SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

X ANNUAL 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 Fiscal Year Ended June 1, 1996 Commission File No. 0-5813

Herman Miller, Inc.
(Exact name of registrant as specified in its charter)

Michigan	38-0837640
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
855 East Main Avenue PO Box 302 Zeeland, Michigan	49464-0302
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (616) 654 3000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $.20 Par Value
(Title of Class)

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X . No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by "nonaffiliates" of the registrant (for this purpose only, the affiliates of the registrant have been assumed to be the executive officers and directors of the registrant and their associates) as of August 5, 1996, was approximately $821,824,370 (based on $34.00 per share which was the closing sale price in the over-the-counter market as reported by NASDAQ).

The number of shares outstanding of the registrant's common stock, as of August 5, 1996:
Common stock, $.20 par value--24,171,805 shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on October 2, 1996, are incorporated into Part III of this report.

PART 1

Item 1 BUSINESS

(a) General Development of Business

The company primarily is engaged in the design, manufacture, and sale of furniture systems and furniture, and related products and services, for offices, and, to a lesser extent, for health-care facilities and other uses. Through research, the company seeks to define and clarify customer needs and problems existing in its markets and to design, through innovation where feasible, products and systems as solutions to such problems.

Herman Miller, Inc., was incorporated in Michigan in 1905. One of the company's major plants and its corporate offices are located at 855 East Main Avenue, PO Box 302, Zeeland, Michigan, 49464-0302, and its telephone number is (616) 654 3000. Unless otherwise noted or indicated by the context, the term "company" includes Herman Miller, Inc., its predecessors and subsidiaries.

(b) Financial Information About Industry Segments

A dominant portion (more than 90 percent) of the company's operations is in a single industry segment the design, manufacture, and sale of office furniture systems and furniture, and related products and services. Accordingly, no separate industry segment information is presented.

(c) Narrative Description of Business

The company's principal business consists of the research, design, development, manufacture, and sale of furniture systems and furniture, and related products and services. Most of these systems and products are coordinated in design so that they may be used both together and interchangeably. The company's products and services are purchased primarily for offices, and, to a lesser extent, health-care facilities and other uses.

The company is a leader in design and development of furniture and furniture systems. This leadership is exemplified by the innovative concepts introduced by the company in its modular systems known as Action Office(R), Co/Struc(R), and Ethospace(R). Action Office, the company's series of three freestanding office partition and furnishing systems, is believed to be the first such system to be introduced and nationally marketed and as such popularized the "open plan" approach to office space utilization. Co/Struc is a unique system for storing and handling materials and supplies within health-care facilities and laboratories. Ethospace interiors is a system of movable full- and partial-height walls, with panels and individual wall segments that interchangeably attach to wall framework. It includes wall-attached work surfaces and storage/display units, electrical distribution, lighting, organizing tools, and freestanding components. The company also offers a broad array of seating (including Aeron(TM), Equa(TM) and Ergon(R) office chairs), storage (including Meridian filing products), and freestanding furniture products.

The company's products are marketed worldwide by its own sales staff. These sales persons work with dealers, the design and architectural community, as well as directly with end users. Seeking and strengthening the various distribution channels within the marketplace is a major focus of the company. Independent dealerships concentrate on the sale of Herman Miller products and a few complementary product lines of other manufacturers. Approximately 81.1 percent of the company's sales (in the fiscal year ended June 1, 1996) were made to or through

independent dealers. The remaining sales (18.9 percent) were made directly to end-users, including federal, state, and local governments, and several major corporations.

The company's furniture systems, seating, storage, and freestanding furniture products, and related services are used in (1) office/institution environments including offices and related conference, lobby and lounge areas, and general public areas including transportation terminals; (2) health/science environments including hospitals and other health care facilities; (3) clinical, industrial, and educational laboratories; and (4) other environments. In the following table, sales are classified by end-user (in millions):

New Product and Industry Segment Information

During the past 12 months, the company has not made any public announcement of, or otherwise made public information about, a new product or a new industry segment which would require the investment of a material amount of the company's assets or which would otherwise result in a material cost.

Raw Materials

The company's manufacturing materials are available from a significant number of sources within the United States, Canada, Europe, and the Far East. To date, the company has not experienced any difficulties in obtaining its raw materials. The raw materials used are not unique to the industry nor are they rare.

Patents, Trademarks, Licenses, Etc.

The company has approximately 157 active United States utility patents on various components used in its products and systems and approximately 279 active United States design patents. Many of the inventions covered by the United States patents also have been patented in a number of foreign countries. Various trademarks, including the name and style "Herman Miller," and the "(Trademark)" trademark, are registered in the United States and certain foreign countries. The company does not believe that any material part of its business is dependent on the continued availability of any one or all of its patents or trademarks, or that its business would be materially adversely affected by the loss of any thereof except the "Herman Miller," "Action Office," "Aeron," "Arrio," "Co/Struc," "Ergon," "Equa," "Ethospace," (and "(Trademark)" trademarks.

Seasonal Nature of Business

The company does not consider its business to be seasonal in nature.

Working Capital Practices

The company does not believe that it or the industry in general has any special practices or special conditions affecting working capital items that are significant for an understanding of the company's business.

Customer Base

No single dealer accounted for more than 2.2 percent of the company's net sales in the fiscal year ended June 1, 1996. For fiscal 1996, the largest single end-user customer accounted for approximately 7.9 percent of the company's net sales with the 10 largest of such customers accounting for approximately 14.5 percent of the company's sales. The company does not believe that its business is dependent on any single or small number of customers, the loss of which would have a materially adverse effect upon the company.

Backlog of Orders

As of June 1, 1996, the company's backlog of unfilled orders was $156.6 million. At June 3, 1995, the company's backlog totaled $169.8 million. It is expected that substantially all the orders forming the backlog at June 1, 1996, will be filled during the current fiscal year. Many orders received by the company are filled from existing raw material inventories and are reflected in the backlog for only a short period while other orders specify delayed shipments and are carried in the backlog for up to one year. Accordingly, the amount of the backlog at any particular time is not necessarily indicative of the level of net sales for a particular succeeding period.

Government Contracts

Other than standard price reduction and other provisions contained in contracts with the United States government, the company does not believe that any significant portion of its business is subject to material renegotiation of profits or termination of contracts or subcontracts at the election of various government entities.

Competition

All aspects of the company's business are highly competitive. The principal methods of competition utilized by the company include design, product and service quality, speed of delivery, and product pricing. The company believes that it is the second largest office furniture manufacturer in the United States. However, in several of the markets served by the company, it competes with over 400 smaller companies and with several manufacturers that have significantly greater resources and sales. Price competition remained relatively stable in 1994 through 1996.

Research, Design and Development

One of the competitive strengths of the company is its research, design and development programs. Accordingly, the company believes that its research and design activities are of significant importance. Through research, the company seeks to define and clarify customer needs and problems and to design, through innovation where feasible, products and services as solutions to these customer needs and problems. The company utilizes both internal and independent research and design resources. Exclusive of royalty payments, approximately $24.5 million, $31.3 million, and $26.7 million was spent by the company on design and research activities in 1996, 1995, and 1994, respectively. Royalties are paid to designers of the company's products as the products are sold and are not considered research and development expenditures.

Environmental Matters

The company does not believe, based on existing facts known to management, that existing environmental laws and regulations have had or will have any material effects upon the capital expenditures, earnings, or competitive position of the company. Further, the company continues to rigorously reduce, recycle, and reuse the solid wastes generated by its manufacturing processes. Its accomplishments and these efforts have been widely recognized.

Human Resources

The company considers another of its major competitive strengths to be its human resources. The company stresses individual employee participation and incentives, and believes that this emphasis has helped to attract and retain a capable work force. The company has a human resources group to provide employee recruitment, education and development, and compensation planning and counseling. There have been no work stoppages or labor disputes in the company's history, and its relations with its employees are considered good. Approximately 628 of the company's employees are represented by collective bargaining agents, most of whom are employees of its Integrated Metal Technology, Inc., and Herman Miller, Limited (U.K.) subsidiaries. As such, these subsidiaries are parties to collective bargaining agreements with these employees.

As of June 1, 1996, the company employed 6,964 full-time and 491 part-time employees, representing a 4.7 percent increase in full-time employees and an 20.0 percent decrease in part-time employees compared with June 3, 1995. In addition to its employee work force, the company uses purchased labor to meet uneven demand in its manufacturing operations. Throughout the course of the year the use of purchased labor decreased by 17.5 percent.

(d) Information About International Operations

The company's sales in international markets primarily are made to office/institution customers. Foreign sales mostly consist of office furniture products such as Ethospace and Action Office systems, seating, and storage products. The company segments its internal operations into the following major markets: Canada, Europe, Latin America, and the Asia/Pacific region. In certain other foreign markets, the company's products are offered through licensing of foreign manufacturers on a royalty basis.

At the present time, the company's products sold in international markets are manufactured by wholly owned subsidiaries in the United States, United Kingdom, Mexico, Germany, and Italy. Sales are made through wholly owned subsidiaries in Australia, Canada, France, Germany, Italy,

Japan, Mexico, the Netherlands, and the United Kingdom. The company's products are offered in the Middle East through dealers.

In several other countries, the company licenses manufacturing and selling rights. Historically, these licensing arrangements have not required a significant investment of funds or personnel by the company, and, in the aggregate, have not produced material net income for the company.

Additional information with respect to operations by geographic area appears in the note "Segment Information" of the Notes to Consolidated Financial Statements set forth on page 37. Fluctuating exchange rates and factors beyond the control of the company, such as tariff and foreign economic policies, may affect future results of international operations.

Item 2 PROPERTIES

The company owns or leases facilities which are located throughout the United States and several foreign countries, including Australia, Canada, France, Germany, Italy, Japan, Mexico, the Netherlands, and the United Kingdom. The location, square footage, and use of the most significant facilities at June 1, 1996, were as follows:

Location Owned Locations	Square Footage	Use
Zeeland, Michigan	749,000	Manufacturing, Warehouse, and Office
Spring Lake, Michigan	586,700	Manufacturing, Warehouse, and Office
Holland, Michigan	355,000	Manufacturing, Distribution, and Warehouse
Rocklin, California	343,600	Manufacturing and Warehouse
Roswell, Georgia	220,000	Manufacturing and Warehouse
Holland, Michigan	216,700	Design Center
Holland, Michigan	200,000	Manufacturing and Warehouse
Grandville, Michigan	214,800	Manufacturing, Warehouse, and Office
Holland, Michigan	233,500	Manufacturing, Warehouse, and Office
Leased Locations		
Zeeland, Michigan	393,300	Manufacturing, Warehouse, and Office
Chippenham, England, U.K.	102,100	Manufacturing and Warehouse
Stone Mountain, Georgia	84,500	Manufacturing and Warehouse
Mexico City, Mexico	59,400	Manufacturing, Warehouse, and Office

The company also maintains showrooms or sales offices near most major metropolitan areas throughout North America, Europe, the Middle East, Asia/Pacific, and South America. The company considers its existing facilities to be in excellent condition, efficiently utilized, well suited, and adequate for its design, production, distribution, and selling requirements.

Item 3 PENDING LEGAL PROCEEDINGS

During the second quarter ended December 2, 1995, the company's Board of Directors authorized management to engage in settlement discussions with Haworth. In January 1996, the company and Haworth agreed to the terms of a settlement.

The lawsuit, filed in January 1992, alleged that certain electrical products, which the company offered, infringed two patents held by Haworth. Haworth sued Steelcase, Inc., in 1985, claiming that Steelcase's products infringed those same two patents. In 1989, Steelcase was held to infringe the patents, and the matter was referred to private dispute resolution to resolve the issue of damages. The patents at issue expired prior to December 1, 1994.

Since the date of initial claim, the company has always been advised by our patent litigation counsel that it was more likely than not to prevail on the merits; however, the mounting legal costs, distraction of management focus, and the uncertainty present in any litigation made this settlement something which the company determined is in the best interest of its shareholders.

