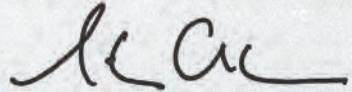


WE BELIEVE.

Who we are and how we create value.

"I HAVE NEVER SEEN AN
ORGANIZATION WITH A
MORE DISTINCTIVE SET OF
BELIEFS AND VALUES
THAN HNI CORPORATION."



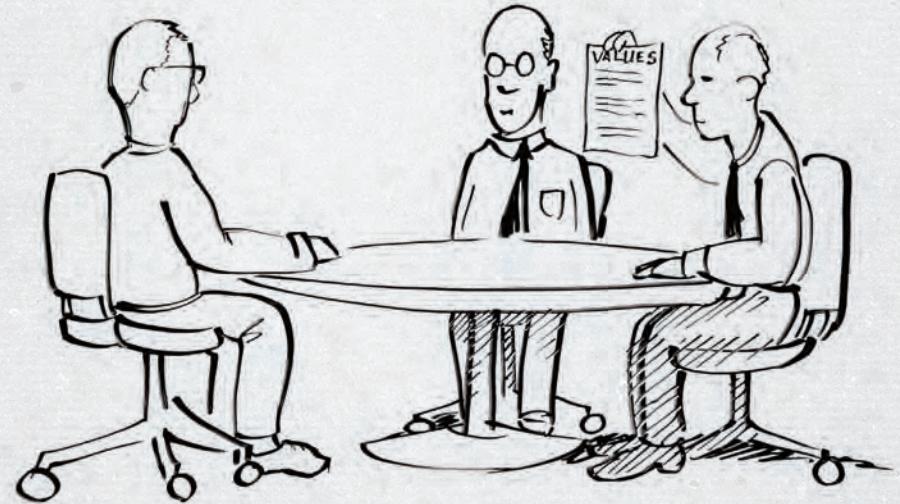
CHAIRMAN, CEO, PRESIDENT
HNI CORPORATION

■ We're different.

Driving our success is a unique culture of ownership, defined by flexible processes and core beliefs, enthusiastically shared by HNI members. It's solid and sustainable, differentiating and difficult for competitors to duplicate.

It reflects our unique personality. It's the heart and soul of how we do business. It's the way we create value for our customers, our shareholders and our members.

It's the HNI way.



**We're different in the way we look at things
and the way we work.**

■ Our Culture.

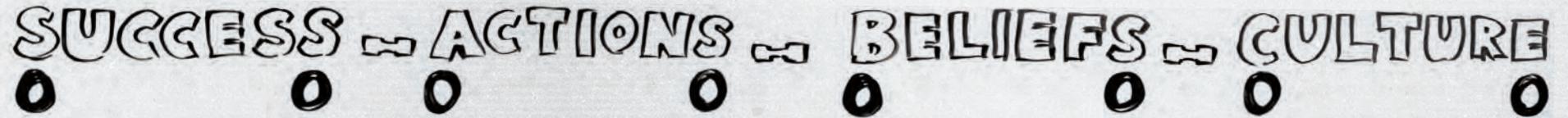
Culture is like the wind. You can't see it. You can't hold it in your hands. But you can feel it. You can hear it. And you can see its effects. Like the wind, **the HNI culture has great power.**

There is one important distinction between the wind and our culture: The wind changes, but our culture and values don't.

Our distinct culture is vital to who we are and everything we do.

Our culture is defined by **what we believe**. We have a distinct set of core values that form the personality, the soul, of the company.

Why is culture so important? It's because our beliefs drive our actions. And our actions drive our outcomes. **Whether we succeed or fail depends on what we believe and how we act on those beliefs.**



To succeed in a competitive environment characterized by continuous transformation, we must never forget who we are.

We must always keep in mind what makes us unique, what makes us strong and what enabled us to become the successful company we are today, because those are the attributes that will keep us on the right course.

**Our BELIEFS drive our ACTIONS.
And our ACTIONS drive our OUTCOMES.**

**Whether we succeed or fail depends on
what we BELIEVE and how we
ACT on those beliefs.**

CORE BELIEFS

We exist as a company to do one thing: create value.
This value is created through our unique member/owner culture rooted in our core beliefs.



