outcome of the vote when making future decisions on executive compensation.

The Board of Directors recommends a vote FOR the approval of the proposed advisory vote on executive compensation each year.

## Voting Securities and Principal Shareholders

On August 12, 2011, we had 58,191,243 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 12, 2011, 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 12, 2011, 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
BlackRock Fund Advisors 400 Howard Street San Francisco, CA 94105	3,626,047 <sup>(1)</sup>	6.23
Capital Research Global Investors 333 South Hope Street, 55th Floor Los Angeles, CA 90071	3,520,000 <sup>(2)</sup>	6.05
Columbia Wanger Asset Management, L.P. 227 West Monroe Street , Suite 3000 Chicago, IL 60606	3,518,000 <sup>(3)</sup>	6.05
Ariel Investments, LLC 200 East Randolph Drive, Suite 2900 Chicago, IL 60601	3,376,969 <sup>(4)</sup>	5.80
Neuberger Berman Group LLC 605 Third Avenue New York, NY 10158	2,936,441 <sup>(5)</sup>	5.05

This information is based solely upon information as of June 30, 2011 contained in a filing with the SEC on July (1)27, 2011 by BlackRock Fund Advisors, including notice that it has sole voting and dispositive power as to 3,626,047 shares.

This information is based solely upon information as of June 30, 2011 contained in a filing with the SEC on (2)August 15, 2011 by Capital Research Global Investors, including notice that it has sole voting and dispositive power as to 3,520,000 shares.

This information is based solely upon information as of June 30, 2011 contained in a filing with the SEC on (3)August 15, 2011 by Columbia Wanger Asset Management, L.P., including notice that it has sole voting power as to 3,297,000 shares and sole dispositive power as to 3,518,000 shares.

This information is based solely upon information as of June 30, 2011 contained in a filing with the SEC on (4)August 12, 2011 by Ariel Investments, LLC, including notice that it has sole voting power as to 3,283,549 shares and sole dispositive power as to 3,376,969 shares.

This information is based solely upon information as of June 30, 2011 contained in a filing with the SEC on (5)August 12, 2011 by Neuberger Berman Group LLC, including notice that it has sole voting power as to 2,431,176 shares and sole dispositive power as to 2,936,441 shares.

## Director and Executive Officer Information

## Security Ownership of Directors

The following table shows, as of August 12, 2011, the number of shares beneficially owned by each of the nominees and directors, except for Brian Walker who is reported in Management Ownership below. 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 <sup>(1)</sup>	Percent of Class <sup>(2)</sup>
Mary Vermeer Andringa	56,416	0.10
David A. Brandon	1,645	0.00
Douglas D. French	47,470	0.08
Lord Brian Griffiths of Fforestfach	52,191	0.09
J. Barry Griswell	19,202	0.03
John R. Hoke III	15,487	0.03
James R. Kackley	56,534	0.10
Dorothy A. Terrell	34,877	0.06
David O. Ulrich	103,033	0.18
Brian C. Walker	see table below	
Michael A. Volkema	114,950	0.20

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: 8,903 shares for Ms. Andringa; 30,673 shares for Mr. French; 25,605 shares for Lord Griffiths; 50,090 shares for Mr. Kackley; 25,183 shares for Ms. Terrell; and 94,745 shares for Dr. Ulrich.

(1) Percentages are calculated based upon shares outstanding plus shares that may be acquired under stock options exercisable within 60 days.

## Security Ownership of Management

The following table shows, as of August 12, 2011, 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 <sup>(1)</sup>	Percent of Class <sup>(2)</sup>
Brian C. Walker	631,295	1.08
Gregory J. Bylsma	31,652	0.05
Donald D. Goeman	86,170	0.15
Andrew J. Lock	130,765	0.22
Curtis S. Pullen	68,442	0.12
All executive officers and directors as a group (22 persons) <sup>(3)</sup>	1,810,285	3.11

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: 363,035 shares for Mr. Walker; 26,111 shares for Mr. Bylsma; 69,640 shares for Mr. Goeman; 78,926 shares for Mr. Lock; and 50,133 shares for Mr. Pullen.

(2) Percentages are calculated based upon shares outstanding plus shares that may be acquired under stock options exercisable within 60 days plus the option shares referred to in footnote (3) below.

(3) Included in this number are 1,023,542 shares with respect to which executive officers and directors have the right to acquire beneficial ownership under options exercisable within 60 days.

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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 NASDAQ National Markets requirements. Our Guidelines also require the Board to have, among other committees, an Audit Committee, an Executive Compensation Committee, and a Nominating and Governance Committee, and that each member of those committees qualify as an independent director under the NASDAQ 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](http://www.hermanmiller.com/governance).

The Board Governance Guidelines relating to the offices of Chief Executive Officer ("CEO") and Chairperson state that "the Board believes the roles of CEO and Chairperson should normally be separated. If the positions are combined, the Board will closely monitor the performance and working relationship between the CEO/Chairperson and the Board and will establish a Lead Director who acts as a liaison between directors and the CEO/Chairman and who chairs meetings of the independent directors." Consistent with our Guidelines, the roles of CEO and Chairperson are currently separate.

### The Board's Role in Risk Oversight

The Company's management annually engages in an enterprise risk management process, the key output of which is a risk matrix that is intended to identify and categorize strategic risks. The matrix also identifies (1) those members of senior management who are responsible for monitoring each major risk, and (2) whether that risk is reviewed by the Board or a committee of the Board. The development of this matrix is facilitated by the Company's Business Risk Group, through discussions with executive and senior management. Management and the Business Risk Group annually review and discuss the risk assessment process and results with the Audit Committee, and if applicable recommend what risks are being adequately addressed, directly or indirectly, on a regular basis and of what risks should be further discussed with the full Board or other committees and the appropriate form and timing of such discussions.

Under the Company's governance rules the Board of Directors is responsible for evaluating CEO performance, monitoring succession planning, reviewing the Company's major financial objectives, evaluating whether the business is being properly managed and overseeing the processes for maintaining the integrity of the Company with respect to its financial statements, public disclosures and compliance with laws. The Board has delegated the primary oversight for managing the risk with respect to some of these to the various board committees as described in the committee charters.

During the year the Committee asked the Company's Business Risk Group to review the Company's compensation policies and practices to determine if those policies or practices are likely to have a material adverse impact on the Company. The Business Risk Group conducted its review and provided a report to the Committee in January 2011. In conducting its review of the plans the Committee considered both the structure of the compensation plans and the presence of risk mitigating features such as caps, multi-year earning and vesting provisions and "clawbacks." Based on the evaluation, and after consultation with Pearl Meyers and Partners, the Committee's independent compensation consultants, the Committee determined that the Company's compensation policies and practices are not likely to create a material adverse impact on the Company.

### 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](http://www.hermanmiller.com/code). Any changes to or waivers of the code must be approved by the Board of Directors and will be disclosed. The Code of Conduct was last updated in December 2009 and there were no modifications or waivers to the code in fiscal 2011. The Code of Conduct meets the requirements of the NASDAQ listing standards.

Determination of Independence of Board Members

As required by our Board Governance Guidelines, our Board has determined that each of our directors, other than Mr. Walker, qualifies as an “Independent Director,” as such term is defined in the NASDAQ listing standards, and that none of those independent directors has a material relationship with the Company. 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 NASDAQ 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 NASDAQ listing standards, and, as to the Audit Committee, the applicable rules of the Securities and Exchange Commission.

Corporate Governance and Board Matters (continued)

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. Nine of our directors did so for our 2010 Annual Shareholders' Meeting. During fiscal 2011, the Board held four 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 three of the four regularly scheduled Board Meetings, the independent directors met separately.

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 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 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. To meet the needs of the Company in a rapidly changing environment, the Board Governance Guidelines explain that the Company requires a high-performance board of directors whose members subscribe to our values and meet the specific resource needs of the business. To that end, the Nominating and Governance Committee considers a number of factors it deems appropriate when considering candidates for the Board; such factors may include experience and knowledge of the Company's history and culture, technical experience and backgrounds such as manufacturing, design, marketing, technology, finance, management structure and philosophy, and experience as a senior executive of a public company. The Nominating and Governance Committee may consider such factors as race and gender as well as various industry experience in annually assessing and reviewing the current slate of directors and potential director candidates as the need arises. The Nominating and Governance Committee is responsible with the Board for assessing the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. These factors, and others as considered useful by the Nominating and Governance Committee or the Board, are reviewed in the context of an assessment of the perceived needs of the Board at a

particular point in time.

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. The Board believes that all candidates, by whomever nominated, should be evaluated in the same manner and under the same standards.

#### Information about the Nominees and Directors

Certain information with respect to the nominees for election at the Meeting, as well as each of the other Directors, is set forth on the following pages, including their names, ages, a brief description of their recent business experience, including present occupations and employment, certain directorships that each person held during the last five years, and the year in which each person became a Director of the Company. Additional information about each continuing Director is also included that describes some of the specific experiences, qualifications, attributes or skills that each Director possesses which the Board believes has prepared them to be effective Directors.