Under the settlement agreement, Herman Miller paid Haworth $44.0 million in cash, in exchange for a complete release. The release also covers Herman Miller's customers and suppliers. The companies have exchanged limited covenants not to sue, with respect to certain existing and potential patent rights. Haworth has agreed not to sue under United States Patent 4,682,984 which refers to a construction process for making storage cabinets. In addition, Haworth has granted a limited covenant not to sue with respect to certain potential future patent rights on a panel construction. Haworth received a limited covenant under three United States Patents--5,038,539; 4,685,255; and 4,876,835--all relating to one of the company's system product lines.

The company simultaneously reached a settlement with one of its suppliers. The supplier agreed to pay Herman Miller $11.0 million and, over the next seven years, to rebate a percentage of its sales to Herman Miller which are in excess of current levels. The $11.0 million, plus interest, will be paid in annual installments over a seven-year period. Herman Miller is also exploring the possibility of claims against other third parties.

The company recorded a net litigation settlement expense of $16.5 million, after applying previously recorded reserves and the settlement with the supplier, in the second quarter of fiscal 1996.

The company, for a number of years, has sold various products to the United States Government under General Services Administration (GSA) multiple award schedule contracts. The GSA is permitted to audit the company's compliance with the GSA contracts. As a result of its audits, the GSA has asserted a refund claim under the 1982 contract for approximately $2.7 million and has other contracts under audit review. Management has been notified that the GSA has referred the 1988 contract to the Justice Department for consideration of a potential civil False Claims Act case. Management disputes the audit result for the 1982 contract and does not expect resolution of that matter to have a material adverse effect on the company's consolidated financial statements. Management does not have information which would indicate a substantive basis for a civil False Claims Act case under the 1988 contract.

The company is also involved in legal proceedings and litigation 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.

Item 4 SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the year ended June 1, 1996.

ADDITIONAL ITEM: EXECUTIVE OFFICERS OF THE REGISTRANT

Certain information relating to Executive Officers of the company is as follows:

Name	Age	Year Elected an Executive Officer	Position with the Company
James E. Christenson	49	1989	Executive Vice President, Legal Services, and Secretary
Mark L. Groulx	40	1995	Vice President of Operations
Andrew C. McGregor	46	1988	Executive Vice President, Commercial Services
Gary S. Miller	46	1984	Senior Vice President for Design and Development
Christopher A. Norman	48	1996	President, Miller SQA, Inc.
Michael A. Volkema	40	1995	President and Chief Executive Officer
Brian C. Walker	34	1996	Executive Vice President, Chief Financial Officer, and Treasurer

Except as discussed in this paragraph, each of the named officers has served the company in an executive capacity for more than five years. Mr. Groulx was manager of Economic Evaluation Business Control at Dow Corning Corporation. From February 1995 to May 1995, Mr. Volkema was president and chief executive officer of Coro, Inc. (a subsidiary of Herman Miller, Inc.), and prior to May 1993 to September 1994, was president and chairman of the board of Meridian, Inc.(a subsidiary of Herman Miller, Inc.). Mr. Norman has served as the president of Miller SQA for the past five years. Mr. Walker was the vice president of finance for Herman Miller, Inc., from May 1995 to March 1996, vice president of finance and management information systems of Milcare, Inc., from July 1994 to May 1995, and vice president of finance for Herman Miller Europe from December 1991 to July 1994.

PART II

Item 5 MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Share Price, Earnings, and Dividends Summary

Herman Miller, Inc., common stock is quoted in the NASDAQ-National Market System (NASDAQ-NMS Symbol: MLHR). As of August 5, 1996, there were approximately 14,000 shareholders of the company's common stock.

Per Share and Unaudited	Market Price High	Market Price Low	Market Price Close	Per Share Earnings	Per Share Dividends
Year Ended June 1, 1996					
First quarter	26.500	21.500	26.250	.48	.13
Second quarter	32.000	25.500	31.750	.20 (1)	.13
Third quarter	34.125	27.625	32.188	.47	.13
Fourth quarter	32.250	27.531	30.875	.68	.13
Year	34.125	22.000	30.875	1.83 (1)	.52
Year Ended June 3, 1995					
First quarter	29.375	23.500	24.000	.32	.13
Second quarter	26.750	23.375	25.188	.06 (2)	.13
Third quarter	26.500	19.750	22.500	.17	.13
Fourth quarter	25.000	19.250	21.688	(.37)(3)	.13
Year	29.375	19.250	21.688	.18 (2),(3)	.52

(1) Includes a $16.5 million pretax charge for the patent litigation in 1996. This charge decreased net income by $10.6 million, or $.42 per share.
(2) Includes $15.5 million of pretax charges which decreased net income by $9.6 million, or $.39 per share.
(3) Includes $28.4 million of pretax charges, including restructuring charges of $16.4 million and other charges of $12.0 million. These charges decreased net income by $18.5 million, or $.74 per share.

Item 6 SELECTED FINANCIAL DATA

REVIEW OF OPERATIONS

In Thousands Except Per Share Data	1996	1995	1994	1993	1992
OPERATING RESULTS					
Net Sales	$1,283,931	$1,083,050	$953,200	$855,673	$804,675
Gross Margin	434,946	378,269	337,138	298,501	277,076
Gross Margin Percent	33.9	34.9	35.4	34.9	34.4
Operating Income (1,2,3,5)	74,935	9,066	61,798	43,769	1,989
Design and Research Expense	27,472	33,682	30,151	24,513	20,725
Income (Loss) Before Income Taxes (1,2,3,5)	70,096	4,039	63,473	42,354	(988)
Net Income (Loss) (1,2,3,4,5)	45,946	4,339	40,373	22,054	(14,145)
After-Tax Return on Net Sales (Percent; 1,2,3,4,5)	3.6	.4	4.2	2.6	(1.8)
After-Tax Return on Average Assets (Percent, 1,2,3,4,5)	6.8	.7	7.9	4.6	(2.9)
After-Tax Return on Average Equity (Percent, 1,2,3,4,5)	15.4	1.5	13.9	7.8	(4.8)
Cash Flow from Operating Activities	124,458	29,861	69,764	82,588	77,000
Capital Expenditures	54,429	63,359	40,347	43,387	32,024
Depreciation and Amortization	45,009	39,732	33,207	31,600	30,473
COMMON SHARE DATA					
Earnings per Share (1,2,3,4,5)	1.83	.18	1.60	.88	(.56)
Cash Dividends Declared per Share	.52	.52	.52	.52	.52
Common Stock Repurchased	24,162	732	25,363	8,155	10,445
Cash Dividends Paid	13,015	12,868	13,098	13,002	13,113
Common Stock Repurchased plus Cash Dividends Paid	37,177	13,600	38,461	21,157	23,558
Average Shares and Equivalents Outstanding	25,129	24,792	25,255	24,993	25,163
Book Value per Share at Year-End	12.26	11.57	11.73	11.36	11.14
Market Price per Share at Year-End	30.875	21.688	24.875	25.625	19.000
FINANCIAL CONDITION					
Total Assets	694,911	659,012	533,746	484,342	471,268
Working Capital	115,878	39,575	50,943	62,711	66,545
Current Ratio	1.53	1.15	1.29	1.43	1.48
Interest-Bearing Debt	131,710	144,188	70,017	39,877	53,975
Long-Term Debt, less current portion	110,245	60,145	20,600	21,128	29,445
Shareholders' Equity	308,145	286,915	296,325	283,942	280,082
Total Capital	418,390	347,060	316,925	305,070	309,527
Interest-Bearing Debt to Total Capital	29.9	33.4	19.1	12.3	16.2
Interest Expense	7,910	6,299	1,828	2,089	6,879
Interest Coverage Times (1,2,3,4,5)	9.9	1.6	35.7	21.3	.9

(1) Includes a $16.5 million pretax charge for the patent litigation settlement in 1996. This charge decreased net income by $10.6 million, or $.42 per share.
(2) Includes $43.9 million of pretax charges, including restructuring charges of $31.9 million, and other charges of $12.0 million in 1995. These charges decreased net income by $28.1 million, or $1.13 per share.
(3) Includes $30.2 million of pretax charges, including restructuring charges of $25.0 million, and other charges of $5.2 million in 1992. These charges decreased net income by $20.6 million, or $.82 per share.
(4) Includes cumulative effect of change in accounting principle of $8.0 million after-tax expense, or $.31 per share in 1992.
(5) Includes loss on extinguishment of long-term debt of $2.7 million, or $.11 per share in 1992.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The issues discussed in management's discussion and analysis should be read in conjunction with the company's consolidated financial statements and the related footnotes.

OVERVIEW

The company established new records for financial performance in fiscal 1996. Net sales, new orders, earnings per share, and cash flows from operations were all the highest ever recorded for a fiscal year. While the results were a significant improvement over our recent history, they were in line with the following financial performance targets established by the management team during 1996:

	Goal	1996 Actual
- Annual sales growth	15.0%	18.5%
- Annual net income growth (1)	15.0%	74.2%
- Operating expenses as a percent of net sales (1, 2)	25.0%	26.8%
- Interest bearing debt to total capital	30.0%	29.9%

(1) Excludes a $16.5 million pre-tax charge for patent litigation settlement in 1996 and $43.9 million of pre-tax charges for restructuring and patent litigation costs in 1995.
(2) Management established a goal of 27.9 percent for fiscal 1996 and a long-term goal of 25.0 percent by the end of fiscal 1998.

In the future, actual performance may fall short of these goals in some years, but over the long term, management is committed to achieving or exceeding these goals on average.

The 1996 financial results reflect the following key factors:

- Increased domestic and international market share
- Acquisitions in the U.S., Canada, and Italy
- Cost reduction and operational improvement initiatives
- Improved management of working capital

REVIEW OF OPERATIONS

DOMESTIC OPERATIONS

In Thousands	FISCAL 1996	GROWTH %	FISCAL 1995	GROWTH %	FISCAL 1994	GROWTH %
Net sales to unaffiliated customers	$1,043,850	+16.7%	$894,455	+10.1%	$812,158	+10.6%
Net income	$ 53,977	+643.0%	$ 7,265	-82.9%	$ 42,374	+38.1%

The company has gained market share in each of the past three fiscal years. As shown above, the company's domestic sales have grown 16.7 percent in fiscal 1996, 10.1 percent in fiscal 1995, and 10.6 percent in fiscal 1994. Comparatively, the Business and Institutional Furniture Manufacturers Association ("BIFMA"), the office furniture trade association, reported that United States industry sales increased approximately 4.8 percent, 9.2 percent, and 6.9 percent in the past three fiscal years.

A key business strategy and capability has been, and continues to be, new product design and development. The fiscal 1996 sales reflect a complete renewal of our seating product lines. This renewal included updating our Equa(R) and Ergon(R) product lines and adding two new award-winning products, Aeron(R) and Ambi(R) seating. We believe that we now have the strongest work chair product offering in the industry. The new seating products coupled with unit volume growth in our core systems and filing product lines enabled us to significantly increase sales in 1996 with very little change in net prices.

During 1996, we implemented a new management and business structure to enable us to focus on two broad customer categories: those with complex needs and those who seek value and convenience. Management believes that developing unique capabilities to serve these two customer segments will enable the company to grow at a faster rate than the industry.

A key component of the strategy is the development of a service business. Our service capabilities will be primarily focused on furniture and transition management. Our newest venture, Coro, Inc., will lead much of this initiative. During 1996, Coro completed the acquisition of several of our privately owned U.S. dealers. These dealers, along with privately owned dealers certified by Coro, will be the foundation of a network of local service organizations. Each of the transactions was immaterial on an individual basis; however, excluding acquisitions, our domestic sales increase would have been 13.7 percent.

INTERNATIONAL OPERATIONS AND EXPORTS FROM THE UNITED STATES

In Thousands	FISCAL 1996	GROWTH %	FISCAL 1995	GROWTH %	FISCAL 1994	GROWTH %
Net sales to affiliated customers	$240,081	+27.3%	$188,595	+33.7%	$141,042	+16.1%
Net income (loss)	($8,031)	-174.5%	($2,926)	-46.2%	($2,001)	+76.8%

The year-over-year growth in sales from the company's international operations and exports from the United States was primarily due to strong growth in the United Kingdom and the impact of acquisitions in Italy and Canada at the end of 1995. Excluding the acquisitions, net sales increased 9.2 percent. The increase in fiscal 1995 included $26.0 million attributable to acquisitions in Germany and Mexico. Excluding the impact of acquisitions, net sales increased 15.3 percent in 1995. The remaining increases in 1995 and 1994 were primarily due to higher unit volume.

