HNI CORP
Form DEF 14A
March 31, 2011

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o	Preliminary Proxy Statement
o	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Under Rule 14a-12

HNI CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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ý	No fee required.	
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.	
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(3) Filing Party:

(4) Date Filed:

HNI CORPORATION

408 EAST SECOND STREET
MUSCATINE, IOWA 52761
563-272-7400

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2011 Annual Meeting of Shareholders of HNI Corporation will be held at the Clarion Hotel, formerly Holiday Inn, 2915 North Highway 61, Muscatine, Iowa, on Tuesday, May 10, 2011, beginning at 10:30 a.m. (Central Daylight Time), for the following purposes:

1. To elect four Directors for terms of three years each or until their successors are elected and qualify;

2. To ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as the Corporation's independent registered public accountant for the fiscal year ending December 31, 2011;

3. To hold an advisory vote on named executive officer compensation;

4. To hold an advisory vote on the frequency of future advisory votes on named executive officer compensation; and

5. To transact any other business that may properly be brought before the meeting or any adjournment or postponement of the meeting.

The holders of record of HNI Corporation common stock, par value $1.00 per share, as of the close of business on March 11, 2011, are entitled to vote at the meeting.

You are encouraged to attend the meeting.

By Order of the Board of Directors,

Steven M. Bradford
Vice President, General Counsel and Secretary
March 31, 2011

YOUR VOTE IS VERY IMPORTANT. PLEASE MARK, SIGN, DATE AND RETURN PROMPTLY THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE PREPAID ENVELOPE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING.

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HNI Corporation
408 East Second Street
Muscatine, Iowa 52761

PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 10, 2011

HNI Corporation (the "Corporation," "we," "our" or "us") is mailing this Proxy Statement, with the accompanying proxy card, to you on or about March 31, 2011, in connection with the solicitation of proxies by and on behalf of the Corporation's Board of Directors (the "Board" or "Directors") for the 2011 annual meeting of shareholders and any adjournment or postponement of that meeting (the "Meeting"). The Meeting will be held on Tuesday, May 10, 2011, beginning at 10:30 a.m., Central Daylight Time, at the Clarion Hotel, 2915 North Highway 61, Muscatine, Iowa.

INFORMATION ABOUT VOTING

Who can attend and vote at the Meeting?

Shareholders of record as of the close of business on March 11, 2011 (the "Record Date") are entitled to attend and vote at the Meeting. Each share of the Corporation's common stock, par value $1.00 per share ("Common Stock"), is entitled to one vote on all matters to be voted on at the Meeting and can be voted only if the shareholder of record is present to vote or is represented by proxy. The proxy card provided with this Proxy Statement indicates the number of shares of Common Stock you own and are entitled to vote at the Meeting.

What constitutes a quorum at the Meeting?

The presence at the Meeting, in person or represented by proxy, of the holders of a majority of the outstanding shares of Common Stock ("Outstanding Shares") on the Record Date will constitute a quorum for purposes of the Meeting. On the Record Date, there were 44,876,272 Outstanding Shares. For purposes of determining whether a quorum exists, proxies received but marked "abstain" and so-called "broker non-votes" (described on the following page) will be counted as present.

How do I vote by proxy?

If you properly complete your proxy card and the Corporation's transfer agent, Wells Fargo Bank, N.A. ("Wells Fargo"), receives it in time to vote at the Meeting, your "proxy" (one of the individuals named on your proxy card) will vote your shares as you have directed. No postage is required if your proxy card is mailed in the United States in the return envelope enclosed with this Proxy Statement.

If you sign, date and return the proxy card but do not specify how your shares are to be voted, then your proxy will vote your shares as follows:

- "FOR" the election of each of the four nominees for Director named on page 5 of this Proxy Statement under "Proposal No. 1 – Election of Directors."
- "FOR" the ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as the Corporation's independent registered public accountant for the fiscal year ending December 31, 2011 ("Fiscal 2011"), as described on page 16 of this Proxy Statement under "Proposal No. 2 – Ratification of Audit Committee's Selection of

PricewaterhouseCoopers LLP as Corporation's Independent Registered Public Accountant for Fiscal 2011."

- "FOR" adoption of the resolution approving the compensation of the Corporation's named executive officers as described on page 43 of this Proxy Statement under "Proposal No. 3 – Advisory Vote on Named Executive Officer Compensation."
- For "1 YEAR" on the frequency of future advisory votes on named executive officer compensation as described on page 44 of this Proxy Statement under "Proposal No. 4 – Advisory Vote on Frequency of Future Advisory Votes on Named Executive Officer Compensation."
- In your proxy's discretion as to any other business which may properly come before the Meeting or any adjournment or postponement of the Meeting.

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How do I vote if my shares of Common Stock are held through a broker, trustee or other nominee?

If your shares of Common Stock are held for you as the beneficial owner through a broker, trustee or other nominee (such as a bank) in "street name," rather than held directly in your name, you will need to instruct your broker, trustee or other nominee how to vote your shares. Since a beneficial owner is not the shareholder of record, you may not vote these shares in person at the Meeting unless you obtain a "legal proxy" from the broker, trustee or other nominee that holds your shares, giving you the right to vote the shares at the Meeting. Your broker, trustee or other nominee has enclosed with this Proxy Statement, or will provide upon request, voting instructions for you to use in directing the broker, trustee or other nominee how to vote your shares.

What discretion does my broker, trustee or other nominee have to vote my shares of Common Stock held in "street name"?

A broker, trustee or other nominee holding your shares of Common Stock in "street name" must vote those shares according to specific instructions it receives from you. New York Stock Exchange ("NYSE") rules determine the proposals ("Non-Routine Proposals") on which brokers may not vote without specific instructions from you. If a Non-Routine Proposal comes to a vote at the Meeting, your shares will not be voted on that Non-Routine Proposal, giving rise to what is called a "broker non-vote." Shares represented by broker non-votes will be counted for purposes of determining the existence of a quorum.

At the Meeting, your broker, trustee or other nominee may vote your shares in its discretion only with respect to Proposal No. 2. Proposals No. 1, 3 and 4 are Non-Routine Proposals for which your broker, trustee or other nominee may not vote your shares in its discretion and requires your instruction.

Can I change or revoke my vote after I return my proxy card?

Yes. You may change your vote at any time before your proxy is voted at the Meeting. To change your vote, you may:

- deliver to the Corporation's Corporate Secretary a written notice revoking your earlier vote;
- deliver to the Corporation's transfer agent, if you are the shareholder of record, a properly completed and signed proxy card with a later date;
- deliver to your broker, trustee or other nominee, if your shares are held in "street name," a properly completed and signed proxy card with a later date; or
- vote in person at the Meeting.

Your attendance alone at the Meeting will not revoke a previously delivered proxy. If you choose any of the above methods to change your vote, you must take the described action no later than the beginning of the Meeting. Once voting is completed at the Meeting, you will not be able to revoke your proxy or change your vote. Unless your proxy is so revoked or changed, the shares of Common Stock represented by your proxy received by the Corporation's transfer agent will be voted at the Meeting and at any adjournment or postponement of the Meeting.

How do I vote my shares in the Corporation's retirement plan?

If you participate in the Corporation's retirement plan, the proxy card you receive will also include Common Stock allocated to your account. Properly completed and signed proxy cards will serve to instruct the plan trustee on how to vote any shares allocated to your account and a portion of all shares as to which no instructions have been received (the "undirected shares") from plan participants. The proportion of the undirected shares to which your instructions will apply will be equal to the proportion of the shares to which the trustee receives instructions represented by your shares.

How is the Corporation soliciting proxies?

The Corporation bears the cost of preparing, assembling and mailing the proxy material related to the solicitation of proxies by and on behalf of the Board for the Meeting. In addition to the use of the mails, certain of the Corporation's officers may, without additional compensation, solicit proxies in person, by telephone or through other means of communication. The Corporation has retained Georgeson Inc. to assist in the solicitation of proxies for a fee of approximately $15,000, plus reimbursement of expenses. This assistance will include requesting brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to those persons for whom they hold shares. The Corporation will bear the cost of this solicitation.

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How will my vote get counted?

Wells Fargo, the Corporation's transfer agent, will use an automated system to tabulate the votes and will serve as the Inspector of Election.

Is my vote confidential?

Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within the Corporation or to third parties, except:

- as necessary to meet applicable legal requirements;
- to allow for the tabulation of votes and certification of the vote; and
- to facilitate a successful proxy solicitation.

Occasionally, shareholders provide written comments on their proxy cards, which are then forwarded to the Corporation's management.

How do I get to the Meeting location?

The Meeting is being held at the Clarion Hotel, 2915 North Highway 61, Muscatine, Iowa. If driving to the Meeting from the Quad City International Airport, from the main exit traffic light go straight onto I-74 to I-280, turn right (cloverleaf) onto I-280 West, drive approximately 10-12 miles crossing the Mississippi River Bridge, take the second exit in Iowa (Exit 6 – Muscatine), at the traffic light turn left (west) onto Highway 61 South, continue approximately 22 miles to Muscatine, Clarion Hotel is on the right. If driving to the Meeting on I-80, take Exit 271 (Highway 38 South), drive approximately 12 miles to Highway 61, turn left (east) at the traffic light, Clarion Hotel is one block on the left.

What should I do if I receive more than one set of voting materials?

You may receive more than one set of voting materials, including multiple copies of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares in "street name." If you are a shareholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card you receive.

The Securities and Exchange Commission (the "SEC") has adopted rules that allow delivery of a single annual report to security holders and/or proxy statement to any household at which two or more shareholders reside, whom the Corporation believes to be members of the same family. If you wish to participate in this program and receive only one copy of future annual reports and/or proxy statements, please write to the Corporation's transfer agent at Wells Fargo Bank, N.A., Attention: Wells Fargo Shareowner Services, 161 N. Concord Exchange, South St. Paul, Minnesota 55075-1139. If a broker, trustee or other nominee holds your shares of Common Stock in "street name" and you wish to participate in the program, please write to Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717. Your consent to receive only one copy of the annual report and/or proxy statement will remain in effect until the Corporation's transfer agent or Broadridge receives a written

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revocation notice from you, in which case the Corporation will begin sending individual copies within 30 days thereof. The Corporation will continue to separately mail a proxy card for each registered shareholder account. The Corporation will promptly deliver separate copies of its annual report and/or proxy statement upon request. Shareholders may request such separate copies by writing to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761 or calling the Corporation's Assistant Corporate Secretary at 563-272-7590.

Did the Corporation utilize the SEC's notice and access proxy rules for delivery of the voting materials this year?

No. The Corporation delivered its voting materials in the same manner as it has in the past. However, many shareholders have previously consented to receive electronic delivery of the proxy statement and annual report to security holders and therefore did not receive hard copies of these materials.

Where can I find the voting results of the Meeting?

The Corporation intends to announce preliminary voting results at the Meeting and will publish final results on a Current Report on Form 8-K, which will be filed with the SEC within four business days after the Meeting and available on the Corporation's website.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 10, 2011

The Proxy Statement and annual report to security holders are available at www.hnicorp.com.

The Corporation provides its annual reports, notices to shareholders of the annual meeting and proxy statements over the Internet. If you wish to give your consent to access such documents in the future over the Internet, please check the box in the CONSENT section on your proxy card. These documents will be available on or about March 31, 2011, on the Corporation's website at www.hnicorp.com, under "Investor Information—Annual & Quarterly Reports" and "Investor Information—Proxy Report." Once you give your consent, it will remain in effect until you notify the Corporation you wish to resume mail delivery of the annual reports and proxy statements. Even though you give your consent, you still have the right at any time to request copies of these documents at no charge by writing to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761 or calling the Corporation's Assistant Corporate Secretary at 563-272-7590.

INFORMATION ABOUT PROPOSALS

What is the new advisory vote on named executive officer compensation?

The Corporation is asking shareholders to vote, on a non-binding, advisory basis, on a resolution approving the compensation of the Corporation's Chief Executive Officer (the "CEO"), Chief Financial Officer (the "CFO") and three other most highly compensated executives (collectively, the "Named Executive Officers"), as disclosed below under "Executive Compensation" on page 17 of this Proxy Statement. The Board recommends shareholders approve the resolution approving the compensation of the Named Executive Officers.

What is the new advisory vote on the frequency of future advisory votes on named executive officer compensation?

The Corporation is asking shareholders to vote, on a non-binding, advisory basis, on the frequency of future advisory votes on named executive officer compensation. Specifically, shareholders may vote on whether future advisory votes on the compensation of the Named Executive Officers, as disclosed below under "Executive Compensation" on page 17 of this Proxy Statement, should occur every one, two or three years. The Board recommends shareholders approve holding an advisory vote on named executive officer compensation every year.

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Why is the Corporation asking shareholders to vote on these new items at this time?

Beginning in 2011, Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010 (the "Dodd-Frank Act"), requires most U.S. public companies to conduct separate non-binding shareholder advisory votes on named executive officer compensation at least once every three years and the frequency of future advisory votes on named executive officer compensation at least once every six years. By including such items in the agenda for the Meeting, the Corporation is fulfilling its obligations under the Dodd-Frank Act. The Corporation also actively seeks shareholder input on its executive compensation program.

PROPOSAL NO. 1 – ELECTION OF DIRECTORS

The By-laws of HNI Corporation (the "By-laws") provide for eleven Directors and the Board currently consists of eleven Directors. Ten of the eleven Directors are independent Directors as further discussed on page 8 of this Proxy Statement under "Information Regarding the Board – Director Independence." Stan A. Askren, Chairman, President and Chief Executive Officer of the Corporation, is the only Director currently employed by the Corporation and is not independent under the NYSE listing standards pertaining to director independence or the Corporation's categorical independence standards for Directors (the "Categorical Standards").

The Board is divided into three classes. One class is elected each year for a term of three years. Four Directors will be elected at the Meeting to serve for a three-year term expiring at the Corporation's 2014 annual meeting of shareholders.

Director Nominations

The Board has adopted guidelines for identifying and evaluating candidates for Director. Under those guidelines, the Corporation's Public Policy and Corporate Governance Committee (the "Governance Committee") takes into account a number of factors when identifying potential nominees, including: possession of the desired skills, experience and abilities identified by the Governance Committee; ability to communicate ideas and contribute to Board deliberations; independence from management; diversity; judgment, skill, integrity and reputation; existing commitments to other businesses; potential conflicts of interest with other pursuits; and legal restraints. Although the Corporation has no specific policy on diversity, the guidelines broadly define diversity to include factors such as age, race, gender, education, ethnicity, career experience and personality; understanding of and experiences in manufacturing, technology, finance and marketing; and international experience and culture. The Governance Committee reviews these factors and others considered useful by the Governance Committee in context of an assessment of the perceived needs of the Board from time to time. The Governance Committee may use a variety of means to identify potential nominees, including recommendations from the Chairman, Directors or others associated with the Corporation. The Governance Committee may also retain third-party search firms to identify potential nominees based on the Corporation's established criteria for director candidates discussed above. The Governance Committee screens the potential candidates and eventually recommends suitable candidates to the Board for nomination.

The Governance Committee will consider candidates for Director recommended by shareholders by applying the criteria for candidates described above and considering the following additional information. Shareholders wishing to recommend a candidate for nomination as Director for inclusion in the Corporation's proxy statement for the Corporation's 2012 annual meeting of shareholders (the "2012 Annual Meeting") should write to the Corporation's Corporate Secretary before October 1, 2011, and include the following information: a statement that the writer is a shareholder and is recommending a candidate for Director; the name of and contact information for the candidate; a statement of the candidate's business and educational experience; information about each of the factors listed above, sufficient to enable the Governance Committee to evaluate the candidate; a statement detailing any relationship between the candidate and any customer, supplier or competitor of the Corporation; detailed information about any relationship or understanding between the writer or any other shareholder and the candidate; a statement whether such person, if elected, intends to tender, promptly following such person's election or re-election, an irrevocable resignation effective 90 days after the date of certification of election results if the person fails to receive the required vote for re-election at the next meeting at which such person would face re-election; and a statement the candidate is willing to be considered and will serve as a Director if nominated and elected.

The Corporation does not have any minimum qualifications for Directors; however, Directors should possess the highest personal and professional integrity and ethics and be willing and able to devote the required time to the Corporation. The Board believes it should be comprised of Directors with varied and complimentary backgrounds, which together build the overall strength of the Board.

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Nominees for Election

The Board is nominating for election at the Meeting Miguel M. Calado, Cheryl A. Francis, Larry B. Porcellato and Brian E. Stern, each for a term of three years (collectively, the "Nominees"). The Nominees elected as Directors at the Meeting will hold office for a three-year term or until their respective successors are elected and qualify, subject to their prior death, resignation or removal.

Ms. Francis and Messrs. Calado, Porcellato and Stern were most recently elected as Directors at the Corporation's 2008 annual meeting of shareholders. Below is biographical information about each of the Nominees as well as the particular experience, qualifications, attributes and/or skills of each Nominee which led the Board to conclude the Nominee should serve as a Director in light of the Corporation's business and structure. In addition, each Nominee must possess the highest personal and professional integrity and ethics and a willingness and ability to devote the required time to the Corporation. The Board has determined each Nominee possesses these qualities. For a detailed description of the Corporation's business and structure, please see Item 1 of Part I of the Corporation's Annual Report on Form 10-K filed for the year ended January 1, 2011.

Miguel M. Calado, age 55, has been a Director of the Corporation since 2004. Mr. Calado has been a Director and the Chief Financial Officer of Hovione SA, an international fine chemicals company with manufacturing facilities and offices in the United States, Europe and Asia, since 2006. He has been an advising partner of The Trion Group, a strategic management consulting group based in Dallas, Texas, since 2006 and President of GAMCAL, LLC, an investment company, since 2006. He also serves as a member of the Advisory Board for the Business School of Catholic University of Portugal. Mr. Calado brings to the Board extensive international, general management, manufacturing and financial expertise derived primarily from his current service as Chief Financial Officer of an international manufacturing company and prior service in various roles at several large, packaged and consumer goods public companies. Such roles and companies include Executive Vice President and President, International for Dean Foods Company and several international finance roles for PepsiCo, Inc., including Senior Vice President, Finance and Chief Financial Officer, PepsiCo Foods International. Mr. Calado also qualifies as an "audit committee financial expert."

Cheryl A. Francis, age 57, has been a Director of the Corporation since 1999. Ms. Francis has been an independent business and financial advisor since 2000 and the Co-Chairman of the Corporate Leadership Center, a not-for-profit organization focused on developing tomorrow's business leaders, since 2008. Previously, from 2002 to 2008, she was the Vice Chairman of the Corporate Leadership Center. Ms. Francis is a director of Aon Corporation, the leading global provider of risk management services, insurance and reinsurance brokerage, and human resources solutions and outsourcing, and Morningstar, Inc., a leading provider of independent investment research in North America, Europe, Australia and Asia. Ms. Francis brings to the Board significant financial expertise based primarily on her prior role as Chief Financial Officer of R.R. Donnelley & Sons Company and service on the audit and finance committees of other public companies. She also brings to the Board corporate governance experience through her service on the compensation and governance committees of other public companies. Although she does not currently serve on the Corporation's Audit Committee, she qualifies as an "audit committee financial expert."

Larry B. Porcellato, age 52, has been a Director of the Corporation since 2004. Mr. Porcellato has been the Chief Executive Officer of The Homax Group, Inc. (Homax), a leading specialty application consumer products supplier to the home care and repair markets, since January 2009. Previously, from February 2007 to December 2008, he was an independent business consultant and, from 2002 to January 2007, he was the Chief Executive Officer of ICI Paints North America (ICI Paints), a manufacturer and distributor of decorative coatings and a subsidiary of Imperial Chemical Industries PLC. Mr. Porcellato is a director of OMNOVA Solutions, Inc., an innovator of emulsion polymers, specialty chemicals and decorative and functional surfaces for a variety of commercial, industrial and residential end uses. Mr. Porcellato brings to the Board chief executive officer experience in the building products industry through his current leadership of Homax and his former role as Chief Executive Officer of ICI Paints and financial expertise derived primarily from his service on the audit committee of another public company and previous finance and division leadership roles at other public companies. He also brings to the Board international and marketing expertise derived primarily from his service in various international and marketing roles at Rubbermaid Incorporated and Braun Canada Inc. and corporate governance experience through his service on the compensation and governance committees of another public company.

Brian E. Stern, age 63, has been a Director of the Corporation since 1998 and the Lead Director of the Board since May 2008. Mr. Stern has been a director of Starboard Capital Partners, LLC, a financial sponsor that initiates, finances and partners with management and private equity investors in the acquisition of companies, since July 2007. He is a director and investor in two private companies, ESP (South Carolina) and Blackrock Microsystems LLC (Utah). Previously, from 2004 to June 2007, Mr. Stern was the Senior Vice President, Xerox, Fuji Xerox Operations of Xerox Corporation (Xerox), a developer, marketer, manufacturer, financier and servicer of document processing products and services. Mr. Stern brings to the Board significant

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knowledge of the office products and office supplies industry and expertise in product development, sales and marketing derived primarily from his service in various roles for Xerox. He also has substantial experience in international operations, manufacturing, channels of distribution and general management, also based primarily on his service at Xerox.

The Corporation has no reason to believe any of the Nominees listed above will be unavailable to serve if elected. However, if any one of them becomes unavailable, the persons named as proxies in the accompanying proxy card have discretionary authority to vote for a substitute chosen by the Board. Any vacancies not filled at the Meeting may be filled by the Board.

Required Vote

Election of the Nominees as Directors requires the affirmative vote of the holders of a majority of the Outstanding Shares voted at the Meeting.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF THE NOMINEES AS DIRECTORS.

INCUMBENT DIRECTORS

Below is biographical information about each of the incumbent Directors as well as the particular experience, qualifications, attributes and/or skills of each Director which led the Board to conclude the Director should serve as a Director in light of the Corporation's business and structure. In addition, each Director must possess the highest personal and professional integrity and ethics and a willingness and ability to devote the required time to the Corporation. The Board has determined each Director possesses these qualities. For a detailed description of the Corporation's business and structure, please see Item 1 of Part I of the Corporation's Annual Report on Form 10-K filed for the year ended January 1, 2011.

Messrs. Askren, Christensen and Waters comprise a class of Directors whose terms will expire at the 2012 Annual Meeting.

Stan A. Askren, age 50, has been a Director of the Corporation since 2003. Mr. Askren has also been the Chairman and Chief Executive Officer of the Corporation since 2004 and the President of the Corporation since 2003. He is a director of Armstrong World Industries, Inc., a global leader in the design and manufacture of floors, ceilings and cabinets. Mr. Askren brings to the Board extensive experience and knowledge of the Corporation's business, operations and culture. He has worked for the Corporation for 19 years. Mr. Askren was vice president of marketing, an executive vice president and president of the Corporation's hearth products operating segment. He also worked in the Corporation's office furniture operating segment as a group vice president of The HON Company and president of Allsteel Inc., two of the Corporation's office furniture subsidiaries. Mr. Askren has served as the vice president of human resources and an executive vice president of the Corporation. Mr. Askren also brings to the Board finance and corporate governance experience through his service on the audit and compensation committees of another public company.