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Corporate Governance and Board Matters (continued)

Nominees for Election as Director For Term to Expire in 2014

Name and Age	Year First Became a Director	Principal Occupation(s) During Past 5 years	Other Directorships of Public Companies held during Past 5 years
Mary Vermeer Andringa, 61	1999	President and Chief Executive Officer Vermeer Corporation since February 2003	None

Since 1989, Ms. Andringa has been an executive officer of Vermeer Corporation, a leading manufacturer of agricultural, construction, environmental and industrial equipment located in Pella, Iowa. Ms. Andringa's tenure with Vermeer Corporation has spanned the gamut of functional expertise from marketing to international sales and acquisitions. With over 25 years of manufacturing experience, Ms. Andringa is currently the Chair of the National Association of Manufacturers which represents over 10,000 U.S. based manufacturing entities. Ms. Andringa's experience as a Chief Executive Officer coupled with her focused efforts on lean manufacturing and continuous improvement initiatives and her involvement in international product sales and distribution provides an important resource to management and the Board of Directors. These factors contributed to her recommendation by the Board for continued service as a director.

J. Barry Griswell, 62	2004	President, Community Foundation of Greater Des Moines since July 2008 Chairman of the Board, Principal Financial Group, Inc. and Principal Life January 2002 to December 2008 Chief Executive Officer, Principal Financial Group, Inc. and Principal Life January 2000 to May 2008 President, Principal Financial Group, Inc. and Principal Life March 1998 to June 2006	Och-Ziff Capital Management Group LLC National Financial Partners Corp. Principal Financial Group, Inc. and Principal Life
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Mr. Griswell is the former Chairman and Chief Executive Officer of the Principal Financial Group and Principal Life, a global financial services provider which offers a wide range of insurance and financial products and services. With more than 30 years of financial services experience, Mr. Griswell was the President and CEO of MetLife Marketing Corporation prior to joining the Principal Financial Group. He is a former director of the Principal Financial Group and non-executive chairman of its board of directors. Mr. Griswell is currently a director of National Financial Partners Corp.

Mr. Griswell's financial expertise, governance experience and service as an executive of a publicly traded corporation make him a key contributor to the Board of Directors and led the Board to recommend his nomination for re-election.

Brian C. Walker, 49	2003	President and Chief Executive Officer Herman Miller, Inc. since July 2004	Briggs & Stratton Corporation
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Since 2004, Mr. Walker has served as President and Chief Executive Officer of the Company. Previously, he held other executive leadership positions with the Company having served as the Chief Operating Officer of Herman Miller Inc., President of Herman Miller North America and Chief Financial Officer. Mr. Walker is a Certified Public Accountant and serves on the Detroit Board of Directors of the Federal Reserve Bank of Chicago.

Mr. Walker is the only member of Company management on the Board of Directors, which provides an important link to the Company's ongoing business operations and challenges. Moreover, Mr. Walker's knowledge of the Company's history and culture, operational and executive leadership roles with the Company, accounting acumen and governance experience make him an important contributor to Board deliberations; accordingly, the Board recommended his nomination for re-election as a director.

Corporate Governance and Board Matters (continued)

Directors Whose Terms Expire in 2013

Name and Age	Year First Became a Director	Principal Occupation(s) During Past 5 years	Other Directorships of Public Companies held during Past 5 years
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Dorothy A. Terrell, 66	1997	Founder and Managing Partner, FirstCap Advisors since October 2010 Venture Partner, First Light Capital from April 2003 to 2010 President and CEO, Initiative for a Competitive Inner City from April 2005 to June 2007	General Mills, Inc.
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Ms. Terrell is the Founder and Managing Partner of FirstCap Advisors, a venture capital and advisory firm committed to helping innovative technology companies move successfully through the critical early stages of product and business development. Prior to this she was a Partner at First Light Capital, a venture capital fund investing in early stage products and service companies in enterprise software and integration, communications and business-to-business e-commerce. Concurrent with her service to First Light Capital, she was President and CEO of the Initiative for a Competitive Inner City, a national not-for-profit organization. Ms. Terrell has over twenty years of experience in the technology industry. At NMS Communications she was Senior Vice President of Worldwide Sales and concurrently President of Platforms & Services Group. She was also a Corporate Officer at Sun Microsystems, Inc. and President of its subsidiary, SunExpress.

Ms. Terrell's experience as a senior executive, her knowledge and service in the technology arena and service to other boards makes her an important resource as a member of the Board.

David O. Ulrich, 57	2001	Professor, University of Michigan since 1982	None
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Dr. Ulrich has served as a professor of Business Administration at the University of Michigan since 1982. He also provides counsel to more than half of the Fortune 200 companies, focusing on strategic management and competitive advantage issues as well as human resource management, leadership culture and talent. He has published 23 books and hundreds of articles on these and related topics.

Dr. Ulrich's academic research and consulting on strategic management and other business issues provide unique and important talents to the Board.

Michael A. Volkema, 55	1995	Chairman of the Board, Herman Miller, Inc. since October 2000	Wolverine Worldwide, Inc. Champion Enterprises, Inc. Applebee's
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Mr. Volkema has been Chairman of the Board of Directors of Herman Miller, Inc. since 2000. He has also served as CEO and President of the Company. Mr. Volkema has more than 20 years of experience as a senior executive in the home and office furnishings industry. This experience includes corporate leadership, branded marketing, international operations, and public company finance and accounting through audit committee service.

Mr. Volkema is a key contributor to the Board based upon his knowledge of the Company's history and culture, operational experience, board governance knowledge, service on boards of other publicly held companies and industry experience.

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## Corporate Governance and Board Matters (continued)

## Directors Whose Terms Expire in 2012

Name and Age	Year First Became a Director	Principal Occupation(s) During Past 5 years	Other Directorships of Public Companies held during Past 5 years
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Douglas D. French, 57	2002	Managing Director, Santé Health Ventures since June 2007 Principal, JD Resources, LLC from May 2004 to May 2007	Emageon
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Mr. French has served as the founding partner of Santé Health Ventures, an early-stage healthcare venture fund since 2007. Prior to joining Sante' Health Ventures, he served as the President and Chief Executive Officer of Ascension Health, the largest not-for-profit health system in the U.S. Mr. French has also served as CEO for St. Mary's Medical Center and St. Vincent Health System, both of Midwest, Indiana. He has more than three decades of health management experience including serving as a director for numerous public and private companies.

Mr. French's governance experience, as well as his leadership roles and expertise in the health management industry, provides a valuable resource to management and the Board of Directors.

David A. Brandon, 59	2011	Athletic Director, University of Michigan since March 2010 Chairman & CEO, Domino's Pizza, Inc. March 1999 to March 2010	Domino's Pizza, Inc. DTE Energy Company The TJX Companies Kaydon Corporation Northwest Airlines Burger King, Corp.
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Mr. Brandon is the Director of Intercollegiate Athletics at the University of Michigan, where he has served since March 2010. Prior to that he served as Chief Executive Officer of Domino's Pizza, Inc., an international pizza delivery company operating 9,000 stores in over 60 countries. Mr. Brandon was also President and Chief Executive Officer of Valassis, Inc. from 1989 to 1998 and Chairman of its Board of Directors from 1997 to 1998. Mr. Brandon was first appointed to the Board on February 18, 2011.

Mr. Brandon's 22 years of experience as a Chief Executive Officer of two publicly-traded companies, his experience in global brand management and his for-profit and non-profit board service bring a unique perspective to the Board of Directors.

John R. Hoke III, 46	2005	Vice President, Nike Global Design, since January 2010 Vice President, Footwear Design, Converse, Inc. March 2008 to January 2010 Vice President, Global Footwear Design, Nike, Inc. July 2003 to March 2008	None
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Since joining Nike, Inc. in 1993, Mr. Hoke has led the communication of Nike's culture of creativity internally and externally. He is currently the Vice President of Global Design inspiring and overseeing an international team of designers. Mr. Hoke also serves as a director to several not-for-profit organizations relating to art and design. Mr. Hoke's design expertise, both domestically and internationally, including his leadership role in a major, global enterprise, brings additional, insightful perspective to our Board discussions and decisions.

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Corporate Governance and Board Matters (continued)  
 Directors Whose Terms to Expire in 2012 (continued)

Name and Age	Year First Became a Director	Principal Occupation(s) During Past 5 years	Other Directorships of Public Companies held during Past 5 years
James R. Kackley, 69	2003	President and Chief Operating Officer, Orion Energy Systems, Inc. July 2009 to May 2010 Director of various companies since May 2002	Orion Energy Systems, Inc. - Chairman, Board of Directors Perficient, Inc. PepsiAmericas Inc. Ryerson, Inc.

Mr. Kackley currently serves as Chairman of the Board of Orion Energy Systems, Inc. after having served as President and Chief Operating Officer. Prior to joining the Board of Directors of Herman Miller, Inc., Mr. Kackley served as the Chief Financial Officer for Anderson Worldwide until 1999. He was also a Certified Public Accountant and the Managing Partner for Arthur Andersen for a number of its regional office groups including Northern Florida and the Midwest Region. Mr. Kackley is a member of the Board of Directors' Audit Committee and the Audit Committee of Perficient, Inc. He also served on the Audit Committees of PepsiAmericas Inc., Orion Energy Systems, Inc. and Ryerson, Inc.

Mr. Kackley's financial and accounting expertise, his previous experience as a Certified Public Accountant, and service as a director of other leading U.S. companies allows him to provide valuable input to management and the Board of Directors.

The Nominating and Governance Committee has not received any recommended nominations from any of our shareholders in connection with our 2011 Annual Meeting. The nominees who are standing for election as directors at the 2011 Annual Meeting are incumbent directors and each was recommended by the Committee.