Industry measures for international market growth are either not as comprehensive as BIFMA's measures for the United States market or are not available so as to permit meaningful comparisons. However, based on anecdotal evidence, management believes the company increased its market share in the international market in each of the three years.

Despite the significant increases in sales in each of the past three years, the company's international operations have continued to lose money. In 1996, the net loss increased to $8.0 million from $2.9 million in 1995 and $2.0 million in 1994. The current year loss includes pre-tax charges for the discontinuation of two product lines in Europe ($1.6 million) and provisions for unrealizable barter receivables in Mexico ($2.5 million). In addition, the company recorded a charge of approximately $1.0 million to reserve deferred tax assets associated with its Mexican operations.

While overall results of international operations and exports from the United States were disappointing, we have continued to make progress in selected markets. Our operating results improved in the United Kingdom, Canada, and Asia Pacific. This is the second consecutive year in which we have been profitable in the United Kingdom after three years of losses. The progress made in these markets was offset by increased losses in Mexico and Italy. The poor economic conditions in Mexico resulted in a year-over-year net sales decline of 44.0 percent. Management has taken steps to reduce operating expenses in Mexico; however, the company has not been able to realign it resource levels at the same rate as sales have declined. The company has not been able to leverage the product capabilities of Herman Miller Italia in other European markets as it had planned. Therefore, we have fallen short of management's sales volume goals, resulting in a net loss for this operation.

Management believes the capability to serve customers around the world is an essential component of the company's strategy. During 1996, the management team focused its efforts on improving the results of its domestic business, which included cost reduction and containment measures, operational improvements, and development of a new strategic direction. Establishing a strategy and action plan for our international operations that will improve profitability and provide for an adequate return on our investments is management's top priority for fiscal 1997.

COST REDUCTION AND OPERATIONAL IMPROVEMENT INITIATIVES

	1996	1996 (1)	1995	1995 (2)	1994
Gross margin	33.9%	33.9%	34.9%	34.9%	35.4%
Operating expenses	28.0%	26.8%	34.1%	30.0%	28.9%
Operating income	5.8%	7.1%	.8%	4.9%	6.5%

(1) Excludes $16.5 million pre-tax charge for settlement of alleged patent infringement.
(2) Excludes $31.9 million pre-tax charge for restructuring and $12.0 million pre-tax charge for patent litigation costs.

In fiscal 1995, the company implemented two restructuring initiatives and recorded $31.9 million in pre-tax restructuring charges. The first initiative reconfigured the company's manufacturing and logistical operations. The reconfiguration enabled the company to develop the capability to process and direct ship customer orders in their entirety, rather than in stages, which requires additional warehousing and transportation between stages. The manufacturing changes also included transferring production of the company's wood casegoods product line to Geiger International and closing our manufacturing facility in North Carolina.

Management estimates that, in the fourth quarter of 1996, 44.0 percent of the company's domestic sales were shipped directly to the customer compared with 24.0 percent in fiscal 1995. The manufacturing and logistical changes and improved performance in meeting required delivery dates were the key reasons the company was able to reduce the days sales outstanding in the sum of accounts receivable and inventory to 75.6 days compared with 91.2 days and 80.9 days at the end of 1995 and 1994, respectively. In addition, the manufacturing improvements have enabled the company to reduce the time required between the receipt of a customer's order and the shipment of the product. This has enabled us to respond more quickly to changes in demand.

Management also believes the reconfiguration significantly reduced the company's fixed manufacturing overhead. However, the benefits of the improvements were offset by unfavorable changes in discounts given to customers. Gross margins declined to 33.9 percent in 1996, from 34.9 percent in 1995 and 35.4 percent in 1994. Gross margins have been relatively stable for the past five quarters (refer to table below). The year-over-year decline was primarily attributable to a decline in the third quarter of 1995, as a result of a 3.5 percent increase in raw material prices. Raw material prices were stable or declined slightly in fiscal 1996. Management expects gross margins to be at or near 34 percent for fiscal 1997.

HISTORIC GROSS MARGIN TRENDLINE

1st Quarter 1995	36.0%
2nd Quarter 1995	35.6%
3rd Quarter 1995	34.2%
4th Quarter 1995	34.0%
1st Quarter 1996	34.2%
2nd Quarter 1996	34.0%
3rd Quarter 1996	33.1%
4th Quarter 1996	34.0%

The second restructuring initiative was the first step toward management's plan to reduce the company's operating expenses to 25.0 percent of sales by the end of fiscal 1998. The restructuring included reductions in administrative and staff employment, elimination of nonessential consulting contracts and other programs, and the discontinuation of a product development program at the company's health-care subsidiary, Milcare. Selling, general, and administrative expenses increased $18.2 million from $325.3 million in 1995, to $343.5 million in 1996. The increase is primarily attributable to acquisitions and new ventures ($16.3 million), a 3.5 percent year-over-year increase in compensation and benefits, increases in compensation costs that vary with profitability and sales and the pre-tax charges recorded in Mexico for barter receivables. Management will strive to obtain future reductions in operating expenses through stringent cost containment, changes to systemic business process, and improvements in international operations.

DESIGN AND RESEARCH EXPENDITURES

Design and research expenses $27.5 million in 1996, compared with $33.7 million in 1995 and $30.2 million in 1994. As a percentage of net sales, design and research expenses were 2.1 percent in 1996, 3.1 percent in 1995, and 3.2 percent in 1994. This percentage compares with an industry-wide rate of approximately 1.5 percent of net sales. As previously stated, the company considers its research and design capabilities to be a key component of the company's strategy. In June of 1996, the company introduced three new product lines at the industry's premier trade show, NeoCon. Herman Miller North America introduced Arrio(TM) freestanding systems furniture, which integrates with the company's Action Office(R) and Ethospace(R) system product lines. Miller SQA introduced a new system product, the Q (TM) System, and a new stackable seating product, the Limerick(TM) chair. Arrio furniture and Q System were judged best new products in their respective product categories, and the Limerick was runner-up in its category. The 1995 and 1994 expenditures reflect the company's significant investments in its seating product lines, product development programs for the European market, and the discontinued product development program at Milcare.

PATENT LITIGATION SETTLEMENT AND OTHER CONTINGENCIES

On January 7, 1992, Haworth, Inc. ("Haworth") filed a lawsuit against the company, alleging that the electrical systems used in creation of the company's products infringed one or more of Haworth's patents. The lawsuit against the company followed a lawsuit filed by Haworth in 1985 against Steelcase, Inc., the industry's leader in market share, alleging violation of the same two patents. In 1989, Steelcase was held to infringe the patents and the matter was returned to private dispute resolution. The patents at issue expired prior to December 1, 1994.

During the second quarter ended December 2, 1995, the company's Board of Directors authorized management to engage in settlement discussions with Haworth. In January 1996, the company and Haworth agreed to terms of a settlement. The company continues to believe, based upon written opinion of counsel, that its products do not infringe Haworth's patents and the company would, more likely than not, have prevailed on the merits. However, based on the mounting legal costs, distraction of management focus, and the uncertainty present in any litigation, we concluded settlement was in the best interest of our shareholders. The settlement included a one time cash payment of $44.0 million in exchange for a complete release. The companies also exchanged limited covenants not to sue with respect to certain existing and potential patent designs.

The company simultaneously reached a settlement with one of its suppliers. The supplier agreed to pay the company $11.0 million and, over the next seven years, to rebate a percentage of its sales to Herman Miller which are in excess of current levels.

The company recorded a net litigation settlement expense of $16.5 million after applying previously recorded reserves and the settlement with the supplier.

The company, for a number of years, has sold various products to the United States Government under General Services Administration (GSA) multiple award schedule contracts. The GSA is permitted to audit the company's compliance with the GSA contracts. As a result of its audits, the GSA has asserted a refund claim under the 1982 contract for approximately $2.7 million and has other contracts under audit review. Management has been notified that the GSA has referred the 1988 contract to the Justice Department for consideration of a potential civil False Claims Act case. Management disputes the audit result for the 1982 contract and does not expect resolution of that matter to have a material adverse effect on the company's consolidated financial statements. Management does not have information which would indicate a substantive basis for a civil False Claims Act case under the 1988 contract.

The company is not aware of any other litigation or threatened litigation which would have a material impact on the company's financial position.

INCOME TAXES

The company's effective tax rate was 34.5 percent in 1996, compared to a benefit of 7.4 percent in 1995 and 36.4 percent in 1994. The net tax benefit in 1995 was due to relatively small pre-tax earnings in domestic operations as a result of the restructuring initiatives and poor operating results. In addition, the company generated a net tax benefit from its corporate-owned life insurance program and, to a lesser extent, improved operating results in the United Kingdom and Japan allowed net operating loss carryforwards to be used. The 1996 effective tax rate reflects the improved operating performance in the company's domestic operations. The 1996 effective tax rate was benefited by the completion of a sale and leaseback of the company's Roswell, Georgia, facility and the sale of excess land to its captive insurance company. The completion of these transactions resulted in the recognition of certain deferred tax assets that were reserved for in previous periods. The 1994 effective tax rate is more indicative of the company's historical effective tax rate. Management expects its effective tax rate for 1997 to be in the range of 36 to 38 percent.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW AND DEBT FINANCING

Dollars In Thousands	1996	1995	1994
Cash and cash equivalents	$ 57,053	$16,488	$22,701
Cash from operating activities	$124,458	$29,861	$69,764
Days sales in accounts receivable and inventory	75.6	91.2	80.9
Capital expenditures	$54,429	$63,359	$40,347
Interest-bearing debt to total capital	29.9%	33.4%	19.1%

The improved cash flow from operations reflects the company's increased profitability and a reduction in the cash used for working capital items, offset by the settlement of patent litigation. As previously mentioned, the working capital improvements are a result of the manufacturing and logistical reconfiguration implemented over the last 18 months and other operational improvements.

The 1996 capital expenditures were primarily spent for new facilities at two of the company's fastest growing subsidiaries, Meridian and Miller SQA, new product development, and machinery and equipment to improve operational performance and expand capacity. The expenditures for capacity were primarily for the new seating product lines.

Management expects capital expenditures to increase to $65 to $75 million in 1997. The largest capital expenditures planned for fiscal 1997 are the completion of the Meridian facility, new product development, and investments in information systems. Management believes the investments in information technology will enable us to reach our long-term cost structure and operational performance goals and network our service organizations and independent dealers.

During fiscal 1996, the company began to redeploy cash invested in nonproductive or nonessential assets. This effort includes a review of all our facilities, land, and operating assets. We outsourced our assembly operation in Japan and completed the sale of land and a building in Gotemba, Japan. We also completed the sale of a facility in Irvine, California, which was being held for investment purposes and had been leased to a third party. Lastly, we outsourced our corporate flight operations, which enabled us to sell our corporate jet and the facility it required. In total these transactions, coupled with less significant transactions, resulted in a positive cash flow of $13.5 million. We are in the process of evaluating several other changes which would provide positive cash flow and reduce operating costs.

As previously discussed, in fiscal 1996, the company purchased various privately owned United States dealers as part of our service strategy. These local service organizations were acquired for approximately $11.7 million. The consideration included 212,662 shares of Herman Miller common stock and approximately $5.3 million in cash. The company expects to invest approximately $20 million in acquiring additional local and regional service operations in fiscal 1997.

During the third quarter of fiscal 1996, the company obtained $100.0 million of long-term, fixed-rate debt financing with seven insurance companies. The agreements vary in length from five to twelve years, and the first repayments begin in 2000. The rate of interest ranges from 6.08 percent to 6.52 percent. Prior to this transaction, all of the company's debt was variable rate, pursuant to the company's revolving credit facilities. Management was not comfortable with the heavy reliance on variable-rate debt and its committed credit facilities. The proceeds from the private placement were used to reduce outstanding balances on the company's long-term revolving credit agreements and various uncommitted credit lines, restoring their availability. Total debt was reduced from $144.2 million at the end of 1995 to $131.7 million at the end of 1996. In fiscal 1996, the company was able to fund its capital expenditures, dividends, and common stock repurchases from cash flow from operating activities.

