

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended September 1, 2018

Commission File No. 001-15141

HERMAN MILLER, INC.

A Michigan Corporation

ID No. 38-0837640

855 East Main Avenue, Zeeland, MI 49464-0302

Phone (616) 654 3000

Indicate by check mark whether the registrant:

(1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Common Stock Outstanding at October 8, 2018 - 59,336,291 shares

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Herman Miller, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Dollars in millions, except per share data)
(Unaudited)

	Three Months Ended	
	September 1, 2018	September 2, 2017
Net sales	\$ 624.6	\$ 580.3
Cost of sales	399.5	363.4
Gross margin	225.1	216.9
Operating expenses:		
Selling, general and administrative	159.5	146.8
Restructuring and impairment expenses	1.1	1.4
Design and research	18.5	19.2
Total operating expenses	179.1	167.4
Operating earnings	46.0	49.5
Other expenses:		
Interest expense	2.9	3.7
Other, net	(1.0)	(0.7)
Earnings before income taxes and equity income	44.1	46.5
Income tax expense	8.9	14.2
Equity income from nonconsolidated affiliates, net of tax	0.7	0.8
Net earnings	35.9	33.1
Net earnings attributable to noncontrolling interests	0.1	—
Net earnings attributable to Herman Miller, Inc.	\$ 35.8	\$ 33.1
Earnings per share — basic	\$ 0.60	\$ 0.55
Earnings per share — diluted	\$ 0.60	\$ 0.55
Dividends declared, per share	\$ 0.1975	\$ 0.1800
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	\$ (7.9)	\$ 4.4
Pension and other post-retirement plans	0.7	0.8
Interest rate swaps	(0.5)	(1.6)
Unrealized holding loss	(0.1)	—
Other comprehensive (loss) income	(7.8)	3.6
Comprehensive income	28.1	36.7
Comprehensive income attributable to noncontrolling interests	0.1	—
Comprehensive income attributable to Herman Miller, Inc.	\$ 28.0	\$ 36.7

See accompanying notes to condensed consolidated financial statements.

Herman Miller, Inc.
Condensed Consolidated Balance Sheets
(Dollars in millions, except per share data)
(Unaudited)

	September 1, 2018	June 2, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 101.7	\$ 203.9
Short-term investments	8.5	8.6
Accounts and notes receivable, net	205.4	217.4
Unbilled accounts receivable	25.4	1.9
Inventories, net	163.8	162.4
Prepaid expenses and other	51.2	51.2
Total current assets	556.0	645.4
Property and equipment, at cost	1,031.0	1,020.8
Less — accumulated depreciation	(701.2)	(689.4)
Net property and equipment	329.8	331.4
Goodwill	303.9	304.1
Indefinite-lived intangibles	78.1	78.1
Other amortizable intangibles, net	45.1	41.3
Other noncurrent assets	150.8	79.2
Total Assets	\$ 1,463.7	\$ 1,479.5
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 170.2	\$ 171.4
Accrued compensation and benefits	68.8	86.3
Accrued warranty	52.1	51.5
Customer deposits	27.3	27.6
Other accrued liabilities	73.0	77.0
Total current liabilities	391.4	413.8
Long-term debt	281.9	275.0
Pension and post-retirement benefits	14.6	15.6
Other liabilities	81.9	79.8
Total Liabilities	769.8	784.2
Redeemable noncontrolling interests	20.7	30.5
Stockholders' Equity:		
Preferred stock, no par value (10,000,000 shares authorized, none issued)	—	—
Common stock, \$0.20 par value (240,000,000 shares authorized, 59,302,918 and 59,774,490 shares issued and outstanding in 2019 and 2018, respectively)	11.9	11.7
Additional paid-in capital	106.5	116.6
Retained earnings	624.5	598.3
Accumulated other comprehensive loss	(69.2)	(61.3)
Key executive deferred compensation plans	(0.7)	(0.7)
Herman Miller, Inc. Stockholders' Equity	673.0	664.6
Noncontrolling Interests	0.2	0.2
Total Stockholders' Equity	673.2	664.8
Total Liabilities, Redeemable Noncontrolling Interests, and Stockholders' Equity	\$ 1,463.7	\$ 1,479.5

See accompanying notes to condensed consolidated financial statements.

Herman Miller, Inc.
Condensed Consolidated Statements of Cash Flows
(Dollars in millions)
(Unaudited)

	Three Months Ended	
	September 1, 2018	September 2, 2017
Cash Flows from Operating Activities:		
Net earnings	\$ 35.9	\$ 33.1
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	19.0	15.5
Stock-based compensation	2.5	1.3
Pension and post-retirement expenses	0.3	0.4
Pension contributions	—	(12.0)
Earnings from nonconsolidated affiliates net of dividends received	(0.7)	(0.1)
Deferred taxes	—	(0.2)
Gain on sales of property and dealers	—	(1.1)
Restructuring and impairment expenses	1.1	1.4
Increase in current assets	(7.6)	(13.9)
Decrease in current liabilities	(18.3)	(7.6)
Increase in non-current liabilities	0.6	1.6
Other, net	0.1	0.5
Net Cash Provided by Operating Activities	32.9	18.9
Cash Flows from Investing Activities:		
Proceeds from sale of property and dealers	—	2.0
Marketable securities sales	0.1	—
Equity investment in non-controlled entities	(71.6)	—
Capital expenditures	(22.0)	(24.9)
Purchase of HAY licensing agreement	(4.8)	—
Net advances on notes receivable	—	(1.0)
Other, net	(1.4)	(0.3)
Net Cash Used in Investing Activities	(99.7)	(24.2)
Cash Flows from Financing Activities:		
Dividends paid	(10.7)	(10.2)
Proceeds from issuance of long-term debt	—	89.4
Payments of long-term debt	—	(85.4)
Common stock issued	8.5	4.4
Common stock repurchased and retired	(20.8)	(11.1)
Purchase of redeemable noncontrolling interests	(10.0)	(1.0)
Net proceeds from supplier financing program	—	0.8
Payment of contingent consideration	(0.1)	—
Other, net	0.1	0.1
Net Cash Used in by Financing Activities	(33.0)	(13.0)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2.4)	2.1
Net Decrease in Cash and Cash Equivalents	(102.2)	(16.2)
Cash and Cash Equivalents, Beginning of Period	203.9	96.2
Cash and Cash Equivalents, End of Period	\$ 101.7	\$ 80.0

See accompanying notes to condensed consolidated financial statements.

Herman Miller, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Dollars in millions)
(Unaudited)

	Three Months Ended	
	September 1, 2018	September 2, 2017
Preferred Stock		
Balance at beginning of year and end of period	\$ —	\$ —
Common Stock		
Balance at beginning of year	\$ 11.7	\$ 11.9
Exercise of stock options	0.2	0.1
Restricted stock units released	0.1	—
Repurchase and retirement of common stock	(0.1)	—
Balance at end of period	<u>\$ 11.9</u>	<u>\$ 12.0</u>
Additional Paid-in Capital		
Balance at beginning of year	\$ 116.6	\$ 139.3
Cumulative effect of accounting change	—	(0.3)
Repurchase and retirement of common stock	(20.7)	(11.1)
Exercise of stock options	7.9	3.8
Stock-based compensation expense	2.2	1.6
Restricted stock units released	—	0.1
Employee stock purchase plan issuances	0.5	0.5
Balance at end of period	<u>\$ 106.5</u>	<u>\$ 133.9</u>
Retained Earnings		
Balance at beginning of year	\$ 598.3	\$ 519.5
Cumulative effect of accounting changes	2.0	0.2
Net income attributable to Herman Miller, Inc.	35.8	33.1
Dividends declared on common stock (per share - 2019: \$0.1975; 2018; \$0.1800)	(11.6)	(10.8)
Redeemable noncontrolling interests valuation adjustment	—	0.2
Balance at end of period	<u>\$ 624.5</u>	<u>\$ 542.2</u>
Accumulated Other Comprehensive Loss		
Balance at beginning of year	\$ (61.3)	\$ (82.2)
Cumulative effect of accounting change	(0.1)	—
Other comprehensive income (loss)	(7.8)	3.6
Balance at end of period	<u>\$ (69.2)</u>	<u>\$ (78.6)</u>
Key Executive Deferred Compensation		
Balance at beginning of year and end of period	\$ (0.7)	\$ (1.0)
Herman Miller, Inc. Stockholders' Equity	<u>\$ 673.0</u>	<u>\$ 608.5</u>
Noncontrolling Interests		
Balance at beginning of year and end of period	\$ 0.2	\$ 0.2
Total Stockholders' Equity	<u>\$ 673.2</u>	<u>\$ 608.7</u>

See accompanying notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
Three Months Ended September 1, 2018
(in millions)

1. Basis of Presentation

The condensed consolidated financial statements have been prepared by Herman Miller, Inc. (“the company”) in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Management believes the disclosures made in this document are adequate with respect to interim reporting requirements.

The accompanying unaudited condensed consolidated financial statements, taken as a whole, contain all adjustments that are of a normal recurring nature necessary to present fairly the financial position of the company as of September 1, 2018. Operating results for the three months ended months ended September 1, 2018, are not necessarily indicative of the results that may be expected for the year ending June 1, 2019. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the company’s annual report on Form 10-K for the year ended June 2, 2018.

2. Recently Issued Accounting Standards

Recently Adopted Accounting Standards

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
Revenue from Contracts with Customers	The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is designed to create greater comparability for financial statement users across industries and jurisdictions and also requires enhanced disclosures. The standard allows for two adoption methods, a full retrospective or modified retrospective approach.	June 3, 2018	The company adopted the standard effective June 3, 2018 using the modified retrospective method. Refer to Note 3 to the financial statements for further information regarding the adoption of the standard.
Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities	The standard provides guidance for the measurement, presentation and disclosure of financial assets and liabilities. The standard requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any change in fair value in net income. The standard does not permit early adoption and at adoption a cumulative-effect adjustment to beginning retained earnings should be recorded.	June 3, 2018	The company adopted the standard effective June 3, 2018 using the modified retrospective method. As a result, the company reclassified \$0.1 million of net gains on mutual fund equity securities, that were formerly classified as available for sale securities before the adoption of the new standard, from Accumulated Other Comprehensive Loss to Retained earnings. The impact of adoption also resulted in certain disclosure changes. Refer to Note 11 of the financial statements for further information.
Compensation - Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost	This standard changes the rules related to the income statement presentation of the components of net periodic benefit cost for defined benefit pension and other postretirement benefit plans. Under the new guidance, entities must present the service cost component of net periodic benefit cost in the same income statement line items as other employee compensation costs related to services rendered during the period. Other components of net periodic benefit cost will be presented separately from the line items that include the service cost. Early adoption is permitted.	June 3, 2018	The company retrospectively adopted the standard effective June 3, 2018. Prior to adoption, the company recorded net periodic benefit costs related to its defined benefit pension and post-retirement medical plans within Selling, general and administrative expenses. As a result of adoption, these costs are recorded within Other, net. The company retrospectively reclassified these costs in the Condensed Consolidated Statements of Comprehensive Income for the period ending September 2, 2017 from Selling, general and administrative to Other, net. Refer to Note 7 of the financial statements for further information.

Recently Issued Accounting Standards Not Yet Adopted

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	This update allows for the reclassification to retained earnings of the tax effects stranded in Accumulated Other Comprehensive Income resulting from The Tax Cuts and Jobs Act. Early adoption is permitted.	June 2, 2019	The company is still evaluating these amendments and has not determined its accounting policy and whether or not an election will be made to reclassify the stranded effects.
Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities	This update amends the hedge accounting recognition and presentation with the objectives of improving the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities and simplifying the application of hedge accounting. The update expands the strategies eligible for hedge accounting, relaxes the timing requirements of hedge documentation and effectiveness assessments and permits the use of qualitative assessments on an ongoing basis to assess hedge effectiveness. The new guidance also requires new disclosures and presentation.	June 2, 2019	The company is currently evaluating the impact of adopting this guidance.
Leases	Under the updated standard a lessee's rights and obligations under most leases, including existing and new arrangements, would be recognized as assets and liabilities, respectively, on the balance sheet. The standard must be adopted under a modified retrospective approach and early adoption is permitted.	June 2, 2019	The standard is expected to have a significant impact on our Consolidated Financial Statements. The company does not expect the Statement of Comprehensive Income to be significantly impacted. However, the impact to the balance sheet of recording right of use assets and lease liabilities for the company's operating leases, as well as the necessary financial statement disclosures, is expected to be significant. The company has assembled a project team and is working towards implementation of the lease accounting standard.
Measurement of Credit Losses on Financial Instruments	This guidance replaces the existing incurred loss impairment model with an expected loss model and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.	May 30, 2020	The company is currently evaluating the impact of adopting this guidance.

3. Revenue from Contracts with Customers

Impact of Adoption

The company adopted ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019. The company completed its review of the impact of the new standard and identified certain key accounting policy changes that resulted from adopting the new standard. These included changes to the identification of performance obligations for commercial contracts in which the company sells directly to end customers. Under previous accounting rules, which were codified under ASC 605, the company generally delayed revenue recognition until the products were shipped and installed as the company had concluded that contracts that contained both products and services represented a single, combined deliverable. However, under ASC 606, the company has determined that products and services are distinct and as such, represent separate performance obligations. The company also determined that under ASC 606, certain product pricing elements related to its direct customer sales should be recorded within Cost of sales rather than net within Net sales as had been historical practice under ASC 605.

The company adopted ASC 606 using the modified retrospective approach. As a result of these changes in accounting, the company recorded a cumulative adjustment to retained earnings of \$1.9 million on the date of adoption. With the change in performance obligations under ASC 606, product revenue recognition is accelerated on certain direct commercial customer sales. As a result, the cumulative adjustment recorded upon the adoption of ASC 606 had the impact of reducing inventory for sales transactions that would have been recognized in a prior period under ASC 606 and recording unbilled receivables for the amounts owed prior to invoicing. Additionally, the cumulative adjustment reflects the change in accrued expenses, including income taxes payable, related to these sales transactions. The cumulative impact to our Condensed Consolidated Balance Sheet as of June 3, 2018 was as follows:

(In millions)	Balance at June 2, 2018	Adjustments due to ASC 606	Balance at June 3, 2018
Balance Sheet			
Assets:			
Unbilled accounts receivable	\$ 1.9	\$ 11.1	\$ 13.0
Inventories, net	162.4	(7.1)	155.3
Liabilities:			
Accrued compensation and benefits	86.3	0.2	86.5
Other accrued liabilities	77.0	1.9	78.9
Equity:			
Retained earnings	598.3	1.9	600.2

In accordance with the modified retrospective adoption rules per ASC 606, the company has disclosed in the tables below the differences in our financial statements due to the adoption of the standard. The "As reported" column represents the financial statement values recorded in accordance with ASC 606, while the "Legacy GAAP" column represents what the financial statement values would have been under ASC 605, had the new standard not been adopted.

(In millions)	For the period ended September 1, 2018			
	As reported	Performance Obligation Change	Gross vs. Net Change	Legacy GAAP
Statement of Comprehensive Income				
Net sales	\$ 624.6	\$ (10.7)	\$ (8.5)	\$ 605.4
Cost of sales	399.5	(5.8)	(8.5)	385.2
Gross margin	225.1	(4.9)		220.2
Total operating expenses	179.1	(0.1)		179.0
Operating earnings	46.0	(4.8)		41.2
Income tax expense	8.9	(1.1)		7.8
Net earnings	35.9	(3.7)		32.2

(In millions)	For the period ended September 1, 2018			
	As reported	Performance Obligation Change	Gross vs. Net Change	Legacy GAAP
Balance Sheet				
Assets:				
Unbilled accounts receivable	\$ 25.4	(21.8)		\$ 3.6
Inventories, net	163.8	12.5		176.3
Liabilities:				
Accrued compensation and benefits	68.8	(0.3)		68.5
Other accrued liabilities	73.0	(3.4)		69.6
Equity:				
Retained earnings	624.5	(5.6)		618.9

There was no impact on Net Cash Provided by Operating Activities within the company's Condensed Consolidated Statement of Cash Flows as a result of adopting ASC 606.

Accounting Policies

The company recognizes revenue as performance obligations based on the terms of contracts with customers are satisfied. This happens when control of goods and services based on the contract have been conveyed to the customer. Revenue for the sale of products is typically recognized at the point in time when control transfers, generally upon transfer of title and risk of loss to the customer. Revenue for services, including the

installation of products by the company's owned dealers, is recognized over time as the services are provided. The method of revenue recognition may vary, depending on the type of contract with the customer, as noted in the section Disaggregated Revenue further below.

The company's contracts with customers include master agreements and certain other forms of contracts, which do not reach the level of a performance obligation until a purchase order is received from a customer. At the point in time that a purchase order under a contract is received by the company, the collective group of documents represent an enforceable contract between the company and the customer. While certain customer contracts may have a duration of greater than a year, all purchase orders are less than a year in duration. As of September 1, 2018, all unfulfilled performance obligations are expected to be fulfilled in the next twelve months.

Variable consideration exists within certain contracts that the company has with customers. When variable consideration is present in a contract with a customer, the company estimates the amount that should be included in the transaction price utilizing either the expected value method or the most likely amount method, depending on the nature of the variable consideration. Variable consideration is included in the transaction price if, in the company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Adjustments to Net sales from changes in variable consideration related to performance obligations completed in previous periods are not material to the company's financial statements. Also, the company has no contracts with significant financing components.

The company adopted the following accounting policies as a result of adopting the new standard on revenue recognition:

- *Shipping and Handling Activities* - the company accounts for shipping and handling activities as fulfillment activities and these costs are accrued within Cost of sales at the same time revenue is recognized.
- *Sales Taxes* - the company does not record revenue for sales tax, value added tax or other taxes that are collected on behalf of government entities. The company's revenue is recorded net of these taxes as they are passed through to the relevant government entities.
- *Incremental Costs of Obtaining a Contract* - the company has recognized incremental costs to obtain a contract as an expense when incurred as the amortization period is less than one year.
- *Significant Financing Component* - the company has not adjusted the amount of consideration to be received for any significant financing components as the company's contracts have a duration of one year or less.

Disaggregated Revenue

The company's revenue is comprised primarily of sales of products and installation services. Depending on the type of contract, the method of accounting and timing of revenue recognition may differ. Below, descriptions have been provided that summarize the company's different types of contracts and how revenue is recognized for each.

- *Single Performance Obligation* - these contracts are transacted with customers and include only the product performance obligation. Most commonly, these contracts represent master agreements with independent third-party dealers in which a purchase order represents the customer contract, point of sale transactions through the Consumer reportable segment, as well as customer purchase orders for the Maharam subsidiary within the Specialty reportable segment. For contracts that include a single performance obligation, the company records revenue at the point in time when title and risk of loss has transferred to the customer.
- *Multiple Performance Obligations* - these contracts are transacted with customers and include more than one performance obligation; products, which are shipped to the customer by the company and installation and other services, which are primarily fulfilled by independent third-party dealers. For contracts that include multiple performance obligations, the company records revenue for the product performance obligation at the point in time when control transfers, generally upon transfer of title and risk of loss to the customer. In most cases, the company has concluded that it is the agent for the installation services performance obligation and as such, the revenue and costs of these services are recorded net within "Net sales" in the company's Condensed Consolidated Statements of Comprehensive Income.

In certain instances, entities owned by the company, rather than independent third-party dealers, perform installation and other services. In these cases, Service revenue is generated by the company's entities that provide installation services, which include owned dealers, and is recognized by the company over time as the services are provided. For contracts with multiple performance obligations, the company allocates the transaction price to each performance obligation based on relative standalone selling prices.
- *Other* - these contracts are comprised mainly of alliance fee arrangements, whereby the company earns revenue for allowing other furniture sellers access to its dealer distribution channel, as well as other miscellaneous selling arrangements. Revenue from alliance contracts are recorded at the point in time in which the sale is made by other furniture sellers through the company's sales channel.

Revenue disaggregated by contract type has been provided in the table below:

(In millions)	Three Months Ended	
	September 1, 2018	
Net Sales:		
Single performance obligation		
Product revenue	\$	535.2
Multiple performance obligations		
Product revenue		84.8
Service revenue		2.7
Other		1.9
Total	\$	624.6

Revenue disaggregated by product type and reportable segment has been provided in the table below:

(In millions)	Three Months Ended	
	September 1, 2018	
North American Furniture Solutions:		
Systems	\$	144.5
Seating		96.6
Freestanding and storage		74.7
Other		27.9
Total North American Furniture Solutions	\$	343.7
ELA Furniture Solutions:		
Systems	\$	22.8
Seating		68.7
Freestanding and storage		10.4
Other		13.5
Total ELA Furniture Solutions	\$	115.4
Specialty:		
Systems	\$	1.6
Seating		29.0
Freestanding and storage		12.9
Textiles		28.8
Other		5.0
Total Specialty	\$	77.3
Consumer:		
Seating		53.7
Freestanding and storage		17.2
Other		17.3
Total Consumer	\$	88.2
Total	\$	624.6

Refer to Note 16 of the Condensed Consolidated Financial Statements for further information related to our reportable segments.

Contract Assets and Contract Liabilities

The company records contract assets and contract liabilities related to its revenue generating activities. Contract assets include certain receivables from customers that are unconditional as all performance obligations with respect to the contract with the customer have been completed. These amounts represent trade receivables and they are recorded within the caption "Accounts and notes receivable, net" in the Condensed Consolidated Balance Sheets. The payment terms for the company's customers differs depending on the type of customer. For third party dealers and commercial contract customers, standard credit terms apply. Sales transacted through the company's direct to consumer channels are generally paid for by the customer at point of sale.

Contract assets also include amounts that are conditional because certain performance obligations in the contract with the customer are incomplete as of the balance sheet date. These contract assets generally arise due to contracts with the customer that include multiple performance obligations, both the product that is shipped to the customer by the company, as well as installation services provided by independent third-party dealers. For these contracts, the company recognizes revenue upon satisfaction of the product performance obligation. However, the asset is conditional and the customer is not invoiced by the company until the installation performance obligation is completed. These contract assets are included in the caption "Unbilled accounts receivable" in the Condensed Consolidated Balance Sheets until all performance obligations in the contract with the customer have been satisfied.

Contract liabilities represent deposits made by customers before the satisfaction of performance obligation(s) are complete and revenue is recognized. Upon completion of the performance obligation(s) that the company has with the customer based on the terms of the contract, the liability for the customer deposit is relieved and revenue is recognized. These customer deposits are included within the caption "Customer deposits" in the Condensed Consolidated Balance Sheets. During the three month period ended September 1, 2018, the company recognized Net sales of \$27.6 million related to customer deposits there were included in the balance sheet as of June 2, 2018.

4. Acquisitions and Divestitures

Maars Holding B.V.

On August 31, 2018, Herman Miller Holdings Limited, a wholly owned subsidiary of the company, acquired 48 percent of the outstanding equity of Maars Holding B.V. ("Maars"), a Harderwijk, Netherlands-based worldwide leader in the design and manufacturing of interior wall solutions. The company acquired its 48 percent ownership interest in Maars for approximately \$6.1 million in cash. The entity is accounted for using the equity method of accounting as the company has significant influence, but not control, over the entity.

Nine United Denmark A/S

On June 7, 2018, Herman Miller Holdings Limited, a wholly owned subsidiary of the company acquired 33 percent of the outstanding equity of Nine United Denmark A/S, d/b/a HAY ("HAY"), a Copenhagen, Denmark-based, design leader in furniture and ancillary furnishings for residential and contract markets in Europe and Asia. The company acquired its 33 percent ownership interest in HAY for approximately \$65.5 million in cash. The entity is accounted for using the equity method of accounting as the company has significant influence, but not control, over the entity.

The company also acquired the rights to the HAY brand in North America under a long-term license agreement for approximately \$4.8 million in cash. This licensing agreement is recorded as an amortizing intangible asset and is being amortized over its 15 year useful life. This asset is recoded within Other amortizable intangibles, net within the Condensed Consolidated Balance Sheets.

Contract Furniture Dealerships

On July 31, 2017, the company completed the sale of a wholly-owned contract furniture dealership in Vancouver, Canada for initial cash consideration of \$2.0 million. A pre-tax gain of \$1.1 million was recognized as a result of the sale within the caption Selling, general and administrative within the Condensed Consolidated Statements of Comprehensive Income.