#### 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](http://www.hermanmiller.com/charters). The committees are as follows:

##### Nominating and Governance Committee

We have a Nominating and Governance Committee comprised of Dorothy A. Terrell (chair), Lord Brian Griffiths of Fforestfach, and David O. Ulrich. The Nominating and Governance Committee develops and recommends to the Board governance standards and policies and board compensation including that of the Chairman of the Board. In addition, the committee identifies and recommends to the Board candidates for election to the Board. The Committee met six times during the last fiscal year.

##### Executive Committee

We have an Executive Committee comprised of Michael A. Volkema (chair), J. Barry Griswell, James R. Kackley and Dorothy A. Terrell. The Executive Committee acts from time to time on behalf of the Board in managing our business and affairs (except as limited by law or our Bylaws) and is delegated certain assignments and functions by the Board of Directors. The Committee met six times during the last fiscal year.

##### Audit Committee

We have an Audit Committee comprised of James R. Kackley (chair), Mary V. Andringa and Michael A. Volkema. Mr. Kackley is qualified as and serves as the "Audit Committee financial expert" within the meaning of the applicable SEC regulations. This committee, composed entirely of independent directors under the applicable listing standards of the NASDAQ listing requirements, as well as the requirements of the Sarbanes-Oxley Act of 2002, is responsible for overseeing management's reporting practices, internal controls and risk management on behalf of the Board of Directors. The Committee is also responsible for appointing, approving the compensation of, and overseeing our independent registered public accounting firm. The Audit Committee met eight times during the last fiscal year. The June 2010 meeting included an annual review of the Committee's written charter.

##### Executive Compensation Committee

We have an Executive Compensation Committee comprised of J. Barry Griswell (chair), 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, approves the grants of employee stock options and other equity awards, and acts as the administrative committee for our employee stock option and long-term incentive plans. A description of the committee's processes and procedures for the consideration and determination of executive and director compensation is set forth under the caption "Compensation Disclosure and Analysis -The Executive Compensation Committee" below in this Proxy Statement. The Committee met four times during the last fiscal year.

##### Executive Compensation Committee Interlocks and Insider Participation

No member of the Executive Compensation Committee is or has been an officer or employee of the Company or had any relationship that is required to be disclosed as a transaction with a related party except as noted under Certain Relationships and Related Party Transactions. In addition, no current executive officer of the Company has ever served as a member of the Board of Directors or Compensation Committee of any other entity that has or has had one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

#### Report of the Audit Committee

The Audit Committee's purpose is to oversee the accounting and financial reporting processes of the Company; the audits of the Company's financial statements and management's assessment of the Company's internal controls; the qualifications of the public accounting firm engaged as the Company's independent registered public accounting firm; and the performance of the Company's internal auditors and independent registered public accounting firm. The Committee's function is more fully described in its charter, which the Board has adopted and is available on the Company's web site at

[http://www.hermanmiller.com/MarketFacingTech/hmc/about\\_us/Investors/audit\\_committee\\_charter.pdf](http://www.hermanmiller.com/MarketFacingTech/hmc/about_us/Investors/audit_committee_charter.pdf). The Committee reviews the charter on an annual basis. The Board annually reviews the NASDAQ listing standards definition of independence for audit committee members and has determined that each member of the Committee meets that standard.

Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, accounting and financial reporting principles, internal controls, and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. The Company's independent registered public accounting firm, Ernst & Young LLP, is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles. Ernst & Young LLP is also responsible for auditing and providing an opinion on the effectiveness of the Company's internal control over financial reporting.

We have reviewed, and discussed with management and Ernst & Young LLP, the Company's audited financial statements for the year ended May 28, 2011, management's assessment of the effectiveness of the Company's internal controls over financial reporting, and Ernst & Young LLP's evaluation of the Company's internal controls over financial reporting.

We have discussed with Ernst & Young LLP the matters required to be discussed by the Statement on Auditing Standards No. 114, The Auditor's Communication with Those Charged with Governance (which superseded Auditing Standards No. 61, Communication with Audit Committees Concerning Independence, as amended.)

We have received and reviewed the written disclosures and the letter from Ernst & Young LLP required by the applicable provisions of the Public Company Accounting Oversight Board regarding Ernst and Young LLP's communications with the Audit Committee concerning independence and we have discussed with Ernst & Young LLP their independence including a consideration of the compatibility of non-audit services with their independence. Based on the reviews and discussions referred to above, we recommended to the Board of Directors that the financial statements referred to above be included in the Company's Form 10-K Report for the year ended May 28, 2011, and we selected Ernst & Young LLP as the independent auditor for fiscal year 2012. The Board is recommending that shareholders ratify that selection at the Annual Meeting.

James R. Kackley (chair)

Mary Vermeer Andringa

Michael A. Volkema

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## Compensation Discussion and Analysis

### Executive Summary of Fiscal 2011 Compensation

In fiscal 2011 the Company achieved significantly improved sales and operating results and our stock price returned to levels approaching those before the “great recession.” Sales in fiscal 2011 increased 25%, outpacing furniture industry growth, and net income increased 150%. Sales and earnings for the fourth quarter of the fiscal year showed the greatest improvement in Company history.

The Executive Compensation Committee of the Board, in response to these improved results, reversed the temporary salary and Long-Term Incentive reductions which had been implemented in fiscal 2009. In addition, the Executive Incentive Bonus earned during the year, which was based on EVA results, returned to a normal level after making no payout over the past two years. The Committee believes that the performance of the executive compensation programs during 2011 was consistent with our compensation philosophy and objectives as described below and is appropriate in light of the Company's overall performance.

### Overview of Compensation Program

The Committee is responsible for establishing the executive compensation programs at Herman Miller, Inc. The Committee seeks to ensure that the compensation paid to the Company's corporate officers is fair, reasonable, competitive and consistent with our compensation philosophy.

The Company is required to provide information regarding our compensation policies and decisions for our President and Chief Executive Officer (CEO), Chief Financial Officer (CFO), and the three other most highly compensated executive officers. We refer to our CEO, CFO and the other highly compensated executive officers, for whom disclosure is required, collectively as our “Named Executive Officers” or “NEOs.” This Compensation Discussion and Analysis is intended to provide information regarding, among other things, the overall objectives of our compensation program and each element of compensation provided to the NEOs.

### The Executive Compensation Committee

The Committee is comprised of three directors, each qualifying as an independent director under NASDAQ's listing requirements. The Board has determined that each member of the Committee also meets the definition of independence under Herman Miller's corporate governance guidelines and further each member qualifies as a non-employee Director for purposes of Rule 16b-3 under the Securities Exchange Act of 1934.

The Committee's primary functions are to oversee the compensation philosophy and strategy, to determine or recommend the compensation of Company officers, including the NEOs, and to act as the Administrative Committee for the Company's key executive compensation plans.

The Committee is responsible for recommendations to the full Board with respect to all aspects of the annual compensation of the Company's President and Chief Executive Officer. The Committee, based upon recommendations from our CEO, approves the annual compensation for all other corporate officers covered by Section 16 of the Securities Exchange Act of 1934 including the NEOs (Corporate Officers). Our President and Chief Executive Officer establishes the base salary of all other Company executives. The Committee establishes any performance objectives for the Economic Value Added (EVA®) Incentive Cash Bonus Plan and the equity-based compensation plans, which cover the President and Chief Executive Officer, Corporate Officers, and executive employees of the Company.

The Committee does not set compensation for the Board of Directors. The Nominating and Governance Committee is responsible for reviewing, and recommending to the Board of Directors, the amount and form of payment of director compensation.

### Compensation Philosophy and Objectives

Our compensation philosophy, as formulated by management and endorsed by the Committee and by our Board of Directors, is to allow for an appropriate level of risk and a corresponding compensation reward within a range that bears a relationship to the competitive market, to the responsibilities of the employee and to the performance of the employee and Company. Consistent with this philosophy, the key objectives of our executive compensation program are to:

- ✚ Link a material portion of executives' total annual compensation directly to the Company's performance
- ✚ Reinforce our values, build corporate community, and focus employees on common goals
- ✚ Align the interests of executives with the long-term interests of shareholders

◆ Attract, motivate, and retain executives of outstanding ability.

The compensation program is intended to provide executives, who are judged to perform their duties at a proficient level, with compensation that approximates the market median compensation for their position based upon the data provided by Pay Governance (as described later in the Benchmarking of Compensation section). The compensation program is also intended to have the portion of a Corporate Officer's compensation determined by the Company's performance increase as the responsibility and authority of the Corporate Officer increases. The Committee believes that the compensation program, through the use of base salary, annual incentive cash bonus and long-term incentives, operates in a manner consistent with these objectives and rewards performance that generates both consistent and long-term enhancement of shareholder value. The compensation program and its various elements are described in more detail in the section entitled Elements of the Compensation Program.

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## Compensation Discussion and Analysis (continued)

### External Consultants

The Compensation Committee has the authority and sole discretion to select independent compensation consultants, legal consultants and other advisors to provide it independent advice. During fiscal 2011, the Committee retained Pearl Meyers and Partners as independent compensation consultants to the Committee. Pearl Meyers was not permitted to provide other consulting services to the Company. The independent services, which Pearl Meyers provided to the Committee, included reviewing the elements of compensation of the President and Chief Executive Officer, as well as the other Corporate Officers and comparing those elements to the Company's compensation philosophy and objectives and to market practices for such compensation. Pearl Meyers concluded that the compensation program established for those officers is consistent with the Company's compensation philosophy and objectives and with market practices.

