

**HNI CORPORATION**  
**HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER**

**I. Purposes of the Committee**

The purpose of the Human Resources and Compensation Committee (the "Committee") is to assist the HNI Corporation Board of Directors (the "Board") in fulfilling its oversight responsibilities relating to: (i) compensation of the Corporation's executives; (ii) overall member relations, culture, and morale; (iii) human resource practices designed to attract and retain qualified members at all levels; (iv) human resource policy and related regulatory compliance issues; (v) compensation and benefits practices; (vi) the selection, performance, compensation, development, and succession of key executives; and (vii) the evaluation of the Chairman and Chief Executive Officer (the "Chairman/CEO") (both positions if separate).

**II. Organization**

***A. Membership; Qualifications***

The Committee shall consist of only independent, outside Directors. Each member of the Committee shall: (i) meet the independence requirements under the listing standards of the New York Stock Exchange and the Corporation's Categorical Independence Standards; and (ii) qualify as (a) an "outside director" for purposes of Section 162(m) of the Internal Revenue Code; and (b) a "non-employee director" for purposes of Rule 16b-3 under the Securities and Exchange Act of 1934 (the "Exchange Act").

The Board, on the recommendation of the Public Policy and Corporate Governance Committee, shall appoint the members and Chairperson of the Committee. The Board may replace Committee members and the Chairperson.

***B. Meetings***

The Committee shall meet in person or telephonically at least quarterly, or more frequently as necessary to comply with its responsibilities. The Committee may also take action by unanimous written consent.

***C. Agenda***

The Chairperson of the Committee is responsible for calling meetings, establishing agendas and conducting meetings. Committee members may submit items for the agenda and raise subjects not on the agenda at any meeting.

***D. Resources; Advisors; Reports from Management***

The Committee shall have the resources, including funding in amounts the Committee deems necessary, and authority appropriate to discharge its responsibilities. The Committee shall have sole authority to retain and terminate consultants used to assist in evaluation of Chairman/CEO or senior executive compensation and to approve the consultant's fees and other retention terms. Performance of any consulting services for management by a consulting firm also retained by the Committee must be approved in advance by the Chairperson of the Committee. The Committee shall obtain regular reports from management related to the Committee's areas of responsibility.

### ***E. Delegation***

Except as otherwise prohibited by law or the Corporation's Articles of Incorporation or By-laws, the Committee may delegate its responsibilities to subcommittees or individuals.

## **III. Responsibilities**

The Committee will:

### ***A. Communication***

Provide an open avenue of communications between the Chairman/CEO; Vice President, Member and Community Relations; the Committee; and the Board of Directors regarding human resources and compensation issues.

### ***B. Charter***

Review the Committee's Charter and Agenda Checklist annually, and recommend changes, if any, to the Board.

### ***C. Executive Compensation Plans***

1. Review and recommend to the Board executive compensation plans for the Chairman/CEO and senior executives.
2. Approve the outside record keepers and trustees for the administration of the Corporation's profit sharing and retirement benefit plans.

### ***D. Internal Controls***

Review and report annually to the Board, based on the system of internal control, which management and the Board have established:

1. Results of audits of human resources policies and practices;
2. Financial performance of "qualified" benefit plans;
3. Investment fund selection and performance in Corporation retirement plans;
4. Member participation levels in "qualified" plans;
5. Member safety program results;
6. Compliance with federal and state regulatory requirements; and
7. Other member-related issues.

### ***E. Executive Compensation and Benefits***

Review and recommend changes to the executive compensation philosophy and review management's recommendations and approve compensation for senior executives (other than the Chairman/CEO) consistent with the executive compensation philosophy including:

1. Total compensation for senior executives.
2. Equity grants for review and approval by the Board.
3. Annual incentive, long-term incentive, and supplemental retirement plan participants, targets and aggregate award levels.
4. Limited perquisites for key executives as deemed necessary.
5. Other executive compensation awards.

#### ***F. Chairman and CEO Compensation and Performance Evaluation***

Evaluate the performance and set compensation of the Chairman/CEO (both positions if separate) at least annually, as follows:

1. Review and recommend to the Board corporate goals and objectives relevant to Chairman/CEO compensation;
2. Evaluate the Chairman/CEO's performance in light of those goals and objectives, and, together with other independent Directors, determine and approve the Chairman/CEO's compensation level (including all elements of compensation listed in Section III.E.) based on this evaluation;
3. Review the Chairman/CEO performance evaluation form;
4. Issue the Chairman/CEO performance evaluation form to all independent Directors;
5. Compile the Chairman/CEO performance evaluation results and review with Committee;
6. Review the Chairman/CEO performance evaluation results with the Board for additional comments; and
7. Review by the Committee Chairperson with the Chairman/CEO the Board's evaluation of the Chairman/CEO's performance.

In determining the long-term incentive component of Chairman/CEO compensation, the Committee will consider the Corporation's performance and relative shareholder return, the value of similar incentive awards to the Chairman/CEOs at comparable companies and the awards given to the Corporation's Chairman/CEO in past years.

#### ***G. Succession Planning***

Review and prepare plans for development and contingency planning for key management and senior executive positions, including, without limitation:

1. Confidential reports to the Committee on status of planning.
2. Outside expertise and consultation may be utilized, as appropriate, in addition to Corporation planning.
3. Committee reports to the Board periodically on the status of the planning.

#### ***H. Review Employment Agreements and Severance Agreements***

Review and approve: (i) any proposed employment agreement and any proposed severance or retention plans or agreements applicable to; and (ii) any severance or other termination payments proposed to be made to the Chairman/CEO or any senior executive officer reporting to the Chairman/CEO.

#### ***I. Section 16 Officers***

Review and recommend to the Board persons to be designated as: (i) "officers" for purposes of reporting under Section 16 of the Exchange Act, and (ii) "executive officers" for other Exchange Act purposes.

#### ***J. Vision Statement***

Consider and review with management, on an ongoing basis, adherence to the Corporation's Vision statement.

***K. Compliance and Ethics Program Oversight***

Provide oversight of the elements of the Corporation's compliance and ethics program specifically delegated to the Committee by the Board. The Vice President, Member and Community Relations will be the Committee's main contact with management with respect to this responsibility. The Committee will also monitor compliance with human resources policies and procedures.

***L. Management***

Meet with management to discuss any matters the Committee or management believes should be discussed privately with the Committee.

***M. Board Reports***

Make regular reports of its activities and, as appropriate, recommendations to the Board not less than once per year. Reports shall review significant compliance matters relevant to the Committee's responsibilities.

***N. Committee Performance***

Evaluate the performance of the Committee annually.

***O. Compensation Discussion and Analysis; and Committee Report***

The Committee shall review and discuss with management the draft of the Compensation Discussion and Analysis and recommend to management changes to the draft it deems necessary. The Committee also shall prepare a Committee report to be included in the Corporation's proxy statement, indicating it reviewed and discussed the Compensation Discussion and Analysis with management and recommends the final draft be included with the proxy statement.

***P. Shareholder Proposals***

The Committee shall be responsible for reviewing and making recommendations to the Board regarding compensation matters contained in shareholder proposals for inclusion in the Corporation's annual proxy statement.

**IV. History**

Adopted by the Board of Directors on February 11, 2004.

Amended November 11, 2004, November 11, 2005, February 14, 2007, November 9, 2007,

November 7, 2008 and November 19, 2009.