On January 1, 2017, the company completed the sale of a wholly-owned contract furniture dealership in Philadelphia, Pennsylvania in exchange for \$3.0 million, that was comprised of both a term note receivable and a line of credit. A pre-tax gain of \$0.7 million was recognized as a result of the sale within the caption Selling, general and administrative within the Condensed Consolidated Statements of Comprehensive Income. These long-term receivables were deemed to be variable interests in a variable interest entity. The carrying value of the long-term receivables was \$2.5 million as of September 1, 2018 and June 2, 2018, and represents the company's maximum exposure to loss. The company is not deemed to be the primary beneficiary of the variable interest entity as the buyers of the dealership control the activities that most significantly impact the entity's economic performance, including sales, marketing and operations.

5. Inventories, net

(In millions)	September 1, 2018	June 2, 2018
Finished goods	\$ 125.2	\$ 124.2
Raw materials	38.6	38.2
Total	\$ 163.8	\$ 162.4

Inventories are valued at the lower of cost or market and include material, labor, and overhead. The inventories at our West Michigan manufacturing operations are valued using the last-in, first-out (LIFO) method, whereas inventories of certain other operations are valued using the first-in, first-out (FIFO) method.

6. Goodwill and Indefinite-lived Intangibles

Goodwill and other indefinite-lived intangible assets included in the Condensed Consolidated Balance Sheets consisted of the following as of September 1, 2018 and June 2, 2018:

(In millions)	Goodwill	Indefinite-lived Intangible Assets	Total Goodwill and Indefinite-lived Intangible Assets
June 2, 2018	\$ 304.1	\$ 78.1	\$ 382.2
Foreign currency translation adjustments	(0.2)	—	(0.2)
September 1, 2018	\$ 303.9	\$ 78.1	\$ 382.0

7. Employee Benefit Plans

The following table summarizes the components of net periodic benefit costs for the company's International defined benefit pension plan for the three months ended:

(In millions)	September 1, 2018	September 2, 2017
Interest cost	\$ 0.7	\$ 0.8
Expected return on plan assets	(1.2)	(1.7)
Net amortization loss	0.8	1.3
Net periodic benefit cost	\$ 0.3	\$ 0.4

The company retrospectively adopted ASU 2017-07 - *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* on June 3, 2018. As the company's pension and post retirement medical plans are frozen and not open to new plan participants, these plans no longer have a service component to the net periodic benefit cost. Prior to adoption, the company recorded net periodic benefit costs related to its defined benefit pension and post-retirement medical plans within Selling, general and administrative expenses. As a result of adoption, these costs are recorded within Other, net. The company retrospectively reclassified \$0.4 million of net periodic benefit cost in the Condensed Consolidated Statements of Comprehensive Income for the period ending September 2, 2017 from Selling, general and administrative to Other, net.

8. Earnings Per Share

The following table reconciles the numerators and denominators used in the calculations of basic and diluted earnings per share (EPS) for the three months ended:

	September 1, 2018	September 2, 2017
Numerators:		
Numerator for both basic and diluted EPS, Net earnings attributable to Herman Miller, Inc. - in millions	\$ 35.8	\$ 33.1
Denominators:		
Denominator for basic EPS, weighted-average common shares outstanding	59,370,160	59,758,610
Potentially dilutive shares resulting from stock plans	498,954	570,659
Denominator for diluted EPS	59,869,114	60,329,269
Antidilutive equity awards not included in weighted-average common shares - diluted	161,457	536,418

9. Stock-Based Compensation

The following table summarizes the stock-based compensation expense and related income tax effect for the three months ended:

(In millions)	September 1, 2018	September 2, 2017
Stock-based compensation expense	\$ 2.5	\$ 1.3
Related income tax effect	0.6	0.5

The following table includes common stock issued by the company related to the exercise of stock options, vesting of restricted stock units and vesting of performance share units.

(Shares)	Three Months Ended	
	September 1, 2018	September 2, 2017
Stock Options	265,739	150,556
Restricted Stock Units	95,587	90,671
Performance Share Units	239,679	130,179

10. Income Taxes

The company recognizes interest and penalties related to uncertain tax benefits through income tax expense in its Condensed Consolidated Statement of Comprehensive Income. Interest and penalties recognized in the company's Condensed Consolidated Statement of Comprehensive Income were negligible for the three months ended September 1, 2018 and September 2, 2017.

The company's recorded liability for potential interest and penalties related to uncertain tax benefits was:

(In millions)	September 1, 2018	June 2, 2018
Liability for interest and penalties	\$ 0.8	\$ 1.0
Liability for uncertain tax positions, current	3.0	3.2

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was signed into law in the United States. The effects of the Act included the reduction of the federal corporate income tax rate from 35 percent to 21 percent and a new participation exemption system of taxation on foreign earnings, among other provisions.

In accordance with SAB 118, for the three-month period ended September 1, 2018, the company has not completed its accounting for all the effects of the Act, as the U.S. Treasury Department and the Internal Revenue Service continue to provide additional guidance. Provisional amounts remain for the one-time U.S. tax liability on certain undistributed foreign earnings and remeasurement of net deferred tax liabilities.

Besides the one-time U.S. tax liability on undistributed foreign earnings as required by the Act, no other provision was made for income taxes that may result from future remittances of undistributed earnings of foreign subsidiaries that are determined to be indefinitely reinvested. Determination of the total amount of unrecognized deferred income tax on undistributed earnings of foreign subsidiaries is not practicable.

For tax years beginning after December 31, 2017, the Act subjects a U.S. shareholder to tax on global intangible low-taxed income (“GILTI”) earned by certain foreign subsidiaries. The FASB Staff Q&A, Topic 740, No. 5, Accounting for Global Intangible Low-Taxed Income, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or provide for the tax expense related to GILTI in the year the tax is incurred. The company has not yet made its accounting policy election regarding GILTI deferred taxes.

In determining the provision for income taxes for the three-month period ended September 1, 2018, the company used an estimated annual effective tax rate which was based on expected annual income and statutory tax rates across the various jurisdictions in which it operates, which included effects of the Act. The effective tax rates were 20.0 percent and 30.5 percent, respectively, for the three-month periods ended September 1, 2018 and September 2, 2017. The year over year decrease in the effective tax rate for the three-month period ended September 1, 2018 was the result of the Act. The effective tax rates for the three-month periods ended September 1, 2018 and September 2, 2017 are lower than the United States federal statutory rate due to the mix of earnings in taxing jurisdictions that had rates that were lower than the United States federal statutory rate, along with the research and development tax credit under the Protecting Americans from Tax Hikes (“PATH”) Act of 2015. The effective tax rate for the three-month period ended September 1, 2018 was also lower than United States federal statutory rate due to excess tax benefits from share-based compensation that were recorded during the period.

The company is subject to periodic audits by domestic and foreign tax authorities. Currently, the company is undergoing routine periodic audits in both domestic and foreign tax jurisdictions. It is reasonably possible that the amounts of unrecognized tax benefits could change in the next twelve months because of the audits. Tax payments related to these audits, if any, are not expected to be material to the company’s Condensed Consolidated Statements of Comprehensive Income.

For the majority of tax jurisdictions, the company is no longer subject to state, local, or non-United States income tax examinations by tax authorities for fiscal years before 2012.

11. Fair Value Measurements

The company’s financial instruments consist of cash equivalents, marketable securities, accounts and notes receivable, deferred compensation plan, accounts payable, debt, redeemable noncontrolling interests, interest rate swaps and foreign currency exchange contracts. The company’s financial instruments, other than long-term debt, are recorded at fair value. The carrying value and fair value of the company’s long-term debt, including current maturities, is as follows for the periods indicated:

(In millions)	September 1, 2018		June 2, 2018	
Carrying value	\$	285.6	\$	285.8
Fair value	\$	288.9	\$	288.6

The following describes the methods the company uses to estimate the fair value of financial assets and liabilities, which have not significantly changed in the current period:

Cash and cash equivalents — The company invests excess cash in short term investments in the form of commercial paper and money market funds. Commercial paper is valued at amortized costs while money market funds are valued using net asset value.

Equity securities — The company’s equity securities primarily include equity mutual funds. The equity mutual fund investments are recorded at fair value using quoted prices for similar securities.

Available-for-sale securities — The company’s available-for-sale marketable securities primarily include fixed income mutual funds and government obligations. These investments are recorded at fair value using quoted prices for similar securities.

Foreign currency exchange contracts — The company’s foreign currency exchange contracts are valued using an approach based on foreign currency exchange rates obtained from active markets. The estimated fair value of forward currency exchange contracts is based on month-end spot rates as adjusted by market-based current activity. These forward contracts are not designated as hedging instruments.

Interest rate swap agreements — The value of the company’s interest rate swap agreements is determined using a market approach based on rates obtained from active markets. The interest rate swap agreements are designated as cash flow hedging instruments.

Deferred compensation plan — The company’s deferred compensation plan primarily includes various domestic and international mutual funds that are recorded at fair value using quoted prices for similar securities.

Other — The company's contingent consideration liabilities and redeemable noncontrolling interests are deemed to be nonrecurring level 3 fair value measurement. Refer to Note 14 for further information regarding redeemable noncontrolling interests.

The following table sets forth financial assets and liabilities measured at fair value through net income and the respective pricing levels to which the fair value measurements are classified within the fair value hierarchy as of September 1, 2018 and June 2, 2018.

(In millions)	September 1, 2018		June 2, 2018	
	Quoted Prices with Other Observable Inputs (Level 2)	Management Estimate (Level 3)	Quoted Prices with Other Observable Inputs (Level 2)	Management Estimate (Level 3)
Financial Assets				
Cash equivalents:				
Money market funds	\$ 25.8	\$ —	\$ 121.0	\$ —
Mutual funds - equity	0.9	—	0.9	—
Foreign currency forward contracts	0.3	—	0.4	—
Deferred compensation plan	16.1	—	15.1	—
Total	\$ 43.1	\$ —	\$ 137.4	\$ —
Financial Liabilities				
Foreign currency forward contracts	\$ 0.4	\$ —	\$ 0.3	\$ —
Contingent consideration	—	0.4	—	0.5
Total	\$ 0.4	\$ 0.4	\$ 0.3	\$ 0.5

The following table sets forth financial assets measured at fair value through other comprehensive income and the respective pricing levels to which the fair value measurements are classified within the fair value hierarchy as of September 1, 2018 and June 2, 2018.

(In millions)	September 1, 2018		June 2, 2018	
	Quoted Prices with Other Observable Inputs (Level 2)	Management Estimate (Level 3)	Quoted Prices with Other Observable Inputs (Level 2)	Management Estimate (Level 3)
Financial Assets				
Mutual funds - fixed income	7.6	—	7.7	—
Interest rate swap agreement	14.4	—	15.0	—
Total	\$ 22.0	\$ —	\$ 22.7	\$ —

The table below presents a reconciliation for liabilities measured at fair value using significant unobservable inputs (Level 3) for the three months ended (in millions).

Contingent Consideration	September 1, 2018	September 2, 2017
Beginning balance	\$ 0.5	\$ 0.5
Payments	(0.1)	—
Ending balance	\$ 0.4	\$ 0.5

The contingent consideration liabilities represent future payment obligations that relate to business and product line acquisitions. These payments are based on the future performance of the acquired businesses or product line. The contingent consideration liabilities are valued using estimates based on discount rates that reflect the risk involved and the projected sales and earnings of the acquired businesses. The estimates are updated and the liabilities are adjusted to fair value on a quarterly basis.

The following is a summary of the carrying and market values of the company's fixed income mutual funds and equity mutual funds as of the respective dates:

(In millions)	September 1, 2018			June 2, 2018		
	Cost	Unrealized Gain/(loss)	Market Value	Cost	Unrealized Gain/(Loss)	Market Value
Mutual funds - fixed income	\$ 7.7	\$ (0.1)	\$ 7.6	\$ 7.8	\$ (0.1)	\$ 7.7
Mutual funds - equity	0.7	0.2	0.9	0.7	0.2	0.9
Total	\$ 8.4	\$ 0.1	\$ 8.5	\$ 8.5	\$ 0.1	\$ 8.6

Adjustments to the fair value of fixed income mutual funds are recorded as increases or decreases, net of income taxes, within Accumulated Other Comprehensive Loss in stockholders' equity. These adjustments are also included within the caption Unrealized holding gain within the Condensed Consolidated Statements of Comprehensive Income. Unrealized losses recognized in the company's Condensed Consolidated Statement of Comprehensive Income related to fixed income mutual funds were \$0.1 million for the three month periods ended September 1, 2018 and September 2, 2017.

Adjustments to the fair value of equity mutual funds are recorded as increases or decreases, net of income taxes, in the Condensed Consolidated Statements of Comprehensive Income within "Other, net". Unrealized gains recognized in the company's Condensed Consolidated Statement of Comprehensive Income related to equity mutual funds were \$0.1 million for the three month periods ended September 1, 2018 and September 2, 2017.

The cost of securities sold is based on the specific identification method; realized gains and losses resulting from such sales are included in the Condensed Consolidated Statements of Comprehensive Income within "Other, net".

The company reviews its investment portfolio for any unrealized losses that would be deemed other-than-temporary and require the recognition of an impairment loss in earnings. If the cost of an investment exceeds its fair value, the company evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than its cost, the company's intent to hold the investment, and whether it is more likely than not that the company will be required to sell the investment before recovery of the cost basis. The company also considers the type of security, related industry and sector performance, and published investment ratings. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded and a new cost basis in the investment is established. If conditions within individual markets, industry segments, or macro-economic environments deteriorate, the company could incur future impairments.

The company views its equity and fixed income mutual funds as available for use in its current operations. Accordingly, the investments are recorded within Current Assets within the Condensed Consolidated Balance Sheets.

On June 3, 2018, as a result of the adoption of ASU 2016-01 - *Financial Instruments*, the company reclassified net gains on mutual fund equity securities, that were formerly classified as available for sale securities before the adoption of the new standard, from Accumulated Other Comprehensive Loss to Retained earnings. The impact of adoption was not material to the company's financial statements.

Derivative Instruments and Hedging Activities

Foreign Currency Forward Contracts

The company transacts business in various foreign currencies and has established a program that primarily utilizes foreign currency forward contracts to reduce the risks associated with the effects of certain foreign currency exposures. Under this program, the company's strategy is to have increases or decreases in our foreign currency exposures offset by gains or losses on the foreign currency forward contracts to mitigate the risks and volatility associated with foreign currency transaction gains or losses. Foreign currency exposures typically arise from net liability or asset exposures in non-functional currencies on the balance sheets of our foreign subsidiaries. Foreign currency forward contracts generally settle within 30 days and are not used for trading purposes. These forward contracts are not designated as hedging instruments. Accordingly, we record the fair value of these contracts as of the end of the reporting period in the Consolidated Balance Sheets with changes in fair value recorded within the Consolidated Statements of Comprehensive Income. The balance sheet classification for the fair values of these forward contracts is to Other current assets for unrealized gains and to Other accrued liabilities for unrealized losses. The Consolidated Statements of Comprehensive Income classification for the fair values of these forward contracts is to Other expenses (income): Other, net, for both realized and unrealized gains and losses. The realized gain on foreign currency forward contracts for the three months ended September 1, 2018 and September 2, 2017, was \$0.4 million and zero, respectively.

Interest Rate Swaps

The company enters into interest rate swap agreements to manage its exposure to interest rate changes and its overall cost of borrowing. The company's interest rate swap agreements were entered into to exchange variable rate interest payments for fixed rate payments over the life

of the agreement without the exchange of the underlying notional amounts. The notional amount of the interest rate swap agreements is used to measure interest to be paid or received and does not represent the amount of exposure to credit loss. The differential paid or received on the interest rate swap agreements is recognized as an adjustment to interest expense.

The interest rate swaps were designated cash flow hedges at inception and remain an effective accounting hedge as of September 1, 2018. Since a designated derivative meets hedge accounting criteria, the fair value of the hedge is recorded in the Consolidated Statement of Stockholders' Equity as a component of Accumulated other comprehensive loss, net of tax. The ineffective portion of the change in fair value of the derivatives is immediately recognized in earnings. The interest rate swap agreements are assessed for hedge effectiveness on a quarterly basis.

In September 2016, the company entered into an interest rate swap agreement. The interest rate swap is for an aggregate notional amount of \$150.0 million with a forward start date of January 3, 2018 and a termination date of January 3, 2028. As a result of the transaction, the company effectively converted indebtedness anticipated to be borrowed on the company's revolving line of credit up to the notional amount from a LIBOR-based floating interest rate plus applicable margin to a 1.949 percent fixed interest rate plus applicable margin under the agreement as of the forward start date.

On June 12, 2017, the company entered into an interest rate swap agreement. The interest rate swap is for an aggregate notional amount of \$75.0 million with a forward start date of January 3, 2018 and a termination date of January 3, 2028. As a result of the transaction, the company effectively converted the company's revolving line of credit up to the notional amount from a LIBOR-based floating interest rate plus applicable margin to a 2.387 percent fixed interest rate plus applicable margin under the agreement as of the forward start date.

As of September 1, 2018, the fair value of the company's two outstanding interest rate swap agreements, which are designated cash flow hedges, was an asset of \$14.4 million. The asset fair value was recorded within Other noncurrent assets within the Condensed Consolidated Balance Sheets. The net unrealized gain recorded within Other comprehensive loss, net of tax, for the effective portion of the company's designated cash flow hedges was \$0.5 million and \$1.6 million for the three months ended September 1, 2018 and September 2, 2017, respectively.

There were no gains or losses recognized against earnings for hedge ineffectiveness and there were no gains or losses reclassified from Accumulated other comprehensive loss into earnings for three month periods ended September 1, 2018 and September 2, 2017, respectively.

12. Commitments and Contingencies

Product Warranties

The company provides coverage to the end-user for parts and labor on products sold under its warranty policy and for other product-related matters. The standard length of warranty is 12 years for the majority of products sold; however, this varies depending on the product classification. The company does not sell or otherwise issue warranties or warranty extensions as stand-alone products. Reserves have been established for the various costs associated with the company's warranty program and are included in the Condensed Consolidated Balance Sheets under "Accrued warranty." General warranty reserves are based on historical claims experience and other currently available information. These reserves are adjusted once an issue is identified and the actual cost of correction becomes known or can be estimated. The company provides an assurance-type warranty that ensures that products will function as intended. As such, the company's estimated warranty obligation is accounted for as a liability.

(In millions)	September 1, 2018	September 2, 2017
Accrual Balance — beginning	\$ 51.5	\$ 47.7
Accrual for product-related matters	5.6	9.4
Settlements and adjustments	(5.0)	(4.5)
Accrual Balance — ending	<u>\$ 52.1</u>	<u>\$ 52.6</u>

Guarantees

The company is periodically required to provide performance bonds to do business with certain customers. These arrangements are common in the industry and generally have terms ranging between one and three years. The bonds are required to provide assurance to customers that the products and services they have purchased will be installed and/or provided properly and without damage to their facilities. The bonds are provided by various bonding agencies. However, the company is ultimately liable for claims that may occur against them. As of September 1, 2018, the company had a maximum financial exposure related to performance bonds totaling approximately \$6.1 million. The company has no history of claims, nor is it aware of circumstances that would require it to pay, under any of these arrangements. The company also believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the company's financial statements. Accordingly, no liability has been recorded in respect to these bonds as of either September 1, 2018 or June 2, 2018.

The company has entered into standby letter of credit arrangements for purposes of protecting various insurance companies and lessors against default on insurance premium and lease payments. As of September 1, 2018, the company had a maximum financial exposure from these standby letters of credit totaling approximately \$9.8 million, all of which is considered usage against the company's revolving line of credit. The company has no history of claims, nor is it aware of circumstances that would require it to perform under any of these arrangements, and believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the company's financial statements. Accordingly, no liability has been recorded in respect of these arrangements as of September 1, 2018 and June 2, 2018.

Contingencies

The company is also involved in legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings and litigation currently pending will not materially affect the company's consolidated financial statements.

13. Debt

Long-term debt as of September 1, 2018 and June 2, 2018 consisted of the following obligations:

(In millions)	September 1, 2018	June 2, 2018
Debt securities, due March 1, 2021	50.0	50.0
Syndicated revolving line of credit, due September 2021	225.0	225.0
Construction-Type Lease	6.9	7.0
Supplier financing program	3.7	\$ 3.8
Total debt	\$ 285.6	\$ 285.8
Less: Current debt	(3.7)	(10.8)
Long-term debt	\$ 281.9	\$ 275.0

The company's syndicated revolving line of credit provides the company with up to \$400 million in revolving variable interest borrowing capacity and includes an "accordion feature" allowing the company to increase, at its option and subject to the approval of the participating banks, the aggregate borrowing capacity of the facility by up to \$200 million. The facility will expire in September 2021 and outstanding borrowings bear interest at rates based on the prime rate, federal funds rate, LIBOR or negotiated rates as outlined in the agreement. Interest is payable periodically throughout the period if borrowings are outstanding.

As of September 1, 2018, the total debt outstanding related to borrowings under the syndicated revolving line of credit was \$225.0 million. Available borrowings against this facility were \$165.2 million due to \$9.8 million related to outstanding letters of credit. As of June 2, 2018, total debt outstanding related to borrowings under the syndicated revolving line of credit was \$225.0 million and available borrowings were \$166.8 million due to \$8.2 million outstanding letters of credit.

Supplier Financing Program

The company has an agreement with a third party financial institution to provide a platform that allows certain participating suppliers the ability to finance payment obligations from the company. Under this program, participating suppliers may finance payment obligations of the company, prior to their scheduled due dates, at a discounted price to the third party financial institution.

The company has lengthened the payment terms for certain suppliers that have chosen to participate in the program. As a result, certain amounts due to suppliers have payment terms that are longer than standard industry practice and as such, these amounts have been excluded from the caption "Accounts payable" in the Condensed Consolidated Balance Sheets as the amounts have been accounted for by the company as a current debt obligation. Accordingly, \$3.7 million and \$3.8 million have been recorded within the caption "Other accrued liabilities" for the periods ended September 1, 2018 and June 2, 2018, respectively.

Construction-Type Lease

During fiscal 2015, the company entered into a lease agreement for the occupancy of a new studio facility in Palo Alto, California which runs through fiscal 2026. In fiscal 2017, the company became the deemed owner of the leased building for accounting purposes as a result of the company's involvement during the construction phase of the project. The lease is therefore accounted for as a financing transaction and the building and related financing liability were initially recorded at fair value in the Consolidated Balance Sheets within both Construction in progress and Other accrued liabilities. The fair value of the building and financing liability was determined through a blend of an income approach, comparable property sales approach and a replacement cost approach.

During the first quarter of fiscal 2018, the construction was substantially completed, and the property was placed in service. As a result, the company began depreciating the assets over their estimated useful lives. The company also reclassified the related financing liability to Long-term debt. Additionally, the company began allocating its monthly lease payments between land rent, which is recorded as an operating lease expense, interest expense and the reduction of the related lease obligation. The imputed interest rate on the financing liability is 2.9 percent,

our incremental borrowing rate. The carrying value of the building and the related financing liability at September 1, 2018 was \$7.0 million and \$6.9 million, respectively. The carrying value of the building and the related financing liability were both \$7.0 million at June 2, 2018.

14. Accumulated Other Comprehensive Loss

The following table provides an analysis of the changes in accumulated other comprehensive loss for the three months ended September 1, 2018 and September 2, 2017:

(In millions)	Cumulative Translation Adjustments	Pension and Other Post-retirement Benefit Plans	Unrealized Gains on Available-for-sale Securities	Interest Rate Swap Agreement	Accumulated Other Comprehensive Loss
Balance at June 3, 2017	\$ (36.8)	\$ (47.6)	\$ 0.1	\$ 2.1	\$ (82.2)
Other comprehensive income (loss) before reclassifications	4.4	—	—	(1.6)	2.8
Reclassification from accumulated other comprehensive loss - Selling, general and administrative	—	1.0	—	—	1.0
Tax benefit	—	(0.2)	—	—	(0.2)
Net reclassifications	—	0.8	—	—	0.8
Net current period other comprehensive income	4.4	0.8	—	(1.6)	3.6
Balance at September 2, 2017	\$ (32.4)	\$ (46.8)	\$ 0.1	\$ 0.5	\$ (78.6)
Balance at June 2, 2018	\$ (34.1)	\$ (37.2)	\$ 0.1	\$ 9.9	\$ (61.3)
Cumulative effect of accounting change	—	—	(0.1)	—	(0.1)
Other comprehensive income before reclassifications	(7.9)	—	(0.1)	(0.5)	(8.5)
Reclassification from accumulated other comprehensive loss - Selling, general and administrative	—	0.8	—	—	0.8
Tax benefit	—	(0.1)	—	—	(0.1)
Net reclassifications	—	0.7	—	—	0.7
Net current period other comprehensive income	(7.9)	0.7	(0.1)	(0.5)	(7.8)
Balance at September 1, 2018	\$ (42.0)	\$ (36.5)	\$ (0.1)	\$ 9.4	\$ (69.2)

15. Redeemable Noncontrolling Interests

Redeemable noncontrolling interests are reported on the Consolidated Balance Sheets in mezzanine equity in "Redeemable noncontrolling interests." The company recognizes changes to the redemption value of redeemable noncontrolling interests as they occur and adjusts the carrying value to equal the redemption value at the end of each reporting period. The redemption amounts have been estimated based on the fair value of the subsidiary, determined based on a weighting of the discounted cash flow and market methods. This represents a level 3 fair value measurement.