At the end of fiscal 1996, the company's cash and cash equivalents were significantly higher than previous periods. The increased cash and cash equivalents reflect completion of the sale and leaseback of the company's Roswell, Georgia, facility near the end of the fiscal year and outstanding cash flow from operating activities in the fourth quarter. The company intends to use

the cash and cash equivalents to repurchae shares of the company's common stock, fund acquisitions related to the service strategy, and fund future capital expenditures. Management believes the cash and cash equivalents, combined with cash flow from operating activities, will be adequate to fund operations, capital expenditures, acquisitions, and dividends. If necessary, the company has $106.0 million in available committed credit facilities and $56.7 million informal credit lines.

Management has established a target capital structure with a debt-to-total-capital ratio of 30 to 35 percent. Cash in excess of requirements for capital expenditures, acquisitions, and dividends will be used to fund the repurchase of the company's common stock subject to market conditions.

COMMON STOCK TRANSACTIONS

Dollars in Thousands	1996	1995	1994
Shares acquired	860,395	34,200	928,800
Cost of shares acquired	$ 25,101	$ 732	$ 25,363
Cost per share acquired	$ 29.17	$ 21.40	$ 27.31
Shares issued	731,773	260,613	548,876
Cost of shares issued	$ 25.90	$ 21.49	$ 22.82
Dividends paid	$ 12,999	$ 12,869	$ 13,043
Dividends per share	$ .52	$ .52	$ .52

The Board of Directors first authorized the company to repurchase its common stock in 1984 and has periodically renewed it authorization. In addition to the shares repurchased during fiscal 1996, we repurchased 464,600 shares in the first month of fiscal 1997. We have now repurchased 1,318,291 shares pursuant to the 2.0 million share authorization approved by the Board of Directors in May 1994. All of the share repurchases were made in the open market on an unsolicited basis. Management and the Board of Directors believe the share repurchase program is an excellent means of returning value to our shareholders and preventing dilution from employee ownership programs. As a result, at the July 1996 Board of Directors' meeting, the Board authorized the company to repurchase an additional 2.0 million shares.

ECONOMIC VALUE ADDED

A primary objective of the company is to increase the value of a shareholder's stake in the company. To aid and support the accomplishment of that objective, the company has created and installed a performance measurement and compensation system called "Economic Valued Added" (EVA(R)). EVA is an internal measurement of operating and financial performance that extensive independent market research has shown more closely correlates with shareholder value than any other performance measure. Simply put, EVA is what remains of profits after taxes once a charge for the capital employed in the business is deducted. As an operating discipline, the main advantage of EVA is that it focuses management's attention on the balance sheet as well as the income statement.

Herman Miller is effectively in competing for scarce capital resources. Management's task is to put this scarce resource to work and earn the best possible return for our shareholders. This means investing in projects that earn a return greater than the cost of sourcing the funds from our investors. As long as the company is making investments that earn a return higher than the cost of capital, then the company's investors should earn a return in excess of their expectations and the company's stock is likely to command a premium in the market place.

The conventional accounting model is not always the best reflection of economic profit and our long-term value, yet the research indicates long-term value is most important to shareholders and the market. Herman Miller will obviously continue to report financial results in accordance with generally accepted accounting principles, but we also expect to report our progress in generating economic profit. The table that follows summarizes the company's economic profit or fiscal 1996 and approximates the amounts for the two previous years.

A critical feature of the new EVA measurement system is linking it to incentive compensation. In fiscal 1997, the incentive compensation plans of corporate officers, vice presidents, and directors at each of the business units will be linked to the EVA concept. Under the terms of the EVA plan, focus is shifted from budget performance to long-term continuous improvements in shareholder value. The EVA target is raised each year by an improvement factor, so that increasingly higher EVA targets must be attained in order to earn the same level of incentive pay. The improvement is set by the Board of Directors for a period of three years. During fiscal 1997, the company will begin to train all of its employee owners in the EVA concept and will develop decision tools and incentive plans which are aligned with our overall EVA goals.

Calculation of Economic Value Added

In Thousands	1996	1995	1994
Operating income	$74,935	$9,066	$61,798
Adjust for:			
Patent litigation and restructuring	16,535	43,900	--
Interest expense on noncapitalized leases(1)	4,316	4,215	4,120
Goodwill amortization	4,115	1,272	3,503
Other	3,071	1,121	300
Increase (decrease) in reserves	6,548	506	2,127
Capitalized design and research	1,984	3,450	2,370
Adjusted operating profit	111,504	63,530	74,218
Cash taxes(2)	(34,561)	(18,317)	(26,221)
Adjusted operating profit after taxes	76,943	45,213	47,997
Weighted average capital employed(3)	605,438	532,760	445,593
Weighted average cost of capital(4)	11%	11%	11%
Cost of capital	66,598	58,604	49,015
Economic value added	$10,345	($13,391)	($1,018)

(1) Imputed interest as if the total non-cancelable leases payments were capitalized.
(2) The reported current tax provision is adjusted for the statutory tax impact of interest income and expense.
(3) Total assets less non-interest bearing liabilities plus the LIFO, doubtful accounts and Notes receivable reserves, amortized goodwill, patent litigation costs and settlement, restructuring costs and capitalized design and research expense. Design and research is capitalized and amortized over 5 years.
(4) Management's estimate of the weighted average of the minimum equity and debt returns required by the providers of capital.

(R)EVA is a registered trademark of Stern, Stewart & Co.

Item 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Quarterly Financial Data

Summary of the quarterly operating results on a consolidated basis.

June 1, 1996; June 3, 1995; May 28, 1994 In Thousands Except Per Share Data and Unaudited		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1996	Net sales	$301,088	$328,393	$312,915	$341,535
	Gross margin	102,879	112,653	103,415	115,999
	Net income	12,014	4,955(1)	11,900	17,077
	Net income per share	$ .48	$ .20(1)	$ .47	$ .68
1995	Net sales	$252,831	$279,077	$259,950	$291,192
	Gross margin	91,011	99,358	88,881	99,019
	Net income	7,937	1,443(2)	4,259	(9,300)(3)
	Net income per share	$ .32	$ .06(2)	$ .17	$ (.37)(3)
1994	Net sales	$221,566	$241,822	$241,949	$247,863
	Gross margin	76,323	84,330	84,158	92,327
	Net income	7,474	11,183	11,181	10,535
	Net income per share	$ .30	$ .44	$ .44	$ .42

(1) Includes a $16.5 million pretax charge for patent litigation settlement in 1996. This decreased net income by $10.6 million, or $.42 per share.
(2) Includes $15.5 million of pretax charges which decreased net income by $9.6 million, or $.39 per share.
(3) Included $28.4 million of pretax charges, including restructuring charges of $16.4 million and other charges of $12.0 million. These charges decreased net income by $18.5 million, or $.74 per share.

Consolidated Statements of Income

June 1, 1996; June 3, 1995; and May 28, 1994 In Thousands Except Per Share Data	1996	1995	1994
NET SALES	$1,283,931	$1,083,050	$953,200
Cost of Sales	848,985	704,781	616,062
GROSS MARGIN	434,946	378,269	337,138
Operating Expenses:			
Selling, general, and administrative	316,024	303,621	245,189
Design and research	27,472	33,682	30,151
Patent litigation settlement	16,515	--	--
Restructuring charges	--	31,900	--
TOTAL OPERATING EXPENSES	360,011	369,203	275,340
OPERATING INCOME	74,935	9,066	61,798
Other Expenses (Income):			
Interest expense	7,910	6,299	1,828
Interest income	(6,804)	(6,154)	(3,278)
Loss (gain) on foreign exchange	1,614	3,067	(1,464)
Other, net	2,119	1,815	1,239
NET OTHER EXPENSES (INCOME)	4,839	5,027	(1,675)
INCOME BEFORE INCOME TAXES	70,096	4,039	63,473
Income Taxes	24,150	(300)	23,100
NET INCOME	$45,946	$4,339	$40,373
NET INCOME PER SHARE	$1.83	$.18	$1.60

The accompanying notes are an integral part of these statements.

Consolidated Balance Sheets

June 1, 1996, and June 3, 1995
In Thousands Except Per Share Data

ASSETS	1996	1995
Current Assets:		
Cash and cash equivalents	$57,053	$16,488
Accounts receivable, less allowances of $10,423 in 1996 and $7,180 in 1995	170,116	165,107
Inventories	65,730	71,076
Prepaid expenses and other	42,006	44,445
TOTAL CURRENT ASSETS	334,905	297,116
Property and Equipment:		
Land and improvements	27,386	29,508
Buildings and improvements	159,353	150,910
Machinery and equipment	328,690	301,511
Construction in progress	20,679	31,526
	536,108	513,455
Less--accumulated depreciation	267,343	243,271
NET PROPERTY AND EQUIPMENT	268,765	270,184
Notes Receivable, less allowances of $4,415 in 1996 and $2,627 in 1995	39,212	43,734
Other Assets	52,029	47,978
TOTAL ASSETS	$694,911	$659,012
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Unfunded Checks	$2,867	$ --
Current portion of long-term debt	317	452
Notes payable	21,148	83,591
Accounts payable	59,208	51,819
Accrued liabilities	135,487	121,679
TOTAL CURRENT LIABILITIES	219,027	257,541
Long-Term Debt, less current portion above	110,245	60,145
Deferred Taxes	3,149	2,289
Other Liabilities	54,345	52,122
TOTAL LIABILITIES	386,766	372,097
Shareholders' Equity:		
Preferred stock, no par value (10,000,000 shares authorized, none issued)	--	--
Common stock, $.20 par value (60,000,000 shares authorized, 24,699,230 and 24,835,784 shares issued and outstanding in 1996 and 1995)	4,934	4,967
Additional paid-in capital	14,468	21,564
Retained earnings	303,578	270,631
Cumulative translation adjustment	(11,633)	(6,985)
Key executive stock programs	(3,202)	(3,262)
TOTAL SHAREHOLDERS' EQUITY	308,145	286,915
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$694,911	$659,012

The accompanying notes are an integral part of these balance sheets.

Consolidated Statements of Shareholders' Equity

In Thousands Except Per Share Data	Common Stock	Additional Paid-In Capital	Retained Earnings	Cumulative Translation Adjustment	Unearned Stock Grant Compensation	Total Shareholders' Equity
BALANCE MAY 29, 1993	$5,001	$29,863	$251,831	$(1,349)	$(1,404)	$283,942
Net income	--	--	40,373	--	--	40,373
Cash dividends ($.52 per share)	--	--	(13,043)	--	--	(13,043)
Exercise of stock options	85	9,770	--	--	--	9,855
Common stock issued pursuant to employee stock purchase plan	18	2,193	--	--	--	2,211
Repurchase and retirement of 928,800 shares of common stock	(186)	(25,177)	--	--	--	(25,363)
Stock grants earned	--	--	--	--	461	461
Current year translation adjustment	--	--	--	(2,111)	--	(2,111)
BALANCE MAY 28, 1994	$4,918	$16,649	$279,161	$(3,460)	$(943)	$296,325
Net income	--	--	4,339	--	--	4,339
Cash dividends ($.52 per share)	--	--	(12,869)	--	--	(12,869)
Exercise of stock options	23	2,353	--	--	--	2,376
Common stock issue pursuant to employee stock purchase plan	26	2,592	--	--	--	2,618
Common stock issued	4	396	--	--	--	400
Repurchase and retirement of 34,200 shares of common stock	(7)	(725)	--	--	--	(732)
Stock grants earned	--	--	--	--	207	207
Stock grants issued	3	299	--	--	(361)	(59)
Key executive stock purchase assistance plan	--	--	--	--	(2,165)	(2,165)
Current year translation adjustment	--	--	--	(3,525)	--	(3,525)
BALANCE JUNE 3, 1995	$4,967	$21,564	$270,631	$(6,985)	$(3,262)	$286,915
Net income	--	--	45,946	--	--	45,946
Cash dividends ($.52 per share)	--	--	(12,999)	--	--	(12,999)
Exercise of stock options	79	9,817	--	--	31	9,927
Common stock issue pursuant to employee stock purchase plan	18	2,258	--	--	--	2,276
Repurchase and retirement of 860,395 shares of common stock	(172)	(26,006)	--	--	1,077	(25,101)
Common stock issued for acquisitions	43	6,425	--	--	--	6,468
Stock grants earned	--	--	--	--	284	284
Stock grants forfeited	(8)	(639)	--	--	647	--
Stock grants issued	7	1,049	--	--	(1,467)	(411)
Key executive stock purchase assistance plan	--	--	--	--	(512)	(512)
Current year translation adjustment	--	--	--	(4,648)	--	(4,648)
BALANCE JUNE 1, 1996	$4,934	$14,468	$303,578	$(11,633)	$(3,202)	$308,145

