

Antitrust & Trade Regulation

The intention of antitrust laws is to promote competition by prohibiting unreasonable restraints of trade and other anti-competitive behavior. Our Company's policy is to strictly comply with U.S. antitrust laws and foreign laws governing competition.

These laws prohibit conduct, such as formal or informal agreements or understandings with a competitor, to fix prices or stabilize or control prices or other conduct that cannot be justified by legitimate business purposes.

Antitrust laws also prohibit agreements with competitors or customers that unreasonably restrain trade. It is illegal to allocate production or territories with competitors, agree to boycott or refuse to deal with specific customers or suppliers, or agree with others to limit production.

The Robinson-Patman Act prohibits sales at different prices to competing customers who resell the product. It also prohibits receiving prices that violate the Act.

Whether or not an agreement or other competitively restrictive conduct violates the antitrust laws, or particular pricing terms violate the Robinson-Patman Act, often depends upon an intensive, factual analysis. The HNI Corporation Law Department should be consulted regarding proposed conduct or transactions that raise potential trade regulation issues.

In order to ensure that we comply with antitrust laws, we will:

1. Not engage in any discussion or enter into any agreement or understanding, including by telephone, correspondence, at meetings or otherwise, with a competitor with respect to prices, terms of sale, production limitations, or allocation of products, customers or territories.
2. Not agree with others to refuse to do business with certain customers or suppliers.
3. Avoid product-pricing policies that raise Robinson-Patman Act concerns.
4. Contact the corporate Law Department with any questions concerning conduct or transactions that raise potential antitrust issues.

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HOW CAN I BECOME FAMILIAR WITH ANTITRUST LAWS? HOW DO I DETERMINE IF A PRICING POLICY COMPLIES WITH THE ROBINSON-PATMAN ACT OR MAY BE DEFENDED AS MEETING COMPETITION?

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A pamphlet entitled, "The Competitive Market, A Guide for Compliance with the Antitrust and Trade Regulation Laws," is available to all members through the corporate Law Department.

Proprietary & Confidential Information

Proprietary and confidential information is knowledge developed or acquired by the Company that is not publicly available. This information often affects our competitive position and must be protected against disclosure, theft or inadvertent loss.

Proper Handling and Marking

Proprietary and confidential information, or trade secrets, includes technical, financial and other business information such as research results, manufacturing techniques, cost data, marketing strategies, financial budgets, and long-range plans. All information on our computer system, including E-mail, is also Company property and should always be treated as confidential. This information is very valuable—it may have cost the Company as much as the buildings in which we work or the machines that make our products.

We must always protect our proprietary rights by marking important materials as "Confidential." Members asking for legal advice from the corporate Law Department should label their letters as "Attorney—Client Privileged and Confidential" to ensure full protection for legal advice being given.

Information is difficult to protect. We must rely upon members' loyalty, integrity and vigilance to keep our proprietary information secure. Don't provide business information to outsiders unless specifically authorized to do so. Be alert to informal telephone surveys or benchmarking efforts that request the Company's proprietary and confidential business information, such as sales figures, labor rates, and material costs. Some people make a living by obtaining and selling confidential information through these informal and seemingly harmless methods.

Unsolicited Ideas

We should be especially careful when we receive an unrequested idea from an individual outside of the Company. Sometimes a novel suggestion or unsolicited invention is submitted to us that is very similar to a new process or product the Company has already developed or is developing. Unless handled with care, this could result in an unfair allegation that the Company used the unsolicited idea and owes that individual money.

We have a formal procedure for handling unsolicited ideas in order to protect us from possible legal claims. If you have questions, consult the HNI Corporation Law Department immediately to assist you with the right way to handle unsolicited ideas.

Proprietary & Confidential Information

Benchmarking

We are not prohibited from asking for or receiving "benchmarking" ideas from other companies about ways to reduce costs, improve efficiency, and similar topics. However, we should ask only for the kind of information that we are willing to share with our benchmarking partner. In other words, if we are uncomfortable sharing certain of our information, we should not ask our partner for it.

Benchmarking presents a unique set of legal and ethical challenges. During benchmarking, we should avoid discussions that could be viewed as an allocation of markets or customers, price fixing, or other restraints of trade. We should use what we learn only to improve our operations, increase efficiency, and reduce costs. We should treat the information we receive in confidence and should never disclose the name of our partner without permission.

Gathering Information About Competitors

General business information about competitors, customers and vendors is also important in our efforts to improve productivity and ensure product quality. We must, however, use proper methods to obtain information about competitors.

It is acceptable to make full use of competitive, technical and market information about other companies only if it is disclosed in formal presentations at public meetings, in filings with governmental agencies, or in publicly available sources. We must be sure that there is no notification either that the information is proprietary, or that a confidential relationship is being breached. If there is such a notice, leave any meeting you are in or otherwise refuse the information.

For similar reasons, it is unacceptable to interview or hire employees of competitors, customers, or vendors for their knowledge of proprietary information of present or former employers.

In order to protect our Company's proprietary information, each member will:

1. Sign and honor the Member Patents and Confidential Information Agreement.
2. Follow the Company's policies on protecting confidential documents and disclosing proprietary information.
3. Upon receiving an unsolicited design, other invention or novel idea from individuals outside the Company, make no evaluation, return it unopened (if possible) to the sender until—if desirable—an appropriate legal agreement has been executed.

Proprietary & Confidential Information

4. Disclose proprietary information only to those outside parties who have been approved by management and then only after they agree in writing not to disclose to third parties and not to use the information in an unauthorized or unethical manner.

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WHAT IS CONFIDENTIAL INFORMATION?

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Any information about us or our customers not known publicly, that could help a competitor compete with us or be harmful to us or our customers, if disclosed. Examples include how we make our products, what our products cost, our business relations with vendors and suppliers, and our strategic business plans and financial projections. If you are not sure in a given situation, be cautious, and do not disclose the information until you have sought management guidance.

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WHAT SHOULD I DO IF I AM ASKED TO DISCUSS CONFIDENTIAL INFORMATION CONCERNING MY FORMER EMPLOYER'S BUSINESS?

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Honor your obligation with your former employer to protect its confidential information.

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IF I LEAVE THE COMPANY, WILL OTHER EMPLOYERS BE AS CONCERNED ABOUT CONFIDENTIALITY AGREEMENTS?

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You have given your word to this Company to keep a most important confidence even after you have left, and the Company trusts you to do that.