Changes in the company's redeemable noncontrolling interests for the three months ended September 1, 2018 and September 2, 2017 are as follows:

(In millions)	September 1, 2018	September 2, 2017
Beginning Balance	\$ 30.5	\$ 24.6
Purchase of redeemable noncontrolling interests	(10.0)	(1.0)
Net income attributable to redeemable noncontrolling interests	0.1	—
Exercised options	0.2	—
Redemption value adjustment	—	(0.2)
Other adjustments	(0.1)	—
Ending Balance	\$ 20.7	\$ 23.4

16. Operating Segments

The company's reportable segments consist of North American Furniture Solutions, ELA ("EMEA, Latin America, and Asia Pacific") Furniture Solutions, Specialty and Consumer. The North American Furniture Solutions segment includes the operations associated with the design, manufacture and sale of furniture products for work-related settings, including office, education and healthcare environments, throughout the United States and Canada. The business associated with the company's owned contract furniture dealers is also included in the North American Furniture Solutions segment. The ELA Furniture Solutions segment includes EMEA, Latin America and Asia-Pacific. ELA includes the operations associated with the design, manufacture, and sale of furniture products, primarily for work-related settings, in these geographic regions. The Specialty segment includes the operations associated with the design, manufacture, and sale of high-craft furniture products and textiles including Geiger wood products, Maharam textiles, Nemschoff and Herman Miller Collection products. The Consumer segment includes operations associated with the sale of modern design furnishings and accessories to third party retail distributors, as well as direct to consumer sales through eCommerce and Design Within Reach retail studios.

The company also reports a "Corporate" category consisting primarily of unallocated expenses related to general corporate functions, including, but not limited to, certain legal, executive, corporate finance, information technology, administrative and acquisition-related costs. Management regularly reviews corporate costs and believes disclosing such information provides more visibility and transparency regarding how the chief operating decision maker reviews results of the Company. The accounting policies of the reportable operating segments are the same as those of the company.

The following is a summary of certain key financial measures for the respective fiscal periods indicated.

(In millions)	Three Months Ended	
	September 1, 2018	September 2, 2017
Net Sales:		
North American Furniture Solutions	\$ 343.7	\$ 328.6
ELA Furniture Solutions	115.4	93.4
Specialty	77.3	75.1
Consumer	88.2	83.2
Total	<u>\$ 624.6</u>	<u>\$ 580.3</u>
Operating Earnings (Loss):		
North American Furniture Solutions	\$ 45.0	\$ 48.7
ELA Furniture Solutions	10.5	7.0
Specialty	3.1	1.6
Consumer	2.1	0.3
Corporate	(14.7)	(8.1)
Total	<u>\$ 46.0</u>	<u>\$ 49.5</u>
(In millions)	September 1, 2018	June 2, 2018
Total Assets:		
North American Furniture Solutions	\$ 506.1	\$ 488.7
ELA Furniture Solutions	347.4	283.4
Specialty	190.8	188.7
Consumer	294.8	291.2
Corporate	124.6	227.5
Total	<u>\$ 1,463.7</u>	<u>\$ 1,479.5</u>

17. Restructuring and Impairment Expenses

Fiscal 2019 Restructuring Expenses

ELA segment

During the fourth quarter of fiscal 2018, the company announced a facilities consolidation plan related to its ELA segment. This impacted certain office and manufacturing facilities in the United Kingdom and China. It is currently contemplated that this plan will generate approximately \$3 million in annual cost reductions as part of the company's three-year cost savings initiatives.

In the first quarter of fiscal 2019, the company recognized restructuring and impairment expenses of \$1.1 million related to the facilities consolidation plan, of which \$0.7 million related to an asset impairment recorded against the office building in the United Kingdom that is being

vacated and \$0.4 million from the consolidation of China manufacturing facilities, comprised primarily of moving related costs. As the United Kingdom office building and related assets meet the criteria to be designated as assets held for sale, the carrying value of these assets have been classified as current assets and included within "Prepaid expenses and other" in the Condensed Consolidated Balance Sheets for the period ended September 1, 2018. The carrying amount of the assets held for sale was approximately \$5.0 million as of September 1, 2018.

To date, the company has recognized \$5.0 million of restructuring costs related to the ELA facilities consolidation plan. The company expects the ELA facilities consolidations to be completed by the first quarter of fiscal 2020. It is currently contemplated that this plan will incur an additional estimated \$2 million of future restructuring and related special charges.

The following table provides an analysis of the changes in ELA segment restructuring costs reserve:

(In millions)	September 1, 2018
Beginning Balance	\$ —
Restructuring and impairment expenses	1.1
Payments	(1.1)
Ending Balance	\$ —

Fiscal 2018 Restructuring Expenses

North America Contract segment

During the first quarter of fiscal 2018, the company announced restructuring actions involving targeted workforce reductions primarily within the North American segment. These actions related to the company's cost savings initiatives and resulted in the recognition of restructuring expenses of \$1.4 million in the first quarter of fiscal 2018. The restructuring actions were completed at September 2, 2017, and final payments were made over the next quarter.

The following table provides an analysis of the changes in North America Contract segment restructuring costs reserve:

(In millions)	September 2, 2017
Beginning Balance	\$ 2.4
Restructuring expenses	1.4
Payments	(1.8)
Ending Balance	\$ 2.0

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations
Three Months Ended September 1, 2018
(in millions)

The following is management's discussion and analysis of certain significant factors that affected the company's financial condition, earnings and cash flows during the periods included in the accompanying condensed consolidated financial statements and should be read in conjunction with the company's Annual Report on Form 10-K for the fiscal year ended June 2, 2018. References to "Notes" are to the footnotes included in the accompanying condensed consolidated financial statements.

Discussion of Current Business Conditions

For the first quarter of fiscal 2019, the company reported net sales of \$624.6 million, an increase of 7.6 percent from the same quarter of the prior year period, reflecting broad-based growth across all reportable segments. Orders of \$630.6 million represented an increase of 6.0 percent relative to the prior year period. Diluted earnings per share were \$0.60, which was an increase of \$0.05 per share as compared to the prior year. After adjusting for special charges and restructuring and impairment expenses, Adjusted diluted earnings per share were \$0.69^(*), a 21 percent increase as compared to the prior year.

The North American segment reported net sales of \$343.7 million in the current period, an increase of 4.6 percent as compared to the prior year period. On an organic basis, net sales were \$344.2 million^(*), which represented growth of 3.5 percent^(*) over the first quarter of fiscal 2018. Orders during the first quarter of fiscal 2019 of \$345.0 million were 3.0 percent higher than the same quarter of last fiscal year. On an organic basis, orders were \$345.6 million^(*), which represented growth of 2.4 percent^(*) over the first quarter of fiscal 2018. Operating earnings for North America in the first quarter of fiscal 2019 were \$45.0 million or 13.1 percent of sales as compared to \$48.7 million or 14.8 percent of sales in the first quarter of fiscal 2018.

The ELA segment recorded net sales of \$115.4 million during the current period representing growth of 23.6 percent compared to last year, while organic net sales increased by 22.1 percent^(*). Growth in net sales compared to last year was driven broad-based growth across all regions. Orders in the first quarter of fiscal 2019 of \$125.0 million represented an increase of 15.2 percent from the prior year. Organic order growth was 14.4 percent relative to the prior year period. This growth in sales and orders was driven primarily by the Asia and EMEA regions. Operating earnings within the ELA segment for the first quarter of fiscal 2019 were \$10.5 million or 9.1 percent of sales as compared to \$7.0 million or 7.5 percent of sales in the first quarter of fiscal 2018.

The Specialty segment reported growth in both net sales and orders compared to the same three month period of the prior year. Net sales of \$77.3 million and orders of \$80.1 million represented growth compared to the prior year of 2.9 percent and 6.2 percent, respectively. Organic net sales growth was 2.1 percent^(*) as compared to the prior year period while organic order growth was 5.5 percent as compared to the prior year period. The increase in Net sales was driven mainly by the company's Maharam subsidiary, while the increase in orders was broad-based and driven by all subsidiaries in the Specialty segment. Operating earnings for Specialty increased from \$1.6 million in the first quarter of fiscal 2018 to \$3.1 million in the first quarter of fiscal 2019. The increase in operating earnings as compared to the prior year was mainly by driven increased profitability at the company's Maharam subsidiary.

The Consumer segment reported net sales of \$88.2 million, which represented an improvement of 6.0 percent compared to the same quarter last year. After adjusting for the prior year benefit to Net sales due to a change in shipping terms, Organic net sales growth was 12.8 percent^(*) as compared to the prior year period. Orders of \$80.5 million represented growth in the comparative period of 5.8 percent, both on an as reported and an organic basis. Operating earnings for the Consumer segment in the first quarter of fiscal 2019 were \$2.1 million or 2.4 percent of sales as compared to \$0.3 million or 0.4 percent of sales in the first quarter of fiscal 2018. The year-over-year increase in profitability was driven mainly by increased sales volumes.

The company believes that the economic environment in North America remains conducive to continue such growth due to a positive industry forecast from BIFMA - The Business and Institutional Furniture Manufacturer's Association, GDP growth, service sector employment, architectural billings and CEO confidence. The potential benefits of the Tax Cuts and Jobs Act continue to support a positive outlook in North America as well. However, the company acknowledges certain areas of risk within the foreign geographies in which it operates and it is monitoring the resolution of Brexit and NAFTA negotiations. The company is also closely monitoring the potential impact of global tariffs, which has created near-term uncertainty on input costs.

() Non-GAAP measurements; see accompanying reconciliations and explanations.*

The remaining sections within Item 2 include additional analysis of our three months ended September 1, 2018, including discussion of significant variances compared to the prior year periods.

Reconciliation of Non-GAAP Financial Measures

This report contains references to Organic net sales and Adjusted earnings per share - diluted, which are non-GAAP financial measures. Organic Growth (Decline) represents the change in Net sales, excluding currency translation effects, the impact of the reclassification of certain pricing elements from Net sales to Cost of sales related to the new revenue recognition standard (ASC 606) and the impact of acquisitions, divestitures and changes in shipping terms. Adjusted Earnings per Share - diluted represents reported diluted earnings per share excluding the impact of restructuring and impairment expenses, and other charges or gains, including related taxes.

The company believes presenting Organic net sales and Adjusted earnings per share - diluted is useful for investors as it provides financial information on a more comparative basis for the periods presented by excluding items that are not representative of the ongoing operations of the company.

Organic net sales and Adjusted earnings per share - diluted are not measurements of our financial performance under GAAP and should not be considered as alternatives to the related GAAP measurement. These non-GAAP measurements have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of non-GAAP measures should not be construed as an indication that our future results will be unaffected by unusual or infrequent items. We compensate for these limitations by providing prominence of our GAAP results and using the non-GAAP financial measures only as a supplement. The following table reconciles Net sales to Organic net sales for the periods ended as indicated below:

	Three Months Ended 9/1/18					Three Months Ended 9/2/17				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Net Sales, as reported	\$ 343.7	\$ 115.4	\$ 77.3	\$ 88.2	\$ 624.6	\$ 328.6	\$ 93.4	\$ 75.1	\$ 83.2	\$ 580.3
% change from PY	4.6%	23.6%	2.9%	6.0%	7.6%					
Proforma Adjustments										
Dealer Divestitures	—	—	—	—	—	(0.8)	—	—	—	(0.8)
Currency Translation Effects ⁽¹⁾	0.5	1.2	—	—	1.7	—	—	—	—	—
Impact of Reclassification Related to New Revenue Recognition Standard	—	—	—	—	—	4.6	2.1	0.6	—	7.3
Impact of change in DWR shipping terms	—	—	—	—	—	—	—	—	(5.0)	(5.0)
Organic net sales	\$ 344.2	\$ 116.6	\$ 77.3	\$ 88.2	\$ 626.3	\$ 332.4	\$ 95.5	\$ 75.7	\$ 78.2	\$ 581.8
% change from PY	3.5%	22.1%	2.1%	12.8%	7.6%					

⁽¹⁾ Currency translation effects represent the estimated net impact of translating current period sales and orders using the average exchange rates applicable to the comparable prior year period

The following table reconciles Earnings per share - diluted to Adjusted earnings per share - diluted for the three months ended:

	9/1/2018	9/2/2017
Earnings per Share - Diluted	\$ 0.60	\$ 0.55
Add: Inventory step up on HAY equity method investment, after tax	0.01	—
Add: Special charges, after tax	0.06	—
Add: Restructuring and impairment expenses, after tax	0.02	0.02
Adjusted Earnings per Share - Diluted	\$ 0.69	\$ 0.57

Analysis of Results for Three Months

The following table presents certain key highlights from the results of operations for the three months ended.

(In millions, except per share data)	September 1, 2018	September 2, 2017	Percent Change
Net sales	\$ 624.6	\$ 580.3	7.6 %
Cost of sales	399.5	363.4	9.9 %
Gross margin	225.1	216.9	3.8 %
Operating expenses	178.0	166.0	7.2 %
Restructuring expenses	1.1	1.4	n/a
Total operating expenses	179.1	167.4	7.0 %
Operating earnings	46.0	49.5	(7.1)%
Other expenses, net	1.9	3.0	(36.7)%
Earnings before income taxes and equity income	44.1	46.5	(5.2)%
Income tax expense	8.9	14.2	(37.3)%
Equity income from nonconsolidated affiliates, net of tax	0.7	0.8	n/a
Net earnings	35.9	33.1	8.5 %
Net earnings attributable to noncontrolling interests	0.1	—	n/a
Net earnings attributable to Herman Miller, Inc.	\$ 35.8	\$ 33.1	8.2 %
Earnings per share — diluted	0.60	0.55	9.1 %
Orders	630.6	594.8	6.0 %
Backlog	346.4	332.1	4.3 %

The following table presents select components of the company's Condensed Consolidated Statements of Comprehensive Income as a percentage of net sales, for the three months ended:

	September 1, 2018	September 2, 2017
Net sales	100.0%	100.0%
Cost of sales	64.0	62.6
Gross margin	36.0	37.4
Operating expenses	28.5	28.6
Restructuring expenses	0.2	0.2
Total operating expenses	28.7	28.8
Operating earnings	7.4	8.5
Other expenses, net	0.3	0.5
Earnings before income taxes and equity income	7.1	8.0
Income tax expense	1.4	2.4
Equity income from nonconsolidated affiliates, net of tax	0.1	0.1
Net earnings	5.7	5.7
Net earnings attributable to noncontrolling interests	—	—
Net earnings attributable to Herman Miller, Inc.	5.7	5.7

Performance versus the Domestic Contract Furniture Industry

BIFMA is the trade association for the North American contract furniture industry. The company monitors the trade statistics reported by BIFMA and considers them an indicator of industry-wide sales and order performance. BIFMA publishes statistical data for the contract segment and the office supply segment within the North American market. The contract segment of the industry relates primarily to products sold to large to mid-size corporations and installed via a network of dealers. The office supply segment relates primarily to products sold to smaller customers via wholesalers and retailers. The company participates, and is a leader in, the contract segment. The company’s diversification strategy lessens its dependence on the North American contract office furniture market.

The company analyzes BIFMA statistical information as a benchmark comparison against the performance of its contract business in North America and also to that of its competitors. The timing of large project-based business may affect comparisons to this data in any one period. Finally, BIFMA regularly provides its members with industry forecast information, which the company uses internally as one of several considerations in its planning process.

While the sales and order data for our North American reportable segment provide a relative comparison to BIFMA, it is not intended to be an exact comparison. The data we report to BIFMA is consistent with the BIFMA definition of office furniture “consumption.” This definition differs slightly from the categorization we have presented in this report. Notwithstanding this difference, we believe our presentation provides the reader with a relevant comparison.

For the three months ended ended September 1, 2018, the company’s North American shipments and orders, as defined by BIFMA, increased by 2.6 percent and 0.5 percent year-over-year, respectively. BIFMA reported an estimated year-over-year increase in shipments and orders of 6.6 percent and 7.1 percent, respectively for the comparable period.

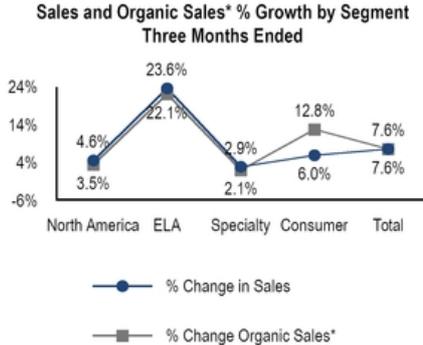
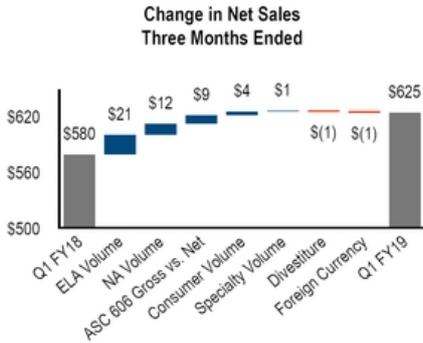
Performance versus the Consumer Furnishings Sector

We also monitor trade statistics reported by the U.S. Census Bureau, which reports monthly retail sales growth data across a number of retail categories, including *Furniture and Home Furnishing Stores*. This information provides a relative comparison to our Consumer segment, but is not intended to be an exact comparison. The average monthly year-over-year growth rate in sales for the Furniture and Home Furnishing Stores category for the calendar three month period through ended August 2018, was approximately 4.4 percent. By comparison, net sales in our Consumer segment increased by approximately 6.0 percent as reported and 12.8 percent^(*) on an organic basis for the three months ended September 1, 2018.

^(*) Non-GAAP measurements; see accompanying reconciliations and explanations.

Consolidated Sales

The following charts present graphically the primary drivers of the year-over-year change in net sales for the three months ended September 1, 2018. The amounts presented in the bar graphs are expressed in millions and have been rounded to eliminate decimals.



Consolidated net sales increased \$44.3 million or 7.6 percent in the first quarter of fiscal 2019 compared to the first quarter of fiscal 2018. The following items contributed to the change:

- Increased sales volumes within the ELA segment of approximately \$21 million were driven primarily by broad-based growth across all regions.
- Sales volumes within the North American segment increased by approximately \$12 million, resulting from increased demand within the company's North America office furniture businesses.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from Net sales to Cost of sales, which resulted in an increase in Net sales of \$8.5 million compared to the same period of the prior year in which revenue was recorded under previous accounting rules.
- Incremental sales volumes within the Consumer segment of approximately \$4 million were driven by growth across the DWR studio, e-commerce and contract channels. In the prior year period, Consumer sales benefited from a change in shipping terms at DWR that increased sales volumes by \$5 million.
- Increased sales volumes within the Specialty segment of approximately \$1 million was driven mainly by the company's Maharam subsidiary.
- Foreign currency translation had a negative impact on net sales of approximately \$1 million.
- The impact of the divestiture of the company's dealerships in Vancouver, Canada in fiscal 2018 had the effect of reducing sales by \$0.8 million in the current three month period as compared to the same period of the prior fiscal year.

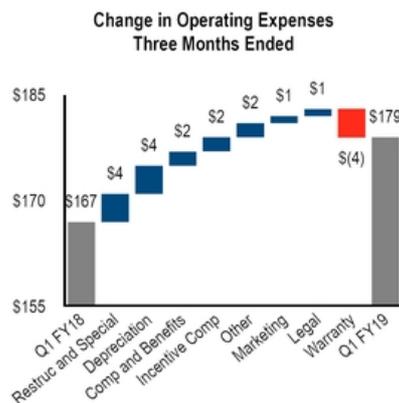
Consolidated Gross Margin

Consolidated gross margin was 36.0 percent for the three month period ended September 1, 2018 as compared to 37.4 percent for the same quarter of the prior fiscal year. The following factors summarize the major drivers of the year-over-year change in gross margin percentage:

- Approximately 60 basis points of the year-over-year decrease in gross margin related to the adoption of the new revenue recognition standard (ASC 606) at the beginning of fiscal 2019. This adoption requires recording certain product pricing elements as expenses within cost of goods sold that were previously classified on a net basis within sales. This reclassification lowers gross margin percentage but has no impact on gross margin dollars.
- Higher manufacturing costs at the company's West Michigan manufacturing facilities related to higher medical costs, depreciation and overtime costs decreased gross margin by approximately 30 basis points as compared to the same period of the prior fiscal year.
- Shipping and freight costs were unfavorable compared to the same period of the prior year period, which drove a decrease of approximately 20 basis points. This impact was recognized primarily within the company's Consumer reportable segment.
- Higher commodity costs within the North American operating segment drove an unfavorable impact of approximately 20 basis points relative to the prior year period.
- The rest of the decrease in gross margin was driven by several factors, including lower alliance revenues during the current year period and product mix changes.

Operating Expenses and Operating Earnings

The following chart presents graphically the primary drivers of the year-over-year change in operating expenses for the three months ended September 1, 2018. The amounts presented in the bar graphs are expressed in millions and have been rounded to eliminate decimals.



Consolidated operating expenses increased by \$11.7 million or 7.0 percent in the first quarter of fiscal 2019 compared to the prior year period. The following factors contributed to the change:

- Restructuring and special charges, primarily associated with the planned CEO transition, consulting fees related to the company's profit optimization initiatives and costs related to the International facilities consolidation plan increased operating expenses by \$4.0 million compared to last fiscal year.
- Depreciation expense increased by approximately \$4 million and was driven primarily by capital investment in facilities and systems.
- Compensation and benefit costs increased \$2.2 million due mainly to employee headcount increases and wage inflation.
- Higher employee incentive costs increased operating expenses by \$1.9 million. The increase reflects higher incentive compensation costs that are variable based on the achievement of earnings levels for the fiscal year relative to plan.
- Warranty costs were \$3.7 million lower due to specific reserves incurred in the same period of the prior year that did not recur in the current three month period.
- The rest of the increase in operating expenses was driven mainly by incremental legal and marketing expenditures.

Operating earnings for the three month period ended September 1, 2018 were \$46.0 million or 7.4 percent of sales. This compares to \$49.5 million or 8.5 percent of sales for the first quarter of fiscal 2018.

Other Income/Expense

During the three months ended September 1, 2018, net other expense was \$1.9 million, a decrease of \$1.1 million compared to the same period in the prior year. This decrease resulted mainly from lower interest expense and higher investment income relative to the same period of last fiscal year.

Income Taxes

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was signed into law in the United States. The effects of the Act included the reduction of the federal corporate income tax rate from 35 percent to 21 percent and a new participation exemption system of taxation on foreign earnings, among other provisions.

The company has not completed its accounting for all the effects of the Act, as the U.S. Treasury Department and the Internal Revenue Service continue to provide additional guidance. Provisional amounts remain for the one-time U.S. tax liability on certain undistributed foreign earnings and remeasurement of net deferred tax liabilities. See Note 10 of the Consolidated Financial Statements for additional information.

The effective tax rates for the three-month periods ended September 1, 2018 and September 2, 2017 were 20.0 percent and 30.5 percent, respectively. The year over year decrease in the effective tax rate for the three-month period ended September 1, 2018 was the result of the Act. The effective tax rates for the three-month periods ended September 1, 2018 and September 2, 2017 are lower than the United States federal statutory rate due to the mix of earnings in taxing jurisdictions that had rates that were lower than the United States federal statutory rate, along with the research and development tax credit under the Protecting Americans from Tax Hikes ("PATH") Act of 2015. The effective tax rate for the three-month period ended September 1, 2018 was also lower than United States federal statutory rate due to excess tax benefits from share-based compensation recorded during the current year period.

