

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: January 23, 2006

HERMAN MILLER, INC.

(Exact name of registrant as specified in its charter)

Michigan
(State or other
jurisdiction of
incorporation)

001-15141
(Commission
File Number)

38-0837640
(IRS Employer
Identification no.)

855 East Main Avenue
Zeeland, Michigan
(Address of principal executive office)

49464
(Zip Code)

(616) 654-3000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

On January 23, 2006, the Board of Directors of Herman Miller, Inc. approved Change in Control Agreements for the Company's Chief Executive Officer, Brian C. Walker, and certain other key executives, including John Portlock, President, Herman Miller International, Gary Miller, Chief Development Officer, and Elizabeth Nickels, Chief Financial Officer. The agreements are applicable in the event of a change in control of the Company. The agreements modify existing Change in Control Agreements for Messers Walker and Miller, Ms. Nickels, and two other officers and constitute a new agreement with Mr. Portlock and five other senior officers. The attached exhibit 99.1 provides the form of these agreements.

Also on January 23, 2006, the Board of Directors of Herman Miller, Inc. approved an amendment to the Company's Key Executive Deferred Compensation Plan, which permits the participants to elect accelerated distribution on the occurrence of certain events permitted by the American Jobs Creation Act. A copy of this amended and restated plan is attached as exhibit 99.2.

Item 1.02. Termination of a Material Definitive Agreement

On January 23, 2006, the Company and Michael A. Volkema, Chairman of the Board and former Chief Executive Officer, agreed to terminate his previously existing Change in Control Agreement. This agreement was originally entered into as of March 30, 2001. The previously existing Change in Control Agreements involving the Company's named executive officers were terminated when they entered into the new Change in Control Agreements as reported in Item 1.01 of this Form 8-K.

Item 7.01. Regulation FD Disclosure

On January 26, 2006, Herman Miller, Inc. issued a press release announcing an increase in the Company's quarterly cash dividend and an increase in the Company's share repurchase plan authorization. A copy of the press release is attached as Exhibit 99.3.

Item 8.01. Other Events

The Board of Directors of Herman Miller, Inc. extended the company's stock repurchase program by authorizing share repurchases of \$150 million, in addition to approximately \$13 million still remaining from a previous authorization. The Board also approved an approximate 10% increase in the Company's quarterly cash dividend. The new quarterly cash dividend rate of \$0.08 per share will be payable on April 15, 2006, to shareholders of record as of March 3, 2006.

Item 9.01. Financial Statements and Exhibits.

Exhibits.

- 99.1 Form of Change in Control Agreement
- 99.2 Herman Miller, Inc. Amended and Restated Key Executive Deferred Compensation Plan
- 99.3 Press release dated January 26, 2006

SIGNATURE

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

Dated: January 26, 2006

HERMAN MILLER, INC.
(Registrant)

By: /s/ Elizabeth A. Nickels
Elizabeth A. Nickels
Its: Chief Financial Officer

EXHIBIT INDEX

- 99.1 Form of Change in Control Agreement
 - 99.2 Herman Miller, Inc. Amended and Restated Key Executive Deferred Compensation Plan
 - 99.3 Press release dated January 26, 2006
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[FORM OF] CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT is entered into as of _____, by and between Herman Miller, Inc., a Michigan corporation, and _____ (the "Executive").

WHEREAS, the Executive currently serves as a key employee of the Company (as defined in Section 1) and his services and knowledge are valuable to the Company in connection with the management of one or more of the Company's principal operating facilities, divisions, departments or subsidiaries; and

WHEREAS, the Board (as defined in Section 1) has determined that it is in the best interests of the Company and its stockholders to secure the Executive's continued services and to ensure the Executive's continued dedication and objectivity in the event of any threat or occurrence of, or negotiation or other action that could lead to, or create the possibility of, a Change in Control (as defined in Section 1) of the Company, without concern as to whether the Executive might be hindered or distracted by personal uncertainties and risks created by any such possible Change in Control, and to encourage the Executive's full attention and dedication to the Company, the Board has authorized the Company to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Company and the Executive hereby agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the respective meanings set forth below:

- a) "Board" means the Board of Directors of the Company
 - b) "Bonus Reserve Account" has the meaning stated in the Incentive Cash Bonus Plan.
 - c) "Cause" means (1) a material breach by the Executive of those duties and responsibilities of the Executive which do not differ in any material respect from the duties and responsibilities of the Executive during the ninety (90) day period immediately prior to a Change in Control (other than as a result of incapacity due to physical or mental illness) which is demonstrably willful and deliberate on the Executive's part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and which is not remedied in a reasonable period of time after receipt of written notice from the Company specifying such breach or (2) the commission by the Executive of a felony involving moral turpitude.
 - d) "Change in Control" means:
 - (1) acquisition by any Person of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act, of 35 percent or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock")
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or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of a conversion or exchange privilege in respect of outstanding convertible or exchangeable securities unless such outstanding convertible or exchangeable securities were acquired directly from the Company), (B) any acquisition by the Company, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (D) any acquisition by any corporation pursuant to a reorganization, merger or consolidation involving the Company, if, immediately after such reorganization, merger or consolidation, each of the conditions described in clauses (i), (ii) and (iii) of subsection (3) of this Section (1)(d) shall be satisfied; and provided further that, for purposes of clause (B), (i) a Change in Control shall not occur solely because any Person becomes the beneficial owner of 35 percent or more of the Outstanding Company Common Stock or 35 percent or more of the Outstanding Company Voting Securities by reason of an acquisition by the Company of Outstanding Company Common Stock or Outstanding Company Voting Securities that reduces the number of outstanding shares of Outstanding Company Common Stock or Outstanding Company Voting Securities and (ii) if, after such acquisition by the Company, such Person becomes the beneficial owner of any additional shares of Outstanding Company Common Stock or any additional Outstanding Company Voting Securities, such additional beneficial ownership shall constitute a Change in Control;

- (2) individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason within any 24-month period to constitute at least a majority of such Board; provided, however, that any individual who becomes a director of the Company subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed to have been a member of the Incumbent Board; and provided further, that no individual who was initially elected as a director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall be deemed to have been a member of the Incumbent Board;
 - (3) consummation of a reorganization, merger or consolidation unless, in any such case, immediately after such reorganization, merger or consolidation, (i) more than 60 percent of the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation (the “Surviving Corporation”) (or, if applicable, the ultimate parent corporation that beneficially owns all or substantially all of the outstanding voting securities entitled to vote generally in the election of directors of
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the Surviving Corporation) and more than 60 percent of the combined voting power of the then outstanding securities of the Surviving Corporation (or such ultimate parent corporation) entitled to vote generally in the election of directors is represented by the shares of Outstanding Company Common Stock and the Outstanding Company Voting Securities, respectively, that were outstanding immediately prior to such reorganization, merger or consolidation (or, if applicable, is represented by shares into which such Outstanding Company Common Stock and Outstanding Company Voting Securities were converted pursuant to such reorganization, merger or consolidation) and such ownership of common stock and voting power among the holders thereof is in substantially the same proportions as their ownership, immediately prior to such reorganization, merger or consolidation, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than the Company, any employee benefit plan [or related trust] sponsored or maintained by the Company or the corporation resulting from such reorganization, merger or consolidation [or any corporation controlled by the Company] and any Person which beneficially owned, immediately prior to such reorganization, merger or consolidation, directly or indirectly, 35 percent or more of the Outstanding Company Common Stock or the Outstanding Company Voting Securities, as the case may be) beneficially owns, directly or indirectly, 35 percent or more of the then outstanding shares of common stock of such corporation or 35 percent or more of the combined voting power of the then outstanding securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the corporation resulting from such reorganization, merger or consolidation were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such reorganization, merger or consolidation; or