Gary M. Christensen, age 67, has been a Director of the Corporation since 2000. Mr. Christensen served as the Lead Director of the Board from 2005 to May 2008. He has been active with Wind Point Partners in private equity investment since 2002. From 2005 to 2009, Mr. Christensen served as a director of United Subcontractors Inc. Building Products (United Subcontractors). Mr. Christensen brings to the Board chief executive officer, manufacturing and dealer distribution experience and significant knowledge of the building products industry primarily through his former role as Chief Executive Officer of Pella Corporation and former service on the board of United Subcontractors. He has substantial sales, marketing and manufacturing experience at several large public companies and is considered a lean business expert. Mr. Christensen also brings to the Board finance and corporate governance experience through his current position with Wind Point Partners and former service on the audit and compensation committees of another public company.

Ronald V. Waters, III, age 59, has been a Director of the Corporation since 2002. Mr. Waters has been an independent business consultant since May 2010. Previously, from 2009 to May 2010, he was a Director and the President and Chief Executive Officer of LoJack Corporation (LoJack), a premier worldwide marketer of wireless tracking and recovery systems for valuable mobile assets and a leader in global stolen vehicle recovery, and, from 2007 to 2008, he was a Director and the President and Chief Operating Officer of LoJack. From 2004 to 2006, Mr. Waters was the Chief Operating Officer of Wm. Wrigley Jr. Company (Wrigley), a leader in the confectionery industry and the world's largest manufacturer and marketer of

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gum. He is a director of Fortune Brands, Inc., a leading consumer brands company. From 2006 to 2007, Mr. Waters served as a director of Sabre Holdings Corporation. Mr. Waters brings to the Board chief executive officer experience through his former role as Chief Executive Officer of LoJack and significant finance expertise derived primarily from his service on the audit committee of another public company and previous roles as Chief Operating Officer at two public companies, Chief Financial Officer at Wrigley, Controller at The Gillette Company and partner of a large public accounting firm. He has extensive outside audit experience, and although Mr. Waters does not currently serve on the Corporation's Audit Committee, he qualifies as an "audit committee financial expert." Mr. Waters also brings to the Board international, law and information technology expertise derived primarily from his service in various roles at several large public companies.

Ms. Bell and Ms. Smith and Messrs. Jenkins and Martin comprise a class of Directors whose terms will expire at the Corporation's 2013 annual meeting of shareholders.

Mary H. Bell, age 50, has been a Director of the Corporation since 2006. Ms. Bell is a Vice President of Caterpillar, the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. She has led Caterpillar's Building Construction Products Division since 2008. From 2004-2007, she was the Vice President of Caterpillar Logistics Services, Inc., a wholly owned subsidiary of Caterpillar. Ms. Bell brings to the Board considerable logistics, manufacturing and dealer channel expertise and general management experience derived primarily from her service in various roles at Caterpillar.

James R. Jenkins, age 65, has been a Director of the Corporation since 2005. Mr. Jenkins has been the Senior Vice President and General Counsel of Deere & Company (John Deere) since 2000, a company that is a world leader in providing advanced products and services to customers whose work is linked to the land—those who cultivate, harvest, transform, enrich and build upon the land to meet the world's dramatically increasing need for food, fuel, shelter and infrastructure. He also serves as a director of various non-profit organizations. Mr. Jenkins brings to the Board significant legal, risk management, public company reporting and corporate governance expertise and experience derived primarily from his current service as General Counsel at John Deere and former service as Vice President, General Counsel and Corporate Secretary at Dow Corning Corporation.

Dennis J. Martin, age 60, has been a Director of the Corporation since 2000. Mr. Martin has been the President and Chief Executive Officer since November 2010 and a Director since 2008 of Federal Signal Corporation (Federal Signal), a leading global designer and manufacturer of products and total solutions serving municipal, governmental, industrial and institutional customers. Previously, from 2005 to November 2010, he was Vice President of BD Martin Group LLC. Since 2008, Mr. Martin has been a director of Coleman Cable, Inc., a manufacturer and innovator of electrical and electronic wire and cable products. Mr. Martin brings to the Board chief executive officer experience through his current leadership of Federal Signal and former role as Chairman, President and Chief Executive Officer of General Binding Corporation and considerable sales, marketing and operations expertise in office products and diversified industrial manufacturing companies. He is considered a lean business expert. Mr. Martin also brings to the Board finance and corporate governance experience through his service on the audit, finance and compensation committees of another public company.

Abbie J. Smith, age 57, has been a Director of the Corporation since 2000. Ms. Smith has been a Chaired Professor of The University of Chicago Booth School of Business, a national leader in higher education and research, since 1999. She is a director of DFA Investment Dimensions Group Inc., Dimensional Investment Group Inc. and Ryder System, Inc., a commercial transportation, logistics and supply chain management solutions company. Ms. Smith is also a trustee of The UBS Funds (Chicago), UBS Relations Trust and UBS SMA Relationship Trust. Ms. Smith brings to the Board considerable financial and corporate governance expertise based primarily on her extensive research and teaching at the University of Chicago and her service on mutual fund complex and other public company audit, performance, finance and nominating committees. Although she does not currently serve on the Corporation's

Audit Committee, she qualifies as an "audit committee financial expert."

INFORMATION REGARDING THE BOARD

Director Independence

In addition to complying with NYSE listing standards pertaining to director independence, the Corporation adopted the Categorical Standards, which are attached as Exhibit A to the HNI Corporation Corporate Governance Guidelines (the "Governance Guidelines") and available on the Corporation's website at www.hnicorp.com, under "Corporate Governance – Governance Guidelines." Under the Categorical Standards, the following relationships will not, in and of themselves, be

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considered material relationships, unless otherwise expressly provided for with respect to a particular interest or relationship, under the NYSE listing standards:

- contributions or payments (including the provision of goods and services) by the Corporation to a charitable organization (including a foundation), a university or other not-for-profit organization in which a Director or a Director's immediate family member is a director, trustee, officer or employee, unless the contribution or payment (excluding matching gifts) was:
  - made to an entity for which the Director or the Director's spouse currently serves as a director, trustee or officer and he or she served in such position at the time of the contribution or payment;
  - made within the three fiscal years preceding the date of any determination; and
  - in an amount exceeding the greater of $1,000,000 or two percent of the charitable organization's aggregate annual charitable receipts during the organization's last completed fiscal year prior to the date of the contribution or payment; and
- other business relationships between a Director or a Director's immediate family member and the Corporation, such as a purchase by the Corporation of products or services, including consulting, legal or financial advisory services, unless:
  - the Director or the Director's spouse is a partner, officer or ten percent owner of a company or firm providing such products or services, and he or she held such position at any time within the 12 months preceding the date of any determination;
  - the products or services were provided within the three fiscal years preceding the date of any determination; and
  - the products or services provided during any 12-month period were in an aggregate amount exceeding the greater of $1,000,000 or one percent of such company's or firm's consolidated gross revenues for its last completed fiscal year.

The Categorical Standards do not include business relationships with the Corporation's internal or external auditors, which are covered by the NYSE listing standards.

Under the Governance Guidelines, at least three-fourths of the Directors must meet the NYSE listing standards pertaining to director independence and the Categorical Standards. The Board has determined each of the following persons has no material relationship with the Corporation (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation) and is independent under the NYSE listing standards and the Categorical Standards:

- non-management Directors, including Mary H. Bell, Gary M. Christensen, James R. Jenkins, Dennis J. Martin, Abbie J. Smith, Ronald V. Waters III (each of whom are current members of the Board), Miguel M. Calado, Cheryl A. Francis, Larry B. Porcellato and Brian E. Stern (each of whom are current members of the Board standing for re-election) and John A. Halbrook (former member of the Board who did not stand for re-election at the Corporation's 2010 annual meeting of shareholders); and
- members of the Corporation's Audit Committee (the "Audit Committee"), Human Resources and Compensation Committee (the "Compensation Committee") and Governance Committee.

Mr. Askren, the Corporation's Chairman, President and Chief Executive Officer, does not meet such independence standards because he is a member (i.e., employee) of the Corporation.

Board Committees

The Board has three standing committees, the Audit Committee, the Compensation Committee and the Governance Committee. The Governance Committee fulfills the role of a nominating committee. Each committee operates under a written charter, which has been approved by the Board. The Board reviews each committee charter at least annually. Current copies of the committees' charters can be found on the Corporation's website at www.hnicorp.com, under "Corporate Governance – Committee Charters." Shareholders may request a paper copy of the Board's committees' charters by writing to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761. During Fiscal 2010, each Director attended at least 75 percent of the meetings for the committees on which such Director served.

Audit Committee. The Audit Committee is comprised of Miguel M. Calado, Chairperson, Mary H. Bell and James R. Jenkins beginning after the May 2010 Board meeting. Prior to Ms. Bell's appointment in May 2010, Ronald V. Waters, III served as a member of the Audit Committee. The Board has determined each Audit Committee member is "independent" as independence for audit committee members is defined by the NYSE listing standards pertaining to director independence, in applicable SEC rules and under the Categorical Standards. The Board has determined all members of the Audit Committee are financially literate under NYSE listing standards. The Board has also determined Messrs. Calado and Waters are each an "audit committee financial expert," as defined by Item 407(d)(5) of Regulation S-K. In accordance with the Audit Committee Charter, none of

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the Audit Committee members serve simultaneously on audit committees of more than three public companies. The Audit Committee met eight times during Fiscal 2010. The Audit Committee appoints the Corporation's independent registered public accountant and reviews the independent registered public accountant's performance, independence, fees and audit plans. The Audit Committee also reviews the annual and quarterly financial statements; internal audit staffing, plans and reports; nonaudit services provided by the independent registered public accountant; the Corporation's insurance coverage; and any other financial matters as directed by the Board.

Human Resources and Compensation Committee. The Compensation Committee is comprised of Abbie J. Smith, Chairperson, Cheryl A. Francis, Dennis J. Martin and Brian E. Stern beginning after the May 2010 Board meeting. Prior to Mr. Martin's appointment in May 2010, John A. Halbrook served as a member of the Compensation Committee. Each member of the Compensation Committee is an independent director as that term is defined by the NYSE listing standards pertaining to director independence and under the Categorical Standards. In addition, each member qualifies as an "outside director" for purposes of Section 162(m) and a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act"). The Compensation Committee met seven times during Fiscal 2010. The Compensation Committee reviews executive compensation, executive succession planning, benefit programs for all members, management's recommendations on election of officers and human resources development and oversees evaluation of the Chairman and CEO by the Board.

Public Policy and Corporate Governance Committee. The Governance Committee is comprised of Larry B. Porcellato, Chairperson, Gary M. Christensen and Ronald V. Waters, III beginning after the May 2010 Board meeting. Prior to Mr. Waters' appointment in May 2010, Mary H. Bell and Dennis J. Martin served as members of the Governance Committee with Mr. Martin serving as Chairperson. Each member of the Governance Committee is an independent director as that term is defined by the NYSE listing standards pertaining to director independence and under the Categorical Standards. The Governance Committee met four times during Fiscal 2010. The Governance Committee serves as the nominating committee and identifies individuals qualified to serve as Directors of the Corporation consistent with criteria approved by the Board; recommends director nominees to the Board for the next annual meeting of shareholders; develops and recommends to the Board corporate governance principles applicable to the Corporation; and oversees the Corporation's finance policy, capital structure and evaluation of the Board and the Corporation by the Directors.

Processes and Procedures for the Consideration and Determination of Director Compensation by Governance Committee

The Governance Committee is responsible for annually reviewing the compensation paid to Directors for service on the Board and for recommending changes to such compensation to the Board, if appropriate. The Board is responsible for approving Director compensation based on recommendations of the Governance Committee. Neither the Governance Committee nor the Board delegates its authority with respect to setting Director compensation to any other person or group. However, the Corporation's management may, at the request of the Governance Committee, assist the Governance Committee in its review of Director compensation, which may include recommending changes to such compensation. Although it has not done so recently, the Governance Committee has authority to retain and terminate any consultant to assist in the evaluation of the compensation and benefits for Directors and to approve the consultant's fees and other retention terms.

Processes and Procedures for the Consideration and Determination of Executive Compensation by Compensation Committee

The Compensation Committee is responsible for developing and implementing the Corporation's compensation policies and programs for the Chairman and CEO and other senior executives as further discussed throughout the Compensation Discussion and Analysis (the "CD&A") which begins on page 17 of this Proxy Statement. With regard to senior executives, other than the Chairman and CEO, the Compensation Committee reviews and considers management's recommendation, assesses the compensation of such senior executives and approves compensation and benefit levels consistent with the Corporation's compensation philosophy and necessary to attract and retain senior executives. This includes determining the following, without the need for approval or ratification by the Board:

- total compensation, including base salaries, and benefit levels for senior executives who report to the Chairman and CEO;
- HNI Corporation Annual Incentive Plan (the "Incentive Plan") and HNI Corporation Long-Term Performance Plan (the "Performance Plan") participants, targets and aggregate award levels; and
- participants and awards under the HNI Corporation Supplemental Income Plan (the "SIP").

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For all senior executives, including the Chairman and CEO, the Compensation Committee recommends stock option or other equity compensation awards under the HNI Corporation 2007 Stock-Based Compensation Plan (the "2007 Compensation Plan") to the Board for approval. The Compensation Committee also reviews and approves the base salaries for other executive officers of the Corporation who are subject to Section 16 of the Exchange Act and who do not report directly to the Chairman and CEO.

With regard to the Chairman and CEO, at least annually the Compensation Committee:

- reviews and recommends to the Board:
  - corporate goals and objectives relevant to Chairman and CEO compensation; and
  - compensation and benefits for the Chairman and CEO, including base salary, Incentive Plan, Performance Plan and SIP awards and stock option or other equity compensation awards under the 2007 Compensation Plan;
- evaluates the Chairman and CEO's performance in light of such goals and objectives and, together with other independent Directors, approves the Chairman and CEO's compensation and benefits based on this evaluation and the Compensation Committee's recommendation;
- reviews the Chairman and CEO's performance evaluation form;
- issues the Chairman and CEO performance evaluation form to all independent Directors;
- compiles and reviews the Chairman and CEO performance evaluation results;
- reviews the Chairman and CEO performance evaluation results with the Board for additional comment; and
- Chairperson reviews the Board's evaluation results of the Chairman and CEO's performance with the Chairman and CEO.

In determining the long-term incentive component of Chairman and CEO compensation, the Compensation Committee, together with the other independent Directors, considers the Corporation's performance and relative shareholder return, the value of similar incentive awards granted to chairmen and chief executive officers at comparable companies and the awards granted to the Chairman and CEO in past years. Until February 2010, the Compensation Committee primarily used the Compensation Analysis (as described under "Incentive Compensation in General" on page 20 of this Proxy Statement) to evaluate the competitiveness of the long-term incentive component of the Chairman and CEO's compensation. Beginning in February 2010, the Compensation Committee used an analysis prepared by Frederic W. Cook & Co., Inc., ("Frederic W. Cook"), a national compensation consulting firm, in connection with the Compensation Committee's and the Board's review of the Chairman and CEO's compensation as further described below under "Role of Compensation Consultants."

Neither the Compensation Committee nor the Board delegates its authority with respect to determining executive compensation to any other person or group. However, the Corporation's management does assist the Compensation Committee in its review and determination of executive compensation, which may include recommending changes to such compensation.

Role of Compensation Consultants. The Compensation Committee's Charter provides the Compensation Committee shall have sole authority to retain any outside compensation consultants who offer advice on compensation levels and benefits for the Chairman and CEO or other senior executives and approve the consultant's fees and other retention terms. Any other consulting services by such compensation consultants must be approved in advance by the Compensation Committee Chairperson.

In the fourth quarter of the Corporation's fiscal year ended January 2, 2010 ("Fiscal 2009") and the first quarter of Fiscal 2010, the Compensation Committee and the Board, having engaged Frederic W. Cook, conducted an overall review of the Chairman and CEO's compensation, including base salary and annual and long-term incentive compensation (the "CEO Compensation Review"). As a part of the review, Frederic W. Cook collected and analyzed market information on several elements of total compensation for chairmen and chief executive officers, including base salary, annual incentive compensation and long-term incentive compensation. Based in part on the findings and analysis of Frederic W. Cook, the Compensation Committee recommended to the Board for approval a change to annual base salary and long-term incentive compensation award target for the Chairman and CEO. For additional information regarding the decision by the Compensation Committee to recommend and the Board to change the Chairman and CEO's annual base salary, see "Base Salary – Recent Base Salary Changes" on page 19 of this Proxy Statement and long-term incentive compensation award target, see "Incentive Compensation in General" on page 20 of this Proxy Statement. Frederic W. Cook did not provide any additional services to the Corporation or its affiliates in Fiscal 2009 or Fiscal 2010.

For additional details regarding the process and procedures followed by the Compensation Committee in establishing the Corporation's compensation policies and programs for the Chairman and CEO and other senior executives, see the Compensation Committee's Charter, which is posted on the Corporation's website at www.hnicorp.com, under "Corporate Governance – Committee Charters."

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Board Leadership Structure

The Corporation's current board leadership structure consists of a combined chairman and chief executive officer position and ten independent Directors, one of which has been designated as the Lead Director.

While certain of the conventional functions for the Chairman have been shared by all Directors, the Chairman position has traditionally been held by the Corporation's CEO. The Board believes the combined role of Chairman and CEO promotes unified leadership and direction for the Corporation, which allows for a single, clear focus for management to execute the Corporation's strategy and business plans. The Board believes this leadership structure has contributed to the long-term growth and financial success of the Corporation.

The Corporation has strong governance structures and processes in place to ensure the independence of the Board, eliminate conflicts of interest and prevent dominance of the Board by management. All Directors, with the exception of the Chairman, are independent as defined under NYSE listing standards pertaining to director independence and the Categorical Standards, and all committees of the Board are made up entirely of independent Directors. In addition, the Board and the Governance Committee have assembled a board comprised of strong and sophisticated Directors who are currently or have recently been leaders of major companies or institutions, are independent thinkers and have a wide range of expertise and skills.

In February 2005, the Board adopted Lead Director Guidelines and appointed a Lead Director at its May 2005 meeting from the ranks of its independent Directors. The Lead Director's duties and responsibilities include:

- presiding at all meetings of the independent Directors;
- communicating to the Chairman and CEO the substance of the discussions and consensus reached at the meetings of independent Directors;
- encouraging the independent Directors and the Chairman and CEO to communicate with each other at any time and to act as principal liaison between the independent Directors and the Chairman and CEO on sensitive matters;
- providing input to the Chairman and CEO on preparation of agendas for Board and committee meetings;
- presiding at Board meetings when the Chairman and CEO is not in attendance;
- acting as spokesperson for the Corporation in the event the Chairman and CEO is unable to act due to conflict of interest or incapacity; and
- receiving and responding to communications from interested parties to the independent Directors.

Brian Stern has been the Lead Director since May 2008. From May 2005 until May 2008, Gary Christensen served as the Corporation's Lead Director.

The Board regularly meets in executive session without the presence of management. The Lead Director presides at these meetings and provides the Board's guidance and feedback to the Chairman and CEO and the Corporation's management team. Further, the Board has complete access to the Corporation's management team. At each Board and/or committee meeting, Directors receive valuable information and insight from management on matters impacting the Corporation as well as current and future issues.

Given the strong leadership of the Chairman and CEO, the counterbalancing role of the Lead Director and a Board comprised of strong and independent Directors, the Board believes it is in the best long-term interests of the Corporation and its shareholders to maintain a combined role of Chairman and CEO.

Board's Role in Risk Oversight

The Board administers its risk oversight role primarily through its committee structure and the committees' regular reports to the Board at each quarterly Board meeting. The Audit Committee meets frequently during the year (eight times in Fiscal 2010) and discusses with management, the Corporation's Vice President, Internal Audit, and the Corporation's independent registered public accountant:

- current business trends affecting the Corporation;
- major risks facing the Corporation;
- steps management has taken to monitor and control such risks; and
- adequacy of internal controls that could significantly affect the Corporation's financial statements.

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The Audit Committee also reviews the Corporation's enterprise risk management process for identification of and response to major risks. The Audit Committee Chairperson provides the Board with a report concerning its risk oversight activities at each quarterly Board meeting. In addition, the Compensation Committee Chairperson provides the Board with a report on compensation, including risk, annually.

Compensation Risk Assessment

A senior management team, under the oversight of the Compensation Committee, annually conducts a risk assessment of the Corporation's compensation policies and practices to ensure they do not encourage excessive risk taking by members which could result in a material adverse effect on the Corporation. Members of the management team conducting the assessment include the Corporation's Vice President – Member and Community Relations, Director – Enterprise Risk Management, Vice President – Financial Reporting, Vice President – Internal Audit and Senior Counsel – Securities. As part of the assessment, management:

- inventories the known risks facing the Corporation that relate specifically to compensation policies and practices;
- identifies and evaluates all of the Corporation's compensation program features and other practices and controls used to monitor and mitigate the risks identified in the risk inventory; and
- determines whether any of the risks relating to the Corporation's compensation policies and practices, as managed, are reasonably likely to have a material adverse effect on the Corporation as a whole.

In the latest compensation risk assessment completed in January 2011, management identified program features and other practices and controls which monitor and mitigate compensation-related risk, including:

- overall compensation levels competitive with the market;
- stock ownership guidelines for senior executives and an insider trading policy for all members;
- a compensation recovery policy in the event of a financial restatement due to fraud or intentional misconduct;
- a compensation mix balanced among:
  - fixed components comprised primarily of salary and benefits;
  - annual incentives that reward Corporation or operating unit financial performance (60 percent) and individual performance (40 percent);
  - long-term incentives that reward Corporation financial performance over a three-year period; and
  - equity awards with a mix of stock options that cliff-vest four years and expire ten years after the grant date, time-based restricted stock units ("RSUs") that vest three years after the grant date and restricted stock that cannot be sold by executives until they leave the Corporation;
- incentive programs using financial measures with sliding scales, with amounts interpolated for payouts between minimum, target and maximum (payout minimum of 25 percent of target with cap at 200 percent of target for both the financial component of annual incentive compensation awards under the Incentive Plan and long-term incentive compensation awards under the Performance Plan);
- individual strategic objective component of the annual incentive compensation award under the Incentive Plan capped at 125 percent of target;
- Board discretion to reduce both annual and long-term incentive compensation award payouts under the Incentive Plan and the Performance Plan, respectively, when such reduction would be appropriate based on the recipient's performance or behavior immediately following the performance period or to account for an extraordinary or unanticipated event (e.g., one-time gain on sale of asset);
- effective management processes for developing strategic and annual operating plans and strong internal financial controls; and
- oversight of the Corporation's compensation programs by the Compensation Committee and the Board.