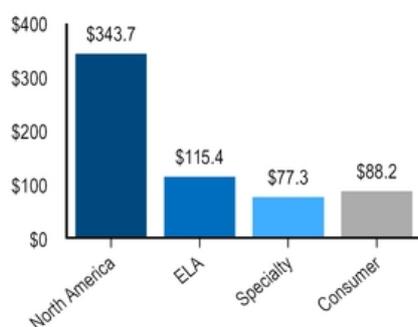
Reportable Operating Segment Results

The business is comprised of various operating segments as defined by generally accepted accounting principles in the United States. These operating segments are determined on the basis of how the company internally reports and evaluates financial information used to make operating decisions. For external reporting purposes, the company has identified the following reportable segments:

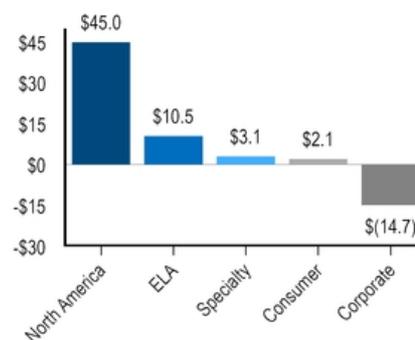
- *North American Furniture Solutions* — Includes the operations associated with the design, manufacture and sale of furniture products for work-related settings, including office, education, and Herman Miller healthcare environments, throughout the United States and Canada.
- *ELA Furniture Solutions* — Includes EMEA, Latin America and Asia-Pacific operations associated with the design, manufacture and sale of furniture products, primarily for work-related settings.
- *Specialty* — Includes operations associated with the design, manufacture, and sale of high-craft furniture products and textiles including Geiger wood products, Maharam textiles, Nemschoff and Herman Miller Collection products.
- *Consumer* — Includes operations associated with the sale of modern design furnishings and accessories to third party retail distributors, as well as direct-to-consumer sales through eCommerce and DWR retail studios and outlets.
- *Corporate* — Consists primarily of unallocated expenses related to general corporate functions, including, but not limited to, certain legal, executive, corporate finance, information technology, administrative and acquisition-related costs.

The charts below present the relative mix of net sales and operating earnings across the company's reportable segments during the three month periods ended September 1, 2018. This is followed by a discussion of the company's results, by reportable segment.

**Net Sales by Reportable Operating Segment
Three Months Ended September 1, 2018 (in Millions)**



**Operating Earnings by Reportable Operating Segment
Three Months Ended September 1, 2018 (in Millions)**



North American Furniture Solutions ("North America")

Three Months Ended September 1, 2018

Net sales totaled \$343.7 million for the first quarter of fiscal 2019, an increase of 4.6 percent from the first quarter of fiscal 2018. Orders totaled \$345.0 million, an increase of 3.0 percent from the same period in the prior year. Organic net sales totaled \$344.2 million^(*) for the first quarter of fiscal 2019, an increase of 3.5 percent from the first quarter of fiscal 2018. Organic orders totaled \$345.6 million, a decrease of 2.4 percent from the same period in the prior year. Operating earnings for the first quarter of fiscal 2019 were \$45.0 million or 13.1 percent of sales as compared to \$48.7 million or 14.8 percent of sales in the first quarter of fiscal 2018.

- Sales volumes within the North American segment increased by approximately \$12 million, resulting from increased demand within the company's North America office furniture businesses.
- Adoption of ASC 606 - Revenue from Contracts with Customers at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from Net sales to Cost of sales, which resulted in an increase in Net sales for the North American segment by \$5.3 million compared to the same period of the prior year, in which revenue was recorded under previous accounting rules.
- Deeper contract price discounting, net of incremental list price increases, reduced net sales and operating earnings in the first quarter of fiscal 2019 by roughly \$1 million as compared to the prior year.
- Operating earnings decreased due to higher costs of approximately \$3 million at the company's West Michigan manufacturing facilities due to higher commodity costs, medical costs, depreciation expense and overtime costs.
- Increased depreciation expenses of approximately \$2 million, which related to investments in facilities and systems, and workforce related costs, including compensation and benefits and incentive compensation costs decreased operating earnings by roughly \$2 million as compared to the prior year period.
- These decreases in operating earnings were partially offset by increased operating earnings of an estimated \$4 million from incremental sales volumes.

ELA Furniture Solutions ("ELA")

Three Months Ended September 1, 2018

Net sales totaled \$115.4 million for the first quarter of fiscal 2019, an increase of 23.6 percent from the first quarter of fiscal 2018. Orders totaled \$125.0 million, an increase of 15.2 percent from the same period in the prior year. Organic net sales totaled \$116.6 million^(*) for the first quarter of fiscal 2019, an increase of 22.1 percent from the first quarter of fiscal 2018. Organic orders totaled \$126.5 million, an increase of 14.4 percent from the same period in the prior year. Operating earnings for the first quarter of fiscal 2019 were \$10.5 million or 9.1 percent of sales as compared to \$7.0 million or 7.5 percent of sales in the first quarter of fiscal 2018.

- Increased sales volumes within the ELA segment of approximately \$21 million were driven by broad-based growth, with Asia Pacific and EMEA generating the most significant year-over-year growth.
- Adoption of ASC 606 - Revenue from Contracts with Customers at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from Net sales to Cost of sales, which resulted in an increase in Net sales for the ELA segment by \$2.8 million compared to the same period of the prior year, in which revenue was recorded under previous accounting rules.
- Operating earnings increased by approximately \$7 million in the current three month period of fiscal 2018 due to increased sales volumes. This increase was partially offset by the impact of unfavorable product mix of approximately \$2 million and higher restructuring and impairment costs of \$1.1 million.

Specialty

Three Months Ended September 1, 2018

Net sales totaled \$77.3 million for the first quarter of fiscal 2019, an increase of 2.9 percent from the first quarter of fiscal 2018. Orders totaled \$80.1 million, an increase of 6.2 percent from the same period in the prior year. Operating earnings for the first quarter of fiscal 2019 were \$3.1 million or 4.0 percent of sales as compared to \$1.6 million or 2.1 percent of sales in the first quarter of fiscal 2018.

- Net sales increased in the first quarter of fiscal 2018 as compared to the same period of the prior year due primarily to increased sales volumes of approximately \$1 million, which was driven primarily by the company's Maharam subsidiary businesses.
- Adoption of ASC 606 - Revenue from Contracts with Customers at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from Net sales to Cost of sales, which resulted in an increase in Net sales for the Specialty segment by \$0.4 million compared to the same period of the prior year, in which revenue was recorded under previous accounting rules.
- Operating earnings increased by approximately \$1.5 million in the current three month period of fiscal 2018 due to the increased sales volumes, favorable channel mix and a decrease in warranty expenses of \$0.6 million.

Consumer

Three Months Ended September 1, 2018

Net sales totaled \$88.2 million for the first quarter of fiscal 2019, an increase of 6.0 percent from the first quarter of fiscal 2018. Orders of \$80.5 million increased 5.8 percent from the same period last year. Organic net sales totaled \$88.2 million⁽¹⁾ for the first quarter of fiscal 2019, an increase of 12.8 percent from the first quarter of fiscal 2018. Operating earnings for the first quarter of fiscal 2019 were \$2.1 million or 2.4 percent of sales as compared to operating earnings of \$0.3 million or 0.4 percent of sales in the first quarter of fiscal 2018.

- Incremental sales volumes within the Consumer segment of approximately \$4 million were driven by growth across the DWR studio, e-commerce and contract channels. In the prior year period, Consumer sales benefited from a change in shipping terms at DWR that increased sales volumes by \$5 million.
- Operating earnings increased by approximately \$3 million in the current three month period of fiscal 2018 due to increased sales volumes and net pricing benefits. Decreased freight revenue due to changes in shipping policies and an increase in freight costs partially offset these increases in operating earnings.

Corporate

Corporate unallocated expenses totaled \$14.7 million for the first quarter of fiscal 2019, an increase of \$6.6 million from the first quarter of fiscal 2018. The increase was driven mainly by an increase in special charges of \$4.3 million from third party consulting costs related to the company's profit improvement initiatives, as well as transition costs related to the retirement of the company's CEO. Increased legal and depreciation expenses also contributed to the increase in corporate unallocated expenses from the comparative period.

Financial Condition, Liquidity and Capital Resources

The table below presents certain key cash flow and capital highlights for three months ended as indicated.

(In millions)	September 1, 2018	September 2, 2017
Cash and cash equivalents, end of period	\$ 101.7	\$ 80.0
Marketable securities, end of period	8.5	8.7
Cash provided by operating activities	32.9	18.9
Cash used in investing activities	(99.7)	(24.2)
Cash used in financing activities	(33.0)	(13.0)
Capital expenditures	(22.0)	(24.9)
Stock repurchased and retired	(20.8)	(11.1)
Common stock issued	8.5	4.4
Dividends paid	(10.7)	(10.2)
Interest-bearing debt, end of period	281.9	203.9
Available unsecured credit facility, end of period ⁽¹⁾	\$ 165.2	\$ 387.8

⁽¹⁾ Amounts shown are net of outstanding letters of credit of \$9.8 million and \$8.2 million as of September 1, 2018 and September 2, 2017, respectively, which are applied against availability under the company's unsecured credit facility.

Cash Flows - Operating Activities

Three Month Period Ended September 1, 2018

Cash generated from operating activities was \$32.9 million for the three months ended September 1, 2018, as compared to \$18.9 million in the same period of the prior year. In the cash flow statement, the company reconciles from Net earnings to Net Cash Provided by Operating Activities. Changes in working capital balances drove a use of cash totaling \$25.9 million during the first three months of fiscal 2019. The main factors driving this use of cash were an increase in inventory of \$10.7 million, exclusive of the cumulative adjustment upon adoption of ASC 606, and a decrease in accrued compensation and benefits of \$12.2 million. Accrued compensation and benefits decreased due to the annual payout of the prior year accrued incentive bonus. These factors more than offset drivers within working capital that increased cash, including a decrease in other accrued liabilities of \$5.1 million. Additionally, the company made a voluntary contribution of \$12.0 million to its international defined benefit pension plan in the first quarter of fiscal 2018, which also drove a portion of the increase in cash generated from operating activities when compared to prior year.

Three Month Period Ended September 2, 2017

Cash generated from operating activities was \$18.9 million for the three month period ended September 2, 2017, as compared to \$30.2 million in the same period of the prior year. In the first quarter of fiscal 2018, the company made a voluntary contribution of \$12.0 million to its international defined benefit pension plan. Additionally, changes in working capital balances drove a use of cash totaling \$21.5 million in the first quarter of fiscal 2018. The main factors driving this use of cash were an increase in inventory of \$14.5 million and a decrease in accrued compensation and benefits of \$19.0 million. Inventory increased due mainly to stocking new DWR studios, as well as the build of inventory in the ELA segment to fulfill demand in the second quarter. Accrued compensation and benefits decreased due to the annual payout of the prior year accrued bonus and profit sharing. These factors more than offset drivers within working capital that increased cash, primarily an increase in accounts payable of \$17.8 million.

Cash Flows - Investing Activities

Investing activities in the first three months of fiscal 2019 resulted in a net cash outflow of \$99.7 million as compared to a net cash outflow of \$24.2 million in the same period of the prior year. Equity investments in the noncontrolled entities of HAY and Maars and the HAY license agreement resulted in a cash outlay of \$71.6 million and \$4.8 million, respectively in the first quarter of fiscal 2019.

The company had cash outflows for the purchase of \$22.0 million of capital assets in the first three months of fiscal 2019 as compared to \$24.9 million during the first three months of the prior year. The decrease in capital expenditures as compared to the prior year was driven mainly by a reduction in expenditures related to manufacturing assets in West Michigan and reduced expenditures in connection with Design Within Reach studio build outs. These decreases were partly offset by increased expenditure related to the United Kingdom facility consolidation.

At the end of the first quarter of fiscal 2019, there were outstanding commitments for capital purchases of \$26.6 million compared to \$16.5 million at the corresponding date in the prior year. The company expects full-year capital purchases to be between \$90 million and \$100 million, which will be primarily related to investments in the company's facilities and equipment. This compares to full-year capital spending of \$70.6 million in fiscal 2018.

Cash Flows - Financing Activities

Cash outflows from financing activities were \$33.0 million for the first three months of fiscal 2019 compared to cash outflows of \$13.0 million during the same period of the prior year. Cash inflows from net borrowings were zero and \$4.0 million during the first quarter of fiscal 2019 and fiscal 2018, respectively. Cash outflows for dividend payments were \$10.7 million and \$10.2 million for the three month periods of fiscal 2019 and fiscal 2018, respectively. Cash paid for the repurchase of common stock was \$20.8 million and \$11.1 million in the first three months of fiscal 2019 and 2018, respectively. Cash inflows for stock issuances related to employee benefit programs were \$8.5 million and \$4.4 million during the three month periods of fiscal 2019 and fiscal 2018, respectively.

Certain minority shareholders in a subsidiary have the right, at certain times, to require the company to acquire a portion of their ownership interest in those entities at fair value. During the three months ended September 1, 2018, the company purchased \$10.0 million of minority ownership shares as compared to \$1.0 million in the same period last year. It is possible that within the next two fiscal years the company could be required to acquire the majority of the balance of their ownership interest. The fair value of this redeemable noncontrolling interest as of September 1, 2018 was \$20.7 million and is included within "Redeemable noncontrolling interests" on the Consolidated Balance Sheets.

Sources of Liquidity

In addition to cash flows from operating activities, the company has access to liquidity through credit facilities, cash and cash equivalents, and short-term investments. These sources have been summarized below. For additional information, refer to Note 13 to the condensed consolidated financial statements.

(In millions)	September 1, 2018		September 2, 2017	
Cash and cash equivalents	\$	101.7	\$	80.0
Marketable securities		8.5		8.7
Availability under syndicated revolving line of credit	\$	165.2	\$	387.8

At the end of the first quarter of fiscal 2019, the company had cash and cash equivalents of \$101.7 million, including \$71.1 million of cash and cash equivalents held outside the United States. In addition, the company had marketable securities of \$8.5 million held by one of its international subsidiaries.

The subsidiary holding the company's marketable securities is taxed as a United States taxpayer at the company's election. Consequently, for tax purposes, all United States tax impacts for this subsidiary have been recorded. The company maintains its intent to permanently reinvest

the remainder of the cash outside the United States. The Tax Cuts and Jobs Act (the “Act”), enacted on December 22, 2017, assesses a one-time tax on deferred foreign income upon transition to a participation exemption system of taxation. The new system of taxation allows for future distribution of foreign earnings to the U.S. without incremental federal income taxes. The company is considering the impact of the Act and the one-time transition tax on its foreign earnings which are invested in liquidable assets.

The company believes cash on hand, cash generated from operations, and borrowing capacity will provide adequate liquidity to fund near term and foreseeable future business operations, capital needs, future dividends and share repurchases, subject to financing availability in the marketplace.

Contractual Obligations

Contractual obligations associated with ongoing business and financing activities will require cash payments in future periods. A table summarizing the amounts and estimated timing of these future cash payments as of June 2, 2018 was provided in the company's annual report on Form 10-K for the year ended June 2, 2018. There has been no material change in such obligations since that date.

Guarantees

The company provides certain guarantees to third parties under various arrangements in the form of product warranties, loan guarantees, standby letters of credit, lease guarantees, performance bonds and indemnification provisions. These arrangements are accounted for and disclosed in accordance with FASB ASC Topic 460, *Guarantees*, as described in Note 12 to the condensed consolidated financial statements.

Variable Interest Entities

On occasion, the company provides financial support to certain independent dealers in the form of term loans, lines of credit, and/or loan guarantees that may represent variable interests in such entities. As of September 1, 2018, the company was not considered to be the primary beneficiary of any such dealer relationships under FASB ASC Topic 810, *Consolidation*. Accordingly, the company is not required to consolidate the financial statements of any of these entities as of September 1, 2018.

Contingencies

See Note 12 to the condensed consolidated financial statements.

Critical Accounting Policies

The company strives to report financial results clearly and understandably. The company follows accounting principles generally accepted in the United States in preparing its consolidated financial statements, which require certain estimates and judgments that affect the financial position and results of operations for the company. The company continually reviews the accounting policies and financial information disclosures. A summary of the more significant accounting policies that require the use of estimates and judgments in preparing the financial statements is provided in the company's annual report on Form 10-K for the year ended June 2, 2018. During the first three months of fiscal 2019, the company changed certain accounting policies in connection with the adoption of *ASC 606 - Revenue from Contracts with Customers*. Refer to Note 3 to the Condensed Consolidated Financial Statements for further information.

New Accounting Standards

See Note 2 to the Condensed Consolidated Financial Statements.

Safe Harbor Provisions

Certain statements in this filing are not historical facts but are “forward-looking statements” as defined under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended, that are based on management's beliefs, assumptions, current expectations, estimates, and projections about the office furniture industry, the economy, and the company itself. Words like “anticipates,” “believes,” “confident,” “estimates,” “expects,” “forecasts,” “likely,” “plans,” “projects,” and “should,” variations of such words, and similar expressions identify such forward-looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict with regard to timing, extent, likelihood, and degree of occurrence. These risks include, without limitation, the success of our growth strategy, employment and general economic conditions, the pace of economic growth in the U.S., and in our International markets, the potential impact of changes in U.S. tax law, the increase in white collar employment, the willingness of customers to undertake capital expenditures, the types of products purchased by customers, competitive-pricing pressures, the availability and pricing of raw materials, our reliance on a limited number of suppliers, our ability to expand globally given the risks associated with regulatory and legal compliance challenges and accompanying currency fluctuations, the ability to increase prices to absorb the additional costs of raw

materials, the financial strength of our dealers and the financial strength of our customers, our ability to locate new DWR studios, negotiate favorable lease terms for new and existing locations and the implementation of our studio portfolio transformation, our ability to attract and retain key executives and other qualified employees, our ability to continue to make product innovations, the success of newly-introduced products, our ability to serve all of our markets, possible acquisitions, divestitures or alliances, the pace and level of government procurement, the outcome of pending litigation or governmental audits or investigations, political risk in the markets we serve, and other risks identified in our filings with the Securities and Exchange Commission. Therefore, actual results and outcomes may materially differ from what we express or forecast. Furthermore, Herman Miller, Inc., undertakes no obligation to update, amend or clarify forward-looking statements.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

The information concerning quantitative and qualitative disclosures about market risk contained in the company's Annual Report on Form 10-K for its fiscal year ended June 2, 2018 has not changed significantly. The nature of market risks from interest rates and commodity prices has not changed materially during the first three months of fiscal 2019.

Foreign Exchange Risk

The company primarily manufactures its products in the United States, United Kingdom, China and India. It also sources completed products and product components from outside the United States. The company's completed products are sold in numerous countries around the world. Sales in foreign countries as well as certain expenses related to those sales are transacted in currencies other than the company's reporting currency, the U.S. dollar. Accordingly, production costs and profit margins related to these sales are affected by the currency exchange relationship between the countries where the sales take place and the countries where the products are sourced or manufactured. These currency exchange relationships can also impact the company's competitive positions within these markets.

The principal foreign currencies in which the company conducts its business are the British pound sterling, European euro, Canadian dollar, Australian dollar, Japanese yen, Mexican peso, Brazilian real, Indian rupee, South African rand, Hong Kong dollar and Chinese renminbi. In the normal course of business, the company enters into forward foreign currency exchange swap contracts. Changes in the fair value of such contracts are reported in earnings in the period the value of the contract changes. The net gain or loss upon settlement and the change in fair value of outstanding contracts is recorded as a component of other expense (income), net.

Item 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including the company's Chief Executive Officer and Chief Financial Officer, management has evaluated the effectiveness of the company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 1, 2018, and the company's Chief Executive Officer and Chief Financial officer have concluded that, as of that date, the company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

Beginning June 3, 2018, we implemented *ASC 606 - Revenue from Contracts with Customers*. As a result, the company implemented certain changes to ERP systems and processes related to revenue recognition and the control activities pertaining to them. These changes included the development of new accounting policies that comport with the new revenue standard, contract reviews, revenue recognition cut-off reviews, system control changes and gathering of information needed for disclosures.

Part II - Other Information

Item 1: Legal Proceedings

Referred to in Note 12 of the condensed consolidated financial statements.

Item 1A: Risk Factors

There have been no material changes in the company's risk factors from those set forth in the company's Annual Report on Form 10-K for the year ended June 2, 2018.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following is a summary of share repurchase activity during the quarter ended September 1, 2018.

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average price Paid per Share or Unit	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased Under the Plans or Programs (in millions)
6/3/18 - 6/30/18	5,871	\$ 34.19	5,871	\$ 61,888,262
7/1/18 - 7/28/18	328,037	\$ 38.47	328,037	\$ 49,268,550
7/29/18 - 9/1/18	211,958	\$ 37.80	211,958	\$ 41,256,763
Total	<u>545,866</u>		<u>545,866</u>	

No repurchase plans expired or were terminated during the first quarter of fiscal 2019, nor do any plans exist under which the company does not intend to make further purchases. The Board has the authority to terminate any further repurchases.

During the period covered by this report, the company did not sell any of its equity securities that were not registered under the Securities Act of 1933.

Item 3: Defaults upon Senior Securities

None

Item 4: Mine Safety Disclosures

Not applicable

Item 5: Other Information

None

Item 6: Exhibits

The following exhibits (listed by number corresponding to the Exhibit table as Item 601 in Regulation S-K) are filed with this Report:

Exhibit Number Document

3.1	Restated Articles of Incorporation
3.2	Amended and Restated Bylaws
10.1	Employment Agreement dated August 3, 2018 between Herman Miller, Inc. and Andrea R. Owen, Chief Executive Officer
31.1	Certificate of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certificate of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certificate of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

HERMAN MILLER, INC.

October 10, 2018

/s/ Andrea R. Owen

Andrea R. Owen
Chief Executive Officer
(Duly Authorized Signatory for Registrant)

October 10, 2018

/s/ Jeffrey M. Stutz

Jeffrey M. Stutz
Chief Financial Officer
(Duly Authorized Signatory for Registrant)

RESTATED ARTICLES OF INCORPORATION

OF

HERMAN MILLER, INC.

The following Restated Articles of Incorporation are executed by the undersigned Corporation pursuant to the provisions of Act 284, Public Acts of 1972, as amended:

1. The present name of the Corporation is: Herman Miller, Inc.
2. The identification number assigned by the Bureau is: [232362800242699](#).
3. All former names of the Corporation are: Herman Miller Michigan, Inc.
4. The date of filing of the original Articles of Incorporation was: July 21, 1981.

The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and shall be the Articles of Incorporation of the Corporation:

ARTICLE I

The name of the Corporation is Herman Miller, Inc.

ARTICLE II

The purpose or purposes for which the Corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the Michigan Business Corporation Act.

ARTICLE III

The total number of shares of all classes of stock which the Corporation shall have authority to issue is two hundred fifty million (250,000,000) shares, of which two hundred forty million (240,000,000) shares shall be common stock of the par value of \$.20 per share and ten million (10,000,000) shares shall be series preferred stock, without par value.

The authorized shares of common stock of the par value of twenty cents (\$.20) per share are all of one class with equal voting power, and each such share shall be equal to every other such share.

The shares of series preferred stock may be divided into one or more series. Except as hereinafter provided, the Board of Director is hereby authorized to cause the preferred stock to be issued from time to time in one or more series, with such designations and such relative voting, dividend, liquidation, and other rights, preferences and limitations as shall be stated and expressed in the resolution providing for the issue of such preferred stock adopted by the Board of Directors. The Board of Directors by a vote of the majority of the whole Board is expressly

authorized to adopt such resolution or resolutions and issue such stock from time to time as it may deem desirable.

ARTICLE IV

The address of the registered office, which is the same as the mailing address, is 855 East Main Avenue, Zeeland, Michigan 49464. The name of the resident agent at the registered office is H. Timothy Lopez Eric W. Bredemeier.

ARTICLE V

Directors and officers of the Corporation shall be indemnified as of right to the fullest extent now or hereafter permitted by law in connection with any actual or threatened civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the name of the Corporation, a subsidiary or otherwise) in which a director or officer is a witness or which is brought against a director or officer in his or her capacity as a director, officer, employee, agent or fiduciary of the Corporation or of any corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which the director or officer was serving at the request of the Corporation. Persons who are not directors or officers of the Corporation may be similarly indemnified in respect of such service to the extent authorized at any time by the Board of Directors of the Corporation. The Corporation may purchase and maintain insurance to protect itself and any such director, officer or other person against any liability asserted against him or her and incurred by him or her in respect of such service whether or not the Corporation would have the power to indemnify him or her against such liability by law or under the provisions of this Article. The provisions of this Article shall be applicable to actions, suits or proceedings, whether arising from acts or omissions occurring before or after the adoption hereof, and to directors, officers and other persons who have ceased to render such service, and shall inure to the benefit of the heirs, executors and administrators of the directors, officers and other persons referred to in this Article. The right of indemnity provided pursuant to this Article shall not be exclusive and the Corporation may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the Board of Directors may approve. Any agreement for indemnification of any director, officer, employee or other person may provide indemnification rights which are broader or otherwise different from those set forth in, or provided pursuant to, or in accordance with, this Article. Any amendment, alteration, modification, repeal or adoption of any provision in these Restated Articles of Incorporation inconsistent with this Article V shall not adversely affect any indemnification right or protection of a director or officer of the Corporation existing at the time of such amendment, alteration, modification, repeal or adoption.