- (4) consummation of (i) a plan of complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company other than to a corporation with respect to which, immediately after such sale or other disposition, (A) more than 60 percent of the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation (the "Surviving Corporation") (or, if applicable, the ultimate parent corporation that beneficially owns all or substantially all of the outstanding voting securities entitled to vote generally in the election of directors of the Surviving Corporation) and more than 60 percent of the combined voting power of the then outstanding securities of the Surviving Corporation (or such ultimate parent corporation) entitled to vote generally in the election of directors is represented by the shares of Outstanding Company Common Stock and the Outstanding Company Voting Securities, respectively, that were outstanding immediately prior to such reorganization, merger or consolidation (or, if applicable, is represented by shares into which such Outstanding Company Common Stock and Outstanding Company Voting Securities were converted pursuant to such reorganization, merger or consolidation) and such ownership of common stock and voting power among the holders thereof is in substantially the same
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proportions as their ownership, immediately prior to such reorganization, merger or consolidation, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (other than the Company, any employee benefit plan [or related trust] sponsored or maintained by the Company or such corporation [or any corporation controlled by the Company] and any Person which beneficially owned, immediately prior to such sale or other disposition, directly or indirectly, 35 percent or more of the Outstanding Company Common Stock or the Outstanding Company Voting Securities, as the case may be) beneficially owns, directly or indirectly, 35 percent or more of the then outstanding shares of common stock thereof or 35 percent or more of the combined voting power of the then outstanding securities thereof entitled to vote generally in the election of directors and (C) at least a majority of the members of the board of directors thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such sale or other disposition.

- e) “Company” means Herman Miller, Inc., a Michigan corporation.
 - f) “Date of Termination” means (1) except as otherwise provided in Section 1(p), the effective date on which the Executive’s employment by the Company terminates as specified in a prior written notice by the Company or the Executive, as the case may be, to the other, delivered pursuant to Section 11 or (2) if the Executive’s employment by the Company terminates by reason of death, the date of death of the Executive.
 - g) “Deferred Compensation Plan” means the Herman Miller, Inc. Key Executive Deferred Compensation Plan.
 - h) “Earned Bonus” has the meaning stated in the Incentive Cash Bonus Plan.
 - i) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
 - j) “Good Reason” means, without the Executive’s express written consent, the occurrence of any of the following events after a Change in Control:
 - (1) any of (i) the assignment to the Executive of any duties inconsistent in any material adverse respect with the Executive’s position(s), duties, responsibilities or status with the Company immediately prior to such Change in Control, (ii) a change in any material adverse respect in the Executive’s reporting responsibilities, titles or offices with the Company as in effect immediately prior to such Change in Control or (iii) any removal or involuntary termination of the Executive from any position held by the Executive with the Company immediately prior to such Change in Control otherwise than as expressly permitted by this Agreement or any failure to re-elect the Executive to any position with the Company held by the Executive immediately prior to such Change in Control;
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- (2) a reduction by the Company in the Executive's rate of annual base salary or annual Target Bonus as in effect immediately prior to such Change in Control or as the same may be increased from time to time thereafter;
- (3) any requirement of the Company that the Executive be based at a location in excess of 50 miles from the facility which is the Executive's principal business office at the time of the Change in Control;
- (4) a reduction of at least 5% in the aggregate benefits provided to the Executive and the Executive's dependents under the Company's employee benefit plans (including, without limitation, retirement, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) in which the Executive is participating immediately prior to such Change in Control; or
- (5) the failure of the Company to obtain the assumption agreement from any successor as contemplated in Section 10(b).

For purposes of this Agreement, any good faith determination of Good Reason made by the Executive shall be presumed to be correct, subject to the Company proving the contrary; provided, however, that an isolated, insubstantial and inadvertent action taken in good faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive shall not constitute Good Reason.

- (k) "Incentive Cash Bonus Plan" means the Herman Miller, Inc. Incentive Cash Bonus Plan which became effective September 29, 1998 or any replacement thereof.
 - (l) "Nonqualifying Termination" means a termination of the Executive's employment (1) by the Company for Cause, (2) by the Executive during the first 180 days following a Change in Control for any reason other than the Good Reason specified in Section 1(j)(2) or Section 1(j)(3); (3) by the Executive after the first 180 days following a Change in Control for any reason other than any Good Reason, (4) as a result of the Executive's death or (5) by the Company due to the Executive's absence from his duties with the Company on a full-time basis for at least 180 consecutive days as a result of the Executive's incapacity due to physical or mental illness.
 - (m) "Person" means any individual, entity or group including any "person" within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act.
 - (n) "Target Bonus" has the meaning stated in the Incentive Cash Bonus Plan.
 - (o) "Termination Period" means the period of time beginning with a Change in Control and ending on the earlier to occur of (1) 24 months following such Change in Control and (2) the Executive's death. Notwithstanding anything in this Agreement to the contrary, if (i) the Executive's employment terminates prior to a Change in Control for a reason that would have entitled the Executive to payments and benefits from the Company under Sections 3(a) and (b) if it had occurred following a Change in Control; (ii) the Executive reasonably demonstrates that such
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termination (or Good Reason event) was at the request of a third party who had indicated an intention or taken steps reasonably calculated to effect a Change in Control; and (iii) a Change in Control involving such third party (or a party competing with such third party to effectuate a Change in Control) does occur, then for purposes of this Agreement, the date immediately prior to the date of such termination of employment or event constituting Good Reason shall be treated as a Change in Control. For purposes of determining the timing of payments and benefits to the Executive under Section 3, the date of the actual Change in Control shall be treated as the Executive's Date of Termination under Section 1(f), and for purposes of determining the amount of payments and benefits to the Executive under Section 3, the date the Executive's employment is actually terminated shall be treated as the Executive's Date of Termination under Section 1(f).

