

Integrity. It seems like a simple word with a simple meaning: to adhere to a code of values. The concept of integrity, however, is not simple.

HNI Corporation is comprised of members who have personal integrity: individual codes of values and conduct that guide our personal lives.

But we are one Company. It is essential, therefore, that we, as members of our Company, share a common code of values in order to have integrity in all our business dealings.

The purpose of this booklet is to focus our thoughts on integrity as applied to the way we conduct business. It is intended to raise our awareness and stimulate discussion about the topic among ourselves.

How does personal integrity differ from business integrity? Usually personal integrity will be consistent with business integrity. There are many common elements, such as being honest and fair.

There are other times, however, when an appropriate response in personal relations may not be the appropriate response in business. For example, in one's private life, one may freely accept or return a personal favor. When conducting business for our Company, however, it may not be appropriate and actually may be against our policy to return a *personal* favor to another by doing business with the individual or that person's company.

HNI Corporation has a long and enviable history to guide us regarding what is right as we represent our Company now and in the future.

Many resources are available to help us with our decisions. Our Vision and Company policies are a good place to start. Our own experiences should also be considered. We should never hesitate to ask for guidance from others or to share with others in the Company what we think is a correct course of action.

There is also a process that each of us should follow in order to ensure our culture of integrity:

STEP ONE

Determine what is right and wrong in a business situation. This requires knowing the rules and getting the facts straight.

STEP TWO

Act with the intention of doing what you believe to be right for the Company.

STEP THREE

Disclose what you are doing and that you are acting on your understanding of what is right for the Company. Open disclosure is the easiest way to avoid a hidden conflict of interest.

Integrity guides how we interpret our policies and how we act when faced with a situation not specifically addressed in a particular policy. No single policy can possibly cover all conceivable situations. But each of us has the ability to find the facts and apply our reasoning powers to a problem. A member who has integrity acts with the intention of doing what is right after examining the facts of a situation and reaching reasoned conclusions.

Although we are never expected to act in a way that conflicts with our sense of personal integrity, we are obligated, if such a conflict arises, to discuss the conflict with our supervisor or another manager. This communication is vital. It will enable us to resolve an issue, which in unusual circumstances may even involve making an exception to or changing our policy.

If we believe someone is acting in a way that is inconsistent with the spirit or letter of our policies, we should raise the issue with a manager and encourage the person to change the behavior. If the behavior does not change, we should contact the HNI Corporation Law Department or Member and Community Relations Department.

This is a process that each of us should follow in order to ensure our culture of integrity. It deserves and requires a commitment of time and careful consideration. Making good ethical decisions is our collective responsibility, but it begins with each individual.