Based on the latest compensation risk assessment completed in January 2011, both management and the Compensation Committee believe the risks arising from the Corporation's compensation policies and practices, as managed, are not reasonably likely to have a material adverse effect on the Corporation.

Board Meetings

The Board held four regular meetings and no special meetings during Fiscal 2010. All Directors attended 100 percent of the total number of meetings of the Board.

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In accordance with the NYSE listing standards regarding corporate governance, the Corporation's non-management Directors meet at regularly scheduled executive sessions without management present. Mr. Stern, Lead Director, presides at these executive sessions. The Corporation's non-management Directors met four times during Fiscal 2010.

Director Attendance at Annual Meetings of Shareholders

All Directors are encouraged to attend annual meetings of shareholders when possible. Directors may attend either in person or by telephone. Last year each Director attended the Corporation's 2010 annual meeting of shareholders (the "2010 Annual Meeting") in person.

Shareholder Communications with the Board

Shareholders and interested parties may communicate with the Lead Director, the Chairperson of the Governance Committee and the Vice President, General Counsel and Secretary, or with the Corporation's non-management Directors as a group, by sending an email to "BoardOfDirectors@hnicorp.com" or by writing to Lead Director, Chairperson of the Governance Committee, Vice President, General Counsel and Secretary or Non-Management Directors at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761, Attention: Corporate Secretary. All communications received will be opened by the office of the Corporate Secretary for the sole purpose of determining whether the contents are a message to the Directors. Any communications not in the nature of advertising or promotions of a product or service will be promptly forwarded to the appropriate party.

REVIEW, APPROVAL OR RATIFICATION OF TRANSACTIONS WITH RELATED PERSONS

The Corporation has adopted a written policy (the "Policy") for review of transactions between the Corporation (including the Corporation's subsidiaries) and its Directors, executive officers and other related persons. The transactions subject to the Policy include any transaction, arrangement or relationship (including charitable contributions and including any series of similar transactions, arrangements or relationships) with the Corporation in which any Director, executive officer or other related person has a direct or indirect material interest except:

- transactions available to all members generally;
- transactions involving less than $100,000 when aggregated with all similar transactions;
- transactions involving compensation or indemnification of executive officers and Directors duly authorized by the appropriate Board committee;
- transactions involving reimbursement for routine expenses in accordance with Corporation policy; and
- purchases of any products on the same terms available to all members generally.

The Corporation's Office of the General Counsel (the "General Counsel") performs the initial review of all transactions subject to the Policy. Factors to be considered by the General Counsel in reviewing the transaction include:

- whether the transaction is in conformity with the Corporation's Collective & Personal Integrity Manual (the code of business conduct and ethics) (the "Ethics Code"), the Governance Guidelines, the By-laws and other related policies, including Outside Business Activities of Officers and Managers, Outside Directorships of Officers and Conflicts of Interest, and is in the best interests of the Corporation;
- whether the transaction would be in the ordinary course of the Corporation's business;
- whether the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party;
- the disclosure standards set forth in Item 404 of Regulation S-K or any similar provision; and

- whether the transaction could call into question the status of any Director or Director nominee as an independent director under the NYSE listing standards pertaining to director independence and the Categorical Standards.

After reviewing the terms of the proposed transaction and taking into account the factors set forth above, the General Counsel will either:

- approve the transaction if entered into in the ordinary course of business, for an aggregate amount of $120,000 or less and on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party;
- disallow the transaction if not in the best interests of the Corporation;

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- recommend the Audit Committee review the transaction in advance; or
- allow the transaction, subject to ratification by the Audit Committee, but only if the interests of the Corporation will be best served by allowing the transaction to proceed.

At each regularly scheduled Audit Committee meeting, the General Counsel shall report each known transaction to be entered into by the Corporation and to be considered by the Audit Committee, including the proposed aggregate value of each transaction and any other relevant information. After review, the Audit Committee shall approve, ratify or disallow each such transaction in accordance with the guidelines set forth above.

For purposes of the Policy, an "executive officer" is an executive officer of the Corporation subject to Section 16 of the Exchange Act.

For purposes of the Policy, a "related person" is:

- an executive officer, Director or Director nominee of the Corporation;
- a person who is an immediate family member (including a person's spouse, parents, stepparents, children, stepchildren, siblings, fathers- and mothers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than members) who share such person's home) of an executive officer, Director or Director nominee;
- a shareholder owning in excess of five percent of the Corporation's voting securities (or its controlled affiliates), or an immediate family member of such five percent shareholder; or
- an entity which is owned or controlled by a related person or an entity in which a related person has a substantial ownership interest.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

One of the Corporation's office furniture operating units has a multi-year office furniture purchase agreement with State Farm Mutual Automobile Insurance Company ("State Farm"), pursuant to which State Farm purchased approximately $274,151 of office furniture in Fiscal 2010. State Farm beneficially owns more than five percent of Common Stock. Upon becoming aware of the related party implications of the sale to State Farm, the Corporation's General Counsel reviewed and approved the transaction and informed the Audit Committee in accordance with the Policy.

CODE OF BUSINESS CONDUCT AND ETHICS

The Corporation maintains the Ethics Code as part of its corporate compliance program. The Ethics Code applies to all Directors and members, including the Corporation's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. The Ethics Code is available on the Corporation's website at www.hnicorp.com, under "Corporate Governance—Code of Conduct." The Corporation intends to disclose amendments to or waivers of the Ethics Code granted to the individual executive officers listed above and the Directors on the Corporation's website within four business days of such amendment or waiver. Shareholders may request a paper copy of the Ethics Code by writing to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761.

CORPORATE GOVERNANCE GUIDELINES

The Governance Guidelines are available on the Corporation's website at www.hnicorp.com, under "Corporate Governance—Governance Guidelines." Shareholders may request a paper copy of the Governance Guidelines by writing to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761.

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PROPOSAL NO. 2 – RATIFICATION OF AUDIT COMMITTEE'S SELECTION OF PRICEWATERHOUSECOOPERS LLP AS CORPORATION'S INDEPENDENT REGISTERED PUBLIC ACCOUNTANT FOR FISCAL 2011

The Audit Committee has selected PricewaterhouseCoopers LLP as the Corporation's independent registered public accountant for Fiscal 2011.

The Board proposes the shareholders ratify the selection by the Audit Committee of PricewaterhouseCoopers LLP to serve as the Corporation's independent registered public accountant for Fiscal 2011. The Audit Committee is directly responsible for the appointment of the independent registered public accountant. Although shareholder ratification of the Audit Committee's selection of the independent registered public accountant is not required by the By-laws or otherwise, the Corporation is submitting the selection of PricewaterhouseCoopers LLP to its shareholders for ratification to permit shareholders to participate in this important decision. If the shareholders fail to ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as the Corporation's independent registered public accountant for Fiscal 2011 at the Meeting, the Audit Committee will reconsider the selection, although the Audit Committee will not be required to select a different independent registered public accountant. Representatives of PricewaterhouseCoopers LLP will be present at the Meeting, have an opportunity to make a statement if they so desire and be available to respond to appropriate questions.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" RATIFICATION OF AUDIT COMMITTEE'S SELECTION OF PRICEWATERHOUSECOOPERS LLP AS CORPORATION'S INDEPENDENT REGISTERED PUBLIC ACCOUNTANT FOR FISCAL 2011.

AUDIT COMMITTEE REPORT

The Board has adopted a written charter for the Audit Committee. A current copy of the charter is available on the Corporation's website at www.hnicorp.com, under "Corporate Governance – Committee Charters." The primary functions of the Audit Committee are set forth in its charter and on page 9 of this Proxy Statement under "Information Regarding the Board – Board Committees."

All members of the Audit Committee are independent as defined in Section 303A.02 of the NYSE Listed Company Manual, Exchange Act Rule 10A-3(b)(1) and the Categorical Standards.

Management has represented to the Audit Committee the Corporation's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and PricewaterhouseCoopers LLP, the Corporation's independent registered public accountant. Management has also represented it has assessed the effectiveness of the Corporation's internal control over financial reporting as of January 1, 2011, and has determined that, as of that date, the Corporation maintained effective internal control over financial reporting. The Audit Committee has reviewed and discussed with management and the Corporation's independent registered public accountant this assessment of internal control over financial reporting. The Audit Committee has also discussed with the Corporation's independent registered public accountant its evaluation of the accounting principles, practices and judgments applied by management, and the Audit Committee has discussed any items required to be communicated to it by the Corporation's independent registered public accountant in accordance with regulations promulgated by the SEC and the Public Company Accounting Oversight Board (the "PCAOB") including the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the PCAOB in Rule 3200T.

The Audit Committee received and reviewed the written disclosures and the letter from the Corporation's independent registered public accountant required by applicable requirements of the PCAOB regarding the Corporation's independent registered public accountant's communications with the Audit Committee concerning independence and discussed with the Corporation's independent registered public accountant its independence.

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Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board the consolidated financial statements referred to above be included in the Corporation's Annual Report on Form 10-K for the year ended January 1, 2011, for filing with the SEC.

AUDIT COMMITTEE
Miguel M. Calado, Chairperson
Mary H. Bell
James R. Jenkins

FEES INCURRED FOR PRICEWATERHOUSECOOPERS LLP

The following table sets forth the aggregate fees billed to the Corporation for the audit and other services provided by PricewaterhouseCoopers LLP for Fiscal 2010 and for Fiscal 2009:

	Fiscal 2010	Fiscal 2009
Audit Fees (1)	$1,119,549	$1,165,305
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	$1,119,549	$1,165,305

(1) Audit fees represent fees for professional services provided in connection with the audit of the annual financial statements, review of quarterly financial statements and audit services provided in connection with other statutory and regulatory filings or engagements.

Pre-Approval of Fees

The Audit Committee may delegate to one or more members of the Audit Committee as it designates the authority to pre-approve audit-related and non-audit services not prohibited by law to be performed by the Corporation's independent registered public accountant and associated fees. The delegated member or members must report any such pre-approvals of audit-related or non-audit related services and fees to the Audit Committee at its next scheduled meeting. All of the fees incurred in Fiscal 2010 and Fiscal 2009 were approved by the Audit Committee.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Objectives

Our executive compensation program has a pay for performance philosophy aligning the interests of executives with those of our shareholders. The program is designed to support annual and long-term business goals by rewarding our executives for their contributions to our performance and creation of long-term value for shareholders.

The objectives of our executive compensation program are to:

- attract, motivate and retain highly qualified executives;
-

link total compensation to both individual performance and the performance of the Corporation or relevant operating unit or operating segment;

- appropriately balance incentives for short- and long-term performance; and
- align executive and shareholder interests by including equity as a component of total compensation.

Elements of Compensation Program

Our executive compensation program includes three key elements:

- base salary;

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- short-term or annual incentive compensation under the Incentive Plan; and
- long-term incentive compensation under the Performance Plan and the 2007 Compensation Plan.

We believe total compensation is the key factor in determining the level of compensation for our executives and, using the market compensation survey reports described below, consider all three elements of executive compensation in determining the amounts for each individual element.

Our executive compensation strategy is to target total compensation, including base salary, short- and long-term incentive compensation, at approximately 100 percent of the market median. Our compensation strategy emphasizes pay for performance by setting annual base salaries at approximately 90 percent of the market median and allocating a greater portion of executive compensation to performance- and/or time-based incentive compensation components.

Benchmarking

The Compensation Committee, with the assistance of the Corporation's Member and Community Relations Department (the "MCR Department"), annually monitors the market level of base salaries and short- and long-term incentive compensation using the following commercially available, broad-based, comparative market compensation survey reports developed by independent professional organizations and covering more than 3,000 companies over a broad range of industries (collectively, the "Survey Reports"):

- Towers Watson, U.S. Compensation Data Bank – General Industry Executive Database – Single Regression Report dated March 1, 2010;
- Mercer Human Resource Consulting ("Mercer"), – US Mercer Benchmark Database – Executive Compensation Survey dated March 1, 2010; and
- Towers Watson Data Services – CompQuest Online – Survey Report on Top Management Compensation dated April 1, 2010.

For purposes of the Compensation Committee's review, the MCR Department provides information that combines and averages market data from the Survey Reports to balance data outliers and increase reliability. No particular industry peer group is selected for competitive review because we compete for executives within industries other than the office furniture and hearth products industries. The Compensation Committee believes the size of the business and scope of the executive officer's responsibility are the most important benchmarking factors for attracting and retaining executive officers. In establishing appropriate compensation targets for our executives, the MCR Department correlates business revenue and compensation across various industries to compare executives with responsibilities of similar size and scope.

The CEO Compensation Review, as further described above under "Process and Procedures for the Consideration and Determination of Executive Compensation by Compensation Committee – Role of Compensation Consultants" on page 11 of this Proxy Statement, utilized the following companies as a peer group for the purposes of comparing the Chairman and CEO's compensation to market levels:

Armstrong World Industries, Inc.	Furniture Brands International, Inc.	Briggs & Stratton Corporation	Carlisle Companies Incorporated
Lennox International Inc.	Steelcase Inc.	Valmont Industries, Inc.	Donaldson Company, Inc.
Snap-On Incorporated	A.O. Smith Corporation	Gardner Denver, Inc.	Herman Miller, Inc.
Lincoln Electric Holdings Inc.	BE Aerospace, Inc.	Regal Beloit Corporation	Leggett & Platt, Incorporated

Base Salary

Base salary is the basic element of our executive compensation program and the foundation for setting target incentive compensation awards. The Compensation Committee together with the Corporation's other independent Directors, evaluates and approves the base salary of the Chairman and CEO. The Compensation Committee approves the base salary for the CFO, and the three other most highly compensated executives.

Criteria for Determining Base Salary. As noted above, the Compensation Committee (together with the other independent Directors in the case of the Chairman and CEO's compensation) generally sets annual base salaries at approximately 90 percent of the market median. For the Chairman and CEO, the Compensation Committee derives the base salary market median from the CEO Compensation Review. For the CFO and the three other most highly compensated executives, the Compensation

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Committee, with the assistance of the MCR Department, derives the base salary market median primarily from the Survey Reports.

The Compensation Committee (together with the other independent Directors in the case of the Chairman and CEO) typically sets base salary for an executive between 80 and 120 percent of the below-market base salary target, usually resulting in a range of between 72 and 108 percent of the market median. Based on individual circumstances, however, actual base salaries may be higher or lower. For Fiscal 2010, the base salaries for each of the Named Executive Officers fell within the base salary range noted above. The Compensation Committee (together with the other independent Directors in the case of the Chairman and CEO) uses the following factors in determining base salary, including when it considers setting base salary outside of the established base salary range:

- duties, complexities and responsibilities of the position;
- salary levels of comparable positions both within and outside the Corporation which are based in part on the Survey Reports;
- potential for advancement;
- individual performance and competency; and
- length and nature of a Named Executive Officer's experience both in service to the Corporation and other experience.

Based on the factors identified above and the data derived from the Survey Reports and, in the case of the Chairman and CEO, the CEO Compensation Review, the Compensation Committee (together with the other independent Directors in the case of the Chairman and CEO) has typically changed the annual base salary for each of the Named Executive Officers at the Compensation Committee's annual review of each such officer's base salary. The Compensation Committee normally conducts annual base salary reviews at the Board meeting prior to the anniversary date of each officer's appointment. The Compensation Committee conducts the Chairman and CEO's annual base salary review at the February Board meeting and all independent Directors participate with the Compensation Committee members in this review.

Recent Base Salary Changes. As a result of the economic downturn and uncertainty in the office furniture and hearth products industries in 2008 and 2009, the Chairman and CEO requested he not be considered for a base salary increase at the February 2009 Board meeting and the Compensation Committee honored his request. Due primarily to the severe global recession which began in 2008 and continued into 2009 and the resulting financial performance of the Corporation, for Fiscal 2009, management recommended and the Compensation Committee (and the independent Directors in the case of Chairman and CEO compensation) approved a freeze in the annual base salaries of each of the Named Executive Officers. In addition, on April 3, 2009, the Chairman and CEO voluntarily requested and the Board approved a ten percent reduction in his base salary effective May 1, 2009 until such time as the Compensation Committee and the independent Directors again reviewed the Chairman and CEO's annual base salary and determined an increase was appropriate.

Based primarily on the CEO Compensation Review and the Chairman and CEO's leadership and actions in managing the Corporation through the global recession, the independent Directors, effective February 22, 2010, restored the Chairman and CEO's annual base salary from $661,504 to $735,004, which was the Chairman and CEO's annual base salary prior to the ten percent reduction instituted on April 3, 2009, and approved a change in the Chairman and CEO's annual base salary from $735,004 to $780,000. At the February 2010 Board meeting, the Compensation Committee also removed the base salary freeze for each of the other Named Executive Officers and approved a change in the annual base salaries of Jerald K. Dittmer – Executive Vice President, HNI Corporation and President, The HON Company ("HON"), from $355,000 to $390,500 effective March 7, 2010, and Marco V. Molinari – Executive Vice President, HNI Corporation and President, HNI International Inc., from $332,300 to $343,931 effective April 18, 2010.

Fiscal 2010 Base Salary. The table below sets forth for each Named Executive Officer the following: annual base salary as of the last day of Fiscal 2010; approximate market median annual base salary for comparable positions based primarily on the CEO Compensation Review with respect to the Chairman and CEO and the Survey Reports with respect to the other Named Executive Officers; annual base salary as a percentage of market median; annual base salary target (90 percent of market median annual base salary); and annual base salary as a percentage of target. The variations in annual base salary among each of the Named Executive Officers are based on his individual performance against the criteria for determining base salary set forth above.

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Name and Principal Position	2010 Annual Base Salary ($) (1)	Approximate Market Median Annual Base Salary ($)	Percentage of Market Median (%)	Annual Base Salary Target ($)	Percentage of Annual Base Salary Target (%)
Stan A. Askren Chairman, President and Chief Executive Officer, HNI Corporation	780,000	877,560	89	789,804	99
Kurt A. Tjaden Vice President and Chief Financial Officer, HNI Corporation	349,800	414,617	84	373,155	94
Bradley D. Determan Executive Vice President, HNI Corporation President, Hearth & Home Technologies Inc.	355,080	401,516	88	361,364	98
Jerald K. Dittmer Executive Vice President, HNI Corporation President, The HON Company	390,500	478,947	82	431,053	91
Marco V. Molinari Executive Vice President, HNI Corporation President, HNI International Inc.	343,931	411,989	84	370,790	93

Notes

(1) This column sets forth the annual base salary for each of the Named Executive Officers as of the last day of Fiscal 2010, which amounts differ from those set forth in the "Salary" Column of the Summary Compensation Table for Fiscal 2010, Fiscal 2009 and Fiscal 2008 (the "Summary Compensation Table"). The amounts set forth in the "Salary" Column of the Summary Compensation Table reflect the actual salary earned by each of the Named Executive Officers during Fiscal 2010. For example, on February 17, 2010, the Board increased Mr. Askren's annual base salary from $661,504 to $780,000, effective February 22, 2010. Hence, for approximately the first seven weeks of Fiscal 2010, Mr. Askren earned $89,047, and for approximately the last 45 weeks of Fiscal 2010, Mr. Askren earned $675,000, for a total salary earned during Fiscal 2010 of $764,047, which is shown in the Summary Compensation Table.

Incentive Compensation in General

The Compensation Committee typically establishes (or recommends to all independent Directors for approval in the case of the Chairman and CEO) overall incentive compensation award targets, consisting of annual and long-term incentive compensation award targets, for each of the Named Executive Officers slightly above the market median to:

- offset the fact that base salary targets are set slightly below the market median;
- emphasize pay for performance;

- align executive and shareholder interests; and
- encourage the achievement of established financial performance goals and individual strategic objectives.

The incentive compensation award targets, after taking into account the below-market base salary targets, generally provide an opportunity for Named Executive Officers to earn market-competitive compensation. The Compensation Committee does not target actual payouts of annual or long-term incentive compensation at the market median. To achieve a payout at 100 percent of target for either annual or long-term incentive compensation awards, executives must achieve superior results relative to economic and competitive conditions.

The Compensation Committee believes the market level of target incentive compensation remains relatively consistent from year to year and, accordingly, typically retains an independent consultant every three to five years to conduct a thorough, competitive review and analysis of our total executive compensation program, including award targets for annual and long-term incentive compensation. Mercer most recently conducted this analysis in late 2004 (the "Compensation Analysis"). The Compensation Committee determined not to engage an independent consultant to conduct a detailed review of the Corporation's executive compensation program in 2010 based on:

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- the volatility of market compensation during the 2008 and 2009 global recession, which would have made a 2010 compensation analysis unreliable and impractical for use in future years;
- the annual monitoring provided by management via the Survey Reports;
- the recent CEO Compensation Review; and
- the executive retention compensation review conducted by Semler Brossy Consulting Group, LLC, a national compensation consulting firm, in the fourth quarter of the Corporation's fiscal year ended January 3, 2009 ("Fiscal 2008") and the first quarter of Fiscal 2009 (the "Semler Review").

With respect to annual incentive compensation for each of the Named Executive Officers (other than the Chairman and CEO), the Compensation Committee utilizes the Survey Reports to:

- derive the approximate market median for total cash compensation paid, generally composed of base salary and annual incentive compensation, at the time of appointment or change in responsibilities or when there has been a significant change in market compensation levels; and
- establish award targets.

With respect to long-term incentive compensation for each of the Named Executive Officers (other than the Chairman and CEO), the Compensation Committee utilizes the Compensation Analysis, supplemented by the Survey Reports and the Semler Review, to:

- derive the approximate market median for target awards at the time of appointment or change in responsibilities or when there has been a significant change in market compensation levels; and
- establish award targets.

In addition to the Compensation Analysis, the Survey Reports and the Semler Review, the Compensation Committee also considers position-specific and incumbent-specific factors in establishing incentive compensation award targets for each of the Named Executive Officers (other than the Chairman and CEO). Such factors may include scope and complexity of the position, experience, leadership ability, internal equity and potential to assume greater responsibilities. In Fiscal 2010, the Compensation Committee also considered the ratio of the Chairman and CEO's annual and long-term incentive compensation award targets to the award targets for the other Named Executive Officers as reflected in the CEO Compensation Review.

With respect to incentive compensation for the Chairman and CEO, the Compensation Committee utilized the CEO Compensation Review to:

- derive the peer market median annual and long-term incentive compensation award targets;
- derive the peer market median for total cash compensation paid, generally composed of base salary and annual incentive compensation; and
- establish, together with the independent Directors, annual and long-term incentive compensation award targets for Fiscal 2010.