2. Obligations of the Executive.

- (a) The Executive agrees that in the event any Person attempts a Change in Control, he shall not voluntarily leave the employ of the Company without a Good Reason specified in Section 1(j)(2) or Section 1(j)(3) until (1) such attempted Change in Control terminates or (2) if a Change in Control shall occur, 180 days following such Change in Control. For purposes of clause (1) of the preceding sentence, Good Reason shall be determined as if a Change in Control had occurred when such attempted Change in Control became known to the Board.
- (b) The following definitions apply to the remainder of this Section 2:
- (1) "Affiliate" means and includes any person or entity which controls a party, which such party controls or which is under common control with such party.
 - (2) "Competing Business" means a business which engages or is making plans to engage, in whole or in part, in the manufacturing, marketing, distribution or sale of products which are competitive with any products manufactured, distributed, marketed or sold by the Company during the Restricted Period.
 - (3) "Competing Products" means products manufactured by a Competing Business.
 - (4) "Control" means the power, direct or indirect, to direct or cause the direction of the management and policies of a person or entity through voting securities, contract or otherwise.
 - (5) "Restricted Period" means the period of the Executive's employment with the Company and a period of two years after the Date of Termination.
- (c) Executive acknowledges and agrees that (i) through his continuing services to the Company, he will learn valuable trade secrets and other proprietary information relating to the Company's business, (ii) the Executive's services to the Company are unique in nature, (iii) the Company's business
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is international in scope and (iv) the Company would be irreparably damaged if the Executive were to provide services to any person or entity in violation of the restrictions contained in this Section 2(c). Accordingly, as an inducement to the Company to enter into this Agreement, Executive agrees that if the Executive is entitled to and does receive a payment pursuant to Section 3(a)(2) of this Agreement, neither Executive nor any Affiliate of the Executive shall during the Restricted Period, directly or indirectly, either for himself or for any other person or entity:

- (a) anywhere in the world in which the Company is then doing business, engage or participate in, or assist, advise or be connected with (including as an employee, owner, partner, shareholder, officer, director, advisor, consultant, agent or [without limitation by the specific enumeration of the foregoing] otherwise), or permit his name to be used by or render services for, any person or entity engaged in a Competing Business; provided, however, that nothing in this Agreement shall prevent Executive from acquiring or owning, as a passive investment, up to two percent (2%) of the outstanding voting securities of an entity engaged in a Competing Business which are publicly traded in any recognized national securities market;
 - (b) take any action, in connection with a Competing Business, which might divert from the Company or an Affiliate of the Company any opportunity which would be within the scope of the Company's or such Affiliate's then business;
 - (c) solicit or attempt to solicit any person or entity who is or has been (A) a customer of the Company at any time during the Restricted Period to purchase Competing Products from any person or entity (other than the Company) or (B) a customer, supplier, licensor, licensee or other business relation of the Company at any time during the Restricted Period to cease doing business with the Company; or
 - (d) solicit or hire any person or entity who is a director, officer, employee or agent of the Company or any Affiliate of the Company to perform services for any entity other than the Company and its Affiliates.
- (d) Executive agrees that any violation by the Executive of Section 2(c) of this Agreement would be highly injurious to the Company and would cause irreparable harm to the Company. By reason of the foregoing, Executive consents and agrees that if the Executive violates any provision of Section 2(c) of this Agreement, the Company shall be entitled, in addition to any other rights and remedies that it may have, to apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any continuing violation of, the provisions of such section. In the event Executive breaches a covenant contained in Section 2(c) of this Agreement, the Restricted Period applicable to Executive with respect to such breached covenant shall be extended for the period of such breach. Executive also recognizes that the territorial, time and scope limitations set forth in Sections 2(c), are reasonable and are properly required for the protection of the Company and in the event that any such territorial, time or scope limitation is deemed to be unreasonable, by a court of competent jurisdiction, the Company and Executive agree, and Executive submits, to the reduction of any or all of said territorial, time or scope limitations to such an area, period or scope as said court shall deem reasonable under the circumstances.
- (e) Termination of the Executive's employment shall have no effect on the continuing operation and enforceability of Sections 2(b), 2(c) or 2(d) and each such section shall continue to be fully effective and enforceable after any such termination.

3. Obligations of the Company Upon Termination of Employment.

- (a) If during the Termination Period the employment of the Executive shall terminate, other than by reason of a Nonqualifying Termination, then the Company shall pay to the Executive (or the Executive's beneficiary or estate) within thirty (30) days following the Date of Termination, as compensation for services to the Company:
 - (1) a cash amount equal to the sum of (i) the Executive's base salary from the Company and its affiliated companies through the Date of Termination, to the extent not theretofore paid, (ii) the Executive's Target Bonus for the Company's fiscal year in which the Date of Termination occurs multiplied by a fraction, the numerator of which is the number of days in that fiscal year through the Date of Termination and the denominator of which is 365 or 366, as applicable, (iii) any positive balance in the Executive's Bonus Reserve Account; and (iv) any compensation previously deferred by the Executive other than pursuant to the Deferred Compensation Plan or any tax qualified plan (together with any interest and earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid; plus
 - (2) a lump-sum cash amount (subject to any applicable payroll or other taxes required to be withheld pursuant to Section 5) in an amount equal to (i) [three (for the CEO); two (for the other officers)] times the Executive's highest annual base salary from the Company and its affiliated companies in effect during the twelve (12) month period prior to the Date of Termination, plus (ii) [three (for the CEO); two (for the other officers)] times the higher of (a) the average of the Executive's Earned Bonus for the three fiscal years of the Company preceding the fiscal year in which the Change in Control occurs, or (b) the Executive's Target Bonus for the fiscal year of the Company in which the Change in Control occurs; provided, however, that any amount to be paid pursuant to this Section 3(a)(2) shall be reduced by any other amount of severance relating to salary or bonus continuation to be received by the Executive upon termination of employment of the Executive under any severance plan, policy or arrangement of the Company and any severance payments the Company is required to make pursuant to the requirements of any U.S. or foreign law or regulation. For purposes of the preceding sentence any amount received by the Executive on account of the termination of the Incentive Cash Bonus Plan will be treated as an amount paid on account of the termination of Executive's employment.
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- (b) If during the Termination Period the employment of the Executive shall terminate, other than by reason of a Nonqualifying Termination:
- (1) In addition to the payments to be made pursuant to Section 3(a), for a period of two years commencing on the Date of Termination, the Company shall continue to keep in full force and effect all policies of medical, accident, disability and life insurance with respect to the Executive and his dependents with the same level of coverage, upon the same terms and otherwise to the same extent as such policies shall have been in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as provided generally with respect to other peer executives of the Company and its affiliated companies, and the Company and the Executive shall share the costs of the continuation of such insurance coverage in the same proportion as such costs were shared immediately prior to the Date of Termination; provided that, if the Executive cannot continue to participate in the Company plans providing such benefits, the Company shall otherwise provide such benefits on the same after-tax basis as if continued participation had been permitted. Notwithstanding the foregoing, in the event the Executive becomes reemployed with another employer and becomes eligible to receive welfare benefits from such employer, the welfare benefits described herein shall be secondary to such benefits during the period of the Executive's eligibility, but only to the extent that the Company reimburses the Executive for any increased cost and provides additional benefits necessary to give the Executive the benefits provided hereunder.
 - (2) All stock options, restricted awards, other equity based awards and all stock units credited to the Executive's account under the Deferred Compensation Plan shall be fully vested. All stock options shall remain exercisable for a period of ninety days from the Date of Termination or the earlier expiration of their initial term; provided, that, if the Executive would be prohibited from exercising any stock option due to restraints imposed under applicable accounting rules or securities laws, such option shall remain exercisable for thirty days after such restriction ceases to apply.
 - (3) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies through the Date of Termination (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").
- (c) If during the Termination Period the employment of the Executive shall terminate by reason of a Nonqualifying Termination, then the Company shall pay to the Executive within thirty (30) days following the Date of Termination, a cash amount equal to the sum of (1) the Executive's full annual base salary from the Company through the Date of Termination, to the extent not theretofore paid, and (2) the Other Benefits.
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4. Certain Additional Payments by the Company.