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

June 1, 1996; June 3, 1995; and May 28, 1994	1996	1995	1994
In Thousands			
Cash Flows from Operating Activities:			
Net Income	$45,946	$4,339	$40,373
Adjustments to reconcile net income to net cash provided by operating activities	78,512	25,522	29,391
NET CASH PROVIDED BY OPERATING ACTIVITIES	124,458	29,861	69,764
Cash Flows from Investing Activities:			
Notes receivable repayments	455,973	428,375	360,047
Notes receivable issued	(454,261)	(436,434)	(367,366)
Property and equipment additions	(54,429)	(63,359)	(40,347)
Proceeds from sales of property and equipment	13,486	105	212
Net cash paid for acquisition	(5,101)	(17,721)	(7,744)
Other, net	(212)	(8,705)	(4,002)
NET CASH USED FOR INVESTING ACTIVITIES	(44,544)	(97,739)	(59,200)
Cash Flows from Financing Activities:			
Increase (decrease) in short-term debt	(61,751)	32,834	24,090
Long-term debt borrowings	270,985	60,000	--
Long-term debt repayments	(222,772)	(20,246)	(260)
Dividends paid	(13,015)	(12,868)	(13,098)
Common stock issued	12,203	5,394	12,066
Common stock repurchased and retired	(25,101)	(732)	(25,363)
Capital lease obligation repayments	(250)	(263)	(276)
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	(39,701)	64,119	(2,841)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	352	(2,454)	(1,553)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	40,565	(6,213)	6,170
Cash and Cash Equivalents, Beginning of Year	16,488	22,701	16,531
CASH AND CASH EQUIVALENTS, END OF YEAR	$57,053	$16,488	$22,701

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The following is a summary of significant accounting and reporting policies not reflected elsewhere in the accompanying financial statements.

PRINCIPLES OF CONSOLIDATION The consolidated financial statements include the accounts of Herman Miller, Inc., and its wholly owned domestic and foreign subsidiaries (the "company"). All significant intercompany accounts and transactions have been eliminated.

DESCRIPTION OF BUSINESS The company is engaged in the design, manufacture, and sale of furniture and furniture systems for offices, and, to a lesser extent, for health-care facilities. The company's products primarily are sold to or through independent contract office furniture dealers. Accordingly, accounts and notes receivable in the accompanying balance sheets principally are amounts due from the company's dealers.

FISCAL YEAR The company's fiscal year ends on the Saturday closest to May 31. The years ended June 1, 1996, and May 28, 1994, each contained 52 weeks. The year ended June 3, 1995, contained 53 weeks.

FOREIGN CURRENCY TRANSLATION In accordance with Statement of Financial Accounting Standards No. 52, "Foreign Currency Translation," all balance sheet items are translated at the current rate as of the end of the accounting period, and income statement items are translated at average currency exchange rates. The resulting translation adjustment is recorded as a separate component of shareholders' equity.

CASH EQUIVALENTS The company invests in certain debt and equity securities as part of its cash management function. Due to the relative short-term maturities and high liquidity of these securities, they are included in the accompanying consolidated balance sheets as cash equivalents at market value and total $58.1 million and $10.9 million as of June 1, 1996, and June 3, 1995, respectively. The company's cash equivalents are considered "available for sale." As of June 1, 1996, the market value approximated the securities' cost. All cash and cash equivalents are high-credit quality financial instruments, and the amount of credit exposure to any one financial institution or instrument is limited.

PROPERTY, EQUIPMENT, AND DEPRECIATION Property and equipment are stated at cost. The cost is depreciated over the estimated useful lives of the assets using the straight-line method. The average useful lives of the assets are 32 years for buildings and 7 years for all other property and equipment.

NOTES RECEIVABLE The notes receivable are primarily from certain independent contract office furniture dealers. The notes are collateralized by the assets of the dealers and bear interest based on the prevailing prime rate. Interest income relating to these notes was $3.9, $3.9, and $2.7 million in 1996, 1995, and 1994, respectively.

INTANGIBLE ASSETS Intangible assets included in other assets consist mainly of goodwill, patents, and other acquired intangibles, and are carried at cost, less applicable amortization of $9.5 and $5.6 million in 1996 and 1995, respectively. These assets are amortized using the straight-line method over periods of 5 to 15 years. The company continuously evaluates the realizability of its intangible assets using various methodologies and adjusts their carrying value if necessary. Such adjustments were not significant in 1996, 1995, or 1994.

UNFUNDED CHECKS As a result of maintaining a consolidated cash management system, the company utilizes controlled disbursement bank accounts. These accounts are funded as checks are presented for payment, not when checks are issued. A book overdraft position of $2.9 million is included in current liabilities as unfunded checks at June 1, 1996. The company was not in an overdraft position at June 3, 1995.

SELF-INSURANCE The company is partially self-insured for general liability, workers' compensation, and certain employee health benefits. The general and workers' compensation liabilities are managed through a wholly owned insurance captive; the related liabilities are included in the accompanying financial statements. The company's policy is to accrue amounts equal to the actuarially determined liabilities. The actuarial valuations are based on historical information along with certain assumptions about future events. Changes in assumptions for such matters as legal actions, medical costs, and changes in actual experience could cause these estimates to change in the near term.

RESEARCH, DEVELOPMENT, ADVERTISING, AND OTHER RELATED COSTS Research, development, advertising materials, pre-production and start-up costs are expensed as incurred. Research and development costs, included in design and research expense in the accompanying statements of income, were $24.5, $31.3, and $26.7 million in 1996, 1995, and 1994, respectively.

INCOME TAXES Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse.

LONG-TERM ASSETS In March 1995, the Financial Accounting Standards Board issued Statement No. 121 "Accounting for the Impairment of Long-lived Assets and Long-lived Assets to be Disposed of" (SFAS No. 121). The company is required to adopt the provisions of SFAS No. 121 no later than its fiscal year 1997. Based on information currently available, the company does not expect the impact of adopting this statement to have a material effect on its financial condition or results of operations.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ACQUISITIONS

During 1996 and 1995, the company made several acquisitions, all of which were recorded using the purchase method of accounting. Accordingly, the purchase price of these acquisitions has been allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of the acquisition. The cost of the acquisitions in excess of net tangible assets acquired has been recorded as goodwill. During 1996, the company purchased various privately owned United States dealers. These companies were acquired for approximately $11.7 million. The consideration included 212,662 shares of Herman Miller common stock and approximately $5.3 million in cash.

During 1995, the company purchased Geneal GmbH, a privately owned office furniture company in Essen, Germany. The company also purchased a division of B&B Italia, a privately owned office furniture company in Milan, Italy. In addition, the company purchased various privately owned United States and Canadian dealers. These companies were acquired for approximately $21.2 million, which resulted in approximately $9.0 million in goodwill.

The results of the acquisitions in both fiscal 1996 and 1995 were not material to the company's consolidated operating results.

INVENTORIES

In Thousands	1996	1995
Finished products	$24,787	$26,260
Work in process	10,896	8,074
Raw materials	30,047	36,742
	$65,730	$71,076

Inventories are valued at the lower of cost or market and include material, labor, and overhead. The inventories of Herman Miller, Inc., are valued using the last-in, first-out (LIFO) method. The inventories of the company's subsidiaries are valued using the first-in, first-out method. Inventories valued using the LIFO method amounted to $30.7 and $41.1 million at June 1, 1996, and June 3, 1995, respectively.

If all inventories had been valued using the first-in, first-out method, inventories would have been $16.4 and $18.1 million higher than reported at June 1, 1996, and June 3, 1995, respectively.

PREPAID EXPENSES AND OTHER

In Thousands	1996	1995
	$21,006	$27,305
	21,000	17,140
	----------	--------
	$42,006	$44,445
	----------	--------
	1996	1995
	$54,124	$33,465
Current deferred income taxes	7,493	20,619
Other	--	12,000
ACCRUED LIABILITIES	11,931	9,177
In Thousands	61,939	46,418
Compensation and employee benefits	----------	--------
Restructuring reserves	$135,487	$121,679
Litigation costs	----------	--------
Other taxes	1996	1995
Other	$20,522	$18,322
OTHER LIABILITIES	33,823	33,800
In Thousands	----------	--------
Postretirement benefits	54,345	$52,122
Other	----------	--------
NOTES PAYABLE	1996	1995
Outstanding short-term borrowings are shown below:	$--	$58,012
In Thousands	21,148	25,579
United States dollar	----------	--------
Other currencies	$21,148	$83,591
	----------	--------

The following information relates to short-term borrowings in 1996:

	Domestic	Foreign
Weighted average interest rate at June 1, 1996	--	6.9%
Weighted average interest rate during 1996	6.3%	7.6%
Unused short-term credit lines	$6,000	$--

In addition to the company's formal short-term credit lines shown above, the company has available informal lines of credit totaling $56.7 million and unsecured revolving credit loans totaling $100.0 million.

LONG-TERM DEBT

In Thousands	1996	1995
	$70,000	$--
	15,000	--
	15,000	--
	10,000	--
Series A senior notes, 6.37%, due March 5, 2006	--	60,000
Series B senior notes, 6.08% due March 5, 2001	562	597
Series C senior notes, 6.52%, due March 5, 2008	--------	--------
Finance lease obligation	$110,562	$60,597
Unsecured revolving credit loan	317	452
Other	--------	--------
Less current portion	$110,245	$60,145
	--------	--------

During the third quarter of 1996, the company entered into a private placement of $100.0 million of senior notes with seven insurance companies. The Series A, B, and C notes have interest-only payments until March 5, 2000, March 5, 2001, and March 5, 2004, respectively.

The unsecured revolving credit loan provides for a $100.0 million line of credit which matures on December 2, 1997. Outstanding borrowings bear interest, at the option of the company, at rates based on the prime rate, certificates of deposit, LIBOR, or negotiated rates. Interest is payable periodically throughout the period a borrowing is outstanding. During 1996 and 1995, the company borrowed at a negotiated rate of 6.0 and 5.1 percent, respectively.

Provisions of the senior notes and the unsecured revolving senior revolving credit loan limit, without prior consent, the company's borrowings, long-term leases, sale of certain assets, and acquisitions of the company's stock. In addition, the company has agreed to maintain specified levels of working capital and certain financial performance ratios. At June 1, 1996, the company was in compliance with all these provisions.

During May 1996, the company entered into an agreement for the sale and leaseback of its Roswell, Georgia, facility. The company has an early buyout option at the end of three and one-half years at an amount equal to approximately 103.03 percent of the lessor's cost. The company also has a purchase option at the end of six years at an amount equal to the facility's then fair market value. If the purchase option is not exercised, the lease automatically renews for an additional 30 months. The company has guaranteed a residual value of 59.0 percent of the lessor's cost. The lease has been accounted for as a financing in accordance with Statement of Financial Account Standards No. 98.

The book value and associated depreciation of the facility are approximately $13.9 million and $6.3 million, respectively.

Annual maturities of long-term debt for the five years subsequent to June 1, 1996, (in millions) are as follows: 1997--$.3; 1998--$.2; 1999--$.1; 2000--$10.0; 2001--$25.0; and thereafter--$75.0.

OPERATING LEASES

The company leases real property and equipment under agreements which expire on various dates. Certain leases contain renewal provisions and generally require the company to pay utilities, insurance, taxes, and other operating expenses.

Future minimum rental payments (in millions) required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of June 1, 1996, are as follows: 1997--$20.2; 1998--$13.6; 1999--$9.2; 2000--$7.7; 2001--$6.4; thereafter--$14.7.

Total rental expense charged to operations was $23.9, $18.0, and $18.3 million in 1996, 1995, and 1994, respectively. Substantially all such rental expense represented the minimum rental payments under operating leases.