MEMBER



CUSTOMER



SHAREHOLDER

■ We believe in **collective gain**.

Our members create value for shareholders by creating value for our customers. When we do that, everybody—customers, investors, members, suppliers, communities—wins. That's **collective gain**. It starts with taking care of our customers better than their alternatives, and doing it efficiently. That drives purchases and economic profit, and in turn, financial returns for our investors. This encourages them to continue to invest, giving us the means to reinvest in our business, continuously build a safe, stable, rewarding workplace, and serve more customers even better. Collective gain expresses the kind of value we seek to create at HNI—long-term value for all our stakeholders.

Members share responsibility in a reward structure that engages everyone in business improvement. We call it **empowered accountability**, and it's driven to a great extent by a simple but powerful fact: most everyone with at least a year's service owns stock in HNI. That creates an ownership culture, a place where members think about what they can do to help the company, rather than the other way around.

For members, the better the enterprise performs, the greater the individual rewards. It's a formidable driver, motivating our people to engage fully in the unique processes we use to serve customers and grow our business.



MORE
BETTER
FASTER
FOR LESS

■ **We believe customers want the same thing we want.**

What do customers want? The same thing you want when you're a customer. **More, better, faster, for less.** You want to be treated well, and you want it to be easy. Our success and survival depend on providing more than great products at a fair price. We must be **responsive and responsible.** We must add value and offer the best business fit. And we have to **provide a great experience.** If we don't do these things for our customers, someone else will. It's a simple but brutal reality: continuously improve or you're gone. Everything starts and ends with providing what customers want, better than they expected, better than we did yesterday, better than their alternatives.

■ **We believe in constructive discontent.**

We believe in spending less time talking about what we do well and more examining what we can do better. We're always looking for a better way, which means we are in a constant state of transformation. We are never satisfied with the status quo because no matter how well we do, **we can always improve.** Ours is a culture built around Rapid Continuous Improvement (RCI) and the notion that **every member has something unique and valuable to contribute.** Everyone participates in RCI processes, which creates an attitude among all of us—an attitude we call constructive discontent—characterized by an intense evaluation of anything that doesn't add value.

RAPID
CONTINUOUS
IMPROVEMENT
PROCESS



■ We believe in **pride without pretense.**

Members here are humbly confident. Real, down to earth. Not arrogant. We are proud of our accomplishments, but we hate pretense. Members are confident enough to lead the way forward, but humble enough to stop, listen, adapt and improve. We demand excellence of ourselves and others, but we are open, honest and straightforward. That's what builds confidence and trust. When all things are equal, when the quality of products and price are similar, **people will work with those whom they trust, respect and like.**



■ We believe **integrity is everything.**

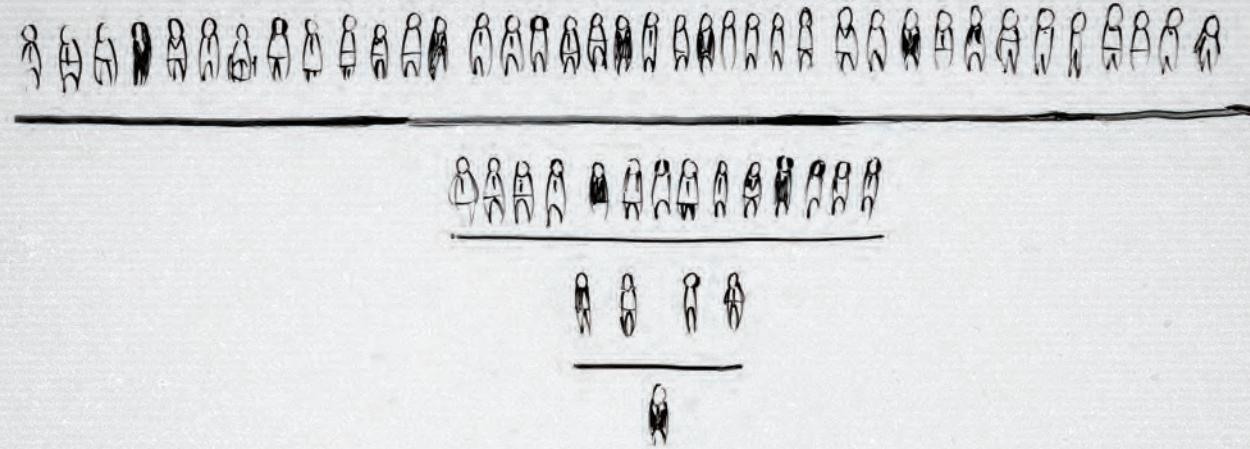
We believe integrity is everything. We believe intensely in treating members, customers, shareholders and suppliers with integrity and respect, because doing so will ultimately create differentiation and greater return for our company. **Integrity is being honest and upfront with people and doing what we say we will do.** We believe how we achieve our performance is every bit as important as the performance itself. Put another way, at HNI we believe in more than just doing things the right way; **we believe in always doing the right thing.**