ARTICLE VI

The affirmative vote or consent of two-thirds of the outstanding stock of this Corporation entitled to vote on any proposed dissolution of the Corporation shall be required to authorize and approve the same or to amend this Article VI.

ARTICLE VII

Approval of Business Combinations

The stockholder vote required to approve Business Combinations (hereinafter defined) shall be as set forth in this Article VII.

Section 1. Higher Vote for Business Combinations. In addition to any affirmative vote required by law or these Restated Articles of Incorporation, and except as otherwise expressly provided in Section 3 of this Article VII:

A. any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (i) any Interested Stockholder (as hereinafter defined) or (ii) any other corporation (whether or not itself an Interested Stockholder) which is, or after such merger or consolidation would be, an Affiliate (as hereinafter defined) of an Interested Stockholder; or

B. any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Stockholder or any Affiliate of any Interested Stockholder of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value of \$5,000,000 or more; or

C. the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to any Interested Stockholder or any Affiliate of any Interested Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of \$5,000,000 or more; or

D. the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of an Interested Stockholder or any Affiliate of any Interested Stockholder; or

E. any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Interested Stockholder or any Affiliate of any Interested Stockholder;

shall require the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class, including the affirmative vote of the holders of not less than fifty percent (50%) of the outstanding Voting Stock not owned directly or indirectly by any Interested Stockholder. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage

may be specified, by law, in any other Article of these Restated Articles of Incorporation or in any agreement with any national securities exchange or otherwise.

Section 2. Definition of "Business Combination". The term "Business Combination" as used in this Article VII shall mean any transaction which is referred to in any one or more of paragraphs A through E of Section 1.

Section 3. When Higher Vote Is Not Required. The provisions of Section I of this Article VII shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote as is required by law and any other provision of these Restated Articles of Incorporation if in the case of a Business Combination that does not involve any cash or other consideration being received by the stockholders of the Corporation, solely in their capacities as stockholders, the condition specified in the following paragraph A is met, or if in the case of any other Business Combination, the conditions specified in either of the following paragraphs A or B are met;

A. Approval by Continuing Directors. The Business Combination shall have been approved by a majority of the Continuing Directors (as hereinafter defined).

B. Price and Procedure Requirements. All of the following conditions shall have been met:

(i) The aggregate amount of the cash and the Fair Market Value (as hereinafter defined) as of the date of the consummation of the Business Combination (the "Consummation Date") of the consideration other than cash to be received per share by holders of Common Stock in such Business Combination shall be an amount at least equal to the higher of the following (it being intended that the requirements of this paragraph B(i) shall be required to be met with respect to all shares of Common Stock outstanding, whether or not the Interested Stockholder has previously acquired any shares of the Common Stock):

(a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of Common Stock acquired by it (1) within the two-year period immediately prior to the first public announcement of the proposal of the Business Combination (the "Announcement Date") or (2) in the transaction in which it became an Interested Stockholder, whichever is higher, plus interest compounded annually from the date on which the Interested Stockholder became an Interested Stockholder through the Consummation Date at the prime rate of interest of Citibank, N.A. (or other major bank headquartered in New York City selected by a majority of the Continuing Directors) from time to time in effect in New York City, less the aggregate amount of any cash dividends paid, and the Fair Market Value of any dividends paid in other than cash, per share of Common Stock from the date on which the Interested Stockholder became an Interested Stockholder through the Consummation Date in an amount up to but not exceeding the amount of

such interest payable per share of Common Stock; or

(b) the Fair Market Value per share of Common Stock on the Announcement Date.

(ii) The aggregate amount of the cash and the Fair Market Value as of the Consummation Date of the consideration other than cash to be received per share by holders of shares of any class of outstanding Voting Stock, other than the Common Stock, in such Business Combination shall be an amount at least equal to the highest of the following (it being intended that the requirements of this paragraph B(ii) shall be required to be met with respect to all shares of every such other class of outstanding Voting Stock, whether or not the Interested Stockholder has previously acquired any shares of a particular class of Voting Stock):

(a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of such class of Voting Stock acquired by it (1) within the two-year period immediately prior to the Announcement Date or (2) in the transaction in which it became an Interested Stockholder, whichever is higher, plus interest compounded annually from the date on which the Interested Stockholder became an Interested Stockholder through the Consummation Date at the prime rate of interest of Citibank, N.A. (or other major bank headquartered in New York City selected by a majority of the Continuing Directors) from time to time in effect in New York City, less the aggregate amount of any cash dividends paid, and the Fair Market Value of any dividends paid in other than cash, per share of such class of Voting Stock from the date on which the Interested Stockholder became an Interested Stockholder through the Consummation Date in an amount up to but not exceeding the amount of such interest payable per share of such class of Voting Stock;

(b) the Fair Market Value per share of such class of Voting Stock on the Announcement Date; or

(c) The highest preferential amount per share, if any, to which the holders of shares of such class of Voting Stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

(iii) The consideration to be received by holders of a particular class of outstanding Voting Stock (including Common Stock) shall be in cash or in the same form as the Interested Stockholder has previously paid for shares of such class of Voting Stock. If the Interested Stockholder has paid for shares of any class of Voting Stock with varying forms of consideration, the form of consideration for such class of Voting Stock shall be either cash or the form used to acquire the largest number of shares of such class of Voting Stock previously acquired by it.

(iv) After such Interested Stockholder has become an Interested Stockholder and prior to the consummation of such Business Combination: (a) except as approved by a majority of the Continuing Directors, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on any outstanding Preferred Stock; (b) there shall have been (1) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), except as approved by a majority of the Continuing Directors, and (2) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of the Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Continuing Directors; and (c) such Interested Stockholder shall have not become the beneficial owner of any additional shares of Voting Stock except as part of the transaction which results in such Interested Stockholder becoming an Interested Stockholder.

(v) After such Interested Stockholder has become an Interested Stockholder, such Interested Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a stockholder), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation.

(vi) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to all stockholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions).

Section 4. Certain Definitions. For the purposes of this Article VII:

- A. A "person" shall mean any individual, firm, corporation or other entity.
- B. "Interested Stockholder" shall mean any person (other than the Corporation or any Subsidiary) who or which:
 - (i) is the beneficial owner, directly or indirectly, of more than 10% of the voting power of the outstanding Voting Stock; or
 - (ii) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding Voting Stock;

(iii) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Stockholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

C. A person shall be a "beneficial owner" of any Voting Stock:

(i) which such person or any of its Affiliates or Associates (as hereinafter defined) beneficially owns, directly or indirectly; or

(ii) which such person or any of its Affiliates or Associates has (a) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (b) the right to vote pursuant to any agreement, arrangement or understanding; or

(iii) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

D. For the purposes of determining whether a person is an Interested Stockholder pursuant to paragraph B of this Section 4, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of paragraph C of this Section 4 but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

E. "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on July 1, 1983.

F. "Subsidiary" means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Interested Stockholder set forth in paragraph B of this Section 4, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

G. "Continuing Director" means any member of the Board of Directors of the Corporation (the "Board") who is unaffiliated with the Interested Stockholder and was a member of the Board prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Continuing Director who is unaffiliated with the Interested Stockholder and is recommended to succeed a Continuing Director by a majority of Continuing Directors then on the Board.

H. "Fair Market Value" means: (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc., Automated Quotations System or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by a majority of the Continuing Directors in good faith; and (ii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by a majority of the Continuing Directors in good faith.

I. In the event of any Business Combination in which the Corporation survives, the phrase "consideration other than cash to be received" as used in paragraphs B(i) and (ii) of Section 3 of this Article VII shall include the shares of Common Stock and/or the shares of any other class of outstanding Voting Stock retained by the holders of such shares.

Section 5. Powers of Continuing Directors. A majority of the Continuing Directors of the Corporation shall have the power and duty to determine, on the basis of information known to them after reasonable inquiry, all facts necessary to determine compliance with this Article VII, including without limitation (A) whether a person is an Interested Stockholder, (B) the number of shares of Voting Stock beneficially owned by any person, (C) whether a person is an Affiliate or Associate of another, (D) whether the requirements of paragraph B of Section 3 have been met with respect to any Business Combination, and (E) whether the assets which are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of \$5,000,000 or more; and the good faith determination of a majority of the Continuing Directors on such matters shall be conclusive and binding for all the purposes of this Article VII.

Section 6. No Effect on Fiduciary Obligations of Interested Stockholders. Nothing contained in this Article VII shall be construed to relieve the Board of Directors or any Interested Stockholder from any fiduciary obligation imposed by law.

Section 7. Amendment, Repeal, etc. Notwithstanding any other provisions of these Restated Articles of Incorporation or the Bylaws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law, these Restated Articles of Incorporation or the Bylaws of the Corporation), the affirmative vote of the holders of eighty percent (80%) or more of the voting power of the shares of the then outstanding Voting Stock, voting together as a single class, including the affirmative vote of the holders of not less than fifty percent (50%) of the Voting Stock not owned directly or indirectly by any Interested Stockholder, shall be required to amend or repeal, or adopt any provisions inconsistent with, this Article VII of these

Restated Articles of Incorporation; provided, however, that the preceding provisions of this Section 7 shall not be applicable to any amendment to this Article VII of these Restated Articles of Incorporation, and such amendment shall require only such affirmative vote as is required by law and any other provisions of these Restated Articles of Incorporation, if such amendment shall have been approved by a majority of the Continuing Directors.

ARTICLE VIII

Board of Directors

Section 1. Authority and Size of Board. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors of the Corporation (exclusive of directors to be elected by the holders of any one or more series of the Preferred Stock voting separately as a class or classes) that shall constitute the Board of Directors shall be ten (10), unless otherwise determined from time to time by resolution adopted by the affirmative vote of:

- A. At least eighty percent (80%) of the Board of Directors, and
- B. A majority of the Continuing Directors (as hereinafter defined).

Section 2. Classification of Board and Filling of Vacancies. Subject to applicable law, the directors shall be divided into three (3) classes, each class to be as nearly equal in number as possible. The term of office of Directors of the first class shall expire at the annual meeting of stockholders to be held in 1984 and until their respective successors are duly elected and qualified or their resignation or removal. The term of office of Directors of the second class shall expire at the annual meeting of stockholders to be held in 1985 and until their respective successors are duly elected and qualified or their resignation or removal. The term of office of Directors of the third class shall expire at the annual meeting of stockholders to be held in 1986 and until their respective successors are duly elected and qualified or their resignation or removal. Subject to the foregoing, at each annual meeting of stockholders, commencing at the annual meeting to be held in 1984, the successors to the class of directors whose term shall then expire shall be elected to hold office for a term expiring at the third succeeding annual meeting and until their successors shall be duly elected and qualified or their resignation or removal. Any vacancies in the Board of Directors for any reason, and any newly created directorships resulting from any increase in the number of directors, may be filled only by the Board of Directors, acting by vote of eighty percent (80%) of the directors then in office, although less than a quorum, and any directors so chosen shall hold office until the next annual meeting of stockholders and until their respective successors shall be duly elected and qualified or their resignation or removal. No decrease in the number of directors shall shorten the term of any incumbent director. Notwithstanding the foregoing, and except as otherwise required by law, whenever the holders of any one or more series of Preferred Stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, (i) the terms of the director or directors elected by such holders shall expire at the next succeeding annual meeting of stockholders and vacancies created with respect to any directorship of the directors so elected may be filled in the manner specified by such Preferred Stock, and (ii) this Article VIII shall be deemed to be construed and/or modified so as to permit the full implementation of the terms and

conditions relating to election of directors of any series of Preferred Stock that has been or may be designated by the Board of Directors.

Section 3. Removal of Directors. Notwithstanding any other provisions of these Restated Articles of Incorporation or the Bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, these Restated Articles of Incorporation or the Bylaws of the Corporation), any one or more directors of the Corporation may be removed at any time, with or without cause, but only by either (1) the affirmative vote of a majority of the Continuing Directors and at least eighty percent (80%) of the Board of Directors or (2) the affirmative vote, at a meeting of the stockholders called for that purpose, of the holders of at least eighty percent (80%) of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock") voting together as a single class.

Notwithstanding the foregoing, and except as otherwise required by law, whenever the holders of any one or more series of Preferred Stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the provision of this Section 3 shall not apply with respect to the director or directors elected by such holders of Preferred Stock.

Section 4. Certain Definitions. For the purposes of this Article VIII:

- A. A "person" shall mean any individual, firm, corporation or other entity.
- B. "Interested Stockholder" shall mean any person (other than the Corporation or any Subsidiary) who or which:
 - (i) is the beneficial owner, directly or indirectly, of more than ten percent (10%) of the voting power of the outstanding Voting Stock; or
 - (ii) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of ten percent (10%) or more of the voting power of the then outstanding Voting Stock; or
 - (iii) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Stockholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.
- C. A person shall be a "beneficial owner" of any Voting Stock:
 - (i) which such person or any of its Affiliates or Associates (as hereinafter defined) beneficially owns, directly or indirectly; or

(ii) which such person or any of its Affiliates or Associates has (a) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (b) the right to vote pursuant to any agreement, arrangement or understanding; or

(iii) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

D. For the purposes of determining whether a person is an Interested Stockholder pursuant to paragraph B of this Section 4, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of paragraph C of this Section 4 but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

E. "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on July 1, 1983.

F. "Subsidiary" means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Interested Stockholder set forth in paragraph B of this Section 4, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

G. "Continuing Director" means any member of the Board of Directors of the Corporation (the "Board") who is unaffiliated with the Interested Stockholder and was a member of the Board prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Continuing Director who is unaffiliated with the Interested Stockholder and is recommended to succeed a Continuing Director by a majority of Continuing Directors then on the Board.

Section 5. Powers of Continuing Directors. A majority of the Continuing Directors of the Corporation shall have the power and duty to determine, on the basis of information known to them after reasonable inquiry, all facts necessary to determine compliance with this Article VIII, including without limitation (A) whether a person is an Interested Stockholder, (B) the number of shares of Voting Stock beneficially owned by any person, and (C) whether a person is an Affiliate or Associate of another; and the good faith determination of a majority of the Continuing Directors on such matters shall be conclusive and binding for all the purposes of this Article VIII.

Section 6. Amendment, Repeal, etc. Notwithstanding any other provisions of these Restated Articles of Incorporation or the Bylaws of the Corporation (and notwithstanding the

fact that a lesser percentage may be specified by law, these Restated Articles of Incorporation or the Bylaws of the Corporation), the affirmative vote of the holders of eighty percent (80%) or more of the voting power of the shares of the then outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal, or adopt any provisions inconsistent with, this Article VIII of these Restated Articles of Incorporation; provided, however, that the preceding provisions of this Section 6 shall not be applicable to any amendment to this Article VIII of these Restated Articles of Incorporation, and such amendment shall require only such affirmative vote as is required by law and any other provisions of these Restated Articles of Incorporation, if such amendment shall have been approved by a majority of the Continuing Directors.

ARTICLE IX

Board Evaluation of Certain Offers

Section 1. Matters to be Evaluated. The Board of Directors of this Corporation shall not approve, adopt or recommend any offer of any person or entity, other than the Corporation, to make a tender or exchange offer for any capital stock of the Corporation, to merge or consolidate the Corporation with any other entity or to purchase or otherwise acquire all or substantially all of the assets or business of the Corporation unless and until the Board of Directors shall have first evaluated the offer and determined that the offer would be in compliance with all applicable laws and that the offer is in the best interests of the Corporation and its stockholders. In connection with its evaluation as to compliance with laws, the Board of Directors may seek and rely upon an opinion of legal counsel independent from the offeror and it may test such compliance with laws in any state or federal court or before any state or federal administrative agency which may have appropriate jurisdiction. In connection with its evaluation as to the best interests of the Corporation and its stockholders, the Board of Directors shall consider all factors which it deems relevant, including without limitation: (i) the adequacy and fairness of the consideration to be received by the Corporation and/or its stockholders under the offer considering historical trading prices of the Corporation's stock, the price that might be achieved in a negotiated sale of the Corporation as a whole, premiums over trading prices which have been proposed or offered with respect to the securities of other companies in the past in connection with similar offers and the future prospects for this Corporation and its business; (ii) the potential social and economic impact of the offer and its consummation on this Corporation, its employees, customers and vendors; and (iii) the potential social and economic impact of the offer and its consummation on the communities in which the Corporation and any subsidiaries operate or are located.

Section 2. Amendment, Repeal, etc. Notwithstanding any other provision of these Restated Articles of Incorporation or the Bylaws of the Corporation to the contrary (and notwithstanding the fact that a lesser percentage may be specified by law, these Restated Articles of Incorporation or the Bylaws of the Corporation), the affirmative vote of the holders of eighty percent (80%) or more of the outstanding shares of capital stock entitled to vote for the election of directors, voting together as a single class, shall be required to amend, repeal, or adopt any provision inconsistent with, this Article IX; provided, however, that this Article IX shall be of no force or effect if the proposed amendment, repeal or other action has been recommended for approval by at least eighty percent (80%) of all directors then holding office.

ARTICLE X

No director of the Corporation shall be personally liable to the Corporation or any of its shareholders for monetary damages for a breach of fiduciary duty as a director. However, this Article X shall not eliminate or limit the liability of a director for any breach of duty, act or omission for which the elimination or limitation of liability is not permitted by the Michigan Business Corporation Act, as amended from time to time. No amendment, alteration, modification, repeal or adoption of any provision in these Restated Articles of Incorporation inconsistent with this Article X shall have any effect to increase the liability of any director of the Corporation with respect to any act or omission of such director occurring prior to such amendment, alteration, modification, repeal or adoption.

ARTICLE XI

The Bylaws of the Corporation may provide that, to the extent provided in such Bylaws, each director of the Corporation shall be elected by the affirmative vote of a majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, subject to the terms and conditions set forth within such Bylaws. For purposes of clarity, the provisions of the foregoing sentence do not apply to vacancies or newly created directorships filled by a vote of the Board of Directors.

~~These Restated Articles of Incorporation were duly adopted on July 14, 2014~~October 8, 2018, in accordance with the provisions of Section 642 of the Michigan Business Corporation Act ~~and were duly adopted by the Board of Directors without a vote of by the shareholders. These Restated Articles of Incorporation only restate and integrate and do not further amend the provisions of the Articles of Incorporation as heretofore amended and there is no material discrepancy between those provisions and the provision of these Restated Articles of Incorporation at a meeting in accordance with section 611(3) of the Act.~~

Signed this ____ day of ~~July, 2014~~October, 2018.

/s/ Andrea Owen

~~Brian C. Walker~~

Andrea Owen

President

Herman Miller, Inc. – A Michigan Corporation
Amended and Restated Bylaws

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation shall be as specified in the Articles of Incorporation or such other place as determined by the Board of Directors upon filing proper notice thereof with the State of Michigan. The Corporation shall keep records containing the names and addresses of all shareholders, the number, class and series of shares held by each, and the dates when they respectively became holders of record thereof, at its registered office or at the office of its transfer agent.

Section 2. Other Offices. The business of the Corporation may be transacted in such locations other than the registered office, within or outside the State of Michigan, as the Board of Directors may from time to time determine, or as the business of the Corporation may require.

ARTICLE II

CAPITAL STOCK

Section 1. Issuance of Stock and Stock Certificates. The Board of Directors, in its sole discretion and as necessary, may authorize the issuance of some or all of any class or series of the Corporation's shares without certificates representing such shares. Such authorization shall not affect shares already represented by certificates until such certificates are surrendered to the Corporation. After the issuance of shares without certificates and within a reasonable time, the Corporation shall send the shareholder a written statement of the information normally required on certificates as mandated under the Michigan Business Corporation Act. Certificates, if specially requested by a shareholder, representing shares of the Corporation may be issued and shall be in such form as is approved by the Chief Executive Officer and the Vice President of Legal Affairs. Certificates signed by the chairman of the Board of Directors, vice chairman of the Board of Directors, president or a vice president, and may also be signed by another officer of the Corporation. The certificate may be sealed with the seal of the Corporation, or a facsimile thereof. The signatures of the officers may be facsimiles. If an officer who has signed, or whose facsimile signature has been placed upon, a certificate ceases to be such officer before the certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of issue. The Corporation's records containing the names and addresses of all shareholders, the number, class and series of shares held by each, and the date when they respectively became holders of record thereof, shall be final and binding upon the shareholders and their successors and assigns for the purposes of determining the identity and location of each shareholder and the number, class and series of shares held by each shareholder.

Section 2. Replacement of Lost or Destroyed Certificates. If a stock certificate is lost or destroyed, no new certificate shall be issued in place thereof until the Corporation has received from the registered holder such assurances, representations, warranties, and/or guarantees as the Board of Directors, in its sole discretion, shall deem advisable, and until the Corporation receives sufficient indemnification protecting it against any claim that may be made on account of such lost or destroyed certificate, or the issuance of any new certificate in place thereof, including an indemnity bond in such amount and with sureties, if any, as the Board of Directors, in its sole discretion, deems advisable.

Section 3. Transfer of Shares. Shares of stock of the Corporation shall be transferable only upon the books of the Corporation. The old certificates, if any, shall be surrendered to the Corporation by delivery thereof to the person in charge of the stock transfer books of the Corporation or to such other person as the Board of Directors may designate, properly endorsed for transfer, and such certificates shall be canceled if certificates are being used. If the Board has authorized the issuance of shares without certificates, after the transfer of shares and within a reasonable time, the Corporation rather than issue a certificate, may send the transferee shareholder a written statement of the information normally required on certificates as mandated under the Michigan Business Corporation Act. The Board of Directors may issue a new certificate if the transferred shareholder specifically requests it. The Corporation shall keep records containing the names and addresses of all shareholders, the number, class, and series of Shares held by each, and the date when they respectively became holders of record thereof, at its registered office. The Corporation shall be entitled to

treat the person in whose name any share, right or option is registered as the owner thereof for all purposes, and shall not be bound to recognize any equitable or other claim with respect thereto, regardless of any notice thereof, except as may be specifically required by the laws of the State of Michigan.

Section 4. Rules Governing Stock Certificates. The Board of Directors shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer and registration of certificates of stock, and may appoint a transfer agent and/or a registrar of transfer, and may require all such certificates to bear the signature of such transfer agent and/or of such registrar of transfers.

Section 5. Record Date for Share Dividends, Distributions and Other Actions. For the purpose of determining shareholders entitled to receive payment of a share dividend or distribution, or allotment of a right, or for the purpose of any other action, the Board of Directors may fix a record date which shall not precede the date on which the resolution fixing the record date is adopted by the Board. The date shall not be more than sixty (60) days before the payment of the share dividend or distribution or allotment of a right or other action. If a record date is not fixed, the record date shall be the close of business on the day on which the resolution of the Board relating to the corporate action is adopted. Only shareholders of record on the date so fixed shall be entitled to receive payment of such Dividend or other distribution or allotment or rights or exercise such rights, as the case may be, notwithstanding the transfer of any Shares on the books of the Corporation after such record date.

Section 6. Dividends. The Board of Directors, in its discretion, may from time to time declare and make a distribution to shareholders in respect of the Corporation's outstanding shares, payable in cash, the Corporation's shares or indebtedness, or the Corporation's other property, including the shares or indebtedness of other corporations; provided, however, no such distribution shall be made if, after giving effect to the distribution, the Corporation would not be able to pay its debts as they become due in the usual course of business, or the Corporation's total assets would be less than its total liabilities plus the amount that would be needed if the Corporation were to be dissolved at the time of the distribution to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distributions.

In addition, the Board of Directors, in its discretion from time to time may declare and direct the payment of a share dividend of the Corporation's shares, issued pro rata and without consideration, to the Corporation's shareholders or to the shareholders of one or more classes or series; provided, however, shares of one class or series may not be issued as a share dividend in respect of shares of another class or series unless (a) the Articles of Incorporation so authorize, (b) a majority of the votes entitled to be cast by the class or series to be issued approve the issue, or (c) there are no outstanding shares of the class or series to be issued.

