

Inside Information & Trading in Securities

HNI Corporation common stock is traded on the New York Stock Exchange under the symbol HNI and is registered with the Securities and Exchange Commission (SEC). The Company is required to make filings with the SEC at least once a quarter about its business and financial results. It also issues press releases and makes SEC filings about important events whenever they arise. All information contained in these releases and filings is public information about the Company. All other business information available to members is non-public or inside information.

State and federal laws prohibit trading in common stock or options for stock while in the possession of material inside information. "Material inside information" is any information relating to our Company that has *not* been disclosed to the public, and there is a substantial likelihood that a reasonable shareholder would consider it important in making an investment decision. Any member, not just officers or managers, may at times possess inside information that is material. In such a case, he or she may not buy or sell the Company's stock until the information is made public or time passes and the information is no longer relevant.

Examples of events that may be considered material include: proposed major acquisitions, sell-offs and joint ventures; significant changes in current or anticipated earnings; upcoming dividend changes; major research or regulatory developments relating to significant new products or processes; proposed major financing by the Company involving sale of stock or other securities; substantial purchases, sales, or write-offs of assets; major contractual arrangements; changes in pricing of key product lines that would have a material effect on earnings; and major developments in litigation.

The securities laws also apply to any trading by any member in the stock or options of any other company when in possession of material inside information about that company that has been provided to HNI Corporation on a confidential basis.

The U.S. Securities and Exchange Commission has given high priority to enforcement of the insider trading laws. Violators can be required to pay civil penalties of up to three times the profit gained or the loss avoided by making an unlawful purchase or sale while possessing material inside information or by unlawfully communicating such information to another, including a spouse or child and other relatives and friends, if a trade results. Violators are also subject to civil suits by parties who are damaged by the violation. In addition, criminal penalties for such violations can result in substantial fines or imprisonment.

Inside Information & Trading in Securities

To comply with all the laws protecting inside information and trading in securities, we as members will:

1. Not communicate material inside information to others, including spouses, children, and friends and will not ourselves purchase or sell Company common stock or options until such information has been publicly disclosed by the Company and the investing public has had sufficient time to learn of and digest the information.
2. Refrain from trading or advising others about trading in securities of any other company when in possession of any material inside information received by our Company on a confidential basis from that company.
3. Consult with the Vice President, General Counsel and Secretary (if you are an officer of the Company, a division, or a subsidiary) before trading in HNI Corporation common stock, except for *routine purchases* under Company "qualified" plans.

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IF I'M AN HOURLY MEMBER, MIGHT I HAVE "INSIDE INFORMATION"?

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Yes. You don't have to be a financial officer or even a manager to have information that could give you an unfair advantage in trading Company stock. Anyone in the Company might at some time have "inside information."

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DO I HAVE SPECIAL OBLIGATIONS IF I AM AN OFFICER OF HNI CORPORATION?

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Yes, the securities laws place special restrictions on "executive officers" of the Company concerning the timing of buying and selling Company stock. Our policies also require all corporate officers of HNI Corporation to alert the corporate Vice President, General Counsel and Secretary and to receive clearance before trading in the Company's common stock. The corporate Law Department has prepared a special document on "SEC Compliance." All corporate officers should be familiar with the contents of this document.

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WHY CAN'T I TRADE ON INFORMATION I'VE LEARNED ABOUT ANOTHER COMPANY?

A

Because trading while possessing any material inside information (no matter how received) about any public company is illegal.

Internal Controls

As our Company grows larger and more decentralized and diverse, an effective and consistent system of administrative and accounting controls is critically important for accurate reporting of the Company's financial results to its shareholders and is required by law. We refer to these systems as internal controls.

Internal controls include maintaining books and records, reporting business transactions promptly and accurately and ensuring that only properly authorized actions are taken. The purpose of internal controls is to provide reasonable assurance that the Company's assets are protected and properly used. They act as a system of checks and balances to help ensure that administrative and accounting policies are followed consistently throughout the entire Company. In addition to being a good business practice, the Company policy on internal controls also promotes compliance with the securities and tax laws.

Management members are responsible for internal controls in their areas of responsibility. They must assure that all assets and transactions are recorded on the Company's books and records in accordance with proper accounting practices and procedures. Management members may not allow any unrecorded or "off book" funds or accounts to be established or maintained for any purpose, nor permit records to be falsified in any manner.

In fulfilling this obligation, management members and other members with these responsibilities must:

1. Establish reasonable procedures for carrying out Company policies and preventing deviations.
2. Ensure that business transactions and access to Company assets are conducted only by members who are properly authorized.
3. Make sure that business transactions are recorded in writing promptly and accurately on the Company's books and records in order to ensure that its financial statements fairly reflect all business activities.
4. Protect Company data that is transmitted and/or stored electronically from disasters, misuse and unauthorized access through measures such as appropriate back-up systems, firewalls and effective disaster planning.

Internal Controls

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IF MEMBERS IN MY DEPARTMENT WANT TO KEEP A FUND FOR SPECIAL OCCASIONS IS THAT ALLOWED?

A

The Company does not permit any unrecorded or "off book" funds to be established or maintained with Company resources for any purpose.

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WHY IS IT SO IMPORTANT THAT ALL DESCRIPTIONS OF TRANSACTIONS BE COMPLETE AND ACCURATE?

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The Company's internal control policies are designed to avoid any misleading or erroneous assumptions or statements while preparing or verifying financial records and therefore we must take special care when describing all transactions. The Company's financial reports become an important part of the general mix of information available to the public trading in the Company's common stock.

Public Reporting

We are a public company and as a result file reports and other documents with the Securities and Exchange Commission (SEC) and the stock exchanges on which our securities trade. As well, we issue press releases and make other public statements that include financial and other information about our business, financial condition and results of operations. We endeavor to make full, fair, accurate, timely and understandable disclosure in reports and documents we file with, or submit to, the SEC and in our press releases and public communications.

We require cooperation and open communication with our internal and outside auditors. It is illegal to take any action to fraudulently influence, coerce, manipulate, or mislead any internal or external auditor engaged in the performance of an audit of our financial statements.

The laws and regulations applicable to filings made with the SEC, including those applicable to accounting matters, are complex. While the ultimate responsibility for the information included in these reports rests with senior management, numerous other employees participate in the preparation of these reports or provide information included in these reports. We maintain disclosure controls and procedures to ensure that the information included in the reports that we file or submit to the SEC is collected and communicated to senior management in order to permit timely disclosure of the required information.

If you are requested to provide, review or certify information in connection with our disclosure controls and procedures, you must provide the requested information or otherwise respond in a full, accurate and timely manner. Moreover, even in the absence of a specific request, you should report any information that you believe should be considered for disclosure in our reports to the SEC.

If you have questions or are uncertain as to how our disclosure controls and procedures may apply in a specific circumstance, promptly contact your supervisor or a more senior manager. We want you to ask questions and seek advice.