RESTRUCTURING CHARGES

In the fiscal year ended June 3, 1995, the company recorded $31.9 million in pretax restructuring charges, which reduced net income by $20.3 million, or $.82 per share. A charge of $15.5 million was taken in the second quarter of fiscal 1995, to account for the closure of certain of the company's manufacturing and logistics facilities prior to the relocation of their production activities to other U.S. Herman Miller facilities. In addition, the charge also included the costs associated with the closure of wood casegoods manufacturing in the Sanford, North Carolina, facility and discontinuance of manufacturing there, and the transfer of products produced there to Geiger International of Atlanta, Georgia, a respected contract provider of quality wood casegoods.

The $16.4 million charge recorded in the fourth quarter of fiscal 1995 included charges in the United States for reductions in employment and the discontinuation of a product development program at the company's health-care subsidiary, Milcare.

The $31.9 million total pretax restructuring charge consisted of facilities and equipment writeoffs ($15.5 million), termination benefits ($14.1 million), and other exit costs associated with the restructuring ($2.3 million). Approximately 535 employees were terminated or took voluntary early retirement as a result of the facility closing and job elimination process. The closure of the manufacturing and logistics facilities was substantially complete at the end of fiscal 1995. The job elimination process was completed in July 1995.

Amounts paid or charged against these reserves during fiscal 1996 were as follows:

In Thousands	June 3, 1995 Balance	Costs paid or charged	Ending Balance
Facilities and equipment	$10,829	$5,499	$5,330
Termination benefits	12,279	10,394	1,885
Other exit costs	1,310	1,032	278
	$24,418	$16,925	$7,493

EMPLOYEE BENEFIT PLANS

The company maintains plans which provide retirement benefits for substantially all employees.

PENSION PLANS The principal domestic plan is a noncontributory defined benefit pension plan. Benefits under this plan are based upon an employee's years of service and the average earnings for the five highest consecutive years of service during the ten years immediately preceding retirement. Domestically, the company's policy is to fund its plan to the maximum amount currently deductible for federal income tax purposes which equals or exceeds the minimum amount required by the Employee Retirement Income Security Act.

One of Herman Miller, Inc.'s wholly owned foreign subsidiaries has a defined benefit pension plan which is similar to the principal domestic plan. This plan is included in the information presented below.

Net pension cost included the following components:

In Thousands	1996	1995	1994
Service cost benefits earned during the year	$8,688	$8,276	$7,223
Interest cost on projected benefit obligation	10,588	9,239	8,074
Return on assets:			
Actual	(27,468)	(13,391)	(4,417)
Deferred gain (loss)	18,582	5,767	(2,631)
Net amortization	(224)	106	(170)
Cost of early retirement incentive program	479	1,700	--
Net pension cost	$10,645	$11,697	$8,079

The following table presents a reconciliation of the funded status of the plans and the amount recorded in the accompanying balance sheets:

In Thousands	1996	1995
Plan assets at fair market value	$145,678	$115,727
Actuarial present value of benefit obligations:		
Vested benefits	(102,236)	(84,726)
Nonvested benefits	(2,271)	(4,929)
Accumulated benefit obligation	(104,507)	(89,655)
Effect of projected future salary increases	(53,618)	(50,718)
Projected benefit obligation	(158,125)	(140,373)
Projected benefit obligation in excess of plan assets at fair market value	(12,447)	(24,646)
Unrecognized net asset from date of adoption of SFAS No. 87(3,051)	(3,836)	
Unrecognized net gain from past experience different from that assumed, and changes in assumptions	(1,013)	17,010
Unrecognized prior service cost	(218)	(661)
Accrued pension cost included in accrued and other liabilities	$(16,729)	$(12,133)

The assumptions used in the determination of net pension cost were as follows:

	1996	1995	1994
Discount rate	7.5%	7.5%	7.5%
Rate of salary progression	5.0%	5.0%	5.0%
Long-term rate of return on assets	7.5%	7.5%	7.5%

Plan assets consist primarily of listed common stocks, mutual funds, and corporate obligations. Plan assets at June 1, 1996, and June 3, 1995, included 327,672 shares of Herman Miller, Inc., common stock.

In connection with the 1995 restructuring, the company offered an early retirement incentive program to eligible participants. The results of this program are reflected in the net cost and funded status of the pension plan and postretirement benefits.

PROFIT SHARING PLAN Herman Miller, Inc., and three of its subsidiaries have a trusteed profit sharing plan that covers substantially all employees who have completed one year of employment. The plan provides for discretionary contributions (payable in the company's common stock) of not more than 6.0 percent of pretax income of the participating companies, or such other lesser amounts as may be established by the Board of Directors. The cost of the plan charged against operations was $4.5, $2.6, and $2.9 million in 1996, 1995, and 1994, respectively.

POSTRETIREMENT BENEFITS In addition to providing pension and profit-sharing benefits, the company provides health-care and life insurance benefits for certain retired employees.

The components of net postretirement benefit cost were as follows:

In Thousands	1996	1995	1994
Service cost	$1,140	$986	$868
Interest cost on accumulated benefit obligation	1,496	1,305	1,192
Cost of early retirement program	--	400	--
Net amortization	(39)	(44)	(25)
Net postretirement benefit cost	$2,597	$2,647	$2,035

The following table presents a reconciliation of the plan's funded status with amounts recognized in the accompanying balance sheets:

In Thousands	1996	1995
Accumulated postretirement benefit obligation:		
Retirees	$ (8,823)	$(7,688)
Fully eligible active plan participants	(202)	(135)
Other active plan participants	(13,212)	(12,090)
Unrecognized prior service cost	(1,031)	(1,081)
Unrecognized net loss	2,250	1,872
Accrued postretirement benefit obligation	$ (21,018)	$(19,122)

The accumulated postretirement benefit obligation was computed using an assumed discount rate of 7.5 percent for June 1, 1996, and June 3, 1995.

The weighted average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) is 8.0 percent for 1997, and is assumed to decrease gradually to 6.0 percent for 2001 and remain at that level thereafter. A 1.0 percent increase in this annual trend rate would have increased the accumulated postretirement benefit obligation at June 1, 1996, by $.8 million, with an immaterial effect on 1996 postretirement benefit cost.

STOCK OPTION PLANS

The company has stock option plans under which options are granted to employees and nonemployee officers and directors at a price not less than the market price of the company's common stock on the date of grant. All options become exercisable one year from date of grant and expire ten years from date of grant. No charges to operations are recorded with respect to authorization, grant, or exercise of these stock options. At June 1, 1996, there were 140 employees and 11 nonemployee officers and directors eligible, all of whom were participants in the plans. At June 1, 1996, there were 804,900 shares available for future options.

A summary of the stock option transactions is as follows:

	Number of Shares	Exercise Price Per Share Range	Weighted Average Price Per Share
Outstanding at May 29, 1993	1,315,341	$15.88-26.75	$21.50
Granted	269,740	26.88-34.63	27.35
Exercised	(458,406)	16.00-26.75	21.24
Terminated	(7,000)	18.63-26.88	26.21
Outstanding at May 28, 1994	1,119,675	$15.88-34.63	$22.98
Granted	417,280	21.00-29.13	25.86
Exercised	(121,400)	15.88-26.88	19.63
Terminated	(126,205)	18.63-29.13	26.08
Outstanding at June 3, 1995	1,289,350	$18.63-34.63	$23.93
Granted	403,900	24.75-32.19	30.28
Exercised	(393,170)	18.63-29.43	23.56
Terminated	(84,120)	21.00-29.13	25.56
Outstanding at June 1, 1996	1,215,960	$18.63-34.63	$25.89
Exercisable at June 1, 1996	840,360	$18.63-34.63	$23.91

EMPLOYEE STOCK PURCHASE PLAN

Under the terms of the company's 1987 Employee Stock Purchase Plan, 3.1 million shares of authorized common stock were reserved for purchase by plan participants at 85.0 percent of the market price. At June 1, 1996, 1,003,462 shares remained available for purchase through the plan, and there were 4,562 employees eligible to participate in the plan, of which 1,359 or 29.8

percent, were participants. Employees purchased 89,222 shares, at prices ranging from $22.32 to $27.36, during the year. Total receipts to the company were $2.3 million. Since the inception of the employee stock purchase program in 1977, employees have purchased a total of 2,057,149 shares at prices ranging from $1.90 to $29.43. Since the plan is noncompensatory, no charges to operations have been recorded.

KEY EXECUTIVE STOCK PROGRAMS

RESTRICTED STOCK GRANTS The company has granted restricted common shares to certain key employees. Shares were awarded in the name of the employee, who has all rights of a shareholder, subject to certain restrictions on transferability and a risk of forfeiture. The forfeiture provisions on the awards expire annually, over a period not to exceed six years, as certain financial goals are achieved. During fiscal 1996, 36,720 shares were granted under the company's long-term incentive plan, 37,932 shares were forfeited, and the forfeiture provisions expired on 8,091 shares. As of June 1, 1996, 48,086 shares remained subject to forfeiture provisions and 45,977 shares remained subject to restrictions on transferability.

The remaining shares subject to forfeiture provisions have been recorded as unearned stock grant compensation and are presented as a separate component of shareholders' equity. The unearned compensation is being charged to selling, general, and administrative expense over the five-year vesting period and was $.3, $.2, and $.5 million in 1996, 1995, and 1994, respectively.

KEY EXECUTIVE STOCK PURCHASE ASSISTANCE PLAN In October 1994, the company adopted a key executive stock purchase assistance plan whereby the company may extend credit to officers and key executives to purchase the company's stock through the exercise of options or on the open market. These loans are secured by the shares acquired and are repayable under full recourse promissory notes. The sale or transfer of shares is restricted for five years after the loan is fully paid. The plan provides for the key executives to earn repayment of a portion of the notes based on meeting annual performance objectives as set forth by the Executive Compensation Committee of the Board of Directors. The notes bear interest at 7.0 percent per annum. Interest is payable annually and principal is due on September 1, 2000. As of June 1, 1996, the notes outstanding relating to the exercise of options were $1.6 million and are presented as a separate component of shareholders' equity. Notes outstanding related to open market purchases were $2.2 million and are recorded in other assets. Compensation expense related to earned repayment was $1.7 million in 1996 and immaterial in 1995.

INCOME TAXES

Pre-tax income consisted of the following:

In Thousands	1996	1995	1994
Domestic	$77,169	$13,418	$71,150
Foreign	(7,073)	(9,379)	(7,677)
	$70,096	$4,039	$63,473

The provision (credit) for income taxes consisted of the following:

In Thousands		1996	1995	1994
Current:	Domestic--Federal	$15,725	$18,104	$24,780
	Domestic--State	1,615	935	1,213
	Foreign	(527)	(1,580)	(1,338)
		$16,813	$17,459	$24,655
Deferred:	Domestic--Federal	6,115	(15,137)	(1,097)
	Domestic--State	50	(1,951)	187
	Foreign	1,172	(671)	(645)
		7,337	(17,759)	(1,555)
		$24,150	$(300)	$23,100

The following table represents a reconciliation of income taxes at the United States statutory rate with the effective tax rate follows:

In Thousands	1996	1995	1994
Income taxes computed at the United States statutory rate of 35%	$24,534	$ 1,414	$22,216
Increase (decrease) in taxes resulting from:			
Corporate-owned life insurance	(3,302)	(1,842)	(458)
Changes in valuation allowance	(2,762)	--	--
Additional reserves provided	2,834	--	--
State taxes, net	1,082	(660)	910
Foreign net operating losses	--	735	586
Other	1,764	53	(154)
	$24,150	$(300)	$23,100

The tax effects and types of temporary differences that give rise to significant components of the deferred tax assets and liabilities at June 1, 1996, and June 3, 1995, are presented below:

In Thousands	1996	1995
Deferred tax assets:		
Foreign net operating loss carryforwards	$22,475	$20,594
Compensation related accruals	11,164	9,371
Restructuring charge accruals	2,774	9,242
Accrued postretirement benefit obligation	7,410	6,566
Accrued litigation costs	--	4,200
Long-term capital loss carryforwards	--	5,497
Insurance accruals	1,843	3,144
Reserve for uncollectible accounts and notes receivable	2,551	2,558
Other	20,224	13,984
Valuation allowance	(22,475)	(25,237)
	$45,966	$49,919
Deferred tax liabilities:		
Book basis in property in excess of tax basis	$(17,058)	$(18,230)
Prepaid employee benefits	(3,037)	(2,457)
Other	(8,014)	(4,038)
	$(28,109)	$(24,725)

The company has foreign net operating loss carryforwards, the tax benefit of which is $22.5 million, of which $9.9 million expires at various dates through 2006, and of which $12.6 million has unlimited expiration. For financial statement purposes, the tax benefit of the foreign net operating loss carryforward has been recognized as a deferred tax asset, subject to a valuation allowance.