Section 7. Acquisition of Shares. Subject to the limitations of the Michigan Business Corporation Act, the Board of Directors may authorize the Corporation to acquire its own shares, and shares so acquired shall constitute authorized but unissued shares, except that shares of the Corporation acquired by it may be pledged as security for the payment of the purchase price of the shares and, until the purchase price is paid by the Corporation, such shares are not canceled and do not constitute authorized but unissued shares.

In such event, the acquired and pledged shares shall not be voted directly or indirectly at any meeting or otherwise, shall not be counted in determining the total number of issued shares entitled to vote at any given time, and upon payment of the purchase price, shall be canceled and constitute authorized but unissued shares.

ARTICLE III

SHAREHOLDERS

Section 1. Place of Meetings. Meetings of shareholders shall be (a) held at the registered office of the Corporation or at such other place, within or outside the State of Michigan, as may be determined from time to time by the Board of Directors, provided, however, if a meeting of shareholders is to be held at a place other than the registered office of the Corporation the notice of the meeting shall designate such place and provided further a shareholder may not participate in such meeting by a conference telephone or by other means of remote communication except to the extent and in the manner determined by the Board of Directors or (b) conducted solely by means of remote communication, as may be determined from time to time by the Board of Directors.

Section 2. Annual Meeting. Annual meetings of shareholders for election of directors and for such other business as may come before the meeting shall be held at a date and time designated by the Board of Directors after the end of each fiscal year of the Corporation. If the annual meeting is not held on the date and at the time so designated, the Board of Directors shall cause the meeting to be held as soon thereafter as is convenient.

Section 3. Special Meetings. Special meetings of shareholders may be called by the chairman or vice chairman of the Board, the president or secretary and shall be called by one of them pursuant to resolution thereof by the Board of Directors, or upon receipt by them of a request in writing, stating the purpose or purposes thereof, and signed by more than half of the non-employee directors.

Section 4. Record Date for Notice and Vote. For the purpose of determining shareholders entitled to notice of and to vote at a meeting of shareholders or an adjournment of a meeting, the Board of Directors may fix a record date which shall not precede the date on which the resolution fixing the record date is adopted by the Board. The date shall be not more than sixty (60) nor less than ten (10) days before the date of the meeting. If a record date is not fixed, the record date for determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be the close of business on the day next preceding the day on which notice is given or, if no notice is given, the day next preceding the day on which the meeting is held. When a determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders has been made as provided in this Section 4, the determination applies to any adjournment of the meeting, unless the Board fixes a new record date under this section for the adjourned meeting.

For the purpose of determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, the Board of Directors may fix a record date which shall not precede the date on which the resolution fixing the record date is adopted by the Board and shall not be more than ten (10) days after the Board resolution. If a record date is not fixed and prior action by the Board is required with respect to the corporate action to be taken without a meeting, the record date shall be the close of business on the day on which the resolution of the Board is adopted. If a record date is not fixed and prior action by the Board is not required, the record date shall be the first date on which a signed written consent is delivered to the Corporation as provided in Section 47 of the Michigan Business Corporation Act.

Section 5. Notice of Shareholders Meetings. Written notice of the time, place and purposes of any meeting of shareholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each shareholder of record entitled to vote at the meeting. Such notice may be given by delivery in person to such shareholders or by mailing or electronically transmitting such notice to shareholders at their addresses as the same appear on the stock books of the Corporation.

A shareholder's attendance at a meeting, in person or by proxy, constitutes a waiver of the shareholder's objection to lack of notice or defective notice of the meeting unless, at the beginning of the meeting, the shareholder objects to holding the meeting or transacting business at the meeting, and constitutes a waiver of the shareholder's objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

Section 6. Voting Lists. The Corporation's officer or agent having charge of its stock transfer books shall prepare and certify a complete list of the shareholders entitled to vote at a shareholders' meeting or any adjournment thereof, which list shall be arranged alphabetically within each class and series, and shall show the address of and number of shares held by each shareholder. The list shall be produced at the time and place of the meeting of shareholders and be subject to inspection by any shareholder at any time during the meeting. The list shall be prima facie evidence as to who are the shareholders entitled to examine the list or to vote at the meeting. If for any reason the requirements with respect to the shareholder list specified in this Section 6 of Article III have not been complied with, any shareholder, either in person or by proxy, who in good faith challenges the existence of sufficient votes to carry any action at the meeting, may demand that the meeting be adjourned and the same shall be adjourned until the requirements are complied with, provided however, that failure to comply with such requirements does not affect the validity of any action taken at the meeting before such demand is made.

Section 7. Voting. Except as may otherwise be provided in the Articles of Incorporation or Bylaws of the Corporation, each shareholder entitled to vote at a meeting of shareholders, or to express consent or dissent without a meeting, shall be entitled to one (1) vote, in person or by proxy, for each share of stock entitled to vote held by such shareholder, provided however, no proxy shall be voted after three (3) years from its date unless such proxy provides for a longer period. For purposes of this section, without limiting the manner in which a shareholder may authorize another person or persons to act as proxy, a proxy granted by execution of a writing, facsimile, or other means of electronic transmission to the person or persons who will hold the proxy or to a proxy solicitation firm, proxy support service organization, or similar agent fully authorized by the person who will hold the proxy to receive that transmission, shall constitute valid means of granting proxy authority. A vote may be cast either orally or in writing as announced or directed by the chairperson of the meeting prior to the taking of the vote. When an action ~~other than the election of directors~~ is to be taken by vote of the shareholders, it shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon, unless a greater vote is required by express requirement of the Michigan Business Corporation Act ~~or of~~, the Articles of Incorporation or these Bylaws, in which case such express provision shall govern and control the decision of such question. ~~Except as otherwise expressly required by the Articles of Incorporation, directors shall be elected by a plurality of the votes cast at an election.~~

Section 8. Quorum; Adjournments; Postponement. Except as may otherwise be provided in the Articles of Incorporation, shares entitled to cast a majority of the votes at a meeting constitute a quorum. Any meeting of the shareholders may be adjourned from time to time, whether or not there is a quorum, at any time, by a vote of a majority of the shares present or by the chairman of the meeting or pursuant to a resolution of the Board of Directors. Shareholders present in person or by proxy at any meeting of shareholders at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. No notice of the time and place of adjourned meetings need be given except as required by the Michigan Business Corporation Act. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The Board of Directors acting by resolution may postpone and reschedule any previously scheduled meeting of the shareholders.

Section 9. Conduct of Meetings. The chairman of the Board of Directors or the chairman's designee shall call meetings of the shareholders to order and shall act as chairman of such meetings. The secretary of the Corporation shall act as secretary of all meetings of shareholders but, in the absence of the secretary at any meeting of shareholders or the secretary's inability or election not to act as secretary, the chairman may appoint any person to act as secretary of the meeting. The Board of Directors may, to the extent not prohibited by law, adopt by resolution such rules and regulations for the conduct of a meeting of the shareholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations or procedures and to do all acts as, in the judgment of the chairman of the meeting, are appropriate for the proper conduct of a meeting of the shareholders. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may to the extent not prohibited by law include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to shareholders of record of the Corporation, their duly authorized and constituted proxies (which shall be reasonable in number) or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants.

Section 10. Inspector of Elections. The Board of Directors may, in advance of meeting of shareholders, appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed or an appointed inspector fails to appear or act, the person presiding at the meeting of shareholders may and, on request of a shareholder entitled to vote thereat, shall appoint one or more persons to fill such vacancy or vacancies, or to act as inspector. The inspector(s) shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine challenges and questions arising in connection with the right to vote, count and tabulate votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all shareholders.

Section 11. Notification of Nominations. Nominations for the election of directors may be made by the Board of Directors or by a shareholder entitled to vote in the election of directors. A shareholder entitled to vote in the election of directors, however, may make such a nomination only if written notice of such shareholder's intent to do so has been given, either by personal delivery or by United States mail, postage prepaid, and received by the Corporation (a) with respect to an election to be held at an annual meeting of shareholders, not earlier than the close of business on the one hundred twentieth (120th) day and not later than the close of business on the ninetieth (90th) day prior to the first anniversary of the preceding year's annual meeting, and (b) with respect to an election to be held at a special meeting of shareholders called for that purpose, not later than the close of business on the tenth (10th) day following the date on which the date of the meeting was first publicly announced or if there was no public announcement, the tenth (10th) day following the date on which notice of the special meeting was first mailed to the shareholders by the Corporation.

Each shareholder's notice of intent to make a nomination must:

- (a) set forth, as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made (i) the names and addresses of such shareholder, as they appear on the Corporation's books, and of such beneficial owner, if any, (ii) the following information concerning the securities of the Corporation or derivatives thereof (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such shareholder and such beneficial owner, (B) any option, warrant, swap, convertible security, stock appreciation right, or similar right contract, arrangement, or device with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation, or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument, right, contract, arrangement, or device shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise and whether or not the holder of or party to such instrument, right, contract, arrangement or device would be deemed to be the beneficial owner of any security of the Corporation (a "Derivative Instrument") directly or indirectly owned beneficially by such shareholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder has a right to vote any shares of any security of the Corporation, including the right to vote shares borrowed to cover a short position, (D) any short interest in any security of the Corporation (for purpose of this Bylaw a

person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Corporation owned beneficially by such shareholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such shareholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) to which such shareholder is entitled based on any increase or decrease in the value of shares of the Corporation or Derivatives Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such shareholder's immediate family sharing the same household which information shall be supplemented by such shareholder and beneficial owner, if any, not later than ten (10) days after the record date for the meeting to disclose such ownership of the record date;

- (b) provide a representation that the shareholder (i) is a holder of record of stock of the Corporation entitled to vote at such meeting, (ii) will continue to hold such stock through the date on which the meeting is held, and (iii) intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; and
- (c) set forth, as to each person whom the shareholder proposes to nominate for election or reelection to the Board of Directors (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to the Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, agreements, and understandings during the past three (3) years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant;
- (d) with respect to each nominee for election or reelection to the Board of Directors, include a completed and signed questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request), and a written representation (in the form provided by the Secretary upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of Corporation, will act or vote on any issue or matter (a "Voting Agreement") that has not been disclosed to the Corporation or (B) any Voting Agreement that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with his or her service as a Director of the Corporation, and (iii) in his or her individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable corporate governance, conflict of interest, confidentiality and other policies and guidelines of the Corporation.

The chairman of the meeting may refuse to acknowledge the nomination of any person nominated by a shareholder whose nomination is not made in strict compliance with the foregoing procedure.

Section 12. Notification of Other Shareholder Proposals. The Board of Directors of the Corporation shall submit for consideration and vote by the shareholders, at any meeting of the shareholders, only those proposals that are first brought before the meeting by or at the direction of the Board of Directors, or by any shareholder entitled to vote at such meeting (a) who submits to the Corporation a timely Notice of Proposal, in accordance with the requirements of this Section 12 and the proposal is a proper subject for action by shareholders under Michigan law, or (b) whose proposal is included in the Corporation's proxy materials in compliance with all the requirements set forth in the applicable rules and regulations of the Securities and Exchange Commission.

Each shareholder's Notice of Proposal shall at a minimum set forth the following information:

- (a) The information required to be set forth in a notice under subsection (a) of Section 11;

- (b) A representation that the shareholder (i) is a holder of record of stock of the Corporation entitled to vote at such meeting, (ii) will continue to hold such stock through the date on which the meeting is held, and (iii) intends to appear in person or by proxy at the meeting to submit the proposal for shareholder vote;
- (c) A brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such shareholder and beneficial owner, if any, in such business; and
- (d) A description of all agreements, arrangements and understandings (including their names) in connection with the proposal of such business by such shareholder.

A Notice of Proposal must be given, either by personal delivery or by United States mail postage prepaid, and received by the Corporation with respect to an annual meeting of shareholders, not earlier than the close of business on the one hundred twentieth (120th) day and not later than the close of business on the ninetieth (90th) day, prior to the first anniversary of the preceding year's annual meeting. A Notice of Proposal to be considered at a special meeting of shareholders must be given in the manner set forth above and be received not later than the close of business on the tenth (10th) day following the date on which the meeting was first publicly announced or if there was no public announcement, not later than the close of business on the tenth (10th) day following the date on which the notice of the scheduled meeting was first mailed to the shareholders. No Notice of Proposal may be in excess of five hundred (500) words. The Secretary of the Corporation shall notify a shareholder in writing whether his or her Notice of Proposal has been made in accordance with all the requirements of this Section 12. The chairman of the meeting may refuse to acknowledge the proposal of any shareholder not made in strict compliance with all such requirements.

ARTICLE IV

DIRECTORS

Section 1. Authority and Size of Board. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors of the Corporation (exclusive of directors to be elected by the holders of any one or more series of the preferred stock voting separately as a class or classes) that shall constitute the Board of Directors shall be that number determined by the Board of Directors from time to time, but not less than nine (9) directors nor more than thirteen (13) directors.

Section 2. Classification of Board and Filling of Vacancies. Subject to applicable law, the directors shall be divided into three (3) classes, each class to be as nearly equal in number as possible. The directors of the first class shall hold office until the annual meeting of stockholders to be held in 1984 and until their respective successors are duly elected and qualified or their resignation or removal. The directors of the second class shall hold office until the annual meeting of stockholders to be held in 1985 and until their respective successors are duly elected and qualified or their resignation or removal. The directors of the third class shall hold office until the annual meeting of stockholders to be held in 1986 and until their respective successors are duly elected and qualified or their resignation or removal. Subject to the foregoing and to the last sentence of this first paragraph of Section 2 of Article IV, at each annual meeting of stockholders, commencing at the annual meeting to be held in 1984, the successors to the class of directors whose term shall then expire shall be elected to hold office until the third succeeding annual meeting and until their successors shall be duly elected and qualified or their resignation or removal. Any vacancies in any class of the Board of Directors for any reason, and any newly created directorships resulting from any increase in the number of directors, may be filled only by the Board of Directors, acting by vote of a majority of the Continuing Directors and at least eighty percent (80%) of the Board of Directors, and any directors so chosen shall hold office for the remaining term of the class of directors into which he or she has been appointed and until their respective successors shall be duly elected and qualified or their resignation or removal. No decrease in the number of directors shall shorten the term of any incumbent director. No person shall be elected as a director (a) after he or she attains age seventy-two (72) or (b) for a term which expires later than the annual meeting of stockholders at or immediately after which such person attains age seventy-two (72).

Notwithstanding the foregoing, and except as otherwise required by law, whenever the holders of any one or more series of preferred stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation (a) the terms of the director or directors elected by such holders shall expire at the next succeeding annual meeting of stockholders and vacancies created with respect to any directorship of the directors so elected may be filled in the manner specified by such preferred stock, and (b) this Section 2 of Article IV shall be deemed to be construed and/or modified so as to permit the full implementation of the terms and conditions relating to election of directors of any series of preferred stock that has been or may be designated by the Board of Directors.

Section 3. Resignation and Removal of Directors. A director may resign by written notice to the Corporation, which resignation is effective upon its receipt by the Corporation or at a subsequent time as set forth in the written notice of resignation. Notwithstanding any other provisions of the Articles of Incorporation or the Bylaws of the

Corporation, any one or more directors of the Corporation may be removed at any time, with or without cause, but only by either (a) the affirmative vote of a majority of the Continuing Directors and at least eighty percent (80%) of the Board of Directors, or (b) the affirmative vote, at a meeting of the stockholder called for that purpose, of the holders of at least eighty percent (80%) of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors voting together as a single class.

Notwithstanding the foregoing, and except as otherwise required by law, whenever the holders of any one or more series of preferred stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the provision of this Section 3 of Article IV shall not apply with respect to the director or directors elected by such holders of preferred stock.

Section 4. Place of Meetings and Records. The directors shall hold their meetings and maintain the minutes of the proceedings of meetings of shareholders, Board of Directors, and committees, if any, and keep the books of records of account for the Corporation in such place or places, within or outside the State of Michigan, as the Board may from time to time determine.

Section 5. Annual Meetings of Directors. The Board of Directors shall meet annually, without notice other than this bylaw, at the same place and immediately after the annual meeting of the shareholders, or at such other time and place as may be fixed by resolution of the Board of Directors.

Section 6. Regular Meetings of the Board. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board or by the chairman or vice chairman of the Board of Directors, or the president. Any notice given of a regular meeting need not specify the business to be transacted or the purpose of the meeting.

Section 7. Special Meetings of the Board. Special meetings of the Board may be called by the chairman or vice chairman of the Board of Directors or the president on at least two (2) days' notice to each director by mail or overnight courier or twenty-four (24) hours' notice either personally, by telephone, by telegram, by facsimile or by electronic transmission. Special meetings shall be called by any one of them in like manner and on like notice on the written request of any two (2) directors. The notice need not specify the business to be transacted or the purpose of the special meeting. The notice shall specify the place of the special meeting.

Section 8. Meeting Attendance or Participation as Waiver of Notice. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless he or she at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

Section 9. Meeting Participation by Means of Communication Equipment. Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or of such committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can communicate with the other participants, and participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

Section 10. Quorum and Vote. At all meetings of the Board or a committee thereof, a majority of the members of the Board of Directors then in office or members of such committee, but not less than two (2) (if there are at least two members of the Board or such committee) shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Board of Directors or the committee. If a quorum shall not be present at any meeting of the Board of Directors or a committee, the members present may adjourn the meeting from time to time and to another place without notice other than announcement at the meeting until a quorum shall be present.

Section 11. Action Without Meeting. Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if, before or after the action, all members of the Board of Directors then in office or of such committee consent thereto in writing. Such written consent shall be filed with the minutes of the proceedings of the Board of Directors or committee. The consent has the same effect as a vote of the Board of Directors or such committee for all purposes.

Section 12. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member of any committee. In the absence or in the event of the disqualification of a member of a committee, the member or members

thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. A committee and each member thereof shall serve at the pleasure of the Board.

Any committee, to the extent provided in the resolution of the Board or in these Bylaws, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. No committee, however, shall have the power or authority to amend the Articles of Incorporation or Bylaws of the Corporation, adopt an agreement of merger or share exchange, recommend to the shareholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommend to the shareholders a dissolution of the Corporation or a revocation of a dissolution, or fill vacancies in the Board of Directors. No committee shall have the power or authority to declare a distribution, dividend or authorize the issuance of shares unless such power is granted to such committee by specific resolution of the Board of Directors. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. The committees shall keep regular minutes of their proceedings and report the same to the Board when required. If a committee is designated as an Executive Committee, its members shall consist of the Chairman and/or Chief Executive Officer, and such other directors as shall be designated by the Board of Directors.

Section 13. Compensation. By affirmative vote of a majority of directors in office, and irrespective of the personal interest of any of them, the Board of Directors may establish reasonable compensation for directors for services to the Corporation as directors, officers, or members of committees. Directors may be paid a fixed sum for attendance at each meeting of the Board or of a committee, or an annual salary or retainer, or issued shares of company common stock or any combination of the above. Directors may also be reimbursed for reasonable expenses incurred in attending each meeting of the Board or meeting of a committee.

Section 14. Directors Emeritus. A director who has served the Corporation with distinction and who has retired from the Board may be elected a Director Emeritus by the affirmative vote of a majority of the full Board of Directors. A Director Emeritus shall be elected for life, subject only to his or her resignation or removal by a vote of a majority of the full Board of Directors. A Director Emeritus shall not have any of the responsibilities or liabilities of a director, or any of a director's rights, powers, privileges, or compensation. Reference in these Bylaws to "directors" shall not mean or include Directors Emeritus.

Section 15. Evaluation of Certain Offers. The Board of Directors shall not approve, adopt or recommend any offer of any person or entity, other than the Corporation, to make a tender or exchange offer for any capital stock of the Corporation, to merge or consolidate the Corporation with any other entity or to purchase or otherwise acquire all or substantially all of the assets or business of the Corporation unless and until the Board of Directors shall have first evaluated the offer and determined that the offer would be in compliance with all applicable laws and that the offer is in the best interests of the Corporation and its stockholders. In connection with its evaluation as to compliance with laws, the Board of Directors may seek and rely upon an opinion of legal counsel independent from the offeror and it may test such compliance with laws in any state or federal court or before any state or federal administrative agency which may have appropriate jurisdiction. In connection with its evaluation as to the best interests of the Corporation and its stockholders, the Board of Directors shall consider all factors which it deems relevant, including without limitation:

- (a) The adequacy and fairness of the consideration to be received by the Corporation and/or its stockholders under the offer considering historical trading prices of the Corporation's stock, the price that might be achieved in a negotiated sale of the Corporation as a whole, premiums over trading prices which have been proposed or offered with respect to the securities of other companies in the past in connection with similar offers and the future prospects for this Corporation and its business;
- (b) The potential social and economic impact of the offer and its consummation on this Corporation, its employees, customers and vendors; and
- (c) The potential social and economic impact of the offer and its consummation on the communities in which the Corporation and any subsidiaries operate or are located.

Section 16. Election.

(a) Except as set forth in this Section 16, a majority of the votes cast at any meeting of the shareholders for the election of directors at which a quorum is present shall elect directors. For purposes of this Bylaw, a "majority of the votes cast" means that the number of shares voted "for" a director's election exceeds 50% of the number of votes cast with respect to that director's election. Votes cast shall include votes "for" and "against" that director's election and direction to withhold authority in each case and exclude abstentions and broker non-votes with respect to that director's election. In the event of a Contested Election (as defined herein), directors shall be elected by the vote of a plurality of the votes cast at any meeting for the election of directors at which a quorum is present. For purposes of this Bylaw, a "Contested Election" is an election of directors of the Corporation as to which the Chairman of the Board determines that, at the Determination Date (as defined herein), the number of persons properly nominated to serve as directors exceeds the number of directors to be elected in such election. The "Determination Date" is (i) the day after the meeting of the

Board of Directors at which the nominees for director of the Board of Directors for such election are approved, when such meeting occurs after the last day on which a shareholder may propose the nomination of a director for election in such election pursuant to the Articles of Incorporation or these Bylaws, or (ii) the day after the last day on which a shareholder may propose the nomination of a director for election in such election pursuant to these Bylaws, when the last day for such a proposal occurs after the meeting of the Board of Directors at which the nominees for director of the Board of Directors for such election are approved, whichever of clause (i) or (ii) is applicable. This determination that an election is a Contested Election shall be determinative only as to the timeliness of a notice of nomination and not otherwise as to its validity. In all cases, once an election is determined to be a Contested Election, directors shall be elected by the vote of a plurality of the votes cast.

- (b) If, in an election of directors that is not a Contested Election, neither an incumbent director nominated for election nor any successor to such incumbent is elected, such incumbent director shall, promptly following certification of the shareholder vote, offer his or her resignation to the Board of Directors for consideration. Promptly after the Board of Directors receives such a resignation, the Nominating and Governance Committee will make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action is recommended. In reaching its decision, the Board of Directors will consider the Nominating and Governance Committee's recommendation and may consider any other factors it deems relevant. The Board of Directors will act on the resignation within ninety (90) days following the certification of the shareholder vote for the meeting and will promptly publicly disclose its decision and rationale as to whether to accept the resignation (or the reasons for rejecting the resignation, if applicable) in a press release, in a filing with the Securities and Exchange Commission or by other public announcement, including a posting on the Corporation's website. Any director who tenders a resignation pursuant to this Section 16 will not participate in the deliberations of the Nominating and Governance Committee or in the Board of Directors' consideration of the Nominating and Governance Committee's recommendation with respect to such resignation. If a majority of the members of the Nominating and Governance Committee tender a resignation pursuant to this Section 16 as a result of the same election, then the independent directors (as determined pursuant to the Board Governance Guidelines) who are on the Board of Directors who were not required to submit a resignation shall constitute a committee of the Board of Directors for the purpose of considering the tendered resignations, making recommendations to the Board of Directors to accept or reject the tendered resignations or making recommendations to take other actions. If there are no such independent directors, then all of the independent directors, excluding the director whose tendered resignation is being considered, without further action of the Board of Directors, shall constitute a committee of the Board of Directors for the purpose of considering the tendered resignations, making recommendations to the Board of Directors to accept or reject the tendered resignations or making recommendations to take other actions. If an incumbent director's resignation is not accepted by the Board of Directors, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected and qualified, or his or her earlier resignation or removal.
- (c) If a director's resignation is accepted by the Board of Directors pursuant to this Section 16, then the Board of Directors may fill the resulting vacancy as provided under the Michigan Business Corporation Act and pursuant to the Articles of Incorporation or may decrease the size of the Board of Directors pursuant to the Articles of Incorporation and these Bylaws.
- (d) The Board of Directors will nominate for election or re-election as director only candidates who agree in writing to tender an irrevocable resignation that will be effective upon the Board of Director's acceptance of such resignation in accordance with this Section 16. In addition, the Board of Directors will fill director vacancies and new directorships only with candidates who agree in writing to tender the same form of resignation tendered by other directors in accordance with this Section 16.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of the Corporation shall consist of a president, a treasurer, and a secretary, all of whom shall be elected by the Board of Directors. In addition, the Board of Directors may elect a chairman of the Board of Directors, a vice chairman of the Board of Directors, and one or more vice presidents (the number thereof to be determined by the Board of Directors) and such assistant secretaries and assistant treasurers as desired. Each officer shall hold his office until his successor is elected and qualified or until his earlier resignation or removal. None of the officers of the Corporation, other than the chairman, the vice chairman, and the president need be directors. The officers shall be elected at the first meeting of the Board of Directors after each annual meeting of Shareholders and may be elected at any other meeting. Any two or more offices may be held by the same person, but an officer shall not execute, acknowledge or verify any instrument in more than one capacity if the instrument is required by law to be executed, acknowledged or verified by two or more officers.