The table below compares the Fiscal 2010 annual and long-term incentive compensation award targets for the Named Executive Officers against market median award targets and/or total cash compensation for comparable positions.

Name	Annual Base Salary ($)	Annual Incentive Compensation Award Target (%	Total Cash Compensation Target ($) (1)	Approximate Market Median Total Cash Compensation	Long-Term Incentive Compensation Award Target (%	Approximate Market Median Long-Term Incentive

		of Annual Base Salary)		($) (2)	of Annual Base Salary)	Compensation Award Target (% of Annual Base Salary)
Stan A. Askren	780,000	100	1,560,000	1,606,000	300	300
Kurt A. Tjaden	349,800	75	612,150	643,400	150	168
Bradley D. Determan	355,080	75	621,390	584,867	150	139
Jerald K. Dittmer	390,500	75	683,375	814,250	150	139
Marco V. Molinari	343,931	75	601,879	645,450	150	139

Notes

(1) Total cash compensation target consists of annual base salary plus annual incentive compensation award target. For Mr. Askren, in addition to considering total cash compensation, the Compensation Committee and independent Directors considered the peer market

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median annual incentive compensation award target derived from the CEO Compensation Review in determining his annual incentive compensation award target. The peer market median annual incentive compensation award target for Mr. Askren was 100 percent of annual base salary. In determining annual incentive compensation award targets for each of the other Named Executive Officers, the Compensation Committee considers total cash compensation, together with the other factors identified above, rather than a specific market median annual incentive compensation award target.

(2) Total cash compensation generally consists of base salary and annual incentive compensation paid but may also include other forms of short-term cash compensation.

In Fiscal 2010, the independent Directors, primarily as a result of the CEO Compensation Review, approved a change, effective February 17, 2010, in the Chairman and CEO's long-term incentive compensation award target from 200 percent to 300 percent of the Chairman and CEO's annual base salary. The independent Directors approved this change to bring the Chairman and CEO's long-term incentive compensation award target more in line with the market median. The independent Directors applied the increased award target to the Chairman and CEO's annual base salary as of February 22, 2010.

Annual Incentive Compensation

The Named Executive Officers are eligible for annual incentive compensation under the Incentive Plan, which was most recently approved by shareholders at the 2010 Annual Meeting. We use the Incentive Plan to motivate executives annually to achieve specific financial performance goals and individual strategic objectives.

The Chairman and CEO's 2010 annual incentive compensation award target was equal to 100 percent of the Chairman and CEO's annual base salary as of the end of Fiscal 2010. The other Named Executive Officers had a 2010 annual incentive compensation award target of 75 percent of their annual base salary as of the end of Fiscal 2010. The Chairman and CEO's annual incentive compensation award target is a greater percentage of his annual base salary than the targets for the other Named Executive Officers because the Chairman and CEO has the greatest potential impact on the Corporation's annual strategic objectives.

Annual incentive compensation is weighted 60 percent on attainment of the Corporation's (or one of the Corporation's particular operating unit's) annual financial performance goals and 40 percent on attainment of individual strategic objectives. We believe this weighting encourages the proper focus by the Named Executive Officers on both annual financial returns and individual contributions to the Corporation's strategic objectives.

Financial Goals. We believe financial performance goals create a strong and objective link between executive compensation and shareholder value creation. We use economic profit as the measurement for financial performance goal achievement because it promotes the simultaneous optimization of growth, earnings and capital efficiency. We define economic profit as after-tax operating profit less a charge for invested capital. We believe economic profit is the best indicator of long-term shareholder value creation and correlates well with long-term stock price appreciation because it accounts for the investment required to generate a return by including a charge on invested capital.

Each year, the Compensation Committee evaluates historical performance, peer performance, external macroeconomic forecasts, market performance expectations for the Corporation and industry peers and other relevant data to determine the reasonableness of all financial performance goals and maintain alignment of pay and performance. In addition, management prepares an annual financial plan the Board approves and the Compensation Committee utilizes to establish economic profit goals, which the Board also approves. The economic profit goals are based on current strategic market conditions (e.g., downturn in the housing market, global recession or strong corporate earnings) and business opportunities (e.g., launch of new product line or integration of recently acquired business) factored into the annual financial plan.

The Compensation Committee ties the economic profit goals to a predetermined payout percentage set forth in an award matrix. Payout achievement percentages range between 0 and 200 percent of target based on economic profit achievement. As part of our compensation philosophy, the Compensation Committee establishes (and in 2010 established) economic profit achievement representing a 100 percent payout level as an aggressive but achievable goal for the Corporation as a whole or any operating unit based on economic and competitive conditions at the time goals are established. If a threshold level of economic profit is not achieved, no payout is made with respect to the financial component of the annual incentive compensation award. For Fiscal 2010, economic profit achievement representing a 25 percent payout level reflects threshold performance required to receive a payout, while economic profit achievement representing a 200 percent payout level reflects the maximum incentive for exceptional performance. We expect payout levels will be between 80 and 120 percent of target in most years and average approximately 100 percent of target over time and failure to achieve a 25 percent payout level or achievement of a 200 percent payout level will occur infrequently.

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The Compensation Committee reduced the percent payout level threshold for Fiscal 2009 and Fiscal 2010 from 50 percent to 25 percent due to economic uncertainty, a rapidly changing business climate and the associated difficulty with establishing meaningful financial performance goals for an entire year at the time the awards were established. For the same reasons, the Compensation Committee also divided the annual performance period into two six-month performance periods with each period looked at separately for purposes of determining whether a threshold level of economic profit was achieved with any resulting awards based on the average achievement of the two six-month performance periods. In February 2011, the Compensation Committee returned to a single, undivided annual performance period. Despite the weak recovery and some continued economic uncertainty, the Compensation Committee felt it can more accurately establish meaningful future financial performance goals at this time than in February 2009 or 2010.

The Board sets separate economic profit goals for the Corporation and each operating unit to align executives' interests with the financial performance of either the Corporation or their individual area of responsibility, which may be one or more individual operating units. The Board established the economic profit goals for the first and second quarters of Fiscal 2010 at the February 2010 Board meeting and third and fourth quarters of Fiscal 2010 at the August 2010 Board meeting. The goals of the Chairman and CEO and the CFO are linked to the overall economic profit of the Corporation. The goals of the other Named Executive Officers are linked to the economic profit of their specific areas of responsibility.

The financial component of the annual incentive compensation awards for Messrs. Askren and Tjaden is based on achievement of the economic profit goal of the Corporation as a whole because both are executive officers of the Corporation and responsible for its overall economic performance. For the first and second quarters of Fiscal 2010, the economic profit goal for the Corporation as a whole was $(36,531,000), and economic profit achievement was $(28,107,000), resulting in a 148 percent payout as shown in the table below.

HNI – 2010 Q1/Q2 Incentive Plan Matrix

Economic Profit Achievement ($)	Financial Component of Annual Incentive Compensation Award – Payout (%)
(50,038,000)	25
(45,536,000)	50
(41,033,000)	75
(36,531,000)	100
(32,146,000)	125
(27,760,000)	150
(23,375,000)	175
(18,990,000)	200

For the third and fourth quarters of Fiscal 2010, the economic profit goal for the Corporation as a whole was $2,125,000, and economic profit achievement was $3,593,000, resulting in a 106 percent payout as shown in the table below.

HNI – 2010 Q3/Q4 Incentive Plan Matrix

Economic Profit Achievement ($)	Financial Component of Annual Incentive Compensation Award – Payout (%)
(11,956,000)	25
(7,262,000)	50

(2,569,000)	75
2,125,000	100
8,488,000	125
14,851,000	150
21,213,000	175
27,576,000	200

The average of both periods' payout percentage (127 percent) earned Messrs. Askren and Tjaden payouts of $594,360 and $199,911, respectively, under the financial component of the Incentive Plan. As noted in the table under "2010 Incentive Plan Payouts" on page 26 of this Proxy Statement, Mr. Askren's 2010 annual incentive compensation award target was $780,000, 60 percent (or $468,000) of which was tied to the financial performance of the Corporation – 127 percent of $468,000 is $594,360; and Mr. Tjaden's 2010 annual incentive compensation award target was $262,350, 60 percent (or $157,410) of which was tied to the financial performance of the Corporation – 127 percent of $157,410 is $199,911.

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The financial component of Mr. Determan's annual incentive compensation award is based on achievement of the economic profit goal of Hearth & Home Technologies Inc. ("HHT") (HHT is the only operating unit included in the Corporation's hearth products operating segment). For the first and second quarters of Fiscal 2010, the economic profit goal for HHT was $(17,826,000), and economic profit achievement was $(18,348,000), resulting in a 91 percent payout as shown in the table below.

HHT – 2010 Q1/Q2 Incentive Plan Matrix

Economic Profit Achievement ($)	Financial Component of Annual Incentive Compensation Award – Payout (%)
(22,310,000)	25
(20,816,000)	50
(19,321,000)	75
(17,826,000)	100
(16,849,000)	125
(15,872,000)	150
(14,895,000)	175
(13,918,000)	200

For the third and fourth quarters of Fiscal 2010, the economic profit goal for HHT was $(5,897,000), and economic profit achievement was $(4,790,000), resulting in a 135 percent payout as shown in the table below.

HHT – 2010 Q3/Q4 Incentive Plan Matrix

Economic Profit Achievement ($)	Financial Component of Annual Incentive Compensation Award – Payout (%)
(10,428,000)	25
(8,918,000)	50
(7,407,000)	75
(5,897,000)	100
(5,097,000)	125
(4,298,000)	150
(3,498,000)	175
(2,698,000)	200

The average of both periods' payout percentage (113 percent) earned Mr. Determan a payout of $180,558 under the financial component of the Incentive Plan. As noted in the table under "2010 Incentive Plan Payouts" on page 26 of this Proxy Statement, Mr. Determan's 2010 annual incentive compensation award target was $266,310, 60 percent (or $159,786) of which was tied to the financial performance of HHT – 113 percent of $159,786 is $180,558.

The financial component of Mr. Dittmer's annual incentive compensation award is based on the achievement of the economic profit goal of HON, the Corporation's operating unit for which he is responsible. The financial component of Mr. Molinari's annual incentive compensation award is based on achievement of the economic profit goals of HNI International Inc. ("HNII"), and Hickory Business Furniture, LLC ("HBF"), the Corporation's operating units for which he is responsible, and HNI Hong Kong Limited ("Lamex"), the Corporation's Chinese subsidiary for which he is also responsible. In addition, the financial component of Mr. Molinari's annual incentive compensation award is increased or decreased based on the level of Lamex sales (i.e., for a given level of economic profit achievement, the greater the level of Lamex sales, the greater the financial component of Mr. Molinari's annual incentive compensation award). The Corporation considers the economic profit goals and achievements of HON, HNII, HBF and Lamex to be confidential.

As for all Named Executive Officers, the economic profit performance goals for Messrs. Dittmer and Molinari require superior performance by such officers and their corresponding operating units and areas of responsibility. Nonetheless, because we expect superior performance on a consistent basis, the Corporation and its operating units expect to achieve the annual economic profit performance goals when such goals are established. Accordingly, we expect Messrs. Dittmer and Molinari to achieve 100 percent of target over time on the financial component of their respective annual incentive compensation awards under the Incentive Plan.

The amount of the annual incentive compensation award attributable to financial performance goals for each of the Named Executive Officers is listed in the table under "2010 Incentive Plan Payouts" on page 26 of this Proxy Statement in the column titled "Annual Incentive Compensation Award Payout Attributable to Financial Goals (Financial Performance Goal) ($)." The table also includes specific payouts and target percentages for each of the Named Executive Officers.

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Individual Strategic Objectives. Each Named Executive Officer's individual strategic objectives are based on broad strategic objectives of the Corporation or a particular operating unit and are defined and measured within the Corporation's fiscal year. The independent Directors annually review and approve the Chairman and CEO's individual strategic objectives. The Chairman and CEO annually reviews and approves the individual strategic objectives of each of the other Named Executive Officers. Individual strategic objectives are designed to focus each Named Executive Officer on those matters having a significant impact on his individual area of responsibility. A summary of each Named Executive Officer's individual strategic objectives for Fiscal 2010 is set forth below.

Mr. Askren. Mr. Askren's individual strategic objectives were to:

- enhance customer value and market impact by enhancing brand strength, developing tailored and focused business and selling models and accelerating development of impactful products and solutions;
- build best cost, lean enterprise by driving productivity enterprise-wide, extending lean enterprise to total value stream, removing structural costs and accelerating working capital velocity; and
- enhance culture and capabilities by leveraging core culture and values, fostering creative and diverse breakthrough thinking and enhancing member engagement and leadership development.

Mr. Tjaden. Mr. Tjaden's individual strategic objectives were to:

- build best cost, lean enterprise by continuing to lead the reset of the Corporation's overall cost structure, delivering value through leadership of the Corporation's Information Technology ("IT") Department and a shift to more value-added IT investments, leading the strategic deployment process for the Corporation's Finance and IT Departments and leading the development of finance best practices and leveraging those practices across the Corporation; and
- build market power by driving cash generation.

Mr. Determan. Mr. Determan's individual strategic objectives were to:

- build market power by accelerating the development of new products, making HHT an easier company to do business with and enhancing customer loyalty;
- enhance culture and capabilities by improving member satisfaction and safety; and
- build best cost, lean enterprise by enhancing the Corporation's lean capabilities, facilitating the overall implementation of the strategic deployment process for the Corporation, improving HHT's cash flow and profitably growing HHT's business.

Mr. Dittmer. Mr. Dittmer's individual strategic objectives were to:

- enhance culture and capabilities by executing talent assessments and addressing talent implications of business strategy and driving succession planning, member engagement and member development activities;
- build best cost, lean enterprise by effectively developing and managing contingency plans in light of challenging economic conditions; and
- build market power by increasing HON's sales, enhancing customer and dealer sales experience and loyalty, refreshing HON's product portfolio and addressing the specific product needs of HON's transactional and project businesses and driving HON's e-Business platform.

Mr. Molinari. Mr. Molinari's individual strategic goals were to:

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build market power by profitably growing sales at Lamex and HBF, transforming HNII into a more structured and effective international sales organization and driving value creation at HNI Asia LLC ("HNI Asia"), the Corporation's Asian subsidiary largely responsible for international procurement;

- build best cost, lean enterprise by improving productivity at Lamex and HBF, decreasing costs at HNI Asia and effectively developing and managing contingency plans in light of challenging economic conditions; and
- enhance culture and capabilities by conducting additional training on key legal topics and corporate policies, driving internal talent development and performance management and improving safety.

At year-end, each of the Named Executive Officers evaluates his performance against his individual strategic objectives. The Chairman and CEO, after reviewing these self-evaluations, recommends the achievement percentage for each of the other Named Executive Officers' individual strategic objectives for Compensation Committee approval. The independent Directors,

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after reviewing the Chairman and CEO's self-evaluation, determine the achievement percentage of the Chairman and CEO's individual strategic objectives. Achievement percentages range from 0 to 125 percent. There is no threshold performance level for the individual strategic objective component of the annual incentive compensation award. The individual strategic objectives of each of the Named Executive Officers represent aggressive goals that are challenging to achieve. Historically, achievement of 100 percent is difficult and most achievement percentages have ranged between 75 and 95 percent, although future achievement percentages may vary from year to year. The amount of the annual incentive compensation award attributable to individual strategic objectives for each of the Named Executive Officers is set forth in the table below.

If a Named Executive Officer fails to achieve an individual strategic objective, the portion of the Named Executive Officer's annual incentive compensation award based solely on achievement of individual strategic objectives will be reduced. Due to the importance of each of the Named Executive Officers to the financial performance of the Corporation, the Compensation Committee also believes a low level of achievement by a Named Executive Officer on his individual strategic objectives could, in some years, negatively impact the Corporation's or operating unit's financial performance and result in a decrease in the portion of the officer's annual incentive compensation award based solely on the Corporation's or operating unit's financial performance.

2010 Incentive Plan Payouts. The table below sets forth detailed information regarding the calculation of the payouts under the Incentive Plan for each of the Named Executive Officers for Fiscal 2010:

Name	Annual Base Salary ($)	Annual Incentive Compensation Award Target (% of Annual Base Salary)	Annual Incentive Compensation Award Target ($)	Annual Incentive Compensation Award Payout Attributable to Financial Goals (Financial Performance Goal) ($)	Annual Incentive Compensation Award Payout Attributable to Strategic Objectives (Individual Strategic Objective) ($)	Annual Incentive Compensation Award Payout ($)
Stan A. Askren	780,000	100	780,000	594,360	316,992	911,352
Kurt A. Tjaden	349,800	75	262,350	199,911	99,693	299,604
Bradley D. Determan	355,080	75	266,310	180,558	101,198	281,756
Jerald K. Dittmer	390,500	75	292,875	203,841	123,008	326,849
Marco V. Molinari	343,931	75	257,948	231,380	108,338	339,718

The Compensation Committee recommends and the independent Directors approve the payment of the Chairman and CEO's annual incentive compensation award under the Incentive Plan. The Compensation Committee approves the payment of the annual incentive compensation awards for the other Named Executive Officers. The awards are paid in February following the fiscal year for which they are earned, subject to a participant's employment with the Corporation on the last day of the fiscal year for which an award is earned. Any early termination of employment other than due to death, disability, retirement or a change in control of the Corporation prior to the end of the performance period results in forfeiture of any outstanding awards. The awards are paid in cash unless the executive requests and the Compensation Committee approves taking the payment or part of the payment in the form of Common Stock or the Compensation Committee determines, in its sole discretion, the executive's respective stock ownership level under the Executive Stock Ownership Guideline does not reflect appropriate progress toward such executive's five-year goal. Each Named Executive Officer received 100 percent of his 2010 annual incentive compensation award payout in cash.

Long-Term Incentive Compensation

We design long-term incentive compensation to focus executives on long-term value creation and to provide balance to annual incentive compensation. We provide long-term incentive compensation through annual:

- Performance Plan awards with rolling three-year performance periods or RSU awards under the 2007 Compensation Plan; and
- stock option grants to select executives, including all of the Named Executive Officers, under the 2007 Compensation Plan.

As discussed below, in most years, we believe the two types of long-term incentive compensation provide an appropriate balance between emphasizing financial performance (Performance Plan awards), stock price performance (stock options) and retention (time-based RSU awards).

The table below shows the Fiscal 2010 long-term incentive compensation award targets for each of the Named Executive Officers. For additional information on how the Compensation Committee and/or independent Directors determine the long-

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term incentive compensation award targets and corresponding market medians for each of the Named Executive Officers, see "Incentive Compensation in General" above on page 20 of this Proxy Statement.

Name	Annual Base Salary at Time of Award ($) (1)	Long-Term Incentive Compensation Award Target (% of Annual Base Salary)	Total Long-Term Incentive Compensation Award Target ($)
Stan A. Askren	780,000	300	2,340,000
Kurt A. Tjaden	330,000	150	495,000
Bradley D. Determan	330,000	150	495,000
Jerald K. Dittmer	355,000	150	532,500
Marco V. Molinari	332,300	150	498,450

Notes

(1) In setting the long-term incentive compensation award target for Mr. Askren, the independent Directors used his annual base salary as of February 22, 2010, rather than the date of award (February 17, 2010).

The Compensation Committee and the Board annually evaluate the award targets and determine the appropriate balance between Performance Plan awards, time-based RSUs and stock options for each of the Named Executive Officers. In Fiscal 2010, 20 percent of the Chairman and CEO's long-term incentive compensation award, or 60 percent of annual base salary, was granted as time-based RSU awards, and 80 percent, or 240 percent of annual base salary, was granted as stock options and 20 percent of the long-term incentive compensation awards, or 30 percent of annual base salary, for Messrs. Tjaden, Determan, Dittmer and Molinari was granted as time-based RSU awards, and 80 percent, or 120 percent of annual base salary, was granted as stock options. The Compensation Committee and the Board granted time-based RSUs instead of Performance Plan awards in Fiscal 2010 due to continued economic uncertainty at the time of grant, the weak economic recovery and the resulting difficulty in establishing meaningful three-year financial performance goals and to maintain leadership stability and further align the interests of executives with the interests of shareholders. The Compensation Committee and the Board granted a greater proportion of the long-term incentive compensation awards in the form of stock options as opposed to RSUs in Fiscal 2010 (the reverse was true in Fiscal 2009) in order to better align the long-term incentive compensation element of the Corporation's executive compensation program with the Corporation's pay for performance philosophy.

For administrative convenience and because year-end results are first available at that time, the Board typically awards stock options and RSUs under the 2007 Compensation Plan only once per year at the Board's February meeting. However, the Board may grant stock options, Performance Plan awards or RSUs throughout the year for a new hire, a significant promotion or other special circumstances. In Fiscal 2010, the Board granted stock options and RSUs to each of the Named Executive Officers on February 17, 2010.

Performance Plan. The Performance Plan was most recently approved by shareholders at the 2010 Annual Meeting. Until Fiscal 2009, Performance Plan awards were typically granted annually, but no Performance Plan awards have been granted since Fiscal 2008. Traditionally, the payout value of each award was determined after a three-year performance period and based on cumulative economic profit during the three-year period. Economic profit is used as the performance measure for the Performance Plan for the reasons set forth above under "Annual Incentive Compensation – Financial Goals" on page 22 of this Proxy Statement.

Awards under the Performance Plan were traditionally based on separate financial goals for the Corporation overall and each of the Corporation's two operating segments, office furniture and hearth products. The performance of the Chairman and CEO and the CFO was measured against the Corporation as a whole, and the performance of the other Named Executive Officers was measured against their respective operating segments.

In prior years, the Compensation Committee recommended and the Board approved cumulative three-year economic profit goals based on the same current strategic market conditions and business opportunities on which the economic profit goals for the annual incentive compensation awards were based, but with a longer time horizon (three years as opposed to one year). Examples of such conditions and opportunities are noted above under "Annual Incentive Compensation – Financial Goals" on page 22 of this Proxy Statement.

The Compensation Committee tied the economic profit goals to a predetermined payout percentage set forth in an award matrix. Performance Plan awards are not paid unless a threshold level of cumulative economic profit is achieved, but when paid, range from 50 to 200 percent, depending on cumulative economic profit achievement, with 100 percent as the target. Fifty percent of target is the minimum award paid if economic profit exceeds a specified threshold. If economic profit does not reach the threshold level, no award is paid. Two hundred percent is the maximum award for exceptional performance.

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As part of our compensation philosophy, the Compensation Committee established economic profit achievement representing a 100 percent payout level as an aggressive but achievable goal for the Corporation as a whole or any operating segment based on economic and competitive conditions at the time goals were established. We expect payout levels will average approximately 100 percent across multiple performance periods and failure to achieve a 50 percent payout level or achievement of a 200 percent payout level will occur infrequently.