- (a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company or its affiliated companies to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.
- (b) Subject to the provisions of Section 4(c), all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Company's public accounting firm (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the Person effecting the Change in Control, the Executive shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 4, shall be paid by the Company to the Executive within five (5) days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that failure to report the Excise Tax on the Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.
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(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty (30) days period following the date on which the Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

- (1) give the Company any information reasonably requested by the Company relating to such claim,
 - (2) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,
 - (3) cooperate with the Company in good faith in order effectively to contest such claim, and
 - (4) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with
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respect to any imputed income with respect to such advance; and provided further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

- (d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 4(c), the Executive becomes entitled to receive, and receives, any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 4(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.
- (e) Notwithstanding the foregoing, if it shall be determined that the Executive is entitled to a Gross-Up Payment, but that the Payments would not be subject to the Excise Tax if the Payments were reduced by an amount that is less than 5% of the portion of the Payments that would be treated as "parachute payments" under Section 280G of the Code, then the amounts payable to the Executive under this Agreement shall be reduced (but not below zero) to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "Safe Harbor Cap"), and no Gross-Up Payment shall be made to the Executive. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments under Section 3(a)(2), unless an alternative method of reduction is elected by the Executive. For purposes of reducing the Payments to the Safe Harbor Cap, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amounts payable hereunder would not result in a reduction of the Payments to the Safe Harbor Cap, no amounts payable under this Agreement shall be reduced pursuant to this provision.

- 5. Withholding Taxes. The Company may withhold from all payments due to the Executive (or his beneficiary or estate) hereunder all taxes which, by applicable federal, state, local or other law, the Company is required to withhold therefrom.
 - 6. Reimbursement of Expenses. If any contest or dispute shall arise under this Agreement involving termination of the Executive's employment with the Company or involving the failure or refusal of the Company to perform fully in accordance with the terms hereof, the Company shall reimburse the Executive, on a current basis, for all reasonable legal fees and expenses, if any, incurred by the Executive in
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connection with such contest or dispute, together with interest thereon at a rate equal to the prime rate, as published under "Money Rates" in The Wall Street Journal from time to time, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date the Company receives the Executive's statement for such fees and expenses through the date of payment thereof; provided, however, that in the event the resolution of any such contest or dispute includes a finding denying, in total, the Executive's claims in such contest or dispute, the Executive shall be required to reimburse the Company, over a period of twelve (12) months from the date of such resolution, for all sums advanced to the Executive pursuant to this Section 6.

7. Operative Event. Notwithstanding any provision herein to the contrary, no amounts shall be payable hereunder unless and until there is a Change in Control at a time when the Executive is employed by the Company.
 8. Amendment or Termination of Agreement.
 - (a) This Agreement shall be effective on the date hereof and shall continue until terminated by the Company as provided in Section 8(b); provided, however, that this Agreement shall terminate in any event upon the earlier to occur of (i) termination of the Executive's employment with the Company prior to a Change in Control, other than pursuant to Section 1(p), and (ii) the Executive's death.
 - (b) The Company shall have the right prior to a Change in Control, in its sole discretion, pursuant to action by the Board, to approve the amendment or termination of this Agreement, which amendment or termination shall not become effective until the date fixed by the Board therefor, which date shall be at least 180 days after notice thereof is given by the Company to the Executive in accordance with Section 11; provided, however, that no such action shall be taken by the Board, without the written consent of the Executive, (i) during any period of time when the Board has knowledge that any Person has taken steps reasonably calculated to effect a Change in Control until, in the opinion of the Board, such Person has abandoned or terminated its efforts to effect a Change in Control or (ii) following a Change in Control.
 9. Scope of Agreement. Nothing in this Agreement shall be deemed to entitle the Executive to continued employment with the Company or its subsidiaries and, except as provided in Section 1(p), if the Executive's employment with the Company shall terminate prior to a Change in Control, then the Executive shall have no further rights under this Agreement; provided, however, that any termination of the Executive's employment following a Change in Control shall be subject to all of the provisions of this Agreement. [This Agreement shall supersede in its entirety the Change in Control Agreement between the Company and the Executive dated _____, which shall terminate and have no further effect as of the date of this Agreement.]
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10. Successors; Binding Agreement.

- (a) This Agreement shall not be terminated by any merger or consolidation of the Company whether the Company is or is not the surviving or resulting corporation or as a result of any transfer of all or substantially all of the assets of the Company. In the event of any such merger, consolidation or transfer of assets, the provisions of this Agreement shall be binding upon the surviving or resulting corporation or the person or entity to which such assets are transferred.
- (b) The Company agrees that concurrently with any merger, consolidation or transfer of assets referred to in Section 10(a), it will cause any successor or transferee unconditionally to assume, by written instrument delivered to the Executive (or his beneficiary or estate), all of the obligations of the Company hereunder. Failure of the Company to obtain such assumption prior to the effectiveness of any such merger, consolidation or transfer of assets shall be a breach of this Agreement and shall entitle the Executive to compensation and other benefits from the Company in the same amount and on the same terms as the Executive would be entitled hereunder if the Executive's employment were terminated following a Change in Control other than by reason of a Nonqualifying Termination. For purposes of implementing the foregoing, the date on which any such merger, consolidation or transfer becomes effective shall be deemed the Date of Termination.
- (c) This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amounts would be payable to the Executive hereunder had the Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or persons appointed in writing by the Executive to receive such amounts or, if no person is so appointed, to the Executive's estate.