Section 2. Other Officers and Agents. The Board of Directors may appoint such other officers and agents as it may deem advisable, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. The Board may, by specific resolution,

empower the chairman, the president or the Executive Committee, if such a committee has been designated by the Board, to appoint such officers or agents and to determine their powers and duties.

Section 3. Removal. The chairman, vice chairman and president may be removed at any time, with or without cause, but only by the affirmative vote of a majority of the whole Board of Directors. All vice presidents, the secretary and the treasurer may be removed at any time, with or without cause, by the president or by majority vote of directors present at any meeting. Any assistant secretary or assistant treasurer, or subordinate officer or agent appointed pursuant to Section 2 of this Article, may be removed at any time, with or without cause, by majority vote of directors present at any meeting, by the president, or by any committee or other officer empowered so to do by resolution of the Board.

Section 4. Chairman and Vice Chairman. The chairman of the Board of Directors shall preside at all meetings of the Board of Directors and at all meetings of shareholders. The chairman shall also perform such other duties as from time to time may be assigned to him or her by the Board of Directors. If the chairman dies or is unable to perform the duties of the chairman for any other reason, the vice chairman shall preside at all meetings of the shareholders and at all meetings of the Board of Directors. The vice chairman shall not succeed to any of the other rights, powers or duties of the chairman. The vice chairman shall also perform such other duties as from time to time may be assigned to him or her by the Board of Directors.

Section 5. President. The president shall be the chief executive officer of the corporation, shall have general supervision, direction and control of the business of the Corporation and shall have the general powers and duties of management usually vested in or incident to the office of the president and chief executive officer of a corporation. The president shall be a member of the Executive Committee, if such a committee is designated by the Board of Directors. In the absence or inability to act of the chairman and vice chairman of the Corporation, the president shall preside at all meetings of the shareholders and all meetings of the Board of Directors. The president shall also have such other powers and duties as from time to time may be assigned to him or her by the Board of Directors. Except as the Board of Directors shall authorize the execution thereof in some other manner, the president shall execute bonds, mortgages and other contracts on behalf of the Corporation and shall cause the seal to be affixed to any instrument requiring it. If the president dies or becomes unable to perform the duties of this office for any other reason, the Board of Directors shall appoint a successor to be the president of the Corporation.

Section 6. Vice Presidents. Each vice president shall have such powers and shall perform such duties as shall be assigned to him or her by the Board of Directors, and may be designated by such special title as the Board of Directors shall approve.

Section 7. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. The treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors or the president, taking proper vouchers for such disbursements. The treasurer shall render to the president and Board of Directors at the regular meetings of the Board of Directors, or whenever they may request it, an account of all his or her transactions as treasurer and of the financial condition of the Corporation. In general, the treasurer shall perform all the duties incident to the office of treasurer and such other duties as may be assigned to him or her by the Board of Directors or the president.

Section 8. Secretary. The secretary shall give, or cause to be given, notice of all meetings of shareholders and directors required by law or by these Bylaws, and all other notices so required. If the secretary is absent or refuses or neglects, so to do, any such notice may be given by any person directed to do so by the chairman or vice chairman of the Board of Directors, the president, or by the directors upon whose written request the meeting is called as provided in the Bylaws. Unless otherwise directed by the Board of Directors, the secretary shall record all the proceedings of the meetings of the Corporation and of the directors in one or more books to be kept for that purpose, and shall perform all duties incident to the office of the secretary and such other duties as may be assigned to him or her by the directors, the chairman of the Board of Directors, or the president. The secretary shall have the custody of the seal of the Corporation and shall affix the same to all instruments requiring it, when authorized by the directors, the chairman of the Board of Directors, or the president, and attest the same.

Section 9. Assistant Treasurers and Assistant Secretaries. Assistant treasurers and assistant secretaries, if any shall be elected, shall have such powers and shall perform such duties as shall be assigned to them, respectively, by the treasurer or the secretary, respectively, or by the president or the Board of Directors.

Section 10. Salaries. The salaries and other compensations of the officers shall be fixed from time to time by or under the direction of the Board of Directors. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that he or she is also a director of the Corporation.

Section 11. Bonds. If the Board of Directors shall so require the treasurer, any assistant treasurer and any other officer or agent of the Corporation shall give bond to the Corporation in such amount and with such surety as the Board of Directors may deem sufficient, conditioned upon the faithful performance of their respective duties and offices and any other conditions approved by the Board of Directors.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

Section 3. Checks. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of this Corporation shall end on the Saturday nearest the 31st day of May in each year.

Section 2. Notices. Whenever any written notice is required to be given under the provisions of any law, the Articles of Incorporation for this Corporation, or by these Bylaws, it shall not be construed or interpreted to mean personal notice, unless expressly so stated, and any notice so required shall be deemed to be sufficient if given in writing by facsimile or other electronic transmission, overnight courier or first class mail, by depositing the same in a United States Post Office box, postage prepaid, addressed to the person entitled thereto at his address as it appears on the records of the Corporation, and such notice shall be deemed to have been given (a) on the day of such electronic transmission or mailing, except as provided in Sections 11 and 12 of Article VII of these Bylaws, or (b) on the day of receipt of personal delivery (including by overnight courier). Shareholders not entitled to vote shall not be entitled to receive notice of any meetings, except as otherwise provided by law or these Bylaws.

Section 3. Waiver of Notice. Whenever any notice is required to be given under the provisions of any law, or the Articles of Incorporation for this Corporation, or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4. Voting of Securities. Securities of another corporation, foreign or domestic, standing in the name of this Corporation, which are entitled to vote shall be voted, in person or by proxy, by the chairman of the Board or the president of this Corporation or by such other or additional persons as may be designated by the Board of Directors.

Section 5. Seal. The corporate seal of the Corporation shall be in such form as may be authorized and adopted by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

INDEMNIFICATION

Directors and officers of the Corporation shall be indemnified as of right to the fullest extent now or hereafter permitted by law in the connection with any threatened, pending or completed civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the name of the Corporation, a subsidiary or otherwise and whether formal or informal) in which a director or officer is a witness or which is brought against a director or officer in his or her capacity as a director, officer, employee, agent or fiduciary of the Corporation or of any corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which the director or officer was serving at the request of the Corporation. Persons who are not directors or officers of the Corporation may be similarly indemnified in respect of such service to the extent authorized at any time by the Board of Directors of the Corporation. The Corporation may purchase and maintain insurance to protect itself and any such director, officer or other person against any liability asserted against him or her and incurred by him or her in respect of such service whether or not the Corporation would have the power to indemnify him or her against such liability by law or under the provisions of this Article. The provisions of this Article shall be applicable to actions, suits or proceedings, whether arising from acts or omissions occurring before or after the adoption hereof, and to directors, officers and other persons who have ceased to render such service, and shall inure to the benefit of the heirs, executors and administrators of the directors, officers and other person referred to in this Article. The right of indemnity provided pursuant to this Article shall not be exclusive and the Corporation may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the Board of Directors may approve. Any agreement for indemnification of any director, officer, employee or other person may provide indemnification rights which are broader or otherwise different from those set forth in, or provided pursuant to, or in accordance with, this Article. Any amendment, alteration, modification, repeal or adoption of any provision in these Bylaws inconsistent with this Article VIII shall not adversely affect any indemnification right or protection of a director, officer, employee or other person of the Corporation existing at the time of such amendment, alteration, modification, repeal or adoption. In addition, in connection with an action or suit brought by or in the right of the Corporation as described in Section 562 of the Michigan Business Corporation Act, a director shall be indemnified as of right to the fullest extent permitted by law for expenses, including attorneys' fees, actually and reasonably incurred.

ARTICLE IX

FORUM FOR ADJUDICATION OF DISPUTES

Unless the Corporation consents in writing to the selection of an alternative forum, the courts of the State of Michigan located in Ottawa County, Michigan, and the United States District Court for the Western District of Michigan shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Corporation to the Corporation or the Corporation's shareholders, (c) any action asserting a claim arising pursuant to any provision of the Michigan Business Corporation Act, as may be amended from time to time, or (d) any action asserting a claim governed by the internal affairs doctrine.

ARTICLE X

AMENDMENTS

Except as otherwise provided below, these Bylaws may be added to, altered, amended or repealed and new and other bylaws may be made, altered or added to by a vote of a majority of the members of the Board of Directors then in office at any regular or special meeting of the Board, and without prior notices of intent to do so, except that neither Section 2 or 3 of Article IV shall be amended unless such amendment is adopted by the affirmative vote of a majority of the Continuing Directors and at least eighty percent (80%) of the Board of Directors, and these Bylaws may also be added to, altered, amended or repealed and new or other bylaws made and adopted by vote of the holders of a majority of the voting shares of capital stock issued and outstanding at any annual or special meeting, unless a greater plurality is required by law or by the Articles of Incorporation, if notice of the proposed alteration or repeal of the bylaw to be made is contained in the notice of such meeting. Notwithstanding the foregoing, Section 1 of Article IV may not be modified except by the affirmative vote of the holders of the majority of the voting shares of capital stock issued and outstanding at any annual or special meeting.

The foregoing Bylaws, adopted by the Board of Directors of Herman Miller, Inc. on March 18, 1986, have been restated in their entirety to incorporate amendments adopted by the Board of Directors on November 17, 1987, December 22, 1987, May 10, 1988, July 11, 1990, and October 4, 1990, January 6, 1997, October 1, 2002, January 13, 2004 and April 25, 2005, September 24, 2007, April 22, 2008, July 21, 2008, April 18, 2011, October 6, 2014, [July 2015](#) and [July 13, 2015, 2018](#).

August 3, 2018

Via Email Delivery

Andrea Owen

Dear Andi,

We are excited to present this offer for you to join Herman Miller as the Chief Executive Officer of Herman Miller, Inc. (the "Company") reporting to the Board of Directors.

Base Salary

Your annual base salary will be \$1,000,000. Future base pay increases, if any, will be determined by the Herman Miller Board of Directors, based on job performance and review of competitive market data.

Bonus

You will be eligible to participate in the Annual Executive Cash Incentive Bonus. Upon achievement of target performance, you will be eligible to receive 100% of your base salary, or \$1,000,000 based on your starting base salary.

Your annual executive bonus for the 2019 fiscal year will not be pro-rated for the portion of the performance period employed and will be based 100% on HMI Consolidated EBITDA results. The current material terms of the Annual Executive Cash Incentive Bonus program are summarized on [Exhibit A](#). [Exhibit C](#) defines the performance goals for the FY19 program. The performance goals and other terms and conditions of the Annual Executive Cash Incentive Bonus program are subject to adjustment by the Herman Miller Board of Directors or the Board Executive Compensation Committee ("BECC").

Long-Term Incentives

You will also participate in our Long-Term Incentive ("LTI Plan"). The target value for your LTI Equity Award is 250% of your base salary, or \$2,500,000 based on your starting base salary. Your initial grant of LTI Equity Awards will be granted on your start date, will not be pro-rated, and will consist of 25% stock options, 25% restricted stock units, 25% HMVA performance share units and 25% relative TSR performance share units. The LTI Equity Awards include a confidentiality covenant that applies during employment and for 18 months thereafter, as well as a non-competition and non-solicitation covenant that applies during employment and for 18 months thereafter. The current material terms of the LTI Plan's equity awards are summarized on [Exhibit B](#). [Exhibit C](#) defines the performance goals for the awards granted in FY19. The targeted award value, amount granted, and type of equity-based instrument used to deliver award value are subject to annual adjustment by the Herman Miller Board of Directors or the BECC.

Restrictive Covenants

Notwithstanding any provision to the contrary in any of your current or future agreements with the Company:

- (a) your noncompetition restriction or any forfeiture provision based on competition will be limited to a list of 28 direct competitors, which list is subject to change by the Company at its discretion from time to time in the normal course of business, provided that (i) the total number of direct competitors is no greater than 28, (ii) all the added companies are direct competitors, and (iii) you will not be subject to any changes to the list made within 90 days of your termination or thereafter. The initial list is annexed hereto as [Exhibit G](#). Future lists will be made available to you, including upon request;
- (b) nonsolicitation restrictions or any forfeiture based on nonsolicitation will not be violated by general non-targeted advertising or serving as a reference upon request;
- (c) any nondisparagement restrictions shall be deemed mutual between the Company (officers and directors only) and you and shall not continue for a period of greater than five (5) years following

termination of employment, and shall not be violated by comments or statements made (i) in the good faith performance of your duties to the Company while you are employed by the Company; (ii) in truthful testimony given in response to a lawful subpoena or similar court or governmental order, (iii) by the rebuttal of false or misleading statements by others, or (iv) statements made in furtherance of legitimate competition (i.e., statements fairly and truthfully comparing the Company's products with a competitor who employs you). Your agreement not to disparage shall not be broader than to the Company, its affiliates, their office furniture contract dealers and their respective officers, directors, and employees;

- (d) any confidentiality restriction shall not apply to information that (i) was known to the public prior to its disclosure to you; (ii) becomes generally known to the public subsequent to disclosure to you through no wrongful act of you or any of your representatives; or (iii) you are required to disclose by applicable law, regulation or legal process (provided that you provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company at its expense in seeking a protective order or other appropriate protection of such information). Nothing in any confidentiality restriction under any agreement between the Company and you is intended to conflict with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in any agreement between the Company and you prohibits, restricts or prevents you from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other confidential information in the course of such reporting; provided, however, that you use your reasonable best efforts to (a) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (b) request that such agency or entity treat such information as confidential. You do not need the prior authorization from the Company to make any such reports or disclosures and is not required to notify the Company that you have made such reports or disclosures; and
- (e) you may retain your address book to the extent it only contains contact information.

Benefit Plans

We provide a variety of benefit plans, as follows:

Retirement: We have a great retirement plan available to you as an employee of Herman Miller: The Herman Miller Profit Sharing and 401(k) Plan. This plan currently provides an 8% HMI contribution to your retirement account. There are two (2) parts to this retirement opportunity: (i) an automatic contribution and (ii) a matching contribution, each up to 4% and each described below.

In our Profit Sharing and 401(k) Plan, Herman Miller automatically contributes 4% of your pay (up to the IRS limit of \$275,000 per year) to the Plan. This is a core contribution provided to all 401(k) participants. The annualized value of this core contribution based on your base salary level would be \$11,000.

Herman Miller also currently matches 100% of the first 4% of your salary deferral that you contribute to the plan (maximum 4% match). Based on the plan guidelines and the base salary you are being offered, the annualized value of the maximum corporate match would be \$11,000. You may elect to make a 401(k)-salary deferral on a pre-tax or Roth after-tax basis. Again, salary considered for this benefit is currently capped at \$275,000 and indexed by the IRS each year.

Finally, you will be eligible for the HMI Executive Equalization Plan. This non-qualified plan allows you to defer up to 50% of your base salary and 100% of your executive bonus. In addition, the Company may make contributions to this plan on your behalf to equalize any lost contributions due to the \$275,000 annual IRS

limitation on the Profit Sharing and 401(k) Plan. The current terms of this plan are further summarized on [Exhibit D](#).

Health and Welfare: You will be eligible to participate in the Company's health and welfare plans that are available to our salaried employees.

Executive Benefits: You will be eligible to participate in our perquisites program (\$20,000 annually), executive long-term disability plan and be eligible for a Company-paid annual physical (Mayo Clinic), all subject to and in accordance with the terms of the policies governing such benefits.

All benefit plans, programs and policies are subject to change from time to time by Herman Miller.

Relocation

You will be required to relocate in order to work at our headquarters in Michigan. You will receive our standard Relocation Package, a summary of which is included on [Exhibit E](#). We will also provide you with a payment of \$50,000, to be paid within 15 days after your start date, to assist you with other expenses you may incur in connection with your relocation that are not reimbursed under the standard Relocation Package. In the unlikely event you elect to terminate your employment other than for Good Reason within twelve (12) months of your start date, you will be required to repay this \$50,000.

Legal Fees

You will be entitled to reimbursement for attorneys' fees with respect to the negotiation of this agreement up to \$20,000, promptly upon presentation of invoices.

Vacation

You will be eligible for four (4) weeks of vacation per fiscal year.

Foundation and Giving Program

You will be permitted to direct up to an aggregate of \$100,000 per year in charitable contributions to charities on behalf of the Herman Miller Foundation, provided that such contributions are consistent with the goals and giving criteria established by the Herman Miller Foundation.

Pre-employment Drug Screen

As you know, employment is contingent upon successful completion of background verification, references, and passing a drug-screening test. This drug screen must be completed prior to your first day of employment. A senior member of the Company's HR team will call you to schedule an appointment.

Start Date and At-Will Employment

Your start date in this new role will be on or about September 1, 2018. This offer is conditioned upon your reporting to work on or about the start date.

You will serve at the will of the Herman Miller Board of Directors. Commensurate severance arrangements for salary continuation and other benefits are provided in the event of an involuntary separation. Notwithstanding the provisions of the salary continuation plan or any other document, the following terms shall apply to you:

- In the event you terminate for Good Reason, you will be entitled to the same severance as if you were involuntarily terminated for other than Cause, *e.g.*, on a non-Change in Control termination, eighteen (18) months of base salary payable in accordance with the Company's normal payroll practice, as well as eighteen (18) months of benefits continuation.
- The definitions of "Cause" and "Disability" under the salary continuation plan shall have the definitions currently set forth in the Herman Miller, Inc. 2011 Long-Term Incentive Plan.

- The definition of “Good Reason” under the salary continuation plan, the Change in Control Agreement, and for all other purposes, shall mean: with respect to your termination of employment by you, any of the following events or conditions (without your prior written consent) and the failure of the Company (or any successor corporation) to cure such event or condition within thirty (30) days after receipt of written notice from you specifying the events or conditions in reasonable detail; provided that you serve notice of such event and intended termination within ninety (90) days of your knowledge of its occurrence and you terminate your employment within thirty (30) days following the expiration of the applicable cure period: (a) a material diminution in your duties, responsibilities, authorities, or reporting lines (other than a temporary change resulting from your inability to perform your duties as a result of your disability); (b) a material reduction by the Company of your annual base salary or annual or long-term cash incentive compensation opportunities; (c) any requirement of the Company that you be based at any office location that is more than fifty (50) miles farther from your primary work location in Holland, Michigan but only if it results in a longer commute for you from your residence at such time, except for reasonable required travel on behalf of the Company (or any successor corporation); and (d) a material breach by the Company (or any successor corporation) of its obligations to you under this agreement or under any other material agreement or arrangement between the Company (or any successor corporation) and you.
- In the event of your involuntary termination without Cause or for Good Reason in the first twenty-four (24) months of your employment with the Company, you will not be subject to the cutbacks to severance payments under the salary continuation plan.
- The current severance provisions may not be reduced as they apply to you without your written consent.

You will be provided a Change in Control Agreement for your signature promptly following your start date. The current form of Change in Control Agreement, as it applies to you shall be modified as follows:

- The definition of a “Nonqualifying Termination” under the Change in Control Agreement shall mean a termination of your employment (1) by the Company for Cause; (2) by you following a Change in Control for any reason other than Good Reason; (3) as a result of your death; or (4) by the Company due to your absence from your duties with the Company on a full-time basis for at least one-hundred eighty (180) consecutive days as a result of your incapacity due to physical or mental illness.
- The definition of “Termination Period” shall also include six (6) months prior to such Change in Control.
- If termination is within the six (6) months prior the Change in Control, any amounts payable as a result of the termination shall continue to be paid in the pre-termination form and only the excess shall be paid as specified for after a Change in Control termination. Furthermore, if the Change in Control is not a 409A Change in Control under Treasury Regulation 409A-3(i)(5), amounts up to the amounts paid on a non-409A Change in Control severance shall be paid in such form and the excess paid in the Change in Control form.
- Payment of severance in any circumstance shall be conditioned on execution of a release in substantially the form attached hereto as Exhibit H, so long as the Company signs such mutual release. Severance shall commence within ten (10) days after the release becomes effective with a retroactive payment for any payment missed after termination, provided that to the extent the consideration and revocation period of the release overlaps the calendar year, amounts shall be initially paid in the second calendar year with a catchup.

The current terms of the severance arrangements applicable to you are summarized on Exhibit F, subject to modifications as provided herein.

Section 409A

The intent of the parties is that payments and benefits under this agreement comply with, or be exempt from, Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively “Code

Section 409A”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. A termination of employment shall be deemed not to have occurred for purposes of any provision of this agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered “nonqualified deferred compensation” under Code Section 409A unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.” If you are deemed on the date of termination to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment that is considered non-qualified deferred compensation under Code Section 409A payable on account of a “separation from service,” such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of your “separation from service”, and (B) the date of your death (the “Delay Period”). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to you in a lump sum and any remaining payments and benefits due under this agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Internal Revenue Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect, and (iii) such payments shall be made on or before the last day of your taxable year following the taxable year in which the expense occurred.

For purposes of Code Section 409A, your right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. In no event may you, directly or indirectly, designate the calendar year of any payment to be made under this agreement that is considered nonqualified deferred compensation. In no event shall the timing of your execution of the general release of claims, directly or indirectly, result in you designating the calendar year of payment, and if a payment that is subject to execution of the general release of claims could be made in more than one taxable year, payment shall be made in the later taxable year.

Section 280G

Notwithstanding anything contained in this agreement to the contrary, to the extent that any of the payments and benefits provided for under this agreement together with any payments or benefits under any other agreement or arrangement between the Company or any of its affiliates and you (collectively, the “Payments”) would constitute a “parachute payment” within the meaning of Section 280G of the Code, the amount of such Payments shall be reduced to the amount that would result in no portion of the Payments being subject to the excise tax imposed pursuant to Section 4999 of the Code if and only if such reduction would provide you with an after-tax amount greater than if there was no reduction. Any reduction shall be done in a manner that maximizes the amount to be retained by you, provided that to the extent any order is required to be set forth herein, then such reduction shall be applied in the following order: (i) payments that are payable in cash that are valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced (if necessary, to zero), with amounts that are payable last reduced first; (ii) payments due in respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced next (if necessary, to zero), with amounts that are payable or deliverable last reduced first; (iii) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); (iv) payments due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); and (v) all other non-cash benefits will be next reduced pro-rata.

Board Service

Effective on your start date, you will be appointed to the Herman Miller Board of Directors and be nominated and stand for election at the 2019 Annual Meeting of Herman Miller shareholders, and each meeting thereafter where your prior election would expire.

Andi, on behalf of the Herman Miller Board of Directors, we are excited about the prospect of you joining the Company and your ability to increase the value of our Company for our stakeholders.

To accept this offer, please sign and pdf a copy of this letter to Tim Lopez, Senior Vice President of Legal Services, General Counsel & Secretary at tim_lopez@hermanmiller.com. Please retain the original for your own records.