The table below sets forth information regarding the calculation of awards under the Performance Plan for the 2008-2010 performance period for each of the Named Executive Officers, including the cumulative economic profit goal for the Corporation, the office furniture operating segment and the hearth products operating segment. None of the Named Executive Officers received payouts under the Performance Plan for the 2008-2010 performance period due to the financial performance of the Corporation and the office furniture and hearth products operating segments, respectively, over the three-year performance period when compared with their respective goals. This was also based in part on the aggressiveness of the three-year performance goal, the protracted downturn in the housing market and the credit crisis and global recession of 2008 and 2009.

Name	Operating Segment	2008-2010 Performance Plan Award Target ($)	2008-2010 Cumulative Economic Profit Goal ($)	Total Payout ($)
Stan A. Askren	HNI Corporation	367,500	179,012,000	0
Kurt A. Tjaden (1)	HNI Corporation	96,250	179,012,000	0
Bradley D. Determan	Hearth Products	215,200	(44,771,000)	0
Jerald K. Dittmer (2)	HNI Corporation	202,800	179,012,000	0
Marco V. Molinari	Office Furniture	239,600	275,668,000	0

Notes

(1) Mr. Tjaden was granted a prorated 2008-2010 Performance Plan Award Target as he did not begin employment with the Corporation until August 25, 2008, almost 8 months after the beginning of the 2008-2010 performance period.

(2) At the time the Board granted the 2008-2010 Performance Plan awards (February 2008), Mr. Dittmer was the Vice President and Chief Financial Officer of the Corporation and thus his award was based on the performance of the Corporation as a whole as opposed to the office furniture operating segment.

The Compensation Committee approves the payment of Performance Plan awards for the CFO and the three other Named Executive Officers other than the Chairman and CEO. For the Chairman and CEO, the Compensation Committee recommends payment of Performance Plan awards to the independent Directors for approval. Awards, if earned, are paid in February following the close of the applicable three-year performance period. To encourage Common Stock ownership by executives, one-half of each award is traditionally paid in cash and one-half of each award is paid in Common Stock. We use the closing price of a share of Common Stock on the date the award is paid to determine the number of shares to issue. The payment of a Performance Plan award is conditioned upon continued employment through the end of the three-year performance period. Any early termination of employment other than due to death, disability, retirement or a change in control of the Corporation prior to the end of the three-year period results in forfeiture of any outstanding awards. We believe this policy motivates executives to focus on long-term value creation and supports retention.

Recent Developments with Respect to the Performance Plan. In February 2011, the Compensation Committee and the Board replaced time-based RSUs with Performance Plan awards for each of the Named Executive Officers. The Compensation Committee and the Board made this change to better align the long-term incentive compensation element of the Corporation's executive compensation program with the Corporation's pay for performance philosophy as Performance Plan awards are performance based unlike RSUs. Despite the weak recovery and some continued economic uncertainty, the Compensation Committee also felt it can more accurately establish meaningful future financial performance goals at this time than in February 2009 or 2010.

Like Performance Plan awards from prior years, the new Performance Plan awards have a three-year performance period (2011-2013), are based on cumulative economic profit achievement against a predetermined payout percentage set forth in an award matrix, are not paid unless a threshold level of economic profit is achieved and have a cap on the payout of 200 percent. The cumulative economic profit goal is taken from the Corporation's three-year strategic plan established in the fourth quarter of Fiscal 2010 (the "Strategic Plan"). Unlike Performance Plan awards from prior years, each year of the performance period is viewed separately, with one-third of the award earned for any year in which at least a threshold level of economic profit is achieved. For each year of the three-year performance period, the Strategic Plan is used to establish a base level of economic profit achievement equal to a 100 percent payout and a breakthrough level of economic profit achievement equal to a 200

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percent payout. The achievement percentages from each year of the performance period are averaged at the end of the performance period to determine one level of performance. In addition, the new Performance Plan awards:

- have a lower threshold level of economic profit achievement required for payment (25 percent as opposed to 50 percent);
- will be paid, when earned, 100 percent in cash as opposed to a 50/50 cash and Common Stock split; and
- are based solely on the performance of the Corporation for each participant, rather than on the performance of the Corporation or one of two operating segments depending on the executive.

The new Performance Plan awards represent 25 percent of each of the Named Executive Officers' long-term incentive compensation award for Fiscal 2011. Stock options comprise the remaining 75 percent of each of the Named Executive Officers' long-term incentive compensation award for Fiscal 2011. For additional information regarding the amounts of the 2011 Performance Plan awards for each of the Named Executive Officers, please see Item 5.02 of the Corporation's Current Report on Form 8-K filed with the SEC on February 22, 2011.

Restricted Stock Unit Awards. As noted above, in February 2010, the Board granted time-based RSUs to the Named Executive Officers under the 2007 Compensation Plan instead of Performance Plan awards. The RSUs cliff-vest three years after the date of grant. Early termination of employment other than due to death, disability or a change in control of the Corporation will result in forfeiture of unvested RSU awards. As with Performance Plan awards, we believe this policy motivates executives to focus on long-term value creation and supports retention. The number of RSUs granted was calculated by dividing the portion of each Named Executive Officers' long-term incentive compensation award allocated to RSUs by the closing price of a share of Common Stock on the date of grant. The RSU valuation table below sets forth detailed information regarding the number and corresponding dollar value of RSUs awarded to each of the Named Executive Officers in Fiscal 2010.

Name	Targeted Value of RSUs Granted in 2010 ($)	Closing Price on 2/17/10 ($/share)	Number of RSUs Granted (#)	Percentage of Long-Term Incentive Compensation Award (%)	Percentage of Annual Base Salary (%)
Stan A. Askren	468,000	23.99	19,508	20	60
Kurt A. Tjaden	99,000	23.99	4,127	20	30
Bradley D. Determan	99,000	23.99	4,127	20	30
Jerald K. Dittmer	106,500	23.99	4,439	20	30
Marco V. Molinari	99,690	23.99	4,155	20	30

Stock Option Awards. In Fiscal 2010, the Board granted stock options under the 2007 Compensation Plan, which shareholders last approved at the 2010 Annual Meeting. Stock options align the interests of the Named Executive Officers with the interests of shareholders by tying a portion of executive compensation to long-term stock price. We limit recipients of stock option grants to a small number of executives (30 in Fiscal 2010, including all of the Named Executive Officers) who have the ability through their leadership and strategic actions to significantly impact the Corporation's long-term performance and, consequently, its stock price.

Under the 2007 Compensation Plan, the Board grants stock options with an exercise price equal to the closing price of a share of Common Stock on the date of grant. Annual grants typically occur at the February Board meeting. The amount of income realized by an executive from an option is equal to the stock appreciation between the grant and the exercise dates, providing direct alignment between shareholder and executive interests over the long term (i.e., increase in stock price). The exercise price may be paid:

- in cash;
- in shares of Common Stock at fair market value on the date of delivery;
- by authorizing the Corporation to withhold shares of Common Stock, which would otherwise be delivered upon exercise of the option, having a fair market value equal to the exercise price;
- in cash by a broker-dealer to whom the executive has submitted an irrevocable notice of exercise; or
- by any combination of the above.

The targeted dollar value of stock option awards generally ranges between 25 and 225 percent of an executive's base salary at the time of grant. Executives with the ability to significantly impact long-term strategic objectives typically receive a higher percentage of long-term incentive compensation in the form of stock options. Consequently, the Chairman and CEO typically receives a higher percentage of long-term incentive compensation in the form of stock options than any of the other Named

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Executive Officers as the Compensation Committee believes the Chairman and CEO has the greatest potential impact on the Corporation's long-term strategic objectives.

Consistent with market practices, we use the Black-Scholes option valuation method to calculate the number of options granted, which is based on the targeted dollar value of the award. All stock options cliff-vest four years and expire ten years after the date of grant. This provides a balance between the shorter three-year period Performance Plan awards or RSUs and the longer term options. Early termination of employment other than due to death, disability, retirement or a change in control of the Corporation results in forfeiture of unvested option awards and a reduction in the exercise period of vested option awards. As with RSUs and Performance Plan awards, we believe this policy motivates executives to focus on long-term value creation and supports retention.

The Board (or the independent Directors in the case of the Chairman and CEO) authorized and issued stock option grants to each of the Named Executive Officers in Fiscal 2010 on February 17, 2010. Under the 2007 Compensation Plan, the exercise price for stock options is the closing price of a share of Common Stock on the date of grant ($23.99). See the option valuation table below for additional details regarding stock option awards in Fiscal 2010 for each of the Named Executive Officers:

Name	Targeted Value of Stock Options Granted in 2010 ($)	Black-Scholes Value of Stock Option ($) (1)	Number of Stock Options Granted (#)	Percentage of Long-Term Incentive Compensation Award (%)	Percentage of Annual Base Salary (%)
Stan A. Askren	1,872,000	8.25	226,909	80	240
Kurt A. Tjaden	396,000	8.25	48,000	80	120
Bradley D. Determan	396,000	8.25	48,000	80	120
Jerald K. Dittmer (2)	426,000	8.25	51,636	80	120
	N/A	8.25	36,364	N/A	N/A
Marco V. Molinari	398,760	8.25	48,335	80	120

Notes

(1) The Black-Scholes option value for award purposes ($8.25) differs from the Black-Scholes option value calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation ("FASB ASC Topic 718"), for financial statement reporting purposes ($7.84). The difference between the Black-Scholes option value for award purposes and the Black-Scholes option value for financial statement reporting purposes results from utilizing a ten-year option life when calculating the value of an award and a seven-year expected option life when reporting the value of the award under FASB ASC Topic 718. Our utilization of the ten-year option life when calculating the value of an award results in fewer options granted to executives due to the higher option value produced.

(2) On February 17, 2010, the Board also approved a special grant of 36,364 stock options to Mr. Dittmer in recognition of his outstanding leadership of HON in an extremely challenging and unpredictable economy and market. These stock options represent a special award and are in addition to the stock options granted to Mr. Dittmer as a part of his standard long-term incentive compensation award for Fiscal 2010. As with all other stock options granted by the Board, these options were granted under the 2007 Compensation Plan, have an exercise price equal to the closing price of a share of Common Stock on the grant date ($23.99) and cliff-vest four years and expire ten years after the grant date.

Other Compensation Elements

Supplemental Income Plan. The SIP is available to select key executives who consistently earn income above compensation caps on our qualified plan (i.e., 401(k) plan) and cash profit-sharing benefits. The 2010 statutory compensation limit for qualified plan and cash profit-sharing benefits was $245,000. Any compensation in excess of that amount is excluded from the eligible earnings used to calculate such benefits.

Each year, the Compensation Committee approves and the Board ratifies participation in the SIP. The SIP provides a benefit to the plan's participants, including the Named Executive Officers, equal to the additional amounts the participants would have earned had the Corporation's qualified plan and cash profit-sharing benefits not been subject to compensation caps, except no income attributable to the Performance Plan is considered. The benefit is paid on an after-tax basis in the form of fully vested shares of Common Stock issued under the 2007 Compensation Plan or cash at the discretion of the Compensation Committee. The SIP shares bear a restrictive legend prohibiting the transfer by sale, pledge, gift or otherwise while the participant is employed by the Corporation. We calculate the number of shares of Common Stock by dividing the amount of the benefit by the closing price of a share of Common Stock on the date the benefit is paid, with cash payable in lieu of any fractional share. The Corporation pays all SIP benefits on the first day of its March fiscal month (or the next closest business day if such day is a weekend or holiday) of each year. Participation in the SIP is provided to assure the overall competitiveness of our executive

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compensation program. With respect to SIP shares, the transfer restriction is intended to facilitate long-term stock ownership by executives, thereby further aligning the interests of executives with the interests of shareholders.

Deferred Compensation Plan. Executives eligible for compensation under the Incentive Plan, which include all of the Named Executive Officers, are eligible to participate in the HNI Corporation Executive Deferred Compensation Plan (the "Deferred Plan"). The Deferred Plan allows executives to voluntarily defer base salary, Incentive Plan awards, Performance Plan awards, SIP benefits and other amounts. The purpose of the Deferred Plan is to provide eligible executives the opportunity to voluntarily defer the receipt of compensation to supplement retirement and achieve personal financial planning goals. Amounts can be deferred to a cash account that earns interest at a rate set each year at one percent above the prime interest rate or to our notional stock account in the form of nonvoting share units that fluctuate in value based on the price increase or decrease of Common Stock and earn dividends distributed to all shareholders. The dividends are automatically reinvested for each participant to acquire additional nonvoting shares units. For any cash compensation deferred to our notional stock account, the number of nonvoting share units is determined by dividing the amount of the compensation by the fair market value of a share of Common Stock on the date such compensation would have otherwise been paid. Each participant elects, on an annual basis, the date or dates of distribution (i.e., a participant can elect a lump-sum distribution or distribution via annual installments not to exceed 15) of any amounts he or she has deferred. The only Named Executive Officer currently participating in the Deferred Plan is the Chairman and CEO.

Profit-Sharing Retirement Plan. Each of the Named Executive Officers participates in the HNI Corporation Profit-Sharing Retirement Plan (the "Retirement Plan"). The Retirement Plan is a defined contribution plan that includes both pre- and after-tax member contributions as well as various employer contributions and is generally available to all members. Members are eligible to make voluntary (pre- and/or after-tax) contributions immediately upon hire. One year of service is typically required to be eligible for employer contributions. Each of the Named Executive Officers is eligible for employer contributions. These contributions are reflected in the "All Other Compensation" Column of the Summary Compensation Table.

Cash Profit-Sharing Plan. Each of the Named Executive Officers participates in and is eligible for distributions under the HNI Corporation Cash Profit-Sharing Plan (the "Cash Profit-Sharing Plan"). The Cash Profit-Sharing Plan consists of cash profit-sharing calculated and generally paid twice per year. The actual amount of the profit-sharing benefit paid is based upon the profitability (net profit) of each respective operating unit for those members employed by an operating unit or consolidated adjusted net profit of the Corporation for those members employed directly by the Corporation. Members (who are not members of a bargaining unit) are generally eligible to participate after completion of one year of continuous service. To be eligible for distribution, a member must be:

- employed at the date of distribution (including on leave of absence or receiving disability pay);
- retired in accordance with the retirement policy during the most recent profit-sharing period; or
- terminated due to disability.

Amounts paid to the Named Executive Officers under the Cash Profit-Sharing Plan are reflected in the "Bonus" Column of the Summary Compensation Table.

Perquisites. We do not provide executives with any special perquisites, such as reserved parking spaces, company cars, country club memberships or personal use of the Corporation's assets. Executives participate in the same health, retirement, profit sharing, disability and life insurance programs and member stock purchase plan as other members. The dollar value of Corporation-paid life insurance premiums under the HNI Corporation Group Term Life Insurance Plan ("Life Insurance Plan") for each of the Named Executive Officers is reflected in the "All Other Compensation" Column of the Summary Compensation Table.

Post-Employment and Other Events

Retirement, death, disability and change in control ("CIC") events trigger the payment of compensation to the Named Executive Officers that is not available to all salaried members. Such compensation is discussed below and quantified under "Potential Payments Upon Termination or Change in Control" on page 41 of this Proxy Statement.

Change in Control Employment Agreements. We have entered into a CIC employment agreement (the "CIC Agreement") with certain corporate officers and other key managers, including each of the Named Executive Officers. The CIC Agreement is designed to assure the continuity of executive management during a threatened takeover and ensure executive management is able to objectively evaluate any CIC proposal and act in the best interests of shareholders during a possible acquisition, merger or combination. We designed the agreement to be part of a competitive compensation package, thereby aiding in attracting and

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retaining top-quality executives. The description of the amended form of agreement set forth below is qualified in its entirety by the actual form of CIC Agreement, attached as Exhibit 10.1 to the Corporation's Current Report on Form 8-K filed November 16, 2006.

The CIC Agreement defines a CIC as having occurred:

- when a third person or entity becomes the beneficial owner of 20 percent or more of the outstanding Common Stock, subject to certain exceptions;
- when more than one-third of the Board is composed of persons not recommended by at least three-fourths of the incumbent Board;
- upon the occurrence of certain business combinations involving the Corporation; or
- upon approval by our shareholders of a complete liquidation or dissolution.

Upon a CIC, a two-year employment contract between the Corporation and the executive becomes effective. The executive is entitled to certain benefits if, at any time within two years of the CIC, his or her employment is terminated by the Corporation for any reason other than cause or disability of the executive or by the executive for good reason.

Cause is defined as an act or acts of dishonesty on the executive's part that are intended to result in his or her substantial personal enrichment at our expense or repeated violations by the executive of his or her obligations under the agreement which are demonstrably willful and deliberate on the executive's part and resulted in material injury to the Corporation. Good reason is defined as:

- assignment to the executive of any duties substantially inconsistent with the executive's position, authority or responsibilities or any other substantial adverse changes in the executive's position (including title), authority or responsibilities;
- our failure to comply with any of the provisions of the agreement;
- a required change of more than 50 miles in the executive's principal place of work, except for travel reasonably required in performing the executive's responsibilities;
- a purported termination of the executive's employment by the Corporation that is not permitted by the agreement;
- our failure to require a successor company to assume the agreement; or
- the executive's good faith determination the CIC resulted in the executive being substantially unable to carry out authorities or responsibilities attached to his or her position held prior to the CIC.

When a triggering event occurs following a CIC, the executive is entitled to a severance payment equal to two times (three times for the Chairman and CEO) the sum of the executive's annual base salary and the average of the executive's annual incentive compensation awards for the prior two years. The executive is also entitled to receive his or her annual salary through the date of termination and a bonus equal to the average of the executive's annual incentive compensation awards for the prior two years prorated based on the length of employment during the year in which termination occurs.

If a triggering event occurs, the executive is also entitled to a continuation of certain employee benefits for up to 18 months and group life insurance benefits for up to two years if comparable benefits are not otherwise available to the executive. In addition, the executive is entitled to receive a lump-sum payment in an amount equal to the present value of the cost of health and dental coverage for an additional six months and an additional lump-sum payment equal to the value, in our reasonable determination, of two years of continued participation in our disability plans.

The Corporation must fulfill certain obligations to the executive, or pay certain amounts to the executive, through the date of the executive's termination if, at any time within two years of the CIC, the executive is terminated by reason of death, disability or cause, or if the executive terminates employment other than for good reason. Disability and certain other benefits must be provided to the executive after the date of termination if the executive is terminated by reason of disability.

The Corporation must pay the full amount due under the agreement and "gross-up" the executive's compensation for any excise tax, for any federal, state and local income taxes applicable to the excise tax "gross-up" and for tax penalties and interest imposed on "excess parachute payments" (i.e., excess severance or CIC payments), as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"). A gross-up payment is payable only to the extent the aggregate present value of the severance or CIC payments payable to the executive exceeds 110 percent of three times the executive's annualized includible compensation for the most recent five taxable years ending before the date on which the CIC occurred. If the 110 percent hurdle is not exceeded, the severance or CIC payments to the executive are reduced (or repaid to us) to the minimum extent necessary such that no portion of the executive's benefit constitutes an excess parachute payment.

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In exchange for receipt of the severance payment, salary, bonus and benefits under the agreement as described above, the executive is prohibited, for a period of one year from the date of termination, from entering into any relationship with any enterprise, business or division thereof (other than the Corporation), that is engaged in the same business in those states within the United States in which we are, at the time of such termination of employment, conducting our business and which has annual sales of at least $10,000,000. In addition, the executive shall not, without our prior written consent, communicate or divulge any confidential information, knowledge or data relating to us or any of our affiliated companies to anyone other than us and our designees.

The executive is entitled to receive reimbursement for any legal fees and expenses, plus interest thereon, which may be incurred in enforcing or defending his or her agreement. The CIC Agreement is automatically renewed, on an annual basis, for a period of two years. The Board may terminate the agreement if it determines the executive is no longer a key executive; provided, however, such a determination shall not be made, and if made shall have no effect, within two years after the occurrence of a CIC.

The Compensation Committee's rationale for the CIC Agreement is a desire by the Compensation Committee to strike an appropriate balance between executive and shareholder interests, preserve productivity, avoid disruption and limit distraction during a period when we are, or are rumored to be, involved in a CIC transaction. The Compensation Committee wants executives to be able to objectively evaluate any CIC proposal presented to us without being so advantaged by the potential CIC that he or she would overstate the value of the potential transaction. Likewise, the Compensation Committee intends to ease the consequences of an unexpected termination of employment so offers that are in our and our shareholders' best interests are given careful and thoughtful review. In establishing the payment and benefit levels for each of the Named Executive Officers under his individual CIC Agreement, the Compensation Committee evaluated several different options and selected the option that best met the objectives outlined above. The selected option is also consistent with market practices.

The Compensation Committee does not view the CIC Agreements as an element of current compensation, and such agreements do not necessarily affect the Compensation Committee's annual decisions with respect to the compensation elements of our executive compensation program. The Compensation Committee receives and reviews information pertaining to compensation payable to the Named Executive Officers upon a CIC, including information contained on page 41 of this Proxy Statement under the heading "Potential Payments Upon Termination or Change in Control."

Other Compensation Triggered by Change in Control Event. Under both the HNI Corporation Stock-Based Compensation Plan (the "Compensation Plan"), which terminated upon shareholder approval of the 2007 Compensation Plan at the Corporation's 2007 annual meeting of shareholders (the "2007 Annual Meeting"), and the 2007 Compensation Plan, upon a CIC, each outstanding RSU award is immediately vested and stock option is immediately exercisable in full and remains exercisable for the remaining term of the option. Under both the Incentive Plan and the Performance Plan, the Board values each outstanding Incentive Plan and Performance Plan award prior to the effective date of a CIC and such values are payable without proration within 30 days of the date of a CIC. The foregoing payments occurring on or after a CIC are not conditioned on termination of employment.

Compensation Triggered By Retirement, Death or Disability. Upon retirement at age 65, or after age 55 with ten years of service, all outstanding Incentive Plan, Performance Plan, stock option and RSU awards granted in Fiscal 2009 immediately vest. Upon disability or death, all outstanding Incentive Plan, Performance Plan, stock option and RSU awards immediately vest. Option holders who terminate employment due to disability may exercise stock options, which fully vest as of the date of disability, until the earlier of the expiration date of the stock option or the second anniversary of the date of disability. The representatives of option holders whose employment is terminated due to death may exercise stock options, which shall fully vest as of the date of death, until the earlier of the expiration date of the stock option or the second anniversary of the date of death. Option holders who terminate employment due to retirement may exercise stock options, which shall fully vest as of the date of retirement, until the earlier of the expiration of the stock option, or the third anniversary of the date of retirement.