At HNI we believe in more than just doing things the right way; we believe in always doing the right thing.

■ We believe in making a difference in our community and the environment.

We strongly believe in the importance of working to **better our communities**. We contribute financially to worthy causes, but we make a greater difference through our members volunteering their capabilities and

time to support our communities. Commitment to the preservation of our environment is another big part of our commitment to our community, and it's deeply ingrained in our culture.



■ We believe leaders serve every member and every customer.

We believe the company's leadership exists for its members and customers, not vice-versa. It's been that way since the early days when our founders referred to everyone working at HNI as members. The way we see it, our leaders are responsible for making sure each member has the opportunity to contribute to a

maximum degree to the success of our business. Our leaders' job is to **engage our members and customers to share their ideas**, and, more important, leaders must **act on those ideas**. When those two things happen, we achieve something truly powerful: thousands of individuals actively working to make HNI and its customer relationships stronger.

■ We believe in **living our beliefs.**

Our beliefs are not empty statements. **We must be true believers— every member has a personal responsibility to live and act on our beliefs every day.** That's the only way we will reinforce and sustain our culture, and it's the only way we will continue to thrive in today's challenging marketplace.

**We must be true believers—
every member has a personal responsibility to
live and act on our beliefs every day.**



■ Our Vision.

We, the members of HNI Corporation, are dedicated to creating long-term value for all stakeholders, exceeding our customers' expectations and making our company a great place to work. We will treat each other, customers, suppliers, shareholders and our communities, with fairness and respect. Our success depends on rapid continuous improvement, member engagement, individual and collective integrity, and innovation in everything we do. We relentlessly pursue the following longstanding commitments:

WE WILL BE A PREFERRED PROVIDER OF PRODUCTS AND SERVICES.

We will deliver quality and performance that is constantly improving. We will exceed our customers' expectations, consistently representing their best choice among all options.

WE WILL CREATE LONG-TERM VALUE FOR SHAREHOLDERS.

We will invest for the long-term. We will grow profitably and earn financial returns greater than our cost of capital. We will safeguard our shareholders with a strong balance sheet providing the flexibility to excel in a continuously changing business environment.

WE WILL BE A GREAT PLACE TO WORK.

We will create an environment that encourages and recognizes active involvement, ongoing learning and achievement of excellence by each member. We seek and value diversity. We attract members who are highly motivated to make our company and fellow members successful.

WE WILL BE A RESPONSIBLE GLOBAL CITIZEN.

We will conduct our business to improve the wellbeing of our society, environment and community. We follow legal and ethical business practices. We will provide a safe work environment. Our company and our members will actively participate in civic, cultural and educational activities through volunteerism and financial contributions.

WE WILL GROW PROFITABLY.

We will grow by building mutually profitable relationships with our customers, distributors and suppliers. Only when we achieve a fair profit can we realize the other elements of this vision.

**When our company is favored by our CUSTOMERS,
valued by our SHAREHOLDERS, driven by our
MEMBERS, supported by our SUPPLIERS and
respected by THE PUBLIC, this vision is fulfilled.**