11. Notices.

- (a) For purposes of this Agreement, all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or five days after deposit in the United States mail, certified and return receipt requested, postage prepaid, addressed (1) if to the Executive, to _____, and if to the Company, to 855 East Main Avenue, Zeeland, MI 49464, attention General Counsel, with a copy to the Secretary, or (2) to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.
 - (b) A written notice of the Executive's Date of Termination by the Company or the Executive, as the case may be, to the other shall (i) indicate the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) specify the termination date (which date shall be not less than
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fifteen (15) days after the giving of such notice). The failure by the Executive or the Company to set forth in such notice any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company hereunder or preclude the Executive or the Company from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

12. Full Settlement; Resolution of Disputes.

- (a) The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment except to the extent provided in Section 3(b)(1).
- (b) If there shall be any dispute between the Company and the Executive in the event of any termination of the Executive's employment, then, unless and until there is a final, nonappealable judgment by a court of competent jurisdiction declaring that such termination was for Cause, that the Executive terminated his employment without Good Reason, or that the Company is not otherwise obligated to pay any amount or provide any benefit to the Executive and his dependents or other beneficiaries, as the case may be, under Sections 3(a), 3(b) and 4, the Company shall pay all amounts, and provide all benefits, to the Executive and his dependents or other beneficiaries, as the case may be, that the Company would be required to pay or provide pursuant to Sections 3(a), 3(b) and 4 as though such termination were by the Company without Cause or by the Executive with Good Reason; provided, however, that the Company shall not be required to pay any disputed amounts pursuant to this Section 12(b) except upon receipt of an undertaking by or on behalf of the Executive to repay all such amounts to which the Executive is ultimately adjudged by such court not to be entitled.

13. Employment with Subsidiaries. Employment with the Company for purposes of this Agreement shall include employment with any corporation or other entity in which the Company has a direct or indirect ownership interest of 50 percent or more of the total combined voting power of the then outstanding securities of such corporation or other entity entitled to vote generally in the election of directors.

14. Compliance with Section 409A. It is intended that any amounts payable under this Agreement will comply with Section 409A of the Code and treasury regulations relating thereto so as not to subject the Executive to the payment of any interest and tax penalty which may be imposed under Section 409A of the Code, and the Agreement shall be interpreted and construed in accordance with such intention. Any provision of the Agreement that would cause the Executive to be subject to the payment of any such interest or tax penalty shall be disregarded, and the timing of the payments or benefits provided herein shall be modified accordingly.

15. Governing Law; Validity. The interpretation, construction and performance of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Michigan without regard to the principle of conflicts of laws. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which other provisions shall remain in full force and effect.
16. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed to be an original and both of which together shall constitute one and the same instrument.
17. Miscellaneous. Except as provided in Section 8, no provision of this Agreement may be modified or waived unless such modification or waiver is agreed to in writing and signed by the Executive and by a duly authorized officer of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Failure by the Executive or the Company to insist upon strict compliance with any provisions of this Agreement or to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement. Except as otherwise expressly set forth in this Agreement, the rights of, and benefits payable to, the Executive, his estate or his beneficiaries pursuant to this Agreement are in addition to any rights of, or benefits payable to, the Executive, his estate or his beneficiaries under any other employee benefit plan or compensation plan, policy practice or program of the Company or any other contract or agreement with the Company.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer of the Company and the Executive has executed this Agreement as of the day and year first above written.

HERMAN MILLER, INC.

By: _____

EXECUTIVE

Executive's Name _____

**HERMAN MILLER, INC.
AMENDED AND RESTATED KEY EXECUTIVE
DEFERRED COMPENSATION PLAN**

HERMAN MILLER, INC. AMENDED AND RESTATED KEY EXECUTIVE DEFERRED COMPENSATION PLAN (the "Plan") adopted by the Board of Directors of Herman Miller, Inc. (the "Board") the 23rd day of January, 2006, with reference to the following:

A. Under Section 12, subsection (a), of the Plan, "Termination or Amendment of Plan, (a) In General," the Board may, at any time by resolution, subject to certain conditions, amend the Plan.

B. On October 22, 2004, the American Jobs Creation Act of 2004 (P.L. 108-357) was enacted which, among other things, added Section 409A to the Internal Revenue Code of 1986, as amended (the "Code") to govern the taxation of nonqualified deferred compensation.

C. The Board has elected to amend the Plan to comply with Section 409A of the Code with respect to amounts deferred or vested after December 31, 2004. The Board intends that this Amendment and Restatement does not constitute a "material modification" of the Plan as such term is used in Code Section 409A(d)(2)(B) and further described in Notice 2005-1, Q&A-18. As such, the Board intends that the provisions of Section 409A of the Code will not apply to amounts deferred and vested under the Plan prior to January 1, 2005.

NOW, THEREFORE, effective January 24, 2006, the Plan is being amended and restated in its entirety as provided below.

1. **Purpose.** The purposes of the Herman Miller, Inc. Amended and Restated Key Executive Deferred Compensation Plan (the "Plan") are to:

- (a) Provide key executives of Herman Miller, Inc. (the "Company") the opportunity to increase their equity interest in the Company;
- (b) Attract and retain highly qualified individuals to serve as key executives of the Company; and
- (c) Further align their economic interests with such interests of the shareholders of the Company.

The Plan will permit employees selected by the Committee, to participate in the Plan and to defer receipt of part or all of the Participant's EVA Incentive Cash Bonus under the Executive Cash Bonus Incentive Plan (the "Incentive Plan"). A Participant's interest in the Plan shall be expressed in Stock Units equivalent to shares of the Company's common stock, par value \$.20 per share (the "Shares").

2. **Effective Date and Term.** The Plan was originally effective November 15, 1999, was amended and restated as of April 26, 2005, and is being amended and restated effective January 24, 2006. The Plan shall remain in effect until terminated by the Board.

3. **Definitions.**

Whenever used in the Plan, the following terms shall have the meanings set forth in this Section 3.

- (a) **"Alternative Termination Date"** has the meaning ascribed in subsection (b) of Section 5.
- (b) **"Board of Directors" or "Board"** means the Board of Directors of Herman Miller, Inc., a Michigan corporation, at the time the term is applied.
- (c) **"Change in Control"** means:
 - (i) The acquisition, by any one person or more than one person "acting as a group" (as described in subparagraph (D), below), of Common Stock that, together with Common Stock held by such person or group, constitutes more than 50% of the total Fair Market Value or total voting power of Common Stock.
 - (A) If any one person, or more than one person acting as a group, is considered to own more than 50% of the total Fair Market Value or total voting power of Common Stock, the acquisition of additional Common Stock by the same person or persons is not a Change in Control of the Company.
 - (B) An increase in the percentage of Common Stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires Common Stock in exchange for property will be treated as an acquisition of Common Stock for purposes of paragraph (i).
 - (C) Paragraph (i) applies only when there is a transfer of Common Stock (or issuance of Common Stock), and Common Stock remains outstanding after the transaction.
 - (D) For purposes of this subsection (c), persons will not be considered to be acting as a group solely because they purchase or own Common Stock at the same time, or as a result of the same public offering. Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a person, including an entity, owns both Common Stock and stock of another corporation and the Company and such corporation enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in the Company prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.
 - (E) For purposes of this subsection (c), Section 318 of the Internal Revenue Code of 1986, as amended applies to determine the ownership of Common Stock. Common Stock underlying a vested option is considered owned by the individual who holds the vested

option, and the Common Stock underlying an unvested option is not considered owned by the individual who holds the unvested option. However, if a vested option is exercisable for Common Stock that is not “substantially vested” (as that term is defined in Section 1.83-3(b) and (j) of the Treasury Regulations), the Common Stock underlying the option is not treated as owned by the individual who holds the option.