In the event of a termination of employment not due to a CIC event, retirement, death or disability, the Named Executive Officers receive only those benefits available to all members. However, in such event, the Named Executive Officers may exercise stock options which are vested as of the date of termination until the earlier of the expiration of the stock option or 180 days following the date of termination.

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Tax Deductibility of Executive Compensation

The Corporation seeks to maximize the tax deductibility of all components of executive compensation where appropriate. Section 162(m) of the Code ("Section 162(m)") limits the ability of public companies to deduct compensation in excess of $1,000,000 paid annually to the chief executive officer and the three other most highly compensated executive officers, not including the chief financial officer. There are exceptions to this limit, including compensation that qualifies as "performance-based." The portion of the Incentive Plan award linked to financial performance and any Performance Plan and stock option awards comply with the exception to Section 162(m) and are not considered in determining the $1,000,000 limit.

Impact of Prior Compensation in Setting Elements of Compensation

Prior compensation of the Named Executive Officers does not generally impact how we set elements of current compensation. The Compensation Committee believes the competitive environment mandates current total compensation be sufficient to attract, motivate and retain top management. The Compensation Committee analyzes outstanding stock option and RSU grants, outstanding Incentive Plan and Performance Plan awards and ownership of Common Stock for each of the Named Executive Officers to ensure future stock option and RSU grants, Incentive Plan and Performance Plan awards, CIC Agreements and other benefits provide appropriate and relevant incentives to the executives. Based on the current analysis, the Compensation Committee believes prior compensation will not impact the ongoing effectiveness of our compensation objectives.

Executive Stock Ownership Guideline

We have adopted an Executive Stock Ownership Guideline based on the belief key executives who can impact shareholder value through their achievements should own significant amounts of Common Stock. Under the guideline, ownership levels are provided for executives to acquire and hold a recommended amount of Common Stock based on their position and compensation level. The guideline is intended to align the interests of key executives with shareholder interests. The guideline ownership levels range from four times base salary for the Chairman and CEO to two times base salary for the other Named Executive Officers, as shown below:

Position	$ Value of Shares
Chairman of the Board, President and CEO	4.0 x Base Salary
Operating Company (Unit) Presidents, Chief Financial Officer and Executive Vice Presidents	2.0 x Base Salary
Other Officers	1.5 x Base Salary

Executives to whom the guideline applies are encouraged to reach their respective stock ownership level within five years of the date the individual assumes an executive position covered by the guideline. At the February Board meeting each year, the Compensation Committee reviews each executive's progress toward his or her goal. If the Compensation Committee determines an executive is not achieving appropriate progress toward the ownership goal, it can specify a percentage of such executive's annual incentive compensation be paid in shares of Common Stock.

In addition to shares directly owned by the executive, the guideline credits the executive with vested shares allocated to the executive under our qualified and non-qualified retirement plans and with the number of shares (net of the exercise price) that would be issued to the executive if the executive exercised vested stock options. As of the end of Fiscal 2010, Messrs. Askren and Determan were the only Named Executive Officers with five or more years of service in their current positions. Mr. Askren met the applicable guideline level, and Mr. Determan did not. However, the Compensation Committee believes Mr. Determan is achieving appropriate progress toward the ownership goal in view of the future vesting of previously granted equity awards and his increase in Common Stock ownership during Fiscal 2010 by 661 shares not including unvested equity awards or vested, underwater stock options. When consideration is given to Mr. Determan's unvested equity awards, he exceeds the applicable guideline level. Even though Mr. Dittmer does not have five or more years of service in his current position, he met the applicable guideline level as of the end of Fiscal 2010. The Compensation Committee believes the other Named Executive Officers (Messrs. Tjaden and Molinari) are also achieving appropriate progress toward their respective ownership goals.

Impact of Restatements that Retroactively Impact Financial Goals

We have not restated or retroactively adjusted financial information that has materially impacted the financial goals related to previous annual or long-term incentive compensation awards. If financial results are significantly restated due to fraud or intentional misconduct, the Board will review any performance-based compensation paid to executive officers who are found to

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be personally responsible for the fraud or intentional misconduct that led to the restatement and may, to the extent permitted by applicable law, seek recoupment of amounts paid in excess of the amounts that would have been paid based on the restated financial results.

The Role of the Compensation Committee

Operating within the framework of the duties and responsibilities established by the Board, the Compensation Committee's role is to assure our compensation:

- strategy is aligned with the long-term interests of shareholders and members;
- structure is fair and reasonable; and
- reflects both corporate and individual performance.

The Compensation Committee evaluates management's executive compensation recommendations and provides independent review of the Corporation's executive compensation program. The Compensation Committee is comprised solely of Directors who are not current or former members of the Corporation and each is independent as defined by the NYSE listing standards pertaining to director independence and the Corporation's categorical independence standards for Directors.

The Compensation Committee is responsible for developing and implementing the compensation programs for the Named Executive Officers and other key members. The Compensation Committee reviews and approves base salary increases, Incentive Plan, Performance Plan and SIP awards for each of the Named Executive Officers, other than the Chairman and CEO, without Board ratification. The Compensation Committee also reviews and recommends to the Board for approval by the independent Directors base salary increases and Incentive Plan, Performance Plan and SIP awards for the Chairman and CEO and stock option, RSU and any other equity compensation awards under the 2007 Compensation Plan for each of the Named Executive Officers.

In discharging its responsibilities in Fiscal 2010 and prior years, the Compensation Committee utilized the Survey Reports. The MCR Department purchases the Survey Reports on behalf of the Compensation Committee. The Compensation Committee did not retain any consultants in connection with the acquisition of the Survey Reports. As discussed above, the data from the Survey Reports was utilized to calculate targeted amounts of base salary and annual and long-term incentive compensation for the Named Executive Officers.

The Corporation's Law, Finance and MCR Departments support the Compensation Committee in a variety of ways related to executive compensation. This support includes filing necessary documents with regulatory bodies, interpreting laws and regulations, conducting executive compensation benchmark analysis, preparing compensation-related materials and providing recommendations on matters such as base salary increase percentages and annual and long-term incentive compensation award targets. The Chairman and CEO, in conjunction with the Law, Finance and MCR Departments, compiles information for review by the Compensation Committee at each quarterly Board meeting addressing the foregoing executive compensation topics.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the CD&A, which begins on page 17 of this Proxy Statement, with management, and based on such review and discussions, the Compensation Committee recommended to the Board the CD&A be included in this Proxy Statement.

HUMAN RESOURCES AND COMPENSATION COMMITTEE
Abbie J. Smith, Chairperson

Cheryl A. Francis
Dennis J. Martin
Brian E. Stern

Summary Compensation Table for Fiscal 2010, Fiscal 2009 and Fiscal 2008

The table below sets forth the compensation awarded to, earned by or paid to each of the Named Executive Officers for Fiscal 2010, Fiscal 2009 and Fiscal 2008. Other than the CIC Agreements described above, the Corporation has no employment agreements with any of its executives. While employed, executives are entitled to base salary, participation in the executive compensation programs identified in the tables below and discussed in the CD&A and other benefits common to all members.

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The performance-based conditions associated with Performance Plan and Incentive Plan awards as well as salary and bonus in proportion to total compensation are discussed in detail throughout the CD&A, which begins on page 17 of this Proxy Statement.

Performance Plan awards are disclosed in two separate columns in the table below. Performance Plan awards granted prior to February 2011 are payable 50 percent in Common Stock and 50 percent in cash. The portion of the Performance Plan awards paid in cash is considered non-equity incentive compensation. This portion of the awards is reported in the final year of the three-year performance period when the awards are fully earned. The portion of the Performance Plan awards payable in Common Stock is considered equity incentive compensation because, although the target is set at a dollar value, the award settles in Common Stock. The stock portion of the Performance Plan awards is reported in the first year of the three-year performance period in an amount equal to one-half of the targeted value of the award computed in accordance with FASB ASC Topic 718.

Name and Principal Position (1)	Year	Salary ($) (2)	Bonus ($) (3)	Stock Awards ($) (4)	Option Awards ($) (5)	Non-Equity Incentive Plan Compensation ($) (6)	All Other Compensation ($) (7)	Total ($) (8)
Stan A. Askren Chairman, President and Chief Executive Officer, HNI Corporation	2010	764,047	2,732	418,837	1,778,967	911,352	113,734	3,989,669
	2009	685,250	2,573	889,950	284,989	882,050	86,768	2,831,580
	2008	749,139	6,693	183,750	944,462	276,360	176,746	2,337,150
Kurt A. Tjaden Vice President and Chief Financial Officer, HNI Corporation	2010	337,231	2,732	88,607	376,320	299,604	34,586	1,139,080
	2009	330,000	666	299,676	95,965	328,433	2,165	1,056,905
	2008	120,577	50,000	48,125	134,030	33,584	17,379	403,695
Bradley D. Determan Executive Vice President, HNI Corporation President, Hearth & Home Technologies Inc.	2010	345,898	1,355	88,607	376,320	281,756	22,476	1,116,412
	2009	330,000	1,560	299,676	95,965	122,892	24,418	874,511
	2008	321,432	1,855	107,600	466,962	219,780	26,381	1,144,010
Jerald K. Dittmer Executive Vice President,	2010	384,373	10,498	95,305	689,920	326,849	88,290	1,595,235
	2009	355,000	8,477	322,381	103,237	396,180	45,665	1,230,940
	2008	355,962	7,406	101,400	257,346	101,175	65,732	889,021

HNI Corporation President, The HON Company								
Marco V. Molinari Executive Vice President, HNI								
Corporation	2010	340,568	2,732	89,208	378,946	339,718	30,774	1,181,946
President,	2009	332,300	2,573	301,762	96,633	214,832	30,732	978,832
HNI International Inc.	2008	334,752	6,693	119,800	205,276	193,448	64,195	924,164

Notes

(1) On March 10, 2008, Mr. Dittmer resigned his position as Vice President and Chief Financial Officer of the Corporation to become an Executive Vice President of the Corporation and President of HON. On April 1, 2008, Mr. Askren was appointed the acting Chief Financial Officer and held that position until August 25, 2008, when Mr. Tjaden was appointed the Vice President and Chief Financial Officer of the Corporation.

(2) The Corporation follows a 52/53-week fiscal year which ends on the Saturday nearest December 31. Fiscal 2008 ended on Saturday, January 3, 2009, and is a 53-week year. This means each of the Named Executive Officers effectively earned an additional week of salary in Fiscal 2008. The amounts set forth in this column reflect this additional week of salary.

(3) The amounts in this column reflect the payments of cash profit-sharing during calendar years 2010, 2009 and 2008 under the Cash Profit-Sharing Plan. Cash profit-sharing is earned on a non-fiscal year cycle. This column also reflects a $50,000 sign-on bonus for Mr. Tjaden in Fiscal 2008.

(4) For Fiscal 2010 and Fiscal 2009, the amounts in this column reflect the aggregate grant date fair value of RSUs granted under the 2007 Compensation Plan computed in accordance with FASB ASC Topic 718.

For Fiscal 2008, the amounts in this column reflect the aggregate grant date fair value for stock awards under the Performance Plan computed in accordance with FASB ASC Topic 718. The amounts represent the stock portion of the target award for the 2008-2010 performance period. In the event the highest level of performance is achieved, the Named Executive Officers would earn the maximum

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payout under the Performance Plan, the aggregate grant date fair value of the stock portion of which would be as follows: Mr. Askren – $367,500; Mr. Tjaden – $96,250; Mr. Determan – $215,200; Mr. Dittmer – $202,800; and Mr. Molinari – $239,600.

Assumptions used in the calculations of these amounts are included in the footnote titled "Stock-Based Compensation" to the Corporation's audited financial statements for: (i) Fiscal 2010 included in the Corporation's Annual Report on Form 10-K for the year ended January 1, 2011; (ii) Fiscal 2009 included in the Corporation's Annual Report on Form 10-K for the year ended January 2, 2010; and (iii) Fiscal 2008 included in the Corporation's Annual Report on Form 10-K for the year ended January 3, 2009.

(5) The amounts in this column reflect the aggregate grant date fair value of stock options granted in Fiscal 2010, Fiscal 2009 and Fiscal 2008 under the 2007 Compensation Plan computed in accordance with FASB ASC Topic 718. Assumptions used in the calculations of these amounts are included in the footnote titled "Stock-Based Compensation" to the Corporation's audited financial statements for: (i) Fiscal 2010 included in the Corporation's Annual Report on Form 10-K for the year ended January 1, 2011; (ii) Fiscal 2009 included in the Corporation's Annual Report on Form 10-K for the year ended January 2, 2010; and (iii) Fiscal 2008 included in the Corporation's Annual Report on Form 10-K for the year ended January 3, 2009.

(6) The amounts in this column include annual incentive compensation awards earned in Fiscal 2010, Fiscal 2009 and Fiscal 2008, respectively, and paid in February 2011, February 2010, and February 2009, respectively, under the Incentive Plan as follows: Mr. Askren – $911,352; $882,050; $276,360; Mr. Tjaden – $299,604; $328,433; $33,584; Mr. Determan – $281,756; $122,892; $219,780; Mr. Dittmer – $326,849; $396,180; $101,175; and Mr. Molinari – $339,718; $214,832; $193,448.

The amounts in this column would also include the cash portion (50 percent) of Performance Plan awards earned for the 2006-2008 performance period paid in February 2009, the 2007-2009 performance period paid in February 2010 and the 2008-2010 performance period paid in February 2011; however, none of the Named Executive Officers received payouts under the Performance Plan for any of the performance periods noted.

(7) The amounts in this column include the Corporation's contributions to the Retirement Plan, the dollar value of Corporation-paid life insurance premiums under the Life Insurance Plan, both of which are generally applicable to all members, the dollar value of Common Stock paid under the SIP and earnings on deferred compensation, in each case for Fiscal 2010, Fiscal 2009 and Fiscal 2008. Contributions under the Retirement Plan for Fiscal 2010, Fiscal 2009 and Fiscal 2008 were as follows: Mr. Askren – $13,566; $13,418; $16,574; Mr. Tjaden – $13,566; $2,048; $-0-; Mr. Determan – $12,285; $12,476; $12,075; Mr. Dittmer – $20,788; $18,909; $17,238; and Mr. Molinari – $13,566; $13,418; $17,044. The dollar values of Corporation-paid life insurance premiums under the Life Insurance Plan in Fiscal 2010, Fiscal 2009 and Fiscal 2008 were as follows: Mr. Askren – $117; $117; $122; Mr. Tjaden – $117; $117; $32; Mr. Determan – $117; $117; $122; Mr. Dittmer – $117; $117; $122; and Mr. Molinari – $117; $117; $122. The dollar values of Common Stock earned under the SIP for Fiscal 2010, Fiscal 2009 and Fiscal 2008 were as follows: Mr. Askren – $73,931; $49,817; $147,186; Mr. Tjaden – $20,903; $-0-; $-0-; Mr. Determan – $10,074; $11,825; $14,184; Mr. Dittmer – $67,385; $26,639; $48,372; and Mr. Molinari – $17,091; $17,197; $47,029. The SIP Common Stock for Fiscal 2010 was issued February 28, 2011, for Fiscal 2009 was issued February 17, 2010 and for Fiscal 2008 was issued February 13, 2009. Earnings on deferred compensation for Fiscal 2010, Fiscal 2009 and Fiscal 2008 were as follows: Mr. Askren – $26,120; $23,416; $12,864. In Fiscal 2008, Mr. Tjaden also received a moving expense reimbursement equal to $17,347, including the tax gross-up.

(8) The amounts listed in the "All Other Compensation" Column and "Total" Column for each of the Named Executive Officers for Fiscal 2008 and Fiscal 2009 are different from the amounts listed in those columns for the same years in the summary compensation table included in the Corporation's Definitive Proxy Statement on Schedule 14A

dated March 26, 2010 for the Annual Meeting of Shareholders held on May 11, 2010 (the "2010 Proxy Statement"). For Mr. Askren, the difference is principally due to a change in the method of calculating earnings on deferred compensation, which for Mr. Askren are solely attributable to reinvested dividends on his nonvoting share unit balance under the Deferred Plan. For the 2010 Proxy Statement, earnings on deferred compensation for any given year were calculated by multiplying the number of nonvoting share units earned from reinvested dividends by the closing price of a share of Common Stock on the last trading day of such year. For this Proxy Statement, earnings on deferred compensation for any given year were based on the actual dividends earned during that year. For the other Named Executive Officers, the difference is solely attributable to a re-examination of the dollar values of Corporation-paid life insurance premiums. Upon re-examination, the Corporation realized it had included only the amount of the Corporation-paid life insurance premium taxable to each of the Named Executive Officers in the 2010 Proxy Statement rather than the full amount of the premiums actually paid by the Corporation.

Grants of Plan-Based Awards for Fiscal 2010

The table below sets forth the grants of plan-based awards to the Named Executive Officers during Fiscal 2010, including stock options and RSUs granted under the 2007 Compensation Plan and Incentive Plan awards. The aggregate grant date fair value of stock option and RSU awards are disclosed on a grant-by-grant basis in the table below. For additional information on the Incentive Plan and the 2007 Compensation Plan, see "Annual Incentive Compensation" on page 22 and "Long-Term Incentive Compensation" on page 26 of this Proxy Statement.

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Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#) (2)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
Stan A. Askren							
Stock Options	2/17/2010				226,909	23.99	1,778,967
RSUs	2/17/2010			19,508			418,837
Incentive Plan	2/17/2010	780,000	1,326,000				
Kurt A. Tjaden							
Stock Options	2/17/2010				48,000	23.99	376,320
RSUs	2/17/2010			4,127			88,607
Incentive Plan	2/17/2010	262,350	445,995				
Bradley D. Determan							
Stock Options	2/17/2010				48,000	23.99	376,320
RSUs	2/17/2010			4,127			88,607
Incentive Plan	2/17/2010	266,310	452,727				
Jerald K. Dittmer							
Stock Options	2/17/2010				88,000	23.99	689,920
RSUs	2/17/2010			4,439			95,305
Incentive Plan	2/17/2010	292,875	497,888				
Marco V. Molinari							
Stock Options	2/17/2010				48,335	23.99	378,946
RSUs	2/17/2010			4,155			89,208
Incentive Plan	2/17/2010	257,948	438,512				

Notes

(1) There is no threshold performance level for the individual strategic objective component of the annual incentive compensation award under the Incentive Plan. However, with respect to the financial component of the annual incentive compensation award under the Incentive Plan, a 25 percent payout level is the minimum performance threshold required to receive a payout. As the individual strategic objective component and the financial component of the annual incentive compensation award are combined as one payment under the Incentive Plan, there is effectively no threshold performance level for payment of Incentive Plan awards. The threshold amounts for the financial component of the annual incentive compensation award under the Incentive Plan for Fiscal 2010 for each of the Named Executive Officers were as follows: Mr. Askren – $117,000; Mr. Tjaden – $39,353; Mr. Determan – $39,947; Mr. Dittmer – $43,931; and Mr. Molinari – $38,692.

(2) The amount in this column for Mr. Dittmer includes (i) 51,636 stock options granted as part of his standard long-term incentive compensation award for Fiscal 2010 and (ii) 36,364 stock options granted as a special award in

recognition of his outstanding leadership of HON in an extremely challenging and unpredictable economy and market. Both grants occurred on the same day (February 17, 2010) and have the same exercise price ($23.99), vesting date and term.

Outstanding Equity Awards at Fiscal Year-End 2010

The following table sets forth the Named Executive Officers' outstanding equity awards as of the end of Fiscal 2010. All outstanding stock option awards reported in this table cliff-vest four years and expire ten years after the date of grant. All of the outstanding stock awards reported in this table represent time-based RSUs granted in either February 2009, which vest in February 2012, or February 2010, which vest in February 2013. Prior to Fiscal 2009, the Corporation had not issued stock awards subject to vesting to any of the Named Executive Officers except under the Performance Plan. As of the end of Fiscal 2010, there are no outstanding Performance Plan awards.

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	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Option Exercise Price ($) (2)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (3)	Market Value of Shares or Units of Stock That Have Not Vested ($) (4)
Stan A. Askren	20,000		25.77	2/13/12	113,514	3,541,637
	43,000		25.82	2/12/13	19,508	608,650
	25,000		39.72	2/11/14		
	25,000		37.57	5/4/14		
	55,100		42.66	2/16/15		
	40,712		58.06	2/15/16		
		58,676	48.66	2/14/17		
		126,434	31.69	2/13/18		
		112,644	10.36	2/23/19		
		226,909	23.99	2/17/20		
Kurt A. Tjaden		36,923	17.01	11/7/18	38,224	1,192,589
		37,931	10.36	2/23/19	4,127	128,762
		48,000	23.99	2/17/20		
Bradley D. Determan	10,000		32.93	8/4/13	38,224	1,192,589
	8,000		39.72	2/11/14	4,127	128,762
	7,200		42.66	2/16/15		
	8,320		58.06	2/15/16		
		11,876	48.66	2/14/17		
		24,677	31.69	2/13/18		
		57,915	22.56	5/6/18		
		37,931	10.36	2/23/19		
		48,000	23.99	2/17/20		
Jerald K. Dittmer	12,000		25.77	2/13/12	41,120	1,282,944
	15,000		25.82	2/12/13	4,439	138,497
	9,000		39.72	2/11/14		
	9,200		42.66	2/16/15		
	7,125		58.06	2/15/16		
		10,463	48.66	2/14/17		
		23,258	31.69	2/13/18		
		17,133	22.56	5/6/18		
		40,805	10.36	2/23/19		
		88,000	23.99	2/17/20		
Marco V. Molinari	15,000		42.98	11/7/13	38,490	1,200,888

13,000		39.72	2/11/14	4,155	129,636
11,600		42.66	2/16/15		
8,926		58.06	2/15/16		
	12,742	48.66	2/14/17		
	27,480	31.69	2/13/18		
	38,195	10.36	2/23/19		
	48,335	23.99	2/17/20		

Notes

(1) All stock options cliff-vest four years after the grant date. Vesting dates for each unexercisable stock option award, in descending order, for each of the Named Executive Officers are as follows: Mr. Askren – February 14, 2011, February 13, 2012, February 23, 2013 and February 17, 2014; Mr. Tjaden – November 7, 2012, February 23, 2013 and February 17, 2014; Mr. Determan – February 14, 2011, February 13, 2012, May 6, 2012, February 23, 2013 and February 17, 2014; Mr. Dittmer –February 14, 2011, February 13, 2012, May 6, 2012, February 23, 2013 and February 17, 2014; and Mr. Molinari –February 14, 2011, February 13, 2012, February 23, 2013 and February 17, 2014.

(2) For fiscal years prior to Fiscal 2008, the exercise price was the average of the high and low transaction prices of a share of Common Stock on the grant date. Stock options granted in Fiscal 2008, Fiscal 2009 and Fiscal 2010 under the 2007 Compensation Plan have an exercise price equal to the closing price of a share of Common Stock on the grant date.