The Company in fiscal 2011, with the approval of the Committee, retained Pay Governance to provide marketplace compensation data and compensation consulting services to management and, from time to time, other specialized work as may be required, such as conducting a review of retirement or other benefit programs.

### Benchmarking of Compensation

To ensure that executive compensation is competitive in the marketplace, the Committee uses marketplace compensation data to compare our compensation programs to general market pay practices. The Committee chose to benchmark fiscal 2011 compensation levels against industrial companies in general because it minimizes the potential volatility of market pay data due to changes in database/survey participation or mergers/acquisitions; lessens the impact that a single entity can have on the overall data; provides a more consistent result; and better reflects the market in which the Company competes for executive talent. The Committee believes the competitive market for executive talent in which the Company operates is the general corporate talent market, not just the office furniture or West Michigan talent markets.

Pay Governance provided the Committee with benchmarking data, market practices and trends to provide appropriate context for the Committee's deliberations. Our CEO makes recommendations to the Committee regarding the compensation package for each of the Corporate Officers (other than himself). The CEO's recommendations are based on the Pay Governance information, his evaluation of the individual's performance, the Company's performance and other factors. The Committee's approval of the CEO's recommendations as to the compensation of Corporate Officers (other than the CEO) is based upon the Committee's review of the information from Pay Governance relative to market pay, advice from Pearl Meyers and their own judgment, including their judgment on the relative performance of both the Company and its executives. Based upon these same factors relative to the CEO's performance, the Committee makes a recommendation to the full Board for the CEO's compensation. The Board of Directors determines the compensation of the CEO.

Pay Governance used the following survey sources when analyzing fiscal 2011 market competitiveness pay levels of Corporate Officers; Towers Perrin Executive Compensation Database, Watson Wyatt Top Management Compensation Report, and the Mercer Executive Database (collectively these are referred to as "Published Survey Data"). The Published Survey Data is used to determine competitiveness of base pay, cash incentive bonus and long term incentive awards. Pay Governance uses a regression analysis and aging to make allowances for time differences in the data and to align the data so that it is representative of companies having revenues equivalent to the operations managed by our individual Corporate Officers. The entities within the comparator groups were not disclosed to the Company.

Pay Governance compares the base salary, target total cash and target total direct compensation of each Corporate Officer to the 25th, 50th (market median) and 75th percentile of the Published Survey Data for a comparable benchmark position. Each of the compensation elements is explained in more detail below. Positions are benchmarked based upon comparability of responsibilities and the annual revenues of the operations managed.

The Committee annually reviews executive information provided by Pay Governance which reflects the total direct compensation to the NEOs and also information relating to the other elements of compensation including payments under severance or change in control obligations. The Committee uses this information to help it determine that the Company's compensation program is consistent with market norms and with our compensation philosophy and the



objectives referenced above.

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Compensation Discussion and Analysis (continued)

Elements of the Compensation Program

Our Corporate Officer compensation package includes five distinct elements:

1. Base Salary
2. Annual Executive Incentive Cash Bonus
3. Long-Term Equity Incentives
4. Retirement and Health Benefits
5. Perquisites and Other Executive Compensation Plans

The first two elements form an executive's total cash compensation and the first three elements form an executive's total direct compensation package. It is the Company's goal to align the compensation packages with prevailing market rates. The alignment is accomplished primarily through adjustments to each Corporate Officer's total direct compensation.

Each element of total direct compensation is benchmarked to the prevailing market; however, globally, in certain circumstances local practices related to long-term incentives and bonuses may be significantly different than those applicable to the Company as a whole. In those circumstances, the Company emphasizes consistency in the application of its long-term incentive programs and adjusts base and bonus so as to maintain total direct compensation in an amount that is consistent with the Company's compensation philosophy. The compensation program is intended to provide executives who are judged to perform their duties at a proficient level with a total direct compensation package that approximates the market median compensation for such position based upon the data provided by Pay Governance. However, because of the performance based nature of the Annual Executive Incentive Cash Bonus and the Long-Term Equity Incentives, actual compensation of the NEOs may vary from market rates, from year to year. As a result of the impact of the recession upon the Company's performance, the Committee temporarily reduced the NEO compensation programs for 2009 and 2010. The Committee, given the improving economic conditions in fiscal 2011, approved reversing those temporary reductions to the base salary and long-term equity incentive programs for NEOs, which changes are described below. The Committee determined that the total direct compensation (base salary, target incentive cash bonus and target long-term incentive grant) for each NEO for 2011, and as approved for fiscal 2012, is within the benchmarked range, given the NEO's performance, position and the Company's performance.

Base Salary

The CEO evaluates each of the Corporate Officers annually and makes recommendations to the Committee for base salary. The base salary of the CEO is set by the Board of Directors. In general, but subject to individual circumstances, base salaries reflect market rates for comparative positions and the NEO's historical level of proficiency and performance. The base salary of NEOs assessed by the CEO and the Committee to be proficient, is generally targeted at the market median of the Published Survey Data. The base compensation of NEOs with less experience in general would be below the market median and those judged to be performing at a level higher than proficient generally would be above the market median. The Committee in each circumstance uses its judgment and experience in setting the specific level of base salary relative to the general market median data.

Base Salary in Fiscal 2011

Effective July 19, 2010 the Board and the Committee set NEOs' base salary for fiscal 2011, at 95% of their normalized amounts with the condition that they would return to 100% of the normalized amounts at such time as Company-wide salaries returned to their normalized levels. Beginning in August 2010 the base salaries of the NEOs other than Brian Walker returned to 100% of their normalized amounts and in October 2010 Brian Walker's base salary returned to 100% of his normalized amount. The NEO base salaries for the second consecutive year did not contain any general merit increase.

The base salary of Brian C. Walker was set by the Board at \$720,000. This base salary was approved by the Board of Directors based upon Mr. Walker's excellent performance in driving the operating results of the Company in the previous fiscal year.

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Gregory J. Bylsma's base salary was set at \$300,000 which reflected the Committee's determination that he continued to develop satisfactorily in his first full year as Chief Financial Officer.

The base salary for Donald D. Goeman Executive Vice President-Design and Development was set by the Committee at \$255,000 and reflected the Committee's determination that he continued to perform well in his position.

The base salary of Andrew J. Lock was set at \$330,000 and reflected the Committee's determination that Mr. Lock continued to meet all the requirements of his role as President Herman Miller International. (The base salary of Mr. Lock was set in pounds sterling and the data included in this CD&A and the tables reflect the conversion rates in effect at the relevant measurement dates.)

The base salary of Curtis S. Pullen was set by the Committee at \$350,000. This base salary reflected the Committee's determination that Mr. Pullen continued to develop satisfactorily in his first full year as President of North American Office and Learning Environments.

Compensation Discussion and Analysis (continued)

Base Salary in Fiscal 2012

The Board and the Committee have decided to grant general merit increases for fiscal 2012 to the Company's employees including most of the NEOs. The Committee and Board of Directors approved the following changes in the base salaries of the NEOs for fiscal 2012.

The Board of Directors approved an increase in the base salary of Brian Walker, President and Chief Executive Officer to \$740,000 (2.8%) which reflects the Board's determination that he had made a significant contribution in managing the Company through the recession and in continuing implementation of the Company's long term strategy. The Committee approved an increase in the base salary of Greg Bylsma's, Chief Financial Officer to \$350,000 (16.7%). In fiscal 2011 Mr. Bylsma completed his second full year as CFO. The increase in Greg Bylsma's base salary for fiscal 2012 reflects that his base compensation upon assuming his new role was below market median and also reflects his accelerated progress in gaining experience and effectiveness as Chief Financial Officer.

The Committee approved an increase in the base salary of Don Goeman, Executive Vice President-Design and Development to \$263,000 (3.1%). This increase reflects the fact that he is proficient in his role as head of design and development.

The Committee approved an increase in the base salary of Andy Lock, President Herman Miller International to \$365,625 (2.3% - the percentage increase of which is measured in pounds sterling). This increase reflects Mr. Lock's development in his role as President of Herman Miller International, his continued accelerated implementation of the Company's international strategy, the improvement in the financial and operational metrics of Herman Miller International and that his base salary is below market median.

The Committee approved an increase in the base salary of Curt Pullen, President of Herman Miller North America to \$365,000 (4.3%). Mr. Pullen completed his second full year as President of North American Office and Learning Environments. This increase reflects the Committee's determination that he had continued to grow in his role and that his performance helped drive an increase in the Company's North American market share.

Each of the base salaries set for the NEOs by the Committee were within the range established for their performance and position.

Annual Executive Incentive Cash Bonus

The annual executive incentive cash bonus for the Corporate Officers is paid pursuant to the Executive Incentive Cash Bonus Plan. This plan is intended to link annual incentive compensation to the creation of shareholder value. The Executive Incentive Cash Bonus Plan provides for the annual payment of a cash bonus (Incentive Cash Bonus) to selected executives based upon the performance of the Company (and in some cases various business units) during the fiscal year. The annual Incentive Cash Bonus is reported in the Summary Compensation Table under the column titled "Non-equity Incentive Plan Compensation." Payments are made following the end of the fiscal year.