(F) For purposes of this subsection (c), a “person” means an individual, a trust, estate, partnership, association, company, or corporation;

(ii) The acquisition, by any one person or more than one person acting as a group, or the acquisitions over a 12-month period ending on the date of the most recent acquisition by such person or persons, of Common Stock possessing 35% or more of the total voting power of the Common Stock. If any one person, or more than one person acting as a group, possesses 35% or more of the total voting power of the Common Stock, the acquisition of additional control of the Company by the same person or persons is not considered to cause a Change in Control of the Company under this paragraph (ii) or under paragraph (i). A Change in Control under this paragraph (ii) also may occur in any transaction in which either of the two corporations involved in the transaction has a Change in Control under paragraph (i) or (iv);

(iii) The replacement, during any 12-month period, of a majority of members of the Board by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. A Change in Control under this paragraph (iii) also may occur in any transaction in which either of the two corporations involved in the transaction has a Change in Control under paragraph (i) or (iv); or

(iv) The acquisition by any one person or more than one person acting as a group, or the acquisitions over a 12-month period ending on the date of the most recent acquisition by such person or persons, of assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

(A) For purposes of paragraph (iv), “gross fair market value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(B) A transfer of assets by the Company is not treated as a Change in Control if the assets are transferred to:

(I) A shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to Common Stock;

(II) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(III) A person, or more than one person acting as a group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company; or

(IV) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (III).

For purposes of this subparagraph (B), a person’s status is determined immediately after the transfer of assets.

(d) **“Committee”** means the Executive Compensation Committee of the Board, or other Committee designated by the Board to be the administrator of the Plan, at the time the term is applied.

(e) **“Common Stock”** means the common stock of the Company, par value \$.20 per share.

(f) **“Company”** means Herman Miller, Inc., a Michigan corporation.

(g) **“Deferred Amount”** means the dollar amount of a Participant’s bonus under the Incentive Plan which is deferred in a particular Plan Year.

(h) **“Deferred Termination Date”** has the meaning ascribed in subsection (b) of Section 5.

(i) **“Disability”** means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months.

(j) **“Fair Market Value”** of a Share means, for any particular date:

(i) For any period during which the Share shall be listed for trading on a national securities exchange or the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), the closing price per Share on such exchange or on the NASDAQ as of the close of such trading day; or

(ii) For any period during which the Share shall not be listed for trading on a national securities exchange or NASDAQ, the market price per Share as determined by a qualified appraiser selected by the Board.

If Fair Market Value is to be determined on a day when the markets are not open, Fair Market Value on that day shall be the Fair Market Value on the most recent preceding day when the markets were open.

(k) **“Participant”** means an employee selected by the Committee to participate and who has filed an Election to Participate Form as provided in Section 4.

(l) **“Plan Year”** means the period beginning on the first day of the Company’s fiscal year and ending on the last day of the fiscal year.

(m) **“Rabbi Trust”** means a trust established by an agreement between the Company and a trustee with such terms and conditions as the Company, in its discretion, shall determine, for the purpose set forth in Section 14.

(n) **“Share”** means a share of Common Stock.

4. **Eligibility and Participation.** Within 15 days after the Plan becomes effective and annually thereafter, on or before the 30th day preceding the first day of each Plan Year, the Executive Compensation Committee of the Board (the “Committee”) will determine those executives who are eligible to become Participants. At the same time, the Committee will establish the limits which shall apply to each Participant’s participation (the “Limits”). These Limits shall be:

- (a) The maximum percentage of the EVA Cash Incentive Bonus under the Incentive Plan which may be deferred by each Participant;
- (b) The maximum amount of EVA Cash Incentive Bonus under the Incentive Plan which will be subject to a Premium Percentage for each Participant; and
- (c) The amount of the Premium Percentage for each Participant.

An eligible executive will become a Participant by submitting a Deferral Election within 30 days after becoming eligible to participate in the Plan and thereafter prior to the first day of the Plan Year. An employee’s eligibility to submit a Deferral Election and the annual Limits shall not carry over from year to year. Each executive must have his or her eligibility to submit a Deferral Election and the Limits determined annually by the Committee. A Deferral Election made by an executive who is again determined by the Committee to participate with identical participation Limits will continue effective for subsequent Plan Years unless the Deferral Election is change or revoked in writing before the beginning of the Plan Year.

5. **Deferral of EVA Cash Incentive or Bonus under the Incentive Plan.**

(a) **Form.** An Election to Participate shall be made in writing on a form prescribed by the Committee (the “Election to Participate Form”).

(b) **Content.** On the Election to Participate Form, a Participant must:

(i) Designate the percentage (not less than 15 percent) of the EVA Incentive or Bonus under the Incentive Plan to be deferred for the Plan Year (the “Deferral Percentage”) to be deferred for the Plan Year (the “Deferred Amount”);

(ii) Specify the date of payment (the “Deferred Termination Date”) which shall be at least three (3) years after the date of Deferral);

(iii) Elect whether payment will be made upon the occurrence of any of the following prior to the Deferred Termination Date:

(A) The Participant’s service as an employee officer of the Company terminates;

(B) The Participant’s death;

(C) Disability of the Participant; and

(D) A Change in Control of the Company.

To the extent that a Participant has elected payment upon the occurrence of any of these events and such event occurs prior to the Participant’s Deferred Termination Date, the date on which such event occurs shall be the Participant’s “Alternative Termination Date.”

(iv) Designate the type of payment in accordance with subsection (c) of Section 8; and

(v) Designate one (1) or more beneficiaries (“Beneficiaries”) to receive any credits in the Participant’s Stock Unit Account as of the date of his or her death.

A Participant may change the Deferred Amount from Plan Year to Plan Year but may not change the Deferred Amount for a particular Plan Year after the election is made for that Plan Year. A Participant may change the type of payment and may extend the Deferred Termination Date, but any such changes must be made at least 12 months prior to the original Deferred Termination Date. With respect to changes to the type of payment or extension of the Deferred Termination Date relating to amounts deferred or vested after December 31, 2004, no payment under a new election may be made within five (5) years after the original Deferred Termination Date on which that payment would have commenced unless the distribution occurs as a result of the Participant’s Alternative Termination Date.

(c) **Crediting Deferral Amounts to Accounts:** Amounts deferred pursuant to this Section 5 (“Deferrals”) shall be credited in Stock Units as of the last day of the month in which such amount would have been paid in cash to a bookkeeping reserve account maintained by the Company (“Stock Unit Account”). The Stock Unit Account shall consist of a Basic Account and a Premium Account. The number of Stock Units credited to a Participant’s Basic Account shall equal 100 percent of the Deferral, divided by the Fair Market Value (as defined in Section 11 hereof) of a Share on the last day of the month in which such Deferral would have been paid but for the Deferral Election pursuant to this Section 5. The number of Stock Units credited to a Participant’s Premium Account shall equal the Premium Percentage applicable to the Participant, multiplied by the Deferral, divided by the Fair Market Value of a Share on the last day of the month in which such Deferral would have been paid but for the Deferral Election pursuant to this Section 5. Such calculations shall be carried to three (3) decimal places.