(3) This column reflects the RSUs granted to each of the Named Executive Officers under the 2007 Compensation Plan on February 23, 2009 and February 17, 2010. All RSUs cliff-vest three years after the grant date.

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(4) This column reflects the market value of the RSUs granted to each of the Named Executive Officers in both Fiscal 2009 and Fiscal 2010, calculated based on a share price of $31.20 per share, the closing price of a share of Common Stock on December 31, 2010, the last trading day of Fiscal 2010.

Option Exercises and Stock Vested for Fiscal 2010

The following table sets forth information concerning the Named Executive Officers' exercise of stock options during Fiscal 2010. No outstanding stock awards vested during Fiscal 2010. The value of the stock portion of the Performance Plan awards for the 2008-2010 performance period was $-0-.

	Option Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) (1)
Stan A. Askren	13,000	33,150
Kurt A. Tjaden	0	0
Bradley D. Determan	0	0
Jerald K. Dittmer	6,000	66,960
Marco V. Molinari	0	0

Notes

(1) This column is calculated by multiplying the number of shares acquired by the difference between the actual sale price on the date of exercise or, if the shares were retained by the Named Executive Officer, the closing price of a share of Common Stock on the date of exercise and the exercise price of the stock options. The Named Executive Officers exercised the following options in Fiscal 2010:

Name	Date of Exercise	Number of Shares Acquired on Exercise (#)	Option Exercise Price ($/Sh)	Sold or Retained Shares	Sale or Closing Price on Date of Exercise ($/Sh)	Value Realized on Exercise ($)
Stan A. Askren	9/10/10	13,000	23.32	Retained	25.87	33,150
Jerald K. Dittmer	4/27/10	6,000	23.32	Sold	34.48	66,960

Nonqualified Deferred Compensation for Fiscal 2010

The Deferred Plan allows executives to defer certain compensation to a cash account that earns interest at a rate set annually at one percent above the prime interest rate or to the Corporation's notional stock account in the form of nonvoting share units that earn dividends distributed to shareholders which are then automatically reinvested in additional nonvoting share units. The only Named Executive Officer currently participating in the Deferred Plan is Mr. Askren. Mr. Askren deferred into the Corporation's notional stock account the after-tax-value of his 2009 SIP award, which was granted in February 2010, totaling $48,867 and is reflected in the table below. The value of Mr. Askren's 2009 SIP award, before taxes, was $49,817. Mr. Askren's balance in the Deferred Plan as of the end of Fiscal 2010 was 30,980 nonvoting share units. Unless distributed earlier due to the occurrence of certain triggering events as set forth in the Deferred Plan (such as death, disability or change in control), this balance will not be distributed until the earlier of January 31, 2016 for a portion of the balance, January 31, 2017 for another portion of the balance, January 31, 2018 for another portion of the balance and the date Mr. Askren is no longer employed by the

Corporation with respect to the entire remaining balance. For additional information on the Deferred Plan, see "Other Compensation Elements – Deferred Compensation Plan" on page 31 of this Proxy Statement.

Name	Executive Contributions in Last FY ($) (1)	Aggregate Earnings in Last FY ($) (2)	Aggregate Balance at Last FYE ($) (3)
Stan A. Askren	48,867	125,944	966,576
Kurt A. Tjaden	0	0	0
Bradley D. Determan	0	0	0
Jerald K. Dittmer	0	0	0
Marco V. Molinari	0	0	0

Notes

(1) The amount of Mr. Askren's contribution before taxes, $49,817, is reflected in the "All Other Compensation" Column of the Summary Compensation Table for Mr. Askren's Fiscal 2009 compensation.

(2) The reported dollar value is the sum of (i) share price appreciation (or depreciation) in the account balance during Fiscal 2010 not attributable to contributions, withdrawals or distributions during Fiscal 2010 and (ii) dividends earned on the account balance during Fiscal 2010. The share price appreciation (or depreciation) is calculated by first multiplying 27,962, the number of nonvoting share units

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in Mr. Askren's account at the end of Fiscal 2009, by $31.20, the closing price of a share of Common Stock on December 31, 2010, the last trading day of Fiscal 2010; and then subtracting from such amount Mr. Askren's aggregate account balance at the end of Fiscal 2009 – $772,590. The dividends earned on the account balance during Fiscal 2010 were $26,120. The dividends earned are reflected in the "All Other Compensation" Column of the Summary Compensation Table for Mr. Askren's Fiscal 2010 compensation.

(3) The reported dollar value is calculated by multiplying 30,980, the number of nonvoting share units in Mr. Askren's account at the end of Fiscal 2010, by $31.20, the closing price of a share of Common Stock on December 31, 2010, the last trading day of Fiscal 2010.

Potential Payments Upon Termination or Change in Control

The following tables quantify compensation that would be payable to the Named Executive Officers upon a CIC or the retirement, death or disability of the executive. The tables include only compensation items not available to all salaried members and assume the event occurred on the last business day of Fiscal 2010. No additional amounts are due under either the Incentive Plan or the Performance Plan based on occurrence of the event – per the terms of the plans, both the Incentive Plan award for Fiscal 2010 and the Performance Plan award for the 2008-2010 performance period vest as of the last business day of the fiscal year, the same day the event is assumed to have occurred. For a qualitative discussion of the Corporation's obligations to the Named Executive Officers in the event of a CIC or the retirement, death or disability of such Named Executive Officers, see "Post-Employment and Other Events" on page 31 of this Proxy Statement. The "Total" Column in each of the following tables does not include deferred compensation, which may be payable sooner than the original election date. For a discussion of the Corporation's obligations to the Named Executive Officers under the Deferred Plan, see the Nonqualified Deferred Compensation for Fiscal 2010 Table on page 40 of this Proxy Statement.

Value in Event of Involuntary Termination or Voluntary Termination for Good Reason Following a Change in Control

Name	Cash Severance Under CIC Agreement ($) (1)	Total Value of Benefits Under CIC Agreement ($) (2)	Incentive Plan Acceleration ($)	Performance Plan Acceleration ($)	Stock Options Acceleration ($) (3)	RSU Acceleration ($) (4)	Excise Tax Gross-Up Under CIC Agreement ($) (5)	Total ($)
Stan A. Askren	4,087,816	23,490	0	0	4,323,455	4,150,286	5,725,236	18,310,283
Kurt A. Tjaden	1,071,565	23,490	0	0	1,660,499	1,321,351	1,979,278	6,056,183
Bradley D. Determan	1,062,807	23,490	0	0	1,636,948	1,321,351	1,757,293	5,801,890
Jerald K. Dittmer	1,288,507	23,490	0	0	1,778,745	1,421,441	1,937,899	6,450,082
Marco V. Molinari	1,106,061	23,490	0	0	1,144,479	1,330,524	1,554,844	5,159,398

Notes

(1) Under the CIC Agreements for each of the Named Executive Officers, the amounts in this column include the following: (i) an amount equal to two times (three times for Mr. Askren) the sum of (a) the executive's annual base salary and (b) the average of the executive's annual incentive compensation awards for the prior two years; (ii) an amount equal to the value of the cost of health and dental coverage for an additional six months from the date of termination; and (iii) an amount equal to the value of 24 months of continued participation in the Corporation's

accidental death and travel accident insurance plan and disability plans.

(2) Represents the value of benefits provided following termination of employment under the CIC Agreements for each of the Named Executive Officers. Such benefits consist of medical and dental benefits for 18 months and group life insurance benefits for 24 months.

(3) Represents the value of accelerating the vesting of stock options not otherwise vested in accordance with the Compensation Plan and the 2007 Compensation Plan. Such options will remain exercisable until the expiration date established at the time of award.

(4) Represents the value of accelerating the vesting of RSUs not otherwise vested in accordance with the 2007 Compensation Plan.

(5) Represents the payment to "gross-up" the executive's compensation under the executive's CIC Agreement for any excise tax and for any federal, state and local taxes applicable to the excise tax "gross-up."

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Value in Event of Change in Control with No Employment Termination

Name	Cash Severance Under CIC Agreement ($)	Total Value of Benefits Under CIC Agreement ($)	Incentive Plan Acceleration ($)	Performance Plan Acceleration ($)	Stock Option Acceleration ($) (1)	RSU Acceleration ($) (2)	Excise Tax Gross-Up Under CIC Agreement ($) (5)	Total ($)
Stan A. Askren	0	0	0	0	4,323,455	4,150,286	0	8,473,741
Kurt A. Tjaden	0	0	0	0	1,660,499	1,321,351	0	2,981,850
Bradley D. Determan	0	0	0	0	1,636,948	1,321,351	0	2,958,299
Jerald K. Dittmer	0	0	0	0	1,778,745	1,421,441	0	3,200,186
Marco V. Molinari	0	0	0	0	1,144,479	1,330,524	0	2,475,003

Notes

(1) Represents the value of accelerating the vesting of stock options not otherwise vested in accordance with the Compensation Plan and the 2007 Compensation Plan. Such options will remain exercisable until the expiration date established at the time of award.

(2) Represents the value of accelerating the vesting of RSUs not otherwise vested in accordance with the 2007 Compensation Plan.

Value in Event of Retirement

Name	Incentive Plan Acceleration ($)	Performance Plan Acceleration ($)	Stock Options Acceleration ($) (1)	RSU Acceleration ($) (2)	Total ($)
Stan A. Askren	0	0	4,323,455	3,541,637	7,865,092
Kurt A. Tjaden	0	0	1,660,499	1,192,589	2,853,088
Bradley D. Determan	0	0	1,636,948	1,192,589	2,829,537
Jerald K. Dittmer	0	0	1,778,745	1,282,944	3,061,689
Marco V. Molinari	0	0	1,144,479	1,200,888	2,345,367

Notes

(1) Represents the value of accelerating the vesting of stock options not otherwise vested in accordance with the Compensation Plan and the 2007 Compensation Plan. Such options will remain exercisable until three years from the date of retirement.

(2) Represents the value of accelerating the vesting of RSUs granted in Fiscal 2009 not otherwise vested in accordance with the 2007 Compensation Plan.

Value in Event of Death

Name	Life Insurance Proceeds ($) (1)	Incentive Plan Acceleration ($)	Performance Plan Acceleration ($)	Stock Options Acceleration ($) (2)	RSU Acceleration ($) (3)	Total ($)
Stan A. Askren	150,000	0	0	4,323,455	4,150,286	8,623,741
Kurt A. Tjaden	150,000	0	0	1,660,499	1,321,351	3,131,850
Bradley D. Determan	150,000	0	0	1,636,948	1,321,351	3,108,299
Jerald K. Dittmer	150,000	0	0	1,778,745	1,421,441	3,350,186
Marco V. Molinari	150,000	0	0	1,144,479	1,330,524	2,625,003

Notes

(1) Represents the proceeds of the life insurance policy maintained by the Corporation for each of the Named Executive Officers under the Life Insurance Plan. The policy amount is equal to the lesser of the insured's annual base salary or $150,000.

(2) Represents the value of accelerating the vesting of stock options not otherwise vested in accordance with the Compensation Plan and the 2007 Compensation Plan. Such options will remain exercisable until two years from the date of death.

(3) Represents the value of accelerating the vesting of RSUs not otherwise vested in accordance with the 2007 Compensation Plan.

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Value in Event of Disability

Name	Incentive Plan Acceleration ($)	Performance Plan Acceleration ($)	Stock Options Acceleration ($) (1)	RSU Acceleration ($) (2)	Total ($)
Stan A. Askren	0	0	4,323,455	4,150,286	8,473,741
Kurt A. Tjaden	0	0	1,660,499	1,321,351	2,981,850
Bradley D. Determan	0	0	1,636,948	1,321,351	2,958,299
Jerald K. Dittmer	0	0	1,778,745	1,421,441	3,200,186
Marco V. Molinari	0	0	1,144,479	1,330,524	2,475,003

Notes

(1) Represents the value of accelerating the vesting of stock options not otherwise vested in accordance with the Compensation Plan and the 2007 Compensation Plan. Such options will remain exercisable until two years from the date of disability.

(2) Represents the value of accelerating the vesting of RSUs not otherwise vested in accordance with the 2007 Compensation Plan.

PROPOSAL NO. 3 – ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

The Dodd-Frank Act and Section 14A of the Exchange Act require us to provide shareholders with the opportunity to vote to approve, on a non-binding, advisory basis, a resolution approving the compensation of the Named Executive Officers as disclosed in this Proxy Statement in accordance with the compensation disclosure rules of the SEC. As described in detail above in the CD&A which begins on page 17 of this Proxy Statement, our executive compensation program is designed:

- to attract, motivate and retain highly qualified executives to achieve both corporate and individual performance objectives and create long-term value for shareholders; and
- with a pay for performance philosophy that aligns the interests of executives with those of shareholders.

In deciding how to vote on this proposal, please consider the following factors, some of which are more fully discussed in the CD&A and others of which are more fully discussed in the Corporation's Annual Report on Form 10-K for the year ended January 1, 2011:

- our compensation strategy emphasizes pay for performance by setting annual base salaries for the Named Executive Officers at approximately 90 percent of the market median and allocating a greater portion of executive compensation to performance- and/or time-based incentive compensation components;
- we align the interests of the Named Executive Officers and shareholders by including equity as a significant component of total compensation;
- our overall compensation levels for the Named Executive Officers are competitive with the market;
- our executive compensation program does not include perquisites for any executives;
- our executive equity compensation plan (the 2007 Compensation Plan) does not permit share recycling for stock options, prohibits re-pricing of stock options without shareholder approval and mandates a minimum vesting period of three years for stock options and time-vested RSUs;
-

our existing change in control employment agreements with each of the Named Executive Officers contain a double trigger (i.e., requires both a change in control and termination of employment) and limit the severance multiplier to two times salary and bonus for executives other than the CEO (whose limit is three times);

- our average annual burn rate over the past three fiscal years is two percent or less, or is within one standard deviation of the industry mean;
- we maintain the following governance practices with respect to the executive compensation program:
  - significant stock ownership guidelines to reinforce the link between the interests of the Named Executive Officers and those of shareholders;
  - a compensation recovery policy under which the repayment of any performance-based compensation may be required in certain circumstances;
  - a fully independent Compensation Committee advised by independent compensation consultants when appropriate (Frederic W. Cook in Fiscal 2010) that only provide services to the Compensation Committee; and
  - regular shareholder approval of compensation plans for the Named Executive Officers, including the three principal plans in 2010 – the 2007 Compensation Plan, the Annual Incentive Plan and the Performance Plan; and

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- the Compensation Committee believes our executive compensation programs have been effective at incenting achievement of annual and long-term financial performance goals and individual strategic objectives as illustrated by the Corporation's improved financial performance in Fiscal 2010 over Fiscal 2009, including:
  - increase in net sales of 3.9 percent;
  - decrease in selling and administrative expenses, including restructuring related and impairment charges, as a percent of net sales, from 34.1 percent to 31.3 percent;
  - increase in operating income from $8.6 million to $57.9 million and net income from a $6.4 million loss to a $26.9 million profit; and
  - increase in earnings per share from a loss of $0.14 to a profit of $0.59.

Accordingly, we ask shareholders to vote FOR the following resolution at the Meeting:

"RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the Named Executive Officers as disclosed in this Proxy Statement for the Meeting pursuant to the compensation disclosure rules of the SEC, including the CD&A, compensation tables and narrative discussion."

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the compensation of the Named Executive Officers, as described in this Proxy Statement in accordance with the compensation disclosure rules of the SEC. The vote is advisory and non-binding on the Corporation, the Board or the Compensation Committee. However, the Compensation Committee and the Board will review and consider the outcome of this vote when making future compensation decisions for the Named Executive Officers. The affirmative vote of the holders of a majority of the Outstanding Shares voted at the Meeting is required to adopt the resolution.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" ADOPTION OF THE RESOLUTION APPROVING THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

PROPOSAL NO. 4 – ADVISORY VOTE ON FREQUENCY OF FUTURE ADVISORY VOTES ON NAMED EXECUTIVE OFFICER COMPENSATION

The Dodd-Frank Act and Section 14A of the Exchange Act require us to provide shareholders the opportunity to vote, on a non-binding, advisory basis, on the frequency of future advisory votes on named executive officer compensation. Specifically, shareholders may vote on whether future advisory votes on the compensation of the Named Executive Officers, as disclosed in accordance with the compensation disclosure rules of the SEC, should occur every one, two or three years.

After careful consideration, the Board determined an advisory vote on named executive officer compensation occurring every year is the most appropriate alternative for the Corporation at this time and therefore, the Board recommends shareholders approve holding an advisory vote on named executive officer compensation every year. In formulating its recommendation, the Board considered that an annual advisory vote on named executive officer compensation will allow shareholders to provide direct input on our compensation philosophy, policies and practices as disclosed in the proxy statement in a timely, consistent manner. In addition, an annual advisory vote on named executive officer compensation will enhance shareholder communication by providing a clear, simple means to obtain information on investor sentiment regarding our executive compensation program and philosophy each year.

When voting on this advisory vote on the frequency of future advisory votes on named executive officer compensation, shareholders should understand they are not voting "for" or "against" the recommendation of the Board to hold the advisory vote on named executive officer compensation every year. Rather, shareholders have the option to choose whether to approve holding future advisory votes on named executive officer compensation every one, two or three years, or to abstain entirely from voting on the matter. The option of one year, two years or three years receiving a majority of votes cast by shareholders will be the frequency for the advisory vote on named executive officer compensation selected by shareholders. However, because this vote is advisory and non-binding on the Board or the Corporation in any way, the Board may decide it is in the best

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interests of shareholders and the Corporation to hold an advisory vote on named executive officer compensation more or less frequently than the option selected by shareholders.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE FOR "1 YEAR" ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON NAMED EXECUTIVE OFFICER COMPENSATION

DIRECTOR COMPENSATION

Prior to May 2009, the Corporation's independent Directors received an annual retainer of $100,000, of which $50,000 was paid in cash in equal installments of $12,500 at each quarterly Board meeting and $50,000 was paid in the form of a Common Stock grant issued under the 2007 Equity Plan for Non-Employee Directors of HNI Corporation (the "2007 Equity Plan") at the May Board meeting. In April 2009, the Board approved a ten percent reduction in the annual retainer from $100,000 to $90,000, effective at the May 2009 Board meeting, due to the very challenging market conditions facing the Corporation. In February 2010, the Board restored the annual retainer from $90,000 to $100,000, effective immediately.

In November 2010, the Board approved an increase in the annual retainer from $100,000 to $125,000, effective immediately, of which $50,000 was to be paid in cash in equal installments of $12,500 at each quarterly Board meeting and $75,000 was to be paid in the form of a Common Stock grant issued under the 2007 Equity Plan at the May Board meeting. Consequently, in Fiscal 2010, each independent Director except John A. Halbrook, who did not stand for re-election at the 2010 Annual Meeting, received:

- a cash installment payment of $12,500 at each of the February, May, August and November Board meetings;
- a $50,000 Common Stock grant at the May Board meeting; and
- a $12,500 Common Stock grant at the November Board meeting (represents one-half of the increase to the retainer as it was approved in the middle of the Directors' May 2010-May 2011 term).

Mr. Halbrook received a cash installment payment of $12,500 at each of the February and May Board meetings and a $50,000 Common Stock grant at the May Board meeting.

The Board approved the increase to bring Director compensation more in line with market levels for companies of similar size and/or in similar industries. In comparing the Director compensation to market levels, the Board utilized the same peer group of companies used in the CEO Compensation Review in comparing the Chairman and CEO's compensation to market levels. The list of companies comprising the peer group is set forth above in the CD&A under "Benchmarking" on page 18 of this Proxy Statement.

Each independent Director who serves as Chairperson of a Board committee, Lead Director or on the Audit Committee also receives an additional annual retainer for his or her services. As with the cash portion of the annual retainer for Board service, retainers for committee Chairpersons, Lead Director or Audit Committee service are paid in equal installments at each quarterly Board meeting. Each Audit Committee member receives an additional annual retainer of $4,000. The Audit Committee Chairperson and the Lead Director each receive an additional $7,500. Prior to November 2010, the Chairpersons of the Compensation Committee and the Governance Committee each received an additional $4,000. In November 2010, the Board approved an increase in the annual retainers for the Chairpersons of the Compensation Committee and the Governance Committee from $4,000 to $7,500, effective immediately. Consequently, in Fiscal 2010, the Chairpersons of the Compensation Committee and the Governance Committee each received a cash installment payment of $1,000 at the February, May and August Board meetings and $1,875 at the November Board meeting (represents one-fourth of the increased retainer).

Independent Directors may receive an additional $1,000 for each meeting attended if they are required to travel six hours or more on a round-trip basis. Directors are also reimbursed for travel and related expenses incurred to attend meetings. For purposes of determining Director compensation, an independent Director is anyone who is not a member of the Corporation. Directors who are members of the Corporation do not receive additional compensation for service on the Board.

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The Corporation's policy with regard to Common Stock ownership by independent Directors is for each Director to own Common Stock with a market value of five times or more the cash portion of the annual retainer. To promote Common Stock ownership, Directors are required to receive one-half of the cash portion of their annual retainer in the form of shares of Common Stock to be issued under the 2007 Equity Plan or, to the extent the Director participates in the HNI Corporation Directors Deferred Compensation Plan (the "Directors Deferred Plan"), in the form of nonvoting share units to be credited to the Director's account under the Directors Deferred Plan. This requirement does not, however, apply to any Director owning Common Stock with a market value of five times or more the cash portion of the annual retainer. As of the end of Fiscal 2010, all of the Corporation's independent Directors were in compliance with the Corporation's policy with regard to stock ownership by Directors.

In addition to acquiring Common Stock as partial payment of their annual retainer, independent Directors can also acquire Common Stock in several other ways. Under the 2007 Equity Plan, Directors may elect to receive up to 100 percent of their cash retainers in the form of shares of Common Stock. Under the Directors Deferred Plan, each Director has the opportunity to defer up to 100 percent of all his or her retainers earned as a Director. Amounts can be deferred to a cash account that earns interest at a rate set each year at one percent above the prime interest rate or to the Corporation's notional stock account in the form of nonvoting share units that fluctuate in value based on the price increase or decrease of Common Stock and earn dividends distributed to all shareholders. The dividends are automatically reinvested for each participant to acquire additional nonvoting shares units. For any cash compensation deferred to the Corporation's notional stock account, the number of nonvoting share units is determined by dividing the amount of the compensation by the fair market value of a share of Common Stock on the date such compensation would have otherwise been paid. Each Director participating in the Directors Deferred Plan elects, on an annual basis, the date or dates of distribution (i.e., a Director can elect a lump-sum distribution or distribution via annual installments not to exceed 15) of any amounts he or she has deferred. In addition, each independent Director is eligible to receive awards of stock options to purchase Common Stock, restricted stock or Common Stock grants, or any combination thereof, under the 2007 Equity Plan in such amounts as the Board may authorize.