The measure of performance for the Incentive Cash Bonus is EVA. EVA in general terms is equal to net operating income after subtraction of taxes and a charge for capital. The Committee believes that the utilization of the EVA measurement system, with its focus on maximizing the Company's return on capital investments relative to its cost of capital, is an effective means of evaluating and rewarding executive performance.

Under the Executive Incentive Cash Bonus Plan a participant is assigned an Incentive Cash Bonus target expressed as a percentage of his or her base pay, and the actual bonus payment is determined by comparing the actual improvement in EVA achieved by the Company against expected improvement. The expected improvement is the dollar amount of EVA improvement necessary to earn the targeted EVA bonus. The interval is the dollar amount of EVA change, either above or below the expected improvement, necessary to either double the EVA bonus amount or reduce it to zero.

The actual Incentive Cash Bonus amount paid with respect to any year may range from 0 to 2 times of the target based upon the relative achievement of our EVA targets described below. The Committee sets the EVA targets annually. The Incentive Cash Bonus earned by participants is expected over time to average 100% of his or her individual target. The target Incentive Cash Bonus percentage for the NEOs generally is set so that the incentive cash bonus at

on-target performance will equal 100% of the market median bonus amount for comparable positions as shown in the Published Survey Data, although as explained earlier, base pay and bonus may be adjusted in order to maintain total compensation in an amount that is consistent with our compensation philosophy. The Committee believes that this use of Incentive Cash Bonus is consistent with the objective of making compensation for senior corporate officers more variable with the Company's performance.

The Committee is responsible for administering all elements of the Executive Incentive Cash Bonus Plan, except that those elements of the plan relating to the CEO (including target percentage payment) are approved by the Board. The Committee approves participants in the Plan, the target payment percentage, the EVA improvement goals and the cost of capital. The Audit Committee at the end of each fiscal year approves the calculation of EVA results for the year and the EVA change from the previous year and the resulting bonus factor. The Committee certifies the use of the bonus factor for use in the Incentive Cash Bonus calculation.

## Compensation Discussion and Analysis (continued)

## Incentive Cash Bonus for Fiscal 2011

For fiscal 2011, the corporate EVA targets established by the Committee were an expected improvement of \$19 million and an interval of \$19 million. The cost of capital in fiscal 2011 was 10.5%. The Committee also approved basing a portion of certain NEO's incentive cash bonus on business unit operating results. The payment target percentage for our CEO and NEOs are listed below and were unchanged from 2010. The incentive cash bonus for Brian Walker, Greg Bylsma and Don Goeman remained 100% based upon consolidated EVA for the entire Company. The incentive cash bonus for Andy Lock and Curt Pullen were based 25% upon the modified EVA driven metrics of their respective business units and 75% upon the consolidated EVA. No incentive was payable under the business unit bonus unless the consolidated EVA was positive and the business unit EVA multiple could not exceed 100% of the on target amount unless the corporate EVA multiple exceeded 100% of the on target amount. The Committee believes that the Incentive Cash Bonus target percentages reflect the appropriate market information provided by the Published Survey Data and are within the range for each NEO.

The EVA performance actually achieved by the Company on a consolidated basis was 1.0862 times the target. The EVA bonus amounts to the NEOs was as follows.

Name	EVA Target Bonus Percent	Bonus Amount Paid	Bonus Amount Deferred <sup>(1)</sup>
Brian Walker	100	688,228	59,846
Greg Bylsma	60	167,335	18,593
Don Goeman	60	153,006	8,053
Andy Lock	60	232,690	
Curt Pullen	60	251,502	16,053

(1) - This amount represents the portion of their bonus the NEO elected to defer under the Herman Miller, Inc. Executive Equalization Retirement Plan described later in this Compensation Discussion and Analysis.

## Incentive Cash Bonus for Fiscal 2012

For fiscal 2012, the corporate EVA targets established by the Committee are an expected improvement of \$16.2 million, and an interval of \$17.4 million. The cost of capital will remain at 10.5%. The Committee has again approved basing a portion of certain NEO's incentive cash bonus on business unit operating results. The payment target percentage for Brian Walker and Don Goeman remained unchanged from 2011. The remaining NEO's payment target percentage changed from 60% to 65% to more closely approximate the market median of bonuses for comparable positions. The incentive cash bonus for Brian Walker and Greg Bylsma remain 100% based on consolidated EVA for the entire Company. The incentive cash bonus for Don Goeman, Andy Lock and Curt Pullen will be based 25% on the modified EVA driven metrics of their respective business units and 75% upon the consolidated EVA. The business unit EVA bonus will be limited such that it cannot be paid in full unless the corporate EVA is positive. Business unit EVA will then be limited such that it cannot exceed the corporate EVA multiple plus 100 basis points in the case of Andy Lock and Curt Pullen and the corporate EVA multiple plus 50 basis points in the case of Don Goeman. The Committee believes that the Incentive Cash Bonus target percentages reflect the appropriate market information provided by the Published Survey Data and are within the range for each NEO.

## Long-Term Incentives

In 1994 our shareholders approved our Long-Term Incentive Plan (LTI Plan). The plan authorizes the Company to issue stock, restricted stock, options, restricted stock units, and other forms of equity-based compensation (Long-Term Incentive Grants). The key objectives of making Long-Term Incentive Grants under the LTI Plan are:

- To provide an appropriate level of equity reward to Corporate Officers that ties a meaningful part of their compensation to the long-term returns generated for shareholders.

To provide an appropriate equity award to the next level of executives where market data would support their inclusion in an annual equity award plan.

- To assist the achievement of our share ownership requirements.
- To attract, retain and reward key employees.

We believe that a significant portion of executive pay should be aligned with long-term shareholder returns and that encouraging long-term strategic thinking and decision-making requires that executives have a significant stake in the long-term success of Herman Miller. The Committee is responsible for administering all elements of the LTI Plan and for making all Long-Term Incentive Grants under the LTI Plan, except that the Board approves the grants to the CEO.

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## Compensation Discussion and Analysis (continued)

The LTI Plan permits the issuance of options with a reload feature. A reload feature permits an option holder who exercises an option to receive an additional (reload) option in connection with the exercise of an existing option. The reload option has an exercise price equal to the price at which the existing option was exercised and represents a number of shares equal to the number of shares traded in to exercise the option and to pay the taxes on the exercise of the option. The reload feature exists in option grants made before fiscal 2005. The Committee, beginning in fiscal 2005, discontinued the practice of issuing new options with reload features. The Committee and Board have also recommended to shareholders that the existing plan be replaced by a new Long-Term Incentive Plan as described in the proxy. The new Plan will not permit the use of reload options.

At their June and July meetings each year the Committee and the Board normally take three actions, in connection with establishing the compensation for each NEO; they (a) set the target value for the LTI awards for the current fiscal year, (b) determine the types of awards to be used, and (c) establish the performance criteria, if any, for receiving the awards. The Committee also grants the awards for the just completed fiscal year. In granting the awards the Committee determines if any applicable performance measures have been met. The values shown in the Summary Compensation Table and the Grant of Plan-Based Awards reflect the grants awarded in Fiscal 2011.

This CD&A will discuss four separate Committee actions with respect to the LTI awards described in the following matrix.

Description of Action	Date Action taken	Award relates to
Grants awarded in fiscal 2011	July 2010	Fiscal year ended May 29, 2010
Award targets established for fiscal 2011	July 2010	Fiscal year ended May 28, 2011
Grants awarded in fiscal 2012	July 2011	Fiscal year ended May 28, 2011
Award targets established for fiscal 2012	July 2011	Fiscal year ending June 2, 2012

The actual LTI grants awarded in the relevant years are divided; one-third restricted stock units, one-third market priced stock options, and one-third as selected by the participant. The Committee believes that allowing the NEOs to have some flexibility in modifying the mix between options and RSUs gives the NEOs a greater sense of deriving value from the awards. The Committee limited the LTI awarded to the CEO, Brian Walker, in the form of restricted stock units to the value that would be deductible as compensation under Internal Revenue Code section 162 (m) with the balance of his LTI awards being in stock options. The key features of the restricted stock units and options awarded in fiscal 2010, 2011 and 2012 are as follows:

**Restricted Stock Units:** The restricted stock units (RSU) consist of units representing the right to receive shares of Herman Miller, Inc. common stock. These units reflect the fair market value of the common stock as of the date of grant and cliff vest after three years. If the employee leaves the Company for any reason other than death, disability, retirement or termination without cause, during the three year vesting period any unvested units are forfeited. For the 2011 and 2012 units, if an employee dies or becomes disabled the units vest immediately and if an employee retires during the first 12 months after grant, one-twelfth of the grant will be eligible for vesting for each month that the employee was employed after the grant date and after the initial 12 months, the units will vest in full. For the 2011 and 2012 units, if an employee is terminated for reasons other than cause during the three year period then a prorated portion of the units will vest. In the case of the 2010 units, if an employee dies or becomes disabled, or if the employee is terminated for reasons other than cause during the three year period then a prorated portion of the units will vest. For the 2010 units, if an employee retires, the units continue vesting subject to certain conditions. RSUs convert into shares after they vest. Dividends accrue on the RSUs and are added to the total value of the units.

**Stock Options:** The options vest equally over three years, have a ten year life and are priced at fair market value on the date of grant.