(c) The value of the Stock Units credited to the Participant’s Stock Unit Account shall constitute the Participant’s entire benefit under this Plan.

6. **Additions to Deferral Accounts.** As of each dividend payment date, with respect to Shares, there shall be credited to each Participant's Stock Unit Account certain Dividend Units which will be an additional number of Stock Units equal to:

- (a) The per-share dividend payable with respect to a Share on such date multiplied by
- (b) The number of Stock Units held in the Stock Unit Account as of the close of business on the record date for such dividend and, if the dividend is payable in cash or property other than Shares, divided by
- (c) The Fair Market Value of a Share on such business day.

For purposes of this Section 6, the term "dividend" shall include all dividends, whether normal or special, and whether payable in cash, Shares or other property. The calculation of additional Stock Units shall be carried to three (3) decimal places.

7. **Vesting of Accounts.**

(a) **Basic Accounts:** All Stock Units credited to a Participant's Basic Account (and the Dividend Units attributable thereto) pursuant to this Plan shall be at all times fully vested and nonforfeitable.

(b) **Premium Accounts:** All Stock Units credited to a Participant's Premium Account pursuant to this Plan (and the Dividend Units attributable thereto) shall become 33- $\frac{1}{3}$ percent vested and nonforfeitable on the first day of the Plan Year next following the date the Stock Units are credited to the Participant's Premium Account, provided that the Participant is then an employee of the Company. An additional 33- $\frac{1}{3}$ percent will become vested and nonforfeitable on the first day of each Plan Year thereafter, provided that the Participant is then an employee of the Company. In the event that the Participant dies, becomes disabled, retires at the normal retirement age (determined by the Committee) or terminates employment for any reason within 24 months following a Change of Control, all unvested Stock Units and Dividend Units will immediately become 100 percent vested and nonforfeitable. Additionally, the Committee, in its sole discretion, may accelerate a Participant's vested percentage if it determines that such action would be in the best interest of the Company.

With respect to amounts deferred or vested after December 31, 2004, a Participant shall be considered to be "disabled" if such Participant:

- (i) Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months, or
- (ii) Is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving benefits for a period of not less than three (3) months under a disability plan maintained by the Company.

8. **Payment of Accounts.**

(a) **Time of Payment:** Payment of the Stock Units to a Participant shall be made or, if installment payments have been elected, shall begin within 30 days after the Deferred Termination Date specified by the Participant in his or her Election to Participate Form or, if applicable, 30 days after the Participant's Alternative Termination Date; provided, however, that such earlier payment would be impermissible under the terms of the American Jobs Creation Act or other legal restriction, the payment will be delayed until the earliest date that it may be made without violating such restriction.

(b) **Form of Payment:** The total number of Stock Units in a Participant's Stock Unit Account (rounded to the nearest whole number) shall be paid to the Participant in an equal number of whole Shares. If installment payments are elected, the number of Shares to be paid shall be determined initially by dividing the number of Stock Units in the Stock Unit Account (rounded to the nearest whole number) by the number of installment payments to be paid. Each subsequent installment payment shall be determined by dividing the number of Stock Units remaining in the Stock Unit Account (rounded to the nearest whole number) by the number of installments remaining to be paid. The Company shall issue and deliver to the Participant Shares in payment of Stock Units within 30 days following the date on which the Stock Units, or any portion thereof, become payable. The issuance of Shares may be conditioned upon the effectiveness of a registration statement covering the Shares. If any fractional Stock Unit exists after the single sum or last installment, as the case may be, of Shares is paid to the Participant, such fractional Stock Unit shall be paid to the Participant in cash. The value of such fractional Stock Unit shall be determined by multiplying the fractional Stock Unit by the Fair Market Value of a Share on the business day prior to the date on which the single sum or last installment, as the case may be, of Shares is paid to the Participant.

(c) **Type of Payment:** Payments of Shares will be made from the Stock Unit Account of a Participant in whichever of the following methods the Participant elects in his or her Election to Participate Form (the "Payment Election"):

- (i) A single lump sum payment within 30 days after the Deferred Termination Date; or
- (ii) Payment in annual installments over a period not to exceed 10 years, as the Participant shall elect, beginning 30 days after the Deferred Termination Date and annually thereafter on each anniversary date of the first payment, until fully distributed.

If all or any portion of the Stock Unit Account is to be distributed in installments, the portion of the Participant's Stock Unit Account being held for future distribution shall continue to be credited with additional Stock Units as provided in Section 7. Notwithstanding the foregoing, if distribution occurs as a result of the Participant's Alternative Termination Date, all of the Participant's Stock Unit Account will be distributed in a single lump sum payment and paid within the time specified in Section 8(a).

(d) **Accelerated Payment:** With respect to amounts deferred and vested prior to January 1, 2005, in the event a Participant terminates employment with the Company, whether voluntarily or involuntarily or becomes a part-time employee of the Company (as determined by the Committee), before the Participant's Stock Unit Account has been fully distributed, the Committee shall have the option, in its sole discretion at any time after such Participant terminates employment or within one year after such participant becomes a part-time employee, to make an immediate lump sum

distribution of the vested Stock Units or to commence payment of the vested Stock Units to the Participant in accordance with the Participant's Deferral Election.

9. **Shares Subject to the Plan.** Shares that may be issued under the Plan shall be acquired by the Company in open-market transactions, consistent with all applicable rules and regulations regarding the repurchase of securities.

10. **Adjustments and Reorganization.** In the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting Shares or the price of Shares, such proportionate adjustments, if any, as the Committee in its sole discretion may deem appropriate to reflect such change shall be made with respect to the aggregate number of Shares that may be issued under the Plan, and each Stock Unit or Dividend Unit held in the Stock Unit Accounts. Any adjustments described in the preceding sentence shall be carried to three decimal places.

11. **Fair Market Value.** Fair Market Value of a Share for all purposes under the Plan shall mean, for any particular date,

(a) For any period during which the Share shall be listed for trading on a national securities exchange or the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), the closing price per Share on such exchange or the NASDAQ as of the close of such trading day, or

(b) For any period during which the Share shall not be listed for trading on a national securities exchange or NASDAQ, the market price per Share as determined by a qualified appraiser selected by the Board.

If Fair Market Value is to be determined on a day when the markets are not open, Fair Market Value on that day shall be the Fair Market Value on the most recent preceding day when the markets were open.

12. **Termination or Amendment of Plan.**

(a) **In General:** The Board may, at any time by resolution, terminate, suspend or amend this Plan. If the Plan is terminated by the Board, no Deferrals may be credited after the effective date of such termination, but previously credited Stock Units and Dividend Units shall remain in effect in accordance with the terms and conditions of the Plan.