Changes in the valuation allowance reflects the utilization of the company's capital loss carryforwards which served to offset capital gains recognized on the sale and leaseback of the Roswell, Georgia, facility (see the long-term debt note for a description of the lease) and on certain excess land sold to the company's captive insurance company. In addition, an allowance was recorded against the net operating loss carryforward at the company's foreign subsidiaries.

The company has not provided for United States income taxes on undistributed earnings of foreign subsidiaries totaling $32.7 million. Recording of deferred income taxes on these undistributed earnings is not required, since these earnings have been permanently reinvested. These amounts would be subject to possible U.S. taxation only if remitted as dividends. The determination of the hypothetical amount of unrecognized deferred U.S. taxes on undistributed earnings of foreign entities is not practicable.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the company's financial instruments included in current assets and current liabilities approximates their fair value due to their short-term nature. The fair value of the notes receivable is estimated by discounting expected future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit ratings and remaining maturities. As of June 1, 1996, and June 3, 1995, the fair value of the notes receivable approximated the carrying value. The company intends to hold these notes to maturity and has recorded allowances to reflect the terms negotiated for carrying value purposes. The company's long-term debt was either negotiated in the near term or reprices frequently at the then-prevailing market interest rates. As of June 1, 1996, and June 3, 1995, the carrying value approximated the fair value of the company's long-term debt.

FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

The company utilizes derivative financial instruments to manage its exposure to foreign currency volatility at the transactional level. At June 1, 1996, the company had no outstanding derivative financial instruments. At June 3, 1995, the company had outstanding $7.2 million, of financial instruments to purchase and sell foreign currencies, consisting primarily of forward exchange contracts. The majority of these contracts relate to major currencies such as the Japanese yen, the Australian dollar, and the British pound. The exposure to credit risk is minimal since the counterparties are major financial institutions. The market risk exposure is essentially limited to currency rate movements. The gains or losses arising from these financial instruments are applied to offset exchange gains or losses on related hedged exposures. Realized and unrealized gains or losses in 1996 and 1995 were not material to the company's results of operations.

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

The following table presents a reconciliation of net income to net cash provided by operating activities:

In Thousands	1996	1995	1994
Depreciation and amortization	$45,009	$39,732	$33,207
Restructuring charges	--	31,900	--
Provision for losses on accounts and notes receivable	4,635	1,405	3,481
Loss on sales of property and equipment	120	1,077	1,832
Deferred taxes	7,337	(17,759)	(1,555)
Other liabilities	1,468	6,587	8,258
Stock grants earned	284	207	461
Changes in current assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	4,295	(39,901)	(7,151)
Inventories	11,042	(9,239)	(3,671)
Prepaid expenses and other	(5,009)	(3,912)	(3,352)
Increase (decrease) in liabilities:			
Accounts payable	627	8,674	1,123
Accrued liabilities	8,704	6,751	(3,242)
	19,659	(37,627)	(16,293)
Total adjustments	$78,512	$25,522	$29,391

Cash payments for interest and income taxes were as follows:

In Thousands	1996	1995	1994
Interest paid	$9,526	$6,296	$1,799
Income taxes paid	13,883	16,095	25,784

PER SHARE INFORMATION

Earnings per share of common stock have been computed using the weighted average number of outstanding common shares and common share equivalents to the extent they are dilutive during each of the three years in the period ended June 1, 1996 (25,128,735 in 1996; 24,792,057 in 1995; 25,254,743 in 1994).

CONTINGENCIES

During the second quarter ended December 2, 1995, the company's Board of Directors authorized management to engage in settlement discussions with Haworth. In January 1996, the company and Haworth agreed to the terms of a settlement.

The lawsuit, filed in January 1992, alleged that certain electrical products, which the company offered, infringed two patents held by Haworth. Haworth has sued Steelcase, Inc., in 1985, claiming that Steelcase's products infringed those same two patents. In 1989, Steelcase was held to infringe the patents, and the matter was referred to private dispute resolution to resolve the issue of damages. The patents at issue expired prior to December 1, 1994.

Since the date of initial claim, the company has always been advised by our patent litigation counsel that it was more likely than not to prevail on the merits; however, the mounting legal costs, distraction of management focus, and the uncertainty present in any litigation made this settlement something which the company determined is the best interest of its shareholders.

Under the settlement agreement, Herman Miller paid Haworth $44.0 million in cash in exchange for a complete release. The release also covers Herman Miller's customers and suppliers. The companies have exchanged limited covenants not to sue with respect to certain existing and potential patent rights. Haworth has agreed not to sue under United States Patent 4,682,984 which refers to a construction process for making storage cabinets. In addition, Haworth has granted a limited covenant not to sue with respect to certain potential future patent rights on panel construction. Haworth received a limited covenant under three United States Patents--5,038,539; 4,685,255; and 4,876,835--all relating to one of the company's system product lines.

The company simultaneously reached a settlement with one of its suppliers. The supplier agreed to pay Herman Miller $11.0 million and, over the next seven years, to rebate a percentage of its sales to Herman Miller which are in excess of current levels. The $11.0 million, plus interest, will be paid in annual installments over a seven-year period. Herman Miller is also exploring the possibility of claims against other third parties.

The company recorded net litigation settlement expense of $16.5 million, after applying previously recorded reserves and the settlement with the supplier, in the second quarter of fiscal 1996.

The company, for a number of years, has sold various products to the United States Government under General Services Administration (GSA) multiple award schedule contracts. The GSA is permitted to audit the company's compliance with the GSA contracts. As a result of its audits, the GSA has asserted a refund claim under the 1982 contract for approximately $2.7 million and has other contracts under audit review. Management has been notified that the GSA has referred the 1988 contract to the Justice Department for consideration of a potential civil False Claims Act case. Management disputes the audit result for the 1982 contract and does not expect resolution of the matter to have a material adverse effect on the company's consolidated financial statements. Management does not have information which would indicate a substantive basis for a civil False Claims Act under the 1988 contract.

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.

SEGMENT INFORMATION

The company operates on a worldwide basis in a single industry consisting of the design, manufacture, and sale of office furniture systems, products, and related services. The following information is presented with respect to the company's operations in different geographic areas for the fiscal years ended June 1, 1996; June 3, 1995; and May 28, 1994. Transfers between geographic areas represent the selling price of sales to affiliates, which is generally based on cost plus a mark-up. Net income of foreign operations and export includes royalty income from licensee sales and reflects the gain or loss on foreign currency exchange. The cash and cash equivalents accounts of the company are considered to be corporate assets. All other assets have been identified with domestic or foreign operations. No single customer accounted for more than 10.0 percent of consolidated net sales.

In Thousands	United States	Foreign Operations and Export	Adjustments and Eliminations	Consolidated
1996				
Sales to unaffiliated customers	$1,043,850	$240,081	$ --	$1,283,931
Transfers between geographic areas	34,667	13,176	(47,843)	--
Net Sales	$1,078,517	$253,257	$ (47,843)	$1,283,931
Net income (loss)	$ 53,977	$ (8,031)	$ --	$ 45,946
Identifiable assets	$ 532,371	$105,487	$ --	$ 637,858
Corporate assets				57,053
Total assets				$ 694,911
1995				
Sales to unaffiliated customers	$ 894,455	$188,595	$ --	$1,083,050
Transfers between geographic areas	55,206	5,186	(60,392)	--
Net sales	$ 949,661	$193,781	$ (60,392)	$1,083,050
Net income (loss)	$ 7,265	$ (2,926)	$ --	$ 4,339
Identifiable assets	$ 550,666	$91,858	$ --	$ 642,524
Corporate assets				16,488
Total assets				$ 659,012
1994				
Sales to unaffiliated customers	$ 812,158	$ 141,042	$ --	$ 953,200
Transfers between geographic areas	35,579	5,711	(41,290)	--
Net sales	$ 847,737	$ 146,753	$ (41,290)	$ 953,200
Net income (loss)	$ 42,374	$ (2,001)	$ --	$ 40,373
Identifiable assets	$ 454,210	$ 56,835	$ --	$ 511,045
Corporate assets				22,701
Total assets				$ 533,746

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of Herman Miller, Inc.:

We have audited the accompanying consolidated balance sheets of Herman Miller, Inc. (a Michigan corporation) and subsidiaries as of June 1, 1996, and June 3, 1995, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended June 1, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Herman Miller, Inc., and subsidiaries as of June 1, 1996, and June 3, 1995, and the results of their operations and their cash flows for each of the three years in the period ended June 1, 1996, in conformity with generally accepted accounting principles.

Arthur Andersen LLP
Grand Rapids, Michigan
June 28, 1996

MANAGEMENT'S REPORT ON FINANCIAL STATEMENTS

The consolidated financial statements of Herman Miller, Inc., and subsidiaries were prepared by, and are the responsibility of management. The statements have been prepared in conformity with generally accepted accounting principles appropriate in the circumstances and include amounts that are based on management's best estimates and judgments.

The company maintains systems of internal accounting controls designed to provide reasonable assurance that all transactions are properly recorded in the company's books and records, that policies and procedures are adhered to, and that assets are protected from unauthorized use. The systems of internal accounting controls are supported by written policies and guidelines and are complemented by a staff of internal auditors and by the selection, training, and development of professional financial managers.

The consolidated financial statements have been audited by the independent public accounting firm Arthur Andersen LLP, whose appointment is ratified annually by shareholders at the annual shareholders' meeting. The independent public accountants conduct a review of internal accounting controls to the extent required by generally accepted auditing standards and perform such tests and related procedures as they deem necessary to arrive at an opinion on the fairness of the financial statements.

The Finance and Audit Committee of the Board of Directors, composed solely of directors from outside the company, regularly meets with the independent public accountants, management, and the internal auditors to satisfy itself that they are properly discharging their responsibilities. The independent public accountants have unrestricted access to the Finance and Audit Committee, without management present, to discuss the results of their audit and the quality of financial reporting and internal accounting control.

Michael A. Volkema President and Chief Executive Officer
Brian C. Walker, Chief Financial Officer
June 28, 1996

Item 9 DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

No changes in, or disagreements with, accountants referenced in Item 304 of Regulation S-K occurred during the 24-month period ended June 1, 1996.

PART III

Item 10 DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Directors of Registrant

Information relating to directors and director nominees of the registrant is contained under the caption "Director and Executive Officer Information," in the company's definitive Proxy Statement, dated August 26, 1996, relating to the company's 1996 Annual Meeting of Shareholders and the information within that section is incorporated by reference. Information relating to Executive Officers of the company is included in Part I hereof entitled "Executive Officers of the Registrant."

There are no family relationships between or among the above-named executive officers. There are no arrangements or understandings between any of the above-named officers pursuant to which any of them was named an officer.

Item 11 EXECUTIVE COMPENSATION

Information relating to management remuneration is contained under the tables and discussions on pages 10-12 in the company's definitive Proxy Statement, dated August 26, 1996, relating to the company's 1996 Annual Meeting of Shareholders, and the information within those sections is incorporated by reference.

Item 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The sections entitled "Voting Securities and Principal Shareholders" and "Director and Executive Officer Information" in the definitive Proxy Statement, dated August 26, 1996, relating to the company's 1996 Annual Meeting of Shareholders and the information within those sections is incorporated by reference.

Item 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and related transactions contained under the captions "Director and Executive Officer Information" and "Compensation of Board Members and Non-Employee Officers" in the definitive Proxy Statement, dated August 26, 1996, relating to the company's 1996 Annual Meeting of Shareholders is incorporated by reference.