## LTI Grants Awarded in Fiscal 2010

The Committee and Board in July 2008 set normal LTI grant values and in January 2009 reduced the value of the target LTI grants to be awarded to NEOs to 50% of the normal value. The reduction from target value reflected the performance of the Company and the weak overall economic conditions during fiscal 2009. The value of the LTI



grants awarded (including options and restricted stock units) in July 2009 as a percent of normalized base salary was 112.50% for Brian Walker, 50% for Greg Bylsma, Andy Lock and Curt Pullen, and 45% for Don Goeman. The changes did not reflect a change in the performance of any individual NEO.

For NEOs the award value was expressed as a percentage of his or her normalized base salary, and the grants reflected the temporary reductions in the program as discussed below.

#### LTI Grants Awarded in Fiscal 2011

At the July 2010 meeting the Committee and Board awarded LTI grants for the just completed 2010 year. The value of the LTI grants awarded (including options and restricted stock units) in July 2010 as a percent of normalized base salary was 168.75% for Brian Walker, 75% for Greg Bylsma, Andy Lock and Curt Pullen and 67.5% for Don Goeman. The value of LTI grants awarded was at 75% of the normal value. The reduced levels reflected the improved but still weak overall performance of the Company and the economy during fiscal 2010. The changes did not reflect a change in the performance of any individual NEO.

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## Compensation Discussion and Analysis (continued)

The Committee and Board in January 2011, in the light of improving economic conditions and Company performance, awarded an LTI grant equal to the remaining 25% of normalized target to all LTI Plan participants whose awards had been withheld in July 2010, except for the NEOs. The Board and Committee deferred action on awarding the additional LTI to the NEO's until after the results for the fiscal year 2011 were known. As a result of this in January 2011, Don Goeman (who was not an NEO at the time) received the additional award shown in the table below.

## LTI Award Targets Established for Fiscal 2011

The Committee and Board at their July 2010 meetings also established LTI award targets for fiscal 2011. The Committee-approved LTI awards again consisted of options and restricted stock units with the features described above. The value of the LTI award targets established for fiscal 2011 were 100% of the normalized target value. The value of the LTI award targets (including options and restricted stock units) established in July 2010 for fiscal 2011 as a percent of normalized base salary was 225% for Brian Walker, 100% for Greg Bylsma and Curt Pullen, 90% for Don Goeman and 75% for Andy Lock. Andy Lock's normalized target was reduced to reflect a change in his responsibilities.

The following table discloses the actual elections made by the NEOs with respect to the awards received in fiscal 2011.

Name	Number of Options	Option Exercise Price	Restricted Stock Units
Brian Walker	179,008	\$17.30	—
Greg Bylsma	13,812	\$17.30	5,419
Don Goeman (July 2010)	16,906	\$17.30	3,316
Don Goeman (January 2011)	3,795	\$25.06	763
Andy Lock	18,232	\$17.30	7,153
Curt Pullen	19,337	\$17.30	7,587

## LTI Grants Awarded in Fiscal 2012 (July 2011)

As describe above, the Committee and Board in January 2011, in the light of improving economic conditions and Company performance, awarded the balance of what would have been LTI grants to all LTI Plan participants whose awards had been withheld in July 2010, except for the NEOs. The Committee and Board at their July 2011 meeting approved adding the remaining 25% of the target value for LTI awards to the target awards made with respect to 2011. The Committee and Board effective as of the July 2011 Board meeting awarded the LTI grants for fiscal 2011. The Committee-approved LTI grant awards again consisted of options and restricted stock units with the features described above. The value of the LTI grants to NEOs for fiscal 2011 were 125% of the normalized target values with the exception of Don Goeman. The value of the actual LTI grants (including options and restricted stock units) made in July 2011 (fiscal 2012) therefore as a percent of normalized base salary was 281.25% for Brian Walker, 125% for Curt Pullen and Greg Bylsma, 90% for Don Goeman and 93.75% for Andy Lock. Don Goeman was not an NEO in 2011 and therefore received the remaining 25% of his normalized target grant in January 2011. The change in the actual award percentage from target value reflects the improved overall economic conditions during fiscal 2011 and Committee and Board's perception of the relative overall performance of the Company during fiscal 2011. The changes do not reflect a change in the performance of any individual NEO. Options granted in July 2011 have the same characteristics as those granted in July 2010.

The following table discloses the actual elections made by the NEOs with respect to the grants awarded in July 2011 (fiscal 2012).

Name	Number of	Restricted
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	Options	Option Exercise Price	Stock Units
Brian Walker	184,711	\$25.75	5,825
Greg Bylsma	12,930	\$25.75	8,981
Don Goeman	7,536	\$25.75	5,942
Andy Lock	12,598	\$25.75	8,331
Curt Pullen	15,803	\$25.75	10,760

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## Compensation Discussion and Analysis (continued)

### LTI Award Targets for Fiscal 2012 (July 2011)

The Committee and Board, at the July 2011 Board meeting, established target values for the LTI grants for fiscal 2012. The Committee-approved LTI award targets will result in actual grants in July 2012 and the grants will again consist of options and restricted stock units with the features described above. As a percent of base salary the Long-Term Incentive Grants (including options and restricted stock units) are 250% for Brian Walker, 100% for Greg Bylsma and Curt Pullen, 90% for Don Goeman, and 75% for Andy Lock. The LTI awards actually awarded in July 2012 remains subject to adjustment at the discretion of the Committee and the Board. The LTI award target to Brian Walker consists of options and, to the extent deductible under IRS Section 162(m) at the election of Mr. Walker, may consist of RSUs.

The Committee believes that allowing the NEOs to have some flexibility in modifying the mix between options and RSUs gives the NEOs a greater sense of deriving value from the awards. The Committee has limited the CEO's election of RSUs as a part of his LTI award to that portion which would be deductible under Internal Revenue Code section 162(m). This limitation is consistent with its policy that compensation paid by the Company should be deductible under Internal Revenue Code section 162(m).

### Practices Concerning Grant Dates

Grants under the LTI Plan are typically made in connection with the Board of Directors meeting in July of each year. The number of restricted stock units is determined using the closing price for the Company's common stock on the date of grant and the number of options is based on the Black-Scholes valuation as of the date of grant. The Company does not attempt to influence the amount of executive compensation by timing equity grants in connection with the disclosure of material information to the public. The Company's year-end financial information is normally disclosed through a press release in the third week of June. The backdating of equity award dates is specifically prohibited under policies adopted by the Board of Directors.

### Retirement and Health Plans

#### Health Plans

The Company maintains a broad base of health insurance plans available to all full-time and most part-time employees. The NEOs participate in such health insurance plans on the same terms as all other employees within their respective geographic region.

#### Retirement Plans

The Company maintains broad based retirement plans available for all non-union employees in the United States. Our employees in England and union members are covered by separate defined benefit retirement plans. Our retirement plans are designed to provide an appropriate level of replacement income upon retirement. The benefits available to NEOs are the same as those available to other non-executive employees in their respective geographic region subject to limitations provided by law or regulation. The NEOs participate in the full range of benefits and are covered by the same plans (with exceptions noted) on the same terms as provided to all non-union U.S. employees.

The retirement plans include:

- The Herman Miller, Inc. Retirement Income Plan
- The Herman Miller, Inc. Profit Sharing and 401(k) Plan
- The Herman Miller Limited Retirement Benefits Plan

**Retirement Income Plan:** The Herman Miller, Inc. Retirement Income Plan (Cash Balance Plan) is known as a hybrid plan. Under the Plan the Company accrues a benefit for the participant which is expressed as a fixed dollar amount (cash balance). The Company credits each employee's account with an amount equal to 4% of his or her salary, up to the maximum salary level permitted by the Internal Revenue Service (currently \$245,000). Each account is also credited with hypothetical interest earning pegged to a predetermined benchmark (for fiscal 2011 interest was credited at 4.69%).

**Profit Sharing Plan:** The Herman Miller, Inc. Profit Sharing and 401(k) Plan consists of two parts. The Company annually makes a contribution to the profit sharing portion based upon the Company's EVA results for the year that may range from 0% to 6% of base salaries, with a target contribution of 3% of base salary. Based upon our EVA

results, the actual percentage contributed for fiscal 2011 was 3.26%. The amount of salary included in the base for the calculation is limited to the maximum salary level permitted by the IRS. The 401(k) portion of the plan is a salary deferral plan. Each employee may elect to defer up to the maximum amount permitted. The Company normally matches up to half of the amount deferred by the employee up to the first 6% of the employee's compensation contributed. The Company suspended matching payments to the plan from March 9, 2009 until January 19, 2011 when it resumed matching contributions.

**Herman Miller Limited Retirement Plan:** Herman Miller Limited, the Company's wholly owned UK subsidiary maintains an average final pay pension plan for all of its retirees. Under the plan each employee is entitled to a normal basic pension equal to an equivalent of 1/70<sup>th</sup> of final pensionable salary for each complete year of service. The pension is subject to a maximum of 40/70ths of final pensionable salary. From June 1, 2009 to June 1, 2010 the Company, with the consent of the participants in the UK plan, suspended further benefit accruals under the plan. The benefit accruals were reinstated at the beginning of fiscal 2011.

Compensation Discussion and Analysis (continued)  
Perquisites and Other Executive Compensation Plans  
Perquisites

The Company is conservative in its approach to executive perquisite benefits. Company compensation practices in general do not provide for personal perquisites and the Committee has adopted a policy which specifically restricts the use of corporate aircraft for non-business purposes. We provide a limited number of perquisites to Corporate Officers. The Company normally provides each NEO with a specified dollar amount which can be used for a range of perquisites. These perquisites include financial planning, life insurance, spousal travel and other benefits. In fiscal 2011 the dollar amount of these benefits awarded was approximately \$20,000 for the CEO and \$12,000 for each of the other NEOs.