(b) **Written Consents:** No amendment may adversely affect the right of any Participant to have Dividend Units credited to a Stock Unit Account or to receive any Shares pursuant to the payout of such accounts, unless such Participant consents in writing to such amendment.

13. **Compliance with Laws.**

(a) The obligations of the Company to issue any Shares under this Plan shall be subject to all applicable laws, rules and regulations and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Board.

(b) It is intended that any amounts payable under this Plan will comply with Section 409A of the Code and treasury regulations relating thereto so as not to subject the Participant to the payment of any interest and tax penalty which may be imposed under Section 409A of the Code, and the Plan shall be interpreted and construed in accordance with such intention. Any provision of the Plan that would cause the Participant to be subject to the payment of any such interest or tax penalty shall be disregarded, and the timing of the payments or benefits provided herein shall be modified accordingly.

(c) Subject to the provisions of Section 12, the Board may take such changes in the design and administration of this Plan as may be necessary or appropriate to comply with the rules and regulations of any government authority.

14. **Miscellaneous.**

(a) **Unfunded Plan:** Nothing contained in this Plan and no action taken pursuant to the provisions hereof shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and Participant, the Participant's designee or any other person. The Plan shall be unfunded with respect to the Company's obligation to pay any amounts due, and a Participant's rights to receive any payment with respect to any Stock Unit Account shall be not greater than the rights of an unsecured general creditor of the Company.

The Company may establish a rabbi trust to accumulate Shares to fund the obligations of the Company pursuant to this Plan. Payment from the rabbi trust of amounts due under the terms of this Plan shall satisfy the obligation of the Company to make such payment. In no event shall any Participant be entitled to receive payment of an amount from the Company that the Participant received from the rabbi trust.

(b) **Assignment; Encumbrances:** The right to have amounts credited to a Stock Unit Account and the right to receive payment with respect to such Stock Unit Account under this Plan are not assignable or transferable and shall not be subject to any encumbrances, liens, pledges, or charges of the Participant or to claims of the Participant's creditors. Any attempt to assign, transfer, hypothecate or attach any rights with respect to or derived from any Stock Unit shall be null and void and of no force and effect whatsoever.

(c) **Designation of Beneficiaries:** A Participant may designate in writing a beneficiary or beneficiaries to receive any distribution under the Plan which is made after the Participant's death; provided, however, that if at the time any such distribution is due, there is no designation of a beneficiary in force or if any person (other than a trustee or trustees) as to whom a beneficiary designation was in force at the time of such Participant's death shall have died before the payment became due and the Participant has failed to provide such beneficiary designation for any person or persons to take in lieu of such deceased person, the person or persons entitled to receive such distribution (or part thereof, as the case may be) shall be the Participant's executor or administrator.

(d) **Administration:** The Committee shall administer the Plan, including the adoption of rules or the preparation of forms to be used in its

operation, and to interpret and apply the provisions hereof as well as any rules which it may adopt. In addition, the Committee may appoint other individuals, firms or organizations to act as agent of the Company carrying out administrative duties under the Plan. Except as may be provided in a rabbi trust, the decisions of the Committee, including, but not limited to, interpretations and determinations of amounts due under this Plan, shall be final and binding on all parties.

(e) **Governing Law:** The validity, construction and effect of the Plan and any actions taken or relating to the Plan, shall be determined in accordance with the laws of the State of Michigan without regard to its conflict of law rules, and applicable federal law.

(f) **Rights as a Shareholder:** A Participant shall have no rights as a stockholder with respect to a Stock Unit until the Participant actually becomes a holder of record of Shares distributed with respect thereto.

(g) **Notices:** All notices or other communications made or given pursuant to this Plan shall be in writing and shall be sufficiently made or given if hand delivered, or if mailed by certified mail, addressed to the Participant at the address contained in the records of the Company or to the Company at its principal office, as applicable.

CERTIFICATION

The foregoing Amendment and Restatement of the Plan was duly adopted by the Board of Directors of the Company on January 23, 2006.

HERMAN MILLER, INC.

By /s/ James E. Christenson
James E. Christenson, Secretary

Release Immediate

Date January 26, 2006

Investor Contact Joe Nowicki (616) 654 5222 or joe_nowicki@hermanmiller.com

Media Contact Mark Schurman (616) 654 5498 or mark_schurman@hermanmiller.com
Bruce Buursma (616) 654 5770 or bruce_buursma@hermanmiller.com

Address Herman Miller, Inc., 855 East Main Avenue, PO Box 302, Zeeland, MI 49464-0302

Internet www.hermanmiller.com

Herman Miller, Inc., Announces Increased Quarterly Dividend, Additional Share Repurchase Authorization

ZEELAND, MI — Herman Miller, Inc. (NASDAQ: MLHR), reported today that its Board of Directors has approved an approximate 10% increase in the Company's quarterly cash dividend to a rate of \$0.08 per share, payable on April 15, 2006, to shareholders of record as of March 3, 2006. Additionally, the Board of Directors extended the company's stock repurchase program by authorizing share repurchases of \$150 million, in addition to the approximately \$13 million still remaining from a previous authorization.

The change in dividend is the second increase since May 2004 and, together with that increase, represents a 121% increase in the dividend rate. The new repurchase authorization represents a continuation of the company's ongoing repurchase program under which it has returned to shareholders approximately \$446 million through the repurchase of 17.7 million shares since the beginning of fiscal 2001.

"We continue to view share repurchase as the most efficient means of returning cash to shareholders. We also understand that our committed stockholders and employee-owners benefit from a higher dividend. We're pleased that our strong cash flow enables us to both enhance the dividend and maintain our buyback program, while continuing to fund a very robust strategic investment portfolio," said Beth Nickels, chief financial officer.

Brian Walker, chief executive officer, added, "Our increased cash flow has allowed us to take these positive steps but it's the outstanding efforts of Herman Miller's people that make these actions possible. "

About Herman Miller, Inc.

Herman Miller helps create great places to work, heal, learn, and live by researching, designing, manufacturing, and distributing innovative interior solutions that support companies, organizations, and individuals all over the world. The company's award-winning products, complemented by furniture-management and strategic consulting services, generated over \$1.51 billion in revenue during fiscal 2005. Herman Miller is widely recognized both for its innovative products and business practices. In fiscal 2004 Herman Miller was named recipient of the prestigious National Design Award for product design from the Smithsonian Institution's Cooper-Hewitt, National Design Museum. In 2005 the company was again included in *Business Ethics* magazine's "100 Best Corporate Citizens" and was cited by *Fortune* magazine as the "Most Admired" company in its industry. The company trades on the NASDAQ market under the symbol MLHR. For additional information visit www.HermanMiller.com.

This press release contains forward-looking statements within the meaning of 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," "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, employment and general economic conditions, the pace of economic recovery in the U.S. and in our international markets, 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, currency fluctuations, the ability to increase prices to absorb the additional costs of raw materials, the financial strength of our dealers, the financial strength of our customers, the mix of our products purchased by customers, the success of the transition to our new executive management team, 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 outcome of pending litigation or governmental audits or investigations, 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.

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