In May 2010, each independent Director serving on the Board as of May 11, 2010, was granted 1,661 shares of Common Stock under the 2007 Equity Plan. This grant represented one-half the value of the annual retainer, which, at the time of grant, was $100,000. In November 2010, each independent Director serving on the Board as of November 12, 2010, was granted 501 shares of Common Stock under the 2007 Equity Plan. This grant represented one-half of the increased value of the annual retainer, which was $12,500. The Corporation does not have a non-equity incentive plan for independent Directors. All shares of Common Stock issued in lieu of cash retainer amounts, except amounts deferred to the Corporation's notional stock account under the Directors Deferred Plan, have heretofore been issued under the 1997 Equity Plan for Non-Employee Directors of HNI Corporation (the "1997 Equity Plan") or the 2007 Equity Plan. The 1997 Equity Plan terminated upon shareholder approval of the 2007 Equity Plan at the 2007 Annual Meeting. As of the Record Date, the Corporation has never issued stock options to purchase Common Stock or shares of restricted stock to the independent Directors and all shares of Common Stock issued to Directors under the 1997 Equity Plan or the 2007 Equity Plan were fully vested upon issuance.

Director Compensation for Fiscal 2010

Name	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (3)	All Other Compensation ($) (4)	Total ($)

Mary H. Bell	52,000	62,500	--	1,179	115,679
Miguel M. Calado	62,500	62,500	--	1,179	126,179
Gary M. Christensen	50,000	62,500	--	1,179	113,679
Cheryl A. Francis	50,000	62,500	--	1,179	113,679
John A. Halbrook	25,000	50,000	--	2,071	77,071
James R. Jenkins	57,000	62,500	1,503	1,179	121,182
Dennis J. Martin	52,000	62,500	--	1,179	115,679
Larry B. Porcellato	52,875	62,500	208	1,179	116,762
Abbie J. Smith	54,875	62,500	--	1,179	118,554
Brian E. Stern	57,500	62,500	--	1,179	121,179
Ronald V. Waters, III	52,000	62,500	2,281	1,179	117,960

Notes

(1) For Fiscal 2010, the independent Directors listed in the table above each earned the following fees: Ms. Bell and Mr. Waters – $50,000 annual retainer plus $2,000 retainer for service on the Audit Committee for half of Fiscal 2010; Mr. Calado – $50,000 annual retainer plus $4,000 retainer for service on the Audit Committee, $7,500 retainer for service as Chairperson of the Audit Committee and $1,000 for travel in excess of 6 hours; Ms. Francis and Mr. Christensen – $50,000 annual retainer; Mr. Halbrook – $25,000 annual retainer for

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service as a Director for the first half of Fiscal 2010; Mr. Jenkins – $50,000 annual retainer plus $4,000 retainer for service on the Audit Committee and $3,000 for travel in excess of 6 hours on three separate occasions; Mr. Martin – $50,000 annual retainer plus $2,000 retainer for service as Chairperson of the Governance Committee for the first half of Fiscal 2010; Mr. Porcellato – $50,000 annual retainer plus $2,875 retainer for service as Chairperson of the Governance Committee for the second half of Fiscal 2010; Ms. Smith – $50,000 annual retainer plus $4,875 retainer for service as Chairperson of the Compensation Committee; and Mr. Stern – $50,000 annual retainer plus $7,500 for service as Lead Director. Both Ms. Francis and Mr. Calado elected to receive 100 percent of their cash retainers in the form of shares of Common Stock under the Equity Plan, which equated to the following number of shares: Ms. Francis – 1,897; and Mr. Calado – 2,332. Messrs. Christensen and Jenkins elected to receive 100 percent and 50 percent, respectively, of their cash retainers in the form of nonvoting share units under the Directors Deferred Plan, which equated to the following number of nonvoting share units: Mr. Christensen – 1,899; and Mr. Jenkins – 1,025.

(2) Represents the portion of the annual retainer paid in the form of shares – a $50,000 Common Stock grant authorized by the Board on May 11, 2010 under the 2007 Equity Plan and a $12,500 Common Stock grant authorized by the Board on November 12, 2010 under the 2007 Equity Plan. Each independent Director serving on the Board as of May 11, 2010, was issued 1,661 shares of Common Stock at a price of $30.09 (the closing price of a share of Common Stock on the date of grant, May 11, 2010) for a total grant value of approximately $49,979. Each independent Director serving on the Board as of November 12, 2010, was issued 501 shares of Common Stock at a price of $24.92 (the closing price of a share of Common Stock on the date of grant, November 12, 2010) for a total grant value of approximately $12,485. The difference between the $50,000 Common Stock grant authorized by the Board and the actual value of Common Stock issued ($49,979) was approximately $21. The difference between the $12,500 Common Stock grant authorized by the Board and the actual value of Common Stock issued ($12,485) was approximately $15. As the Corporation only issues fractional shares under the Directors Deferred Plan and not under the 2007 Equity Plan, the Corporation paid each independent Director serving on the Board as of May 11, 2010, $21, and November 12, 2010, $15, either in the form of cash in lieu of a fractional share for those Directors that did not elect to defer their Common Stock grant under the Directors Deferred Plan or in the form of a fractional share for those Directors that did elect to defer their Common Stock grant under the Directors Deferred Plan. Ms. Smith and Messrs. Christensen and Jenkins each deferred 100 percent of their Common Stock grants under the Directors Deferred Plan. There are no unexercised option awards or unvested stock awards outstanding as of the end of Fiscal 2010 for any of the Directors.

(3) Includes above-market interest earned on cash compensation deferred under the Directors Deferred Plan. Interest on deferred cash compensation is earned at one percent over the prime rate. Mr. Jenkins deferred 50 percent of his cash compensation. Above-market interest earned by Mr. Porcellato is for cash compensation deferred prior to January 1, 2007 and interest earned by Mr. Waters is for cash compensation deferred prior to January 1, 2010.

(4) Includes dividends earned on Common Stock grants during Fiscal 2010. Mr. Halbrook's total also includes a one-time $1,000 charitable contribution made by the Corporation on behalf of Mr. Halbrook for his service as a Director.

SECURITY OWNERSHIP

Security Ownership of Certain Beneficial Owners

On the Record Date, there were 44,876,272 Outstanding Shares. On that date, to the Corporation's knowledge, there were four shareholders who owned beneficially more than five percent of all Outstanding Shares. The table below contains information, as of that date (except as noted below), regarding the beneficial ownership of these entities. Unless otherwise indicated, the Corporation believes each of the entities listed below has sole voting and investing power with respect to all the shares of Common Stock indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
State Farm Insurance Companies (1) One State Farm Plaza Bloomington, Illinois 61710	7,386,987 (2)	16.5 %
Fidelity Management & Research Company 82 Devonshire Street Boston, Massachusetts 02109	3,464,159 (3)	7.7 %
BlackRock, Inc. (4) 40 East 52nd Street New York, New York 10022	3,022,876 (5)	6.7 %
Wellington Management Company, LLP 280 Congress Street Boston, Massachusetts 02210	2,507,960 (6)	5.6 %

Notes

(1) State Farm Insurance Companies consists of the following entities: State Farm Mutual Automobile Insurance Company; State Farm Fire and Casualty Company; State Farm Investment Management Corp.; State Farm Associates Funds Trust – State Farm Growth Fund; State

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Farm Associates Funds Trust – State Farm Balanced Fund; State Farm Insurance Companies Employee Retirement Trust; State Farm Insurance Companies Savings and Thrift Plan for U.S. Employees; and State Farm Mutual Fund Trust.

(2) Information is based on a Schedule 13G/A filed February 8, 2011 with the SEC by State Farm Insurance Companies for the period ended December 31, 2010. Of the 7,386,987 shares beneficially owned, State Farm Insurance Companies has sole voting and investment power with respect to 7,366,400 shares and shared voting and investment power with respect to 20,587 shares.

(3) Information is based on a Schedule 13G/A filed February 14, 2011 with the SEC by FMR LLC, parent company of Fidelity Management & Research Company, for the period ended December 31, 2010. Of the 3,464,159 shares beneficially owned, Fidelity Management & Research Company has sole investment power, but no voting power, with respect to all such shares.

(4) The following subsidiaries of BlackRock, Inc., hold the shares of Common Stock noted: BlackRock Japan Co. Ltd.; BlackRock Institutional Trust Company, N.A.; BlackRock Fund Advisors; BlackRock Asset Management Australia Limited; BlackRock Advisors, LLC; BlackRock Investment Management, LLC; and BlackRock International Limited.

(5) Information is based on a Schedule 13G/A filed February 4, 2011 with the SEC by BlackRock, Inc., for the period ended December 31, 2010. Of the 3,022,876 shares beneficially owned, BlackRock Inc., has sole voting and investment power with respect to all such shares.

(6) Information is based on a Schedule 13G filed February 14, 2011 with the SEC by Wellington Management Company, LLP, for the period ended December 31, 2010. Of the 2,507,960 shares beneficially owned, Wellington Management Company, LLP has shared voting power with respect to 2,040,437 shares and shared investment power with respect to 2,507,960 shares.

Security Ownership of Directors and Executive Officers

The following table sets forth the beneficial ownership of Common Stock as of the Record Date for each Director and nominee for Director, each Named Executive Officer and for all Directors (including nominees) and executive officers of the Corporation as a group. The address of the persons listed below is 408 East Second Street, Muscatine, Iowa 52761.

Name of Beneficial Owner	Common Stock (1)	Common Stock Units (2)	Stock Options Exercisable as of the Record Date or Within 60 Days Thereof	Total Stock and Stock-Based Holdings
Stan A. Askren	62,163	33,493	267,488	363,144
Mary H. Bell	2,162	13,717	0	15,879
Miguel M. Calado	27,708	0	0	27,708
Gary M. Christensen	0	34,165	0	34,165
Cheryl A. Francis	31,227	0	0	31,227

James R. Jenkins	0	15,776	0	15,776
Dennis J. Martin	0	16,382	0	16,382
Larry B. Porcellato	4,162	15,792	0	19,954
Abbie J. Smith	4,132	25,223	0	29,355
Brian E. Stern	26,521	0	0	26,521
Ronald V. Waters, III	5,048	15,489	0	20,537
Bradley D. Determan	10,861	0	45,396	56,257
Jerald K. Dittmer	22,503	0	62,788	85,291
Marco V. Molinari	13,740	0	61,268	75,008
Kurt A. Tjaden	574	0	0	574
All Director and Executive Officers as a Group – (22 persons)	241,262	170,037	478,657	889,956

Notes

(1) Includes restricted shares held by executive officers over which they have voting power but not investment power, shares held directly or in joint tenancy, shares held in trust, by broker, bank or nominee or other indirect means and over which the individual or member of the group has sole voting or shared voting and/or investment power. Each individual or member of the group has sole voting and/or investment power with respect to the shares shown in the table above, except Mr. Askren's spouse shares voting and investment power with respect to 7,588 of the 62,163 shares listed above for Mr. Askren. No Director or Named Executive Officer owns more than one percent of the Outstanding Shares. All Directors and executive officers as a group own approximately 2.0 percent of the Outstanding Shares.

(2) Indicates the nonvoting share units credited to the account of the named individual or members of the group, as applicable, under either the Deferred Plan or the Directors Deferred Plan. For additional information on the Deferred Plan, see "Other Compensation Elements – Deferred Compensation Plan" on page 31 and the Nonqualified Deferred Compensation for Fiscal 2010 Table on page 40 of this Proxy Statement. For additional information on the Directors Deferred Plan, see "Director Compensation" on page 45 of this Proxy Statement.

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EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of January 1, 2011, about Common Stock which may be issued under the Corporation's equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)		Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b) (3)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)	
Equity compensation plans approved by security holders	3,728,389	(1)	$ 27.59	3,375,926	(4)
Equity compensation plans not approved by security holders	169,186	(2)	—	669,015	(5)
Total	3,897,575		$ 27.59	4,044,941	

Notes

(1) Includes: (i) shares to be issued upon the exercise of outstanding stock options granted under the 2007 Compensation Plan – 1,724,308 and the Compensation Plan – 833,025 prior to termination of such plan in May 2007; (ii) shares to be issued upon the vesting of outstanding RSUs under the 2007 Compensation Plan – 802,795; (iii) the target value of the stock portion of the 2008-2010 Performance Plan awards for all award recipients divided by $31.20, the closing price of a share of Common Stock on December 31, 2010, the last trading day of Fiscal 2010 – 84,243 shares; and (iv) the target value of the 2010 Incentive Plan awards for all award recipients divided by $31.20, the closing price of a share of Common Stock on December 31, 2010, the last trading day of Fiscal 2010 – 284,018. The termination of the Compensation Plan does not impact the validity of any outstanding stock options granted under such plan prior to termination. As of the last day of Fiscal 2010, there were no outstanding warrants or rights under the 2007 Compensation Plan or the Compensation Plan and options, warrants, rights or RSUs under the 2007 Equity Plan or the 1997 Equity Plan. The number of shares attributable to Performance Plan awards overstates expected Common Stock dilution as the Corporation made no payouts for the 2008-2010 performance period. The number of shares attributable to Incentive Plan awards also overstates expected Common Stock dilution as the Corporation did not pay out any portion of the 2010 Incentive Plan awards for any recipient in the form of Common Stock.

(2) Includes the nonvoting share units credited to the account of individual executive officers or Directors under either the Deferred Plan – 33,359 or the Directors Deferred Plan – 135,827. For additional information on the Deferred Plan, see "Other Compensation Elements – Deferred Compensation Plan" on page 31 and the Nonqualified Deferred Compensation for Fiscal 2010 Table on page 40 of this Proxy Statement. For additional information on the Directors Deferred Plan, see "Director Compensation" on page 45 of this Proxy Statement.

(3)

This column does not take into account any of the RSUs, Performance Plan awards, Incentive Plan awards or nonvoting share units discussed in Notes 1 and 2 above.

(4) Includes shares available for issuance under the 2007 Compensation Plan – 2,343,145, the 2007 Equity Plan – 184,361 and the HNI Corporation 2002 Members' Stock Purchase Plan (the "MSPP") – 848,420. Of the 5,000,000 shares originally available for issuance under the 2007 Compensation Plan, no more than 2,000,000 of such shares can be issued as full-value awards. At the end of Fiscal 2010, 1,085,172 of the 2,000,000 shares reserved for full-value awards were available for issuance. Of the remaining shares available for issuance under the 2007 Equity Plan, all can be issued as full-value awards. Of the remaining shares available for issuance under the MSPP, 19,993 shares are subject to purchase during the purchase period ended January 1, 2011. The MSPP allows members to purchase Common Stock at 85 percent of the closing share price on each quarterly exercise date up to an annual aggregate amount of $25,000 per year and is available generally to all members.

(5) Includes nonvoting share units available for issuance under the Deferred Plan – 244,308 and the Directors Deferred Plan – 424,707.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under the federal securities laws, the Directors and executive officers of the Corporation, and certain persons who own more than ten percent of the Outstanding Shares, are required to report their ownership of Common Stock and changes in ownership to the SEC and the NYSE. Specific due dates for these reports have been established by the SEC, and the Corporation is required to report in this Proxy Statement any known failure to file by these dates during Fiscal 2010.

Based solely on a review of copies of the reports the Corporation has received, or written representations from certain reporting persons, the Corporation believes during Fiscal 2010 all reporting persons made all filings required by Section 16(a) of the Exchange Act on a timely basis.

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DEADLINE FOR SHAREHOLDER PROPOSALS FOR THE 2012 ANNUAL MEETING

Proposals by shareholders intended to be presented at the 2012 Annual Meeting must be received at the Corporation's executive offices no later than November 27, 2011 to be included in the proxy statement and form of proxy. All shareholder notice of proposals submitted outside the processes of Exchange Act Rule 14a-8 must be received between February 11, 2012 and March 12, 2012 to be considered for presentation at the 2012 Annual Meeting. In addition, any shareholder proposals must comply with the informational requirements contained in Section 2.16(a)(2) of the By-laws in order to be presented at the 2012 Annual Meeting. On written request to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761, the Corporation will provide, without charge to any shareholder, a copy of the By-laws.

OTHER MATTERS

The Board knows of no other matters that will be brought before the Meeting, but, if other matters properly come before the Meeting, it is intended the persons named in the proxy will vote the proxy according to their best judgment.

On written request to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761, the Corporation will provide, without charge to any shareholder, a copy of its Annual Report on Form 10-K for the year ended January 1, 2011, including financial statements and schedules, filed with the SEC. The report is also available on the Corporation's website at www.hnicorp.com, under "Investor Information–Annual & Quarterly Reports."

Information set forth in this Proxy Statement is as of March 31, 2011, unless otherwise noted.

Steven M. Bradford
Vice President, General Counsel and Secretary
March 31, 2011

Notwithstanding anything to the contrary set forth in any of the Corporation's previous filings under the Securities Act of 1933 or the Exchange Act that might incorporate future filings, including this Proxy Statement, in whole or in part, the Audit Committee Report included on page 16 of this Proxy Statement and the Compensation Committee Report included on page 35 of this Proxy Statement shall not be incorporated by reference into any such filings.

A summary Annual Report and an Annual Report to Security Holders, including financial statements and schedules, of the Corporation for Fiscal 2010 are being mailed to shareholders of the Corporation together with this Proxy Statement. Neither the summary Annual Report nor the Annual Report to Security Holders forms any part of the material for the solicitation of proxies.

To Our Shareholders:

IMPORTANT NOTICE REGARDING DELIVERY OF DOCUMENTS

We provide our annual reports, notices to shareholders of annual meetings and proxy statements over the internet for shareholders who consent. To consent to access these documents over the internet, please check the CONSENT box on the reverse side of this proxy card. Documents will be available on or about March 31, 2011 on our website at www.hnicorp.com, under "Investor Information – Annual & Quarterly Reports" and "Investor Information – Proxy Report." Once you give your consent, it will remain in effect until you notify the Corporation's transfer agent, Wells Fargo Bank, N.A., Attention: Wells Fargo Shareowner Services, 161 N. Concord Exchange, South St. Paul, Minnesota 55075-1139, you wish to resume mail delivery. Even though you give your consent, you still have the right at any time to request copies of these documents by writing to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761 or calling the Corporation's Assistant Corporate Secretary at 563-272-7590.

WE ENCOURAGE YOU TO CONSENT TO RECEIVE DOCMENTS ELECTRONICALLY. THIS WILL HELP HNI CORPORATION REDUCE PRINTING AND POSTAGE COSTS.

Thank you.

HNI Corporation
408 East Second Street
Muscatine, IA 52761

Notice of 2011 Annual Meeting of Shareholders

Common Stock Proxy Solicited by Board of Directors for Annual Meeting of Shareholders on May 10, 2011.

The undersigned acknowledges receipt of a Notice of Annual Meeting and Proxy Statement dated March 31, 2011 and appoints Steven M. Bradford and Kurt A. Tjaden, or either of them, with full power of substitution, as the proxies and attorneys of the undersigned, to vote all shares of common stock, par value $1.00 per share, of HNI Corporation, at the annual meeting of shareholders of HNI Corporation to be held at the Clarion Hotel, 2915 N. Highway 61, Muscatine, Iowa on May 10, 2011 at 10:30 a.m. and any adjournment thereof. The proxies are directed to vote as checked on the reverse side on the proposed matters or in the absence of an instruction to the contrary, this proxy will be voted "FOR" Proposals 1, 2 and 3 and for "1 Year" for Proposal 4.

This proxy card also provides for shares of common stock, if any, held for the account of the undersigned by Fidelity Management Trust Company as Trustee of the HNI Corporation Profit-Sharing Retirement Plan. You may instruct the Trustee how to vote your shares as indicated on this proxy card. If you fail to give voting instructions to the Trustee, your shares will be voted by the Trustee in the same proportion as the shares for which valid instructions have been received.

The Board of Directors knows of no other matters that may properly be, or that are likely to be, brought before the meeting. However, if any other matters are properly brought before the meeting or any adjournment thereof, the proxies will vote on such matter in their discretion.

You are encouraged to specify your choices by marking the appropriate boxes, SEE REVERSE SIDE. The proxies cannot vote your shares unless you sign and return this proxy card.

(Items to be voted appear on reverse side.)

HNI Corporation

TO VOTE BY MAIL AS THE BOARD OF DIRECTORS RECOMMENDS ON ALL ITEMS BELOW, SIMPLY SIGN, DATE AND RETURN THIS PROXY CARD.

Ä Please detach here Ä

The Board of Directors Recommends a Vote FOR Proposals 1, 2 and 3 and for "1 Year" for Proposal 4.

1. Election of Directors:

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
1a. Miguel M. Calado	o	o	o	1c. Larry B. Porcellato	o	o	o
1b. Cheryl A. Francis	o	o	o	1d. Brian E. Stern	o	o	o

2. Ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as the Corporation's independent registered public accountant for Fiscal 2011.	o For	o Against	o Abstain	
3. Advisory Vote on Named Executive Officer Compensation.	o For	o Against	o Abstain	
4. Advisory Vote on Frequency of Future Advisory Votes on Named Executive Officer Compensation.	o 1 Year	o 2 Years	o 3 Years	o Abstain

I consent to access all future annual reports, notices of annual meetings and proxy statements issued by the Corporation over the internet, unless contrary notice is given to the Corporation's transfer agent. o CONSENT

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR PROPOSALS 1, 2 AND
3 AND FOR "1 YEAR" FOR PROPOSAL 4.

Address Change? Mark Box o Indicate changes below:

Date___________________________________

Signature(s) in Box

Please sign exactly as your name(s) appears on the proxy card. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy card.

ANNUAL REPORT AND PROXY STATEMENT
FOR THE
HNI CORPORATION
2011 ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

Previously, on your HNI Corporation proxy card, you consented to access all future notices of annual meetings, proxy statements and annual reports issued by the Corporation over the internet. The proxy statement and annual report are now available, and you can vote your shares for the 2011 Annual Meeting of Shareholders by marking your enclosed proxy card and mailing it in the enclosed, postage-paid envelope.

To view the proxy statement and annual report, please visit: www.hnicorp.com. Please click on "Investor Information." You can view the 2010 Annual Report under the heading "Annual & Quarterly Reports." To view the 2011 Proxy Statement, please click on "Proxy Report."

If you want a copy of the proxy statement and annual report, write to the Corporate Secretary at HNI Corporation, 408 East Second Street, Muscatine, Iowa 52761 or call the Corporation's Assistant Corporate Secretary at 563-272-7590.

You can resume mail delivery of these documents by contacting HNI Corporation's transfer agent, Wells Fargo Bank, N.A., Attention: Wells Fargo Shareowner Services, 161 N. Concord Exchange, South St. Paul, Minnesota 55075-1139.