Regards

Michael A. Volkema Date
Chairman of the Board

Acceptance of Offer:

Andrea Owen Date

Summary of Material Terms of Annual Executive Cash Incentive Bonus

Performance Goals	Established annually at the start of each fiscal year by the Compensation Committee. The Committee retains discretion in its assessment of ultimate performance and related payouts
Payment Timing	Within thirty (30) days after the Compensation Committee's certification of the performance results
Retirement Treatment	Pro-rated for time worked during the fiscal year, paid based on actual performance at the same time bonus would be payable if remained employed
Other Terminations Before End of Fiscal Year	Forfeited

Summary of Material Terms of LTI Equity Awards

	Stock Options	RSUs	PSUs
Vesting Period/Term	Vest 1/3 per year for three (3) years; ten (10) year term	Three (3) year cliff	Cliff vest based on performance over three (3) years
Performance Goals	N/A	N/A	50% of PSUs will vest based on relative TSR to peer group Remaining 50% will vest based on "Herman Miller Value Added," defined as adjusted EBITDA less (capital * cost of capital)
Termination Without Cause or for Good Reason	Unvested forfeited. Vested must be exercised within three (3) months of termination date.	Pro-rated for time worked during performance period	Will vest based on actual performance at the end of the performance period, but pro- rated for time worked during performance period
Termination Related to a Change in Control	100% vesting accelerated	100% vesting accelerated	100% vested based on actual performance, measured as of the date of the CIC
Retirement	Will continue to vest according to original vesting schedule, except that if terminated within first year of performance period, then will be pro-rated based on time worked during vesting period.	100% vesting accelerated if you retire within second or third year of vesting period; pro- rata accelerated vesting if you retire within first year of vesting period.	Will vest based on actual performance at the end of the performance period. Will be pro- rated if terminated within first year of performance period. Full vesting if terminated in second or third year of performance period.
Terminations due to death or Disability	Unvested forfeited on death. Vested must be exercised within (i) within five (5) years if death occurs during employment at the Company, or (ii) within the longer of such extended period or one (1) year after death, if death occurs during an extended exercise period following termination. Unvested forfeited on disability. Vested must be exercised within five (5) years of termination date.	100% vesting accelerated	Will vest based on actual performance at the end of the performance period, but pro- rated for time worked during performance period
Other Terminations	Unvested forfeited. Vested must be exercised within three (3) months of termination date.	Unvested forfeited	Unvested forfeited
Confidentiality	Includes a confidentiality covenant covering Herman Miller's confidential information during your employment and for a period of eighteen (18) months following termination.		
Non-Compete, Non-disparagement and Non-Solicit	As provided.		

FY19 Annual Executive Cash Incentive Bonus Corporate EBITDA Performance Goals

	Threshold	Target	Maximum
EBITDA	\$255.8M	\$300.9M	\$346.0M
Payout as a % of Target	0%	100%	200%

For performance between threshold and target and target and maximum, award payouts will be interpolated.

FY19 Equity Awards - Performance Share Units HMVA = EBITDA - Capital Charge

	Threshold	Target	Maximum
Three-year Average HMVA (FY19-FY21)	\$185.0M	\$204.0M	\$232.0M
Payout as a % of Target	34%	100%	200%

FY19 Equity Awards - Performance Share Units
Relative TSR (FY19-FY21) - Measured against the FY19 Compensation Peer Group

	Threshold	Target	Maximum
HMI TSR Percentile Rank	30 th	50 th	80 th
Payout as a % of Target	50%	100%	200%

Summary of Materials Terms of Executive Equalization Plan

Eligibility	Can participate starting January 1, 2019
Employee Contributions	At your election, but irrevocable for the calendar year Enrollment will occur in the fall of 2018 Value determined by your contribution amount
Employer Contributions	Match using the same formula as under the 401(k) Plan Employer contribution of 4% of your pay above \$275,000, as indexed by the IRS Discretionary profit sharing contribution also available
Distributions	At the time and in form that you select
Investments	May elect the investment for your plan account
Change in Control	Account automatically distributed in a lump sum

Summary of Materials Terms of Relocation Program

House Hunting Trip	Herman Miller will pay for one house hunting trip for you and your spouse/partner, for up to five (5) days and four (4) nights. Reimbursable expenses include round-trip transportation, rental cars costs, mileage reimbursement, meals, and lodging
Home Sale Assistance	Herman Miller will cover costs related to marketing and selling your existing home Benefit is available for your primary residence only Must use a real estate agent registered with Signature Relocation
Home Purchase Assistance	Herman Miller will cover closing costs, including costs of any legal fees, title search, transfer taxes, recording fees, notary fees, and other standard fees Must use a real estate agent registered with Signature Relocation
Moving Expenses	Herman Miller will cover coach air travel for you and your dependents and cost to ship your personal autos if move is over five hundred (500) miles If move is less than five hundred (500) miles, will reimburse mileage on up to two (2) personal autos Will also pay for the shipment of household goods with a carrier selected by Signature Relocation
Other Reimbursable Expenses	Temporary living expenses for up to ninety (90) days Storage of household goods for up to thirty (30) days in the event you cannot move directly from your old residence to your new residence Tax assistance payments for certain non-deductible expenses
Repayment Obligations	If you voluntarily resign other than for Good Reason or are terminated for Cause within twelve (12) months of your relocation, then you must repay all relocation benefits
Term of Benefits	Must complete all relocation activities within twelve (12) months of start date
Reimbursement Process	You must submit your receipts and Expense Report online through the Company's third party administrator. You will receive reimbursement within seven (7) to ten (10) business days of your submission.

Summary of Material Terms of Severance Arrangements

	Salary Continuation Plan	Change in Control Agreement
Applicability	Termination without Cause [or for Good Reason]	Termination without Cause or resignation for Good Reason within six (6) months prior or two (2) years after a Change in Control (“CIC”)
Good Reason Definition	(i) material diminution in responsibilities or duties, authorities or reporting lines, (ii) material reduction in base salary or annual or long-term cash bonus opportunities, (iii) requirement that you relocate more than fifty (50) miles, (iv) material breach by the Company of its obligations to you under the employment agreement or any material agreement.	(i) material diminution in responsibilities or duties, authorities or reporting lines, (ii) material reduction in base salary or annual or long-term cash bonus opportunities, (iii) requirement that you relocate more than fifty (50) miles, (iv) material breach by the Company of its obligations to you under the employment agreement or any material agreement.
Cash Severance Amount	1.5x base salary	3.0x (Base Salary + Annual Bonus) Annual Bonus is the higher of your target annual bonus for the year of termination or your average earned bonus for the three (3) fiscal years prior to the CIC
Benefit Continuation Period	Eighteen (18) months	Thirty-six (36) months
Non-Compete Period	Eighteen (18) months	Thirty-six (36) months
Other Conditions to Receive Benefits	Required to sign a release of claims	N/A
Benefit Offset	N/A	Offset by amounts received under Salary Continuation Plan and Annual Bonus Plan

The following companies (or brands) and their subsidiaries and parents, as well as their successors in interest, are considered Direct Competitors.

1. Steelcase
2. Haworth
3. Knoll
4. Teknion
5. HNI
6. Allsteel
7. KI
8. Kimball
9. Trendway
10. Inscape
11. Riviera
12. Humanscale
13. Halcon
14. Vitra
15. Room and Board
16. Restoration Hardware
17. Ethan Allen
18. Holly Hunt
19. Nucraft Furniture
20. OFS/First Office
21. Watson
22. HAY
23. Sit On It
24. Bernhardt
25. DECCA
26. Touhy
27. Weiland
28. WeWork

SEPARATION AND MUTUAL RELEASE AGREEMENT

Agreement made effective as of [date], by and between [name], [address] (hereinafter "Employee"), and *Herman Miller, Inc.*, a Michigan corporation, having its principal place of business at 855 East Main Avenue, PO Box 302, Zeeland, MI 49464-0302 (hereinafter "HMI"). The Employment relationship has or will terminate as of [date].

In consideration in part for HMI's payment to Employee of Separation Benefits, and the mutual covenants and releases contained herein, the Employee and HMI agree as follows:

1. **Confidential Information.** Employee understands that in the ordinary course of its business, HMI has developed various valuable trade secrets and confidential business information. Employee acknowledges that [he/she] has been exposed to such trade secrets and information and that the protection of such is of vital importance to HMI's business. For purposes of this Agreement, confidential business information is information: (a) that is not known by the actual or potential competitors of HMI and is generally unavailable to the public, (b) that has been created, discovered, developed or otherwise become known to HMI or in which property rights have been assigned or otherwise conveyed to HMI from a third party, and (c) that has material economic value to HMI's present or future business. Examples of such confidential information may include, but are not limited to, information as to any of HMI's customers, prices, sales techniques, estimating and pricing systems, internal cost controls, production processes and methods, product planning and development programs, marketing plans, product information, inventions, blueprints, sketches and drawings, trade secrets, and technical and business concepts related to the business, whether devised or invented in whole or in part by Employee and whether or not reduced to practice. The foregoing shall not apply to information that (i) was known to the public prior to its disclosure to Employee; (ii) becomes generally known to the public subsequent to disclosure to Employee through no wrongful act of Employee or any representative of Employee; or (iii) Employee is required to disclose by applicable law, regulation or legal process (provided that Employee provides the Company with prior notice of the contemplated disclosure and reasonably cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information). Nothing in this Agreement is intended to conflict with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary herein, nothing in this Agreement prohibits, restricts or prevents Employee from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other confidential information in the course of such reporting; provided, however, that Employee uses her reasonable best efforts to (A) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (B) requests that such agency or entity treat such information as confidential. Employee does not need the prior authorization from the Company to make any such reports or disclosures and is not required to notify the Company that Employee has made such reports or disclosures.

2. **Nondisclosure.** Employee agrees she has not and will not, directly or indirectly, at any time disclose any trade secrets or confidential information of HMI, or the confidential information of actual or potential customers or vendors of HMI, to others which she has obtained in the course of his employment with HMI. Employee has not and shall not use any such trade secrets or confidential information for her own personal use or advantage, or make such secrets or information available for use by others. Violation of this provision shall entitle HMI to pursue all appropriate legal remedies. Nothing in this Agreement shall prevent Employee from using her general knowledge, skill, and experience in gainful employment by a third party after her employment with HMI terminates.

3. **Return of HMI Property.** Employee will immediately return to HMI all Company property including any and all sales aids, customer lists, catalogues, manuals, software programs, drawings, blueprints, notes, memoranda, and any and all other documents, computer files, and electronic information which are or have been in Employee's possession or control and which contain any trade secrets or confidential information or which otherwise relate to HMI's business, and any other Company property in her possession. Employee may retain her address book to the extent it only contains contact information.

4. **Payment by HMI.** Employee acknowledges that all earned wages, bonuses, fringe benefits, vacation pay, commissions, and other obligations owed by HMI to the Employee have been paid by HMI or will be paid as detailed on Exhibit A if otherwise not paid to Employee. No other payments are owed to the Employee other than claims for vested benefits under any retirement plans, stock option plans, or insurance benefits plans, which rights are controlled by the language in applicable plan documents.

If Employee (1) signs and returns this Agreement within 21 days of the date of this Agreement, (2) signs, returns, and does not revoke the attached ADEA Waiver and Release in the manner stated in the waiver, and (3) has otherwise complied with all of the material terms of this Agreement, then the Employee will be entitled to receive the discretionary and additional Separation Benefits listed on Exhibit A. Otherwise, the Employee will not be entitled to the Separation Benefits listed on Exhibit A. If Employee should revoke the ADEA Waiver and Release, HMI may, at its option, revoke this Agreement in its entirety or may choose to provide Employee the Separation Benefits and enforce and abide by the remaining provisions of this Agreement. The Separation Benefits may be withheld or terminated if Employee materially breaches this Agreement, or if Employee harasses or intimidates any HMI employee.

5. **Mutual Release.** Except for the enforcement of the terms and covenants in this Agreement, Employee and HMI hereby release each other and their officers, directors, employees, agents, successors, and assigns from any and all claims and obligations arising under federal, state, or local law by statute, common law, public policy, or equity that each may have against the other arising out of the employment relationship to the fullest extent permitted by law. Employee specifically waives any claim for unlawful discrimination including, but not limited to claims for race, sex, age, religion, disability, or national origin discrimination. Employee further agrees to waive and release any rights [he/she] might have under the federal Age Discrimination in Employment Act of 1967, as amended (29 United States Code section 621 et seq.) ("ADEA") against HMI, pursuant to the terms of the attached ADEA Waiver and Release. The release, however, does not prevent Employee from seeking a judicial determination regarding the validity of the attached ADEA Waiver and Release. This release covers claims and obligations even if they are unknown at this time. Employee waives any entitlement to any form of personal relief for claims arising out of the employment relationship; including monetary relief or damages, to the fullest extent permitted by law. HMI and Employee agree that this Agreement is a complete defense to any claim and obligation released and waived by this Agreement which may be subsequently asserted. The foregoing shall not release any rights to indemnification or directors' and officers' liability insurance coverage.

6. **Administrative Complaints and Investigations.** This section does not limit or affect the finality or the scope of the release provided to HMI in Paragraph 5. This Agreement recognizes the rights and responsibilities of the Equal Employment Opportunity Commission ("EEOC") and similar state and local agencies to enforce the statutes which come under their jurisdiction and is not intended to prevent Employee from filing a charge or participating in any investigation or proceeding conducted by the EEOC (or other similar state or local agencies) and nothing in this Agreement limits or affects the finality or the scope of the Employee's participation in any investigation or proceeding conducted by the EEOC or other similar state or local agencies. Nothing in this section, however, allows Employee to obtain relief of any kind from HMI to the extent permitted by law.

7. **Mutual Nondisparagement.** Employee agrees that she will not either directly or indirectly, through any agent or surrogate, and whether orally or in writing, Disparage or Denigrate the Company, its affiliates, their office furniture contract dealers, and their respective officers, directors, and employees. The Company, limited to its officers and directors, agrees that it will not, either directly or indirectly, through any agent or surrogate, and whether orally or in writing, Disparage or Denigrate the Employee. As used in this Agreement, to "Disparage or Denigrate" includes, but is not limited to, impugning the character, honesty, integrity, morality, business acumen,

professional skill or judgement, abilities, qualities, or reliability of any person or entity. This mutual nondisparagement restriction shall not continue for a period of greater than 5 years following termination, and shall not be violated by comments or statements made (i) in truthful testimony given in response to a lawful subpoena or similar court or governmental order, (ii) by the rebuttal of false or misleading statements by others, or (iii) in statements made in furtherance of legitimate competition (i.e., statements fairly and factually comparing the Company's products with a competitor who employs you). The foregoing provisions of this Paragraph 7 shall not prevent truthful testimony in legal or governmental proceedings, truthful submissions to governmental agencies, statements to Employee's accountants, attorneys, auditors, and insurers, or statements to the Employee's spouse.

8. **Severability.** In the event any term of this Agreement is unenforceable, then such unenforceable term, if possible, will be altered so as to be enforceable. Or, if that is not possible, then it will be deleted from this Agreement and the remaining part of the Agreement will remain in effect.

9. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Michigan (without regard to conflict of law provisions).

10. **Entire Agreement.** This Agreement and the attached ADEA Waiver contain the entire understanding of the parties and supersedes all previous oral and written agreements; there are no other agreements, representations, or understandings not set forth herein. Further, this Agreement can be modified only by a written agreement signed by Employee and HMI's CEO.

11. **Binding Effect.** This is a binding agreement. The term HMI includes all of Herman Miller, Inc.'s subsidiaries, officers, directors, and affiliates. The term Employee includes all of his heirs, administrators, successors, assigns, and those who could make a claim through her. This Agreement shall benefit and be binding upon HMI's successors and assigns, and Employee's executors, administrators, and representatives.

12. **Voluntary Execution.** Employee acknowledges that [he/she] has read this Agreement, understands its terms and legal consequences, has been given an opportunity to consider this Agreement and its release of all claims, and it has been entered into by [him/her] voluntarily. Employee further acknowledges that [he/she] has been advised to consult with an attorney prior to executing this Agreement. Employee has not assigned any claims against HMI. Employee has been given an opportunity of up to 21 days to consider this Agreement and its release of all claims. In addition, Employee understands that she may revoke the ADEA Waiver and Release within seven (7) days after she signs it.

HERMAN MILLER, INC.

By

3330/55526-001 CURRENT/100640850v4

Date Tim Lopez, SVP and General Counsel

Date [employee name]

Date Witness

ADEA WAIVER AND RELEASE

In consideration of the additional and discretionary Separation Benefits provided in the Separation and Mutual Release Agreement effective as of [date], between [name] ("Employee") and Herman Miller, Inc., ("HMI"), Employee forever waives, releases, and discharges HMI, its subsidiaries, affiliates, and its directors, officers, and employees from any and all legal and equitable claims, demands, damages, losses, expenses, and causes of actions of any kind or character which now exist, whether known or unknown, relating in any manner to or arising under the federal Age Discrimination in Employment Act of 1967 ("ADEA") (29 United States Code section 621, et seq.) that are in any way connected with Employee's employment relationship with HMI or its separation.

Employee agrees and covenants not to institute any action or lawsuit against HMI, its directors, officers, agents, and employees in any state, federal, or local court or other tribunal to assert a claim for violations of the ADEA that arise on or before the date of this Agreement. This shall not prevent the Employee from seeking a judicial determination regarding the validity of this waiver, however, or from bringing an action or lawsuit for any claims that arise after the date on which this waiver is signed (as indicated below).

This Waiver and Release shall be binding upon Employee and [his/her] respective heirs, administrators, successors, assigns, and those who could make a claim through [him/her].

Employee acknowledges that [he/she] has read the ADEA release, understands its terms, has been given a period of at least 21 calendar days within which to consider this Waiver and Release, and it has been entered into by him voluntarily. Employee will have seven (7) calendar days to revoke this Waiver and Release after its execution and the Release shall not become effective or enforceable until the revocation period has expired. Employee further acknowledges that [he/she] has been advised to consult with an attorney prior to executing this Waiver and Release.

Dated:

[employee name]

WITNESS:

EXHIBIT A

1. You will receive current regular base salary, less applicable withholdings, for eighteen (18) months following your separation date and the full execution of this Agreement, unless you receive other employment with a competitor as defined below, solicit the employees of Company as defined below, or otherwise materially breach this agreement. This amount will be paid on the standard payroll cycle. A lump sum payment is not available under this Agreement for the payments described in paragraph 1. [To be adjusted in Change in Control related termination to reflect the payment provisions of the Change in Control Agreement.]

Payments under this will immediately stop on the date on which you accept employment with, become a consultant to, or otherwise become affiliated with a competitor or affiliate of a competitor of the Company listed in Exhibit B attached hereto, or engage in competition in any way with the Company or any of its subsidiaries. For the avoidance of doubt, it shall not be deemed a breach of this Agreement for you to accept employment with, become a consultant to, or otherwise become affiliated with a competitor or affiliate of a competitor of the Company, or engage in competition in any way with the Company or any of its subsidiaries; rather, such activity on your part shall permit Company to cease payments under this paragraph 1 as of the date on which such activity commenced. For the purpose of this Agreement, competitors will be limited to the list of [28] direct competitors set forth in Exhibit B. Payments under this will immediately stop on the date which you solicit for employment or other similar relationship an employee of the Company.

2. You will receive a lump sum payment equivalent to eighteen (18) months of the amount that HMI contributes toward your medical and dental benefits, which you may use to purchase medical and dental benefits through COBRA, other individual insurance policies, or options on the government Health Insurance Marketplace. You will be provided a "Disposition of Benefits" letter to explain this process in more detail. [To be adjusted in Change in Control related termination to reflect the benefits continuation provisions of the Change in Control Agreement.]
3. You are not eligible for the Employee Incentive Bonus earned for financial year [current FY] if HMI earns a bonus.
4. Any accrued but unused vacation for fiscal year [____] will be paid to you within five weeks of [term date].
5. [Include if part of the Employee Equalization Plan] Any amount of income deferred by you pursuant to the Employee Equalization Plan are fully vested and will be distributed to you according to the terms of the Plan and your deferral elections.
6. If you are enrolled in a Healthcare Reimbursement (flexible spending) Account, you have the option to continue your participation in this account through COBRA. The payments will be with after-tax dollars. You must elect COBRA coverage to continue your participation. If you choose not to continue participation in the Healthcare Reimbursement account under COBRA, all claims for services incurred up to your separation date must be submitted within 90 days of the date of your separation of employment. Any unused balances will be forfeited at that time.

Dependent Care Reimbursement (flexible spending) accounts may not be continued under COBRA and all claims for services incurred up to your separation date must be submitted within 90 days of your separation of employment.
7. If you are enrolled in a Health Savings Account, you can continue to make contributions on an after-tax basis as long as you are enrolled in a High Deductible Health Plan.
8. You are not eligible to participate in the 401(k) Plan after [term date]. You will receive a final core contribution to your 401(k) account based on compensation earned in this fiscal quarter up to your separation date. This core contribution will be paid at the end of the current fiscal quarter. Employee and Company matching contributions to the 401(k) Plan will cease as of [term date]. The balance of your quarterly payroll deductions relating to the employee stock purchase plan will be paid to you within thirty (30) days of your separation date.
9. The restricted stock units granted to you on [date], representing [number of shares] shares will vest upon your

separation date, and under section 3(e) of the Restricted Stock Unit Award Agreement you are entitled to receive [percentage]/36 of the award plus a prorated portion of the dividends. The Performance Shares (HMVA) granted to you on [date], representing [number of shares] shares are not vested, but under section 3a(iii) of the HMVA Performance Share Unit Award Agreement you are entitled to receive adjusted target performance units equivalent to [percentage]/36 of the award, to be paid out as provided for in the grant agreement. The Performance Shares (TSR) granted to you on [date], representing [number of shares] shares are not vested, but under section 3a(iii) of the TSR Performance Share Unit Award Agreement you are entitled to adjusted target performance units equivalent to [percentage]/36 of the award, to be paid out at as provided for in the grant agreement.

10. You will receive outplacement support through OI Partners, Inc.
11. You are responsible for returning your Corporate Visa card along with any keys, phone cards and/or access cards immediately. You should process a final expense report to cover the cost of any unreimbursed business-related travel through [term date]. If you have an existing balance on your Corporate Visa card or your cellular phone service, you are required to pay off the balance within 10 days of this letter. Any remaining balances at that point will be deducted from your severance pay.
12. You are responsible for returning all company-owned computers along with any associated company-owned computer equipment and printers immediately.
13. Any balance owed to HMI on your employee purchase account (product purchase) will be deducted from the total amount of severance pay. In the event that severance will not cover the full amount due, it will be your responsibility to pay off the balance.

EXHIBIT B [To be updated as list changes.]

The following companies and their subsidiaries and parents, as well as their successors in interest, are considered competitors under Exhibit A, item 1.*

1. Steelcase
2. Haworth
3. Knoll
4. Teknion
5. HNI
6. Allsteel
7. KI
8. Kimball
9. Trendway
10. Inscape
11. Riviera
12. Humanscale
13. Halcon
14. Vitra
15. Room and Board
16. Restoration Hardware
17. Ethan Allen
18. Holly Hunt
19. Nucraft Furniture
20. OFS/First Office
21. Watson
22. HAY
23. Sit On It
24. Bernhardt
25. DECCA
26. Touhy
27. Weiland
28. WeWork

EXHIBIT C

Please see attached document, "Special Terms of Your Employment"

Exhibit 31.1

CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER
OF HERMAN MILLER, INC. (THE "REGISTRANT")

I, Andrea R. Owen, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 1, 2018, of Herman Miller, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 10, 2018

/s/ Andrea R. Owen

Andrea R. Owen

Chief Executive Officer

Exhibit 31.2

CERTIFICATE OF THE CHIEF FINANCIAL OFFICER
OF HERMAN MILLER, INC. (THE "REGISTRANT")

I, Jeffrey M. Stutz, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 1, 2018, of Herman Miller, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 10, 2018

/s/ Jeffrey M. Stutz
Jeffrey M. Stutz
Chief Financial Officer

Exhibit 32.1

CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER
OF HERMAN MILLER, INC. (THE "COMPANY")

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002:

I, Andrea R. Owen, Chief Executive Officer of the company, certify to the best of my knowledge and belief pursuant to Section 906 of Sarbanes-Oxley Act of 2002 that:

- (1) The quarterly report on Form 10-Q for the period ended September 1, 2018, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended September 1, 2018, fairly presents, in all material respects, the financial condition and results of operations of the company

Dated: October 10, 2018

/s/ Andrea R. Owen
Andrea R. Owen
Chief Executive Officer

The signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Herman Miller, Inc. and will be retained by Herman Miller, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATE OF THE CHIEF FINANCIAL OFFICER
OF HERMAN MILLER, INC. (THE "COMPANY")

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002:

I, Jeffrey M. Stutz, Chief Financial Officer of the company, certify to the best of my knowledge and belief pursuant to Section 906 of Sarbanes-Oxley Act of 2002 that:

- (1) The quarterly report on Form 10-Q for the period ended September 1, 2018, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended September 1, 2018, fairly presents, in all material respects, the financial condition and results of operations of the company.

Dated: October 10, 2018

/s/ Jeffrey M. Stutz
Jeffrey M. Stutz
Chief Financial Officer

The signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Herman Miller, Inc. and will be retained by Herman Miller, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.