PART IV

Item 14 EXHIBITS, FINANCIAL STATEMENT SCHEDULE, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The following consolidated financial statements of the company are included in this Form 10-K on the pages noted:

	Page Number in the Form 10-K
Consolidated Statements of Income	21
Consolidated Balance Sheets	22
Consolidated Statements of Shareholders' Equity	23
Consolidated Statements of Cash Flows	24
Notes to Consolidated Financial Statements	25
Report of Independent Public Accountants	39
Management's Report on Financial Statements	40

(a) 2. Financial Statement Schedule

The following financial statement schedule and related Report of Independent Public Accountants on the Financial Statement Schedule are included in this Form 10-K on the pages noted:

	Page Number in this Form 10-K
Report of Independent Public Accountants on Financial Statement Schedule	44
Consent of Independent Public Accountants	45

		Page Number in this Form 10-K
Schedule VIII-	Valuation and Qualifying Accounts and Reserves for the Years Ended June 1, 1996; une 3, 1995; and May 28, 1994	47

All other schedules required by Form 10-K Annual Report have been omitted because they were inapplicable, included in the notes to consolidated financial statements, or otherwise not required under instructions contained in Regulation S-X.

(a) 3. Exhibits

Reference is made to the Exhibit Index which is found on pages 49 through 51 of this Form 10-K Annual Report.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the fourth quarter of the year ended June 1, 1996.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Shareholders and Board of Directors of Herman Miller, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of Herman Miller, Inc., and subsidiaries included in this Form 10-K, and have issued our report thereon dated June 28, 1996. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed at Item 14(a)2 above is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP
Grand Rapids, Michigan
June 28, 1996

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Herman Miller, Inc.:

As independent public accountants, we hereby consent to the incorporation of our reports included in this Form 10-K, into the Company's previously filed Form S-8 Registration Statement File Numbers 33-5810, 33-43234, 33-43235, 33-45812, 2-84202, 33-04369, 33-04367, and 33-04365.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP
Grand Rapids, Michigan
August 22, 1996

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HERMAN MILLER, INC.

/s/ Michael A. Volkema	and	/s/ Brian C. Walker
By Michael A. Volkema (President and Chief Executive Officer)		Brian C. Walker (Chief Financial Officer)

Date: August 22, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on August 22, 1996, by the following persons on behalf of the Registrant in the capacities indicated. Each Director of the Registrant, whose signature appears below, hereby appoints Michael A. Volkema as his attorney-in-fact, to sign in his name and on his behalf, as a Director of the Registrant, and to file with the Commission any and all amendments to this Report on Form 10-K.

/s/ David L. Nelson David L. Nelson (Chairman of the Board)	/s/ Michael A. Volkema Michael A. Volkema (President, Chief Executive Officer and Director)
/s/ William K. Brehm William K. Brehm (Director)	/s/ E. David Crockett E. David Crockett (Director)
/s/ Alan M. Fern Alan M. Fern (Director)	/s/ Lord Griffiths of Fforestfach Lord Griffiths of Fforestfach (Director)
/s/ Richard H. Ruch Richard H. Ruch (Director)	/s/ C. William Pollard C. William Pollard (Director)
/s/ Charles D. Ray Charles D. Ray (Director)	/s/ Ruth A. Reister Ruth A. Reister (Director)
/s/ H. Harold Chandler J. Harold Chandler (Director)	

HERMAN MILLER, INC., AND SUBSIDIARIES

SCHEDULE VIII--VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at beginning of period	Additions charged to costs and expenses	Uncollectible accounts written off (net) (1)	Balance at end of period
Year ended June 1, 1996:				
Allowance for possible losses on accounts receivable	$7,180	$3,816	$573	$10,423
Allowance for possible losses on notes receivable	$2,627	$2,573	$785	$4,415
Year ended June 3, 1995:				
Allowance for possible losses on accounts receivable	$6,742	$405	$(33)	$7,180
Allowance for possible losses on notes receivable	$2,159	$1,000	$532	$2,627
Year ended May 28, 1994:				
Allowance for possible losses on accounts receivable	$6,168	$731	$157	$6,742
Allowance for possible losses on notes receivable	$2,106	$2,750	$2,697	$2,159

(1) Includes effects of foreign currency translation.

HERMAN MILLER, INC., AND SUBSIDIARIES

Exhibit Index

			Page
(3)	Articles of Incorporation and Bylaws		
	(a)	Articles of Incorporation are incorporated by reference to Exhibit 3(a) and 3(b) of the Registrant's 1986 Form 10-K Annual Report.	
	(b)	Certificate of Amendment to the Articles of Incorporation, dated October 15, 1987, are incorporated by reference to Exhibit 3(b) of the Registrant's 1988 Form 10-K Annual Report.	
	(c)	Certificate of Amendment to the Articles of Incorporation, dated May 10, 1988, are incorporated by reference to Exhibit 3(c) of the Registrant's 1988 Form 10-K Annual Report.	
	(d)	Amended and Restated Bylaws are incorporated by reference to Exhibit 3(d) of the Registrant's Form 10Q filed for the quarter ended December 1, 1990.	
(4)	Instruments Defining the Rights of Security Holders		
	(a)	Specimen copy of Herman Miller, Inc., common stock is incorporated by reference to Exhibit 4(a) of Registrant's 1981 Form 10-K Annual Report.	
	(b)	Note Purchase Agreement dated March 1, 1996, is incorporated by reference to Exhibit 4(b) of the Registrant's 1996 Form 10-K Annual Report.	49-133
	(c)	Other instruments which define the rights of holders of long-term debt individually represent debt of less than 10 percent of total assets. In accordance with item 601(b)(4)(iii)(A) of regulation S-K, the Registrant agrees to furnish to the Commission copies of such agreements upon request.	
(10)	Material Contracts		
	(a)	Description of Officers Executive Incentive Plan is incorporated by reference to Exhibit 10(e) of the Registrant's 1981 Form 10-K Annual Report. *	
	(b)	Officers' Supplemental Retirement Income Plan is incorporated by reference to Exhibit 10(f) of the Registrant's 1986 Form 10-K Annual Report. *	
	(c)	Officers' Salary Continuation Plan is incorporated by reference to Exhibit 10(g) of the Registrant's 1982 Form 10-K Annual Report. *	
	(d)	Herman Miller, Inc., Plan for Severance Compensation after Hostile Takeover is incorporated by reference to Exhibit 10(f) of the Registrant's 1986 Form 10-K Annual Report. *	
	(e)	Amended Herman Miller, Inc., Plan for Severance Compensation after Hostile Takeover, dated January 17, 1990, is incorporated by reference to Exhibit 10(n) of the Registrant's 1990 Form 10-K Annual Report. *	
	(f)	Herman Miller, Inc., 1994 Key Executive Stock Purchase Assistant Plan, dated October 6, 1994, is incorporated byreference to Appendix C of the Registrant's 1994 Proxy Statement. *	
	(g)	Incentive Share Grant Agreement, dated October 4, 1995, between the company and Michael A. Volkema is incorporated by reference to Exhibit 10(g) of the Registrant's 1996 Form 10-K Annual Report. *	134-141
	(h)	Incentive Share Grant Agreement, dated May 15, 1996, between the company and Michael A. Volkema is incorporated by reference to Exhibit 10(h) of the Registrant's 1996 Form 10-K Annual Report. *	142-149

(i) Termination and Mutual Release Agreement, dated March 27, 1996, between the company and Hansjorg Broser is incorporated by reference to Exhibit 10(i) of the Registrant's 1996 Form 10K Annual Report. * — 150-157

(j) Herman Miller, Inc., Long-Term Incentive Plan, dated October 6, 1994, is incorporated by reference to Exhibit 4 of the Registrant's May 22, 1996, Form S-8 Registration No. 33-04369*

(k) Herman Miller, Inc., 1994 Nonemployee Officer and Director Stock Option Plan, dated October 6, 1994, is incorporated by reference to Exhibit 4 of the Registrant's May 22, 1996, Form S-8 Registration No. 33-04367 *

* denotes compensatory plan or arrangement.

(11)	Computation of Per Share Earnings.	158
(22)	Subsidiaries.	159

(27) Financial Data Schedule (exhibit available upon request)

EXHIBIT 4(b)
CONFORMED COPY

==

HERMAN MILLER, INC.

$70,000,000 PRINCIPAL AMOUNT
6.37% SERIES A SENIOR NOTES
DUE MARCH 5, 2006

$15,000,000 PRINCIPAL AMOUNT
6.08% SERIES B SENIOR NOTES
DUE MARCH 5, 2001

$15,000,000 PRINCIPAL AMOUNT
6.52% SERIES C SENIOR NOTES
DUE MARCH 5, 2008

____

NOTE PURCHASE AGREEMENT

____

DATED AS OF MARCH 1, 1996

==

PPN: Series A: 600544 B*

0

Series B: 600544 B@

8

Series C: 600544 B#

6

TABLE OF CONTENTS

Section			Page
1.		AUTHORIZATION OF NOTES	1
2.		SALE AND PURCHASE OF NOTES	1
3.		CLOSING	2
4.		CONDITIONS TO CLOSING	2
	4.1.	Representations and Warranties	2
	4.2.	Performance; No Default	2
	4.3.	Compliance Certificates	3
	4.4.	Opinions of Counsel	3
	4.5.	Purchase Permitted by Applicable Law, etc	3
	4.6.	Sale of Other Notes	3
	4.7.	Payment of Special Counsel Fees	4
	4.8.	Private Placement Number.	4
	4.9.	Changes in Corporate Structure	4
	4.10.	Proceedings and Documents	4
5.		REPRESENTATIONS AND WARRANTIES OF THE COMPANY	4
	COMPANY 4		
	5.1.	Organization; Power and Authority	4
	5.2.	Authorization, etc	5
	5.3.	Disclosure	5
	5.4.	Organization and Ownership of Shares of Subsidiaries	5
	5.5.	Financial Statements	6
	5.6.	Compliance with Laws, Other Instruments, etc	6
	5.7.	Governmental Authorizations, etc.	7
	5.8.	Litigation; Observance of Agreements, Statutes and Orders	7
	5.9.	Taxes	7
	5.10.	Title to Property; Leases	7
	5.11.	Licenses, Permits, Intellectual Property, etc.	8
	5.12.	Compliance with ERISA	8
	5.13.	Private Offering by the Company	9
	5.14.	Use of Proceeds; Margin Regulations	9
	5.15.	Existing Indebtedness; Future Liens	9
	5.16.	Foreign Assets Control Regulations, etc	10

	5.17.	Status under Certain Statutes	10
	5.18.	Environmental Matters	10
6.		REPRESENTATIONS OF THE PURCHASER	11
	6.1.	Purchase for Investment	11
	6.2.	Source of Funds	11
7.		INFORMATION AS TO COMPANY	12
	7.1.	Financial and Business Information	12
	7.2.	Officer's Certificate	15
	7.3.	Inspection	15
8.		PREPAYMENT OF THE NOTES	16
	8.1.	Required Prepayments	16
	8.2.	Optional Prepayments with Make-Whole Amount	16
	8.3.	Allocation of Partial Prepayments	17
	8.4.	Maturity; Surrender, etc.	17
	8.5.	Purchase of Notes	17
	8.6.	Make-Whole Amount	17
9.		AFFIRMATIVE COVENANTS	19
	9.1.	Compliance with Law	19
	9.2.	Insurance	19
	9.3.	Maintenance of Properties	19
	9.4.	Payment of Taxes and Claims	19
	9.5.	Corporate Existence, etc	20
10.		NEGATIVE COVENANTS	20
	10.1.	Transactions with Affiliates	20
	10.2.	Merger, Consolidation, etc	20
	10.3.	Adjusted Consolidated Net Worth.	21
	10.4.	Limitation on Funded Debt.	21
	10.5.	Limitation on Consolidated Short-Term Debt.	21
	10.6.	Indebtedness of Restricted Subsidiaries.	22
	10.7.	Liens.	22
	10.8.	Sale of Assets.	23
	10.9.	Disposition of Stock of Restricted Subsidiaries.	23
	10.10.	Designation of Unrestricted Subsidiaries.	24
	10.11.	No Impairment of Subsidiaries.	24
	10.12.	Nature of Business.	24
11.		EVENTS OF DEFAULT	25

12.		REMEDIES ON DEFAULT, ETC	27
	12.1.	Acceleration	27
	12.2.	Other Remedies	27
	12.3.	Rescission	27
	12.4.	No Waivers or Election of Remedies