The Company does not normally provide non-business-related use of chartered aircraft for Corporate Officers and none was provided in 2011.

The Company in 2011 did provide the NEOs and all other Corporate Officers with the opportunity to purchase certain additional disability insurance and to obtain comprehensive physicals paid for by the Company.

Deferred Compensation Plans

In 2008 the Committee discontinued use of the Nonqualified Deferred Compensation Plan and approved the Herman Miller, Inc. Executive Equalization Retirement Plan.

The Nonqualified Deferred Compensation Plan allowed selected employees to defer part or all of their Executive Incentive Cash Bonus payment each year. The Company matched any such deferral, up to 50% of the incentive cash bonus payment. The matching payment vests over three years and that vesting is dependent upon the executive remaining employed with the Company. Amounts deferred are converted into units having the same value as the Company's stock and are credited with amounts at the same rate as the Company's dividend on its common stock. Units are converted into shares of the Company's common stock at the time of distribution. Only one NEO, Brian Walker, elected to participate in the Nonqualified Deferred Compensation Plan in fiscal 2007. The vesting on the Company matching contribution is shown on the 2011 Summary Compensation Table under All Other Compensation. The Herman Miller, Inc. Executive Equalization Retirement Plan was approved by the Committee and the Board in 2008. The plan is a supplemental deferred compensation plan and became available for salary deferrals beginning in January 2008. The plan is available to highly compensated United States employees who are selected for participation by the Committee. All of the NEOs are currently able to participate, except Andy Lock due to his employment outside the United States. The plan allows participants to defer up to 50% of their base salary and 100% of their Incentive Cash Bonus. Company contributions to the plan "mirror" the amounts the Company would have contributed to the Herman Miller Retirement Income Plan and the Herman Miller Profit Sharing and 401(k) Plan had the employee's compensation not been above the statutory ceiling (currently \$245,000). Investment options under this plan are the same as those available under the 401(k) Plan except for Company stock which is not an investment option under this plan. For the part of fiscal 2009 before March 9, 2009, the Company's contribution was equal to 50% of the participant's retirement savings contributions until the matching contribution for the NEO brought the Company's contribution credited to the Executive Equalization Retirement Plan, the Herman Miller Retirement Income Plan and the Herman Miller Profit Sharing and 401(k) Plan up to the amount necessary to accomplish the "mirroring." On March 9, 2009 the Company, in conjunction with the suspension of matching contributions to the Profit Sharing and 401(k) Plan, also suspended the "mirroring" profit sharing and 401(k) contributions under the Executive Equalization Plan. The Company on January 19, 2011 resumed making such contributions and matching payments. Company contributions for amounts deferred in fiscal 2011 after the resumption of the payments appear in the 2011 Summary Compensation Table under All Other Compensation.

Executive Long-Term Disability Plan

The plan covers 60% of the rolling two year average of executive incentive compensation. Executives are eligible to participate when they have earned over \$6,000 in annual executive incentive compensation. This benefit continues as long as the executive is disabled until age 65. The monthly benefit is capped at \$10,000. The executive can maintain the plan by paying Unum, the provider, directly when they leave the Company.

Deductibility of Compensation

The income tax laws of the United States limit the amount the Company may deduct for compensation paid to the Company's CEO, CFO and the other three most highly-paid executives. Under IRS guidelines compensation that qualifies as "performance based" is not subject to this limit. It is the policy of the Committee that compensation should meet the IRS tests for deductibility under Section 162(m). All of the compensation paid during fiscal 2011 was deductible under section 162(m).

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## Compensation Discussion and Analysis (continued)

### Stock Ownership Guidelines

The Committee believes that significant stock ownership by top management is of critical importance to the ongoing success of the Company, as it helps link the interests of senior management and Company shareholders. Stock ownership requirements apply to the ten members of the Executive Leadership Team for the Company. Under these requirements, the President and Chief Executive Officer must own shares of Company stock with an aggregate market value of at least six (6) times base salary, Corporate Officers having a Long-Term Incentive Plan target equal to 100% of base salary must own shares of Company stock with an aggregate market value of four (4) times their respective base salaries and all other direct reports to the CEO must own shares with an aggregate market value of three (3) times their respective base salaries.

All participants must achieve their ownership requirement over a five-year period from the date of their appointment to the position. The Committee reviews the NEOs' progress toward these goals annually during the Company's fourth quarter. Ownership for the purpose of the guidelines is defined to include shares owned by the executives, as well as shares held in the Company's profit sharing and 401(k) plan, restricted stock and restricted stock units (both vested and unvested), and deferred accounts for his or her benefit. Stock options and unissued performance shares are not included in the calculation of an executive's total ownership. If a participant fails to meet the ownership guidelines within the specified period half of his or her Incentive Cash Bonus will be paid in the form of Company stock until the guideline is met.

An executive who has met the minimum expectation of ownership of the Company's stock as approved by the Board or the Board Executive Compensation Committee within five years of assuming his or her key leadership position shall be certified as compliant with the Executive Stock Ownership Guidelines. Assuming no reduction in that ownership position, such executive shall continue to be compliant with the original certification in the event of temporary market fluctuations in Company stock price that would cause the value of the executive's stock to fall below the approved Stock Ownership Guidelines. At the current time Don Goeman has not met the stock ownership guidelines and half of his future Incentive Cash Bonus will be paid in the form of Company stock until the guideline is met.

### Impact of Prior Compensation in Setting Elements of Compensation

Prior compensation of the NEOs does not normally impact how the Committee sets the current elements of compensation. The Committee believes the current competitive environment is more relevant in determining an NEO's current total level of compensation. As described earlier the Committee uses tally sheets to track all of the elements of current compensation to enable the Committee to determine whether the compensation which the NEO is currently receiving is consistent with market practices. The Committee, however, has the ability to consider the impact of any special equity grants upon the value of future grants made to Corporate Officers under the LTI plan.

### Impact of Restatements Retroactively Impacting Financial Goals

The Company has not had any material restatement of prior financial results. If such restatements were to occur, the Committee would review the matter and determine what, if any, adjustment to current compensation might be appropriate. The LTI plan and the Executive Incentive Bonus Plan give the Committee the right to "claw back" Incentive Cash Bonus payments and LTI grants in the event of certain restatements.

### Post-Employment Compensation

Change in control and discharge for other than cause can result in additional compensation being paid to or for certain NEOs. In addition, as described above, certain of the Long-Term Incentive Bonus payments continue if the NEO leaves employment as the result of death, disability or retirement.

### Termination and Retention Payments

All of the NEOs are "at will" employees. This means that they can be discharged at any time and for no reason. The Company has agreed to pay Corporate Officers and other executives severance if they are terminated for reasons other than malfeasance or voluntary separation. For 2011 the severance payments for each NEO would have been equal to 18 months of base salary subject to the employee not competing with the Company during that period. The Committee's determination as to the amount of severance payments is the result of benchmarking our practices to the Published Survey Data. In addition, the Company maintains the health insurance on such employee during the salary



continuation period. In exchange for such payments the employee provides the Company with a mutual release of all claims and agrees not to work for a competitor or solicit the Company's employees during the salary continuation period.

Andy Lock in July 2010 received a special retention grant of 10,000 shares of Company stock. The grant cliff vests after 5 years provided that he is still employed by the Company unless special rules related to death, disability or retirement apply.

Don Goeman in December 2010 received a special retention grant of 5,000 shares of Company stock. The grant cliff vests after 5 years provided that he is still employed by the Company unless special rules related to death, disability or retirement apply.

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Compensation Discussion and Analysis (continued)

Change in Control Agreements

Each NEO is party to a change in control agreement with the Company. In 2006 the Committee retained Frederic W. Cook to review the existing change in control agreements and to advise it on whether the continued use of such agreements was appropriate and if so whether the agreements were consistent with competitive practices. Frederic W. Cook advised the Committee that the continued use of change in control agreements is appropriate and that the amounts payable under the agreements were consistent with market practice. In 2006 the Company entered into new change in control agreements with the NEOs and certain other Corporate Officers and executives. (The form of change in control agreement is found under Exhibit 10 in the Company's Annual Report on Form 10-K for the fiscal year ended June 2, 2007). Effective July 18, 2011 the Company and the Corporate Officers who were parties to the change in control agreements, amended the agreements to eliminate the provision providing for the gross up of change in control agreement payments in the event the payments became subject to the excise tax related to "golden parachute payments." This change was effective immediately.

The Committee believes that the use of change in control agreements is appropriate as they help ensure a continuity of management during a threatened take-over and help ensure that management remains focused on completing a transaction that is likely to maximize shareholder value. Potential payments under the change in control agreements are included in the tally sheets provided annually to the Committee.

The narrative and footnotes to the tables entitled Potential Payments upon Termination in Connection with a Change in Control describe the change in control payments in greater detail.

Executive Compensation Committee Report

The Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with Management and, based on such review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Proxy Statement.

J. Barry Griswell (chair)

Douglas D. French

John R. Hoke III

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## Summary Compensation Table

The summary compensation table below shows the compensation for the Named Executive Officers "NEO" for the fiscal year ended May 28, 2011 (2011), May 29, 2010 (2010) and May 30, 2009 (2009). The details of the Company's executive compensation programs are found in the CD&A.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(2)</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(4)</sup>	Total (\$)
Brian C. Walker President and Chief Executive Officer	2011	693,969			1,214,999	748,074	15,332	42,292	2,714,666
	2010	583,200			756,028		12,300	100,835	1,452,363
	2009	668,685		497,308	994,618		13,578	184,649	2,358,838
Gregory J. Bylsma EVP and Chief Financial Officer	2011	288,173		93,749	93,748	185,928	10,014	16,450	688,062
	2010	225,000		49,786	49,788		8,122	8,971	341,667
	2009	201,542		16,537	33,063		8,683	7,605	267,430
Donald D. Goeman EVP Research, Design and Development	2011	248,552		192,738	152,993	161,059	19,662	17,117	792,121
	2010	218,025		36,721	73,435		14,589	23,396	366,166
	2009	243,748		72,732	145,439		17,654	35,539	515,112
Andrew J. Lock President, Herman Miller International	2011	337,069		296,747	123,748	232,690	149,135	52,188	1,191,577
	2010	282,150		52,540	105,070		113,241	24,497	577,498
	2009	313,956		104,428	208,848			49,157	676,389
Curtis S. Pullen EVP and President, North American Office and Learning Environments	2011	341,149		131,255	131,248	267,555	14,588	16,978	902,773
	2010	299,250		81,030	81,024		11,915	25,957	499,176
	2009	325,029		86,666	173,335		12,882	47,094	645,006

Amounts represent the aggregate grant date fair value of stock awards and option awards computed in accordance with FASB ASC Topic 718. The assumptions used in calculating these amounts are set forth in Note 12 of the Company's consolidated financial statements for the fiscal year ended May 28, 2011 included in our Annual Report on Form 10-K.

Includes the amounts earned in fiscal 2011 and paid in fiscal 2012 under the Executive Incentive Cash Bonus Plan as described in the Compensation Discussion and Analysis. Certain executives have elected to defer a part of the bonus under the Key Executive Deferred Compensation Plan. The amount of the deferrals and the corresponding Company contributions will be shown in next year's Nonqualified Deferred Compensation Table.

Amounts represent the aggregate change in the actuarial present value of the accumulated benefits under the Company's Retirement Plans. For fiscal 2009, Mr. Lock's change in the Herman Miller, Inc. Retirement Income Plan was \$10,431 and his change in the Herman Miller, UK Pension Plan was (\$42,809).

The amounts in this column for all other compensation are described in the table below.

Bundled Benefits <sup>(a)</sup>	Relocation expenses	Dividends on	Long-term Disability	Vesting of Registrants	Nonqualified Deferred	Total Other
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			restricted stock	Insurance	contributions to Deferred Compensation Plan	Compensation Contribution <sup>(b)</sup>	Compensation
Brian C. Walker	9,530		142	2,809	15,683	14,128	42,292
Gregory J. Bylsma	15,726		4	720			16,450
Donald D. Goeman	12,952		169	3,996			17,117
Andrew J. Lock	10,206	38,118	315	3,549			52,188
Curtis S. Pullen	12,000		32	2,176		2,770	16,978

Bundled Benefits include accounting fees, cell phone fees, club dues, family travel, education and training, home (a) office expenses, vehicle expenses, and life insurance. Benefits for Mr. Bylsma and Mr. Goeman include the approved amount for calendar 2011 plus carryover for calendar 2010.

(b) Amounts represent the Company's contribution to the Herman Miller, Inc. Executive Equalization Retirement Plan.

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## Grants of Plan-Based Awards

The Grants of Plan-Based Awards table below sets forth information on equity awards granted by the Company to the NEOs during fiscal 2011 under the Long Term Incentive Plan (LTI Plan) and the possible payouts to the NEOs under the Executive Incentive Cash Bonus Plan (Annual Cash Bonus Plan) for fiscal 2011. The CD&A provides further details of grants under the LTI Plan, as well as the performance criteria under the Annual Cash Bonus Plan. (The LTI grants are discussed in the CD&A under the heading LTI Grants Awarded in Fiscal 2011).

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards		All Other Stock Awards: Number of Shares of Stock of Units (#) <sup>(2)</sup>	All Other Option Awards: Number of Securities Underlying Options (#) <sup>(3)</sup>	Exercise or Base Price of Option Awards (\$/Sh) <sup>(4)</sup>	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(5)</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)				
Brian C. Walker	07/19/10	0	688,708	1,377,416				179,008	17.30	1
Gregory J. Bylsma	07/19/10						5,419			9
	07/19/10	0	171,173	342,346				13,812	17.30	9
Donald D. Goeman	07/19/10						3,316			5
	07/19/10							16,906	17.30	1
	12/14/10						5,000			1
	01/19/11						763			1
	01/19/11	0	148,278	296,556				3,795	25.06	3
Andrew J. Lock	07/19/10						7,153			1
	07/19/10							18,232	17.30	1
	07/19/10	0	208,753	417,506			10,000			1
Curtis S. Pullen	07/19/10						7,587			1
	07/19/10	0	203,518	407,036				19,337	17.30	1

Under the Annual Cash Bonus Plan executives can earn incentive compensation based on the achievement of (1) certain company performance goals. The actual Cash Bonus amount paid with respect to any year may range from 0 to 2 times of the target based upon the relative achievement of our EVA targets.

The awards represent restricted stock units consisting of units representing the right to receive share of Herman Miller, Inc common stock. These units reflect fair market value of the common stock as of the date of grant and (2) cliff vest after three years except the awards granted to Mr. Lock dated 07/19/10 for 10,000 shares, and to Mr. Goeman dated 12/14/10 for 5,000 shares, which are restricted stock awards and cliff vest over five years.

- (3) Each option has a term of ten years and vests pro rata over three years.
- (4) Stock options are awarded at an option price not less than the market value of the Company's common stock at the grant date in accordance with the LTI Plan.
- (5) Aggregate grant date values are computed in accordance with FASB ASC Topic 718.

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## Outstanding Equity Awards at Fiscal Year-End

The Outstanding Equity Awards at Fiscal Year-End table below shows the option awards and stock awards that were outstanding as of May 28, 2011. The table shows both exercisable and unexercisable options. The table also shows share units and equity plan awards that have not vested.

Name	Grant Date	Option Awards			Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>(3)(4)</sup>
		Number of Securities Underlying Unexercised Options (#) <sup>(1)</sup> Exercisable	Number of Securities Underlying Unexercised Options (#) <sup>(1)</sup> Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) <sup>(2)</sup>	Market Value of Units of Stock That Have Not Vested (\$) <sup>(3)</sup>		
Brian C. Walker	06/27/05	18,709		33.517	06/27/15				
	07/24/06	20,066		30.536	07/24/16	8,529	209,472		
	10/30/06	3,616		34.510	06/29/11				
	10/30/06	33,430		34.510	04/23/12				
	07/24/07	67,750		31.840	07/24/17				
	07/21/08	81,998	41,010	25.520	07/21/18			19,487	478,601
	07/20/09		80,828	15.740	07/20/19				
	07/19/10		179,008	17.300	07/19/20				
Gregory J. Bylsma	06/29/01	431		24.200	06/29/11				
	04/23/02	2,800		25.000	04/23/12				
	05/19/04	1,400		23.870	05/19/14				
	06/27/05	2,495		33.517	06/27/15				
	07/24/06	2,676		30.536	07/24/16	189	4,642		
	07/24/07	2,724		31.840	07/24/17				
	07/21/08	2,726	1,363	25.520	07/21/18			648	15,915
	07/20/09	2,662	5,322	15.740	07/20/19	3,188	78,297		
	07/19/10		13,812	17.300	07/19/20	5,434	133,459		
Donald D. Goeman	06/29/01	2,000		24.200	06/29/11				
	04/23/02	8,000		25.000	04/23/12				
	05/19/04	4,000		23.870	05/19/14				
	06/27/05	7,796		33.517	06/27/15				
	07/24/06	8,361		30.536	07/24/16	3,554	87,286		
	07/24/07	10,011		31.840	07/24/17				



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	07/21/08 11,991	5,996	25.520	07/21/18		2,850	69,996
	07/20/09 3,925	7,851	15.740	07/20/19	2,351	57,741	
	07/19/10	16,906	17.300	07/19/20	3,325	81,662	
	12/14/10				5,000	122,800	
	01/19/11	3,795	25.060	01/19/21	764	18,764	
Andrew J. Lock	06/27/05 12,473		33.517	06/27/15			
	07/24/06 13,378		30.536	07/24/16	5,686	139,648	
	07/24/07 9,937		31.840	07/24/17			
	07/21/08 17,218	8,611	25.520	07/21/18		4,092	100,500
	07/20/09 5,616	11,233	15.740	07/20/19	3,364	82,620	
	07/19/10	18,232	17.300	07/19/20	7,173	176,169	
	07/19/10				10,000	245,600	

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2011 Proxy Statement

Outstanding Equity Awards at Fiscal Year-End (continued)

Curtis S. Pullen	06/27/05	4,178		33.517	06/27/15				
	07/24/06	4,481		30.536	07/24/16	1,905	46,787		
	07/24/07	4,929		31.840	07/24/17				
	07/21/08	14,290	7,147	25.520	07/21/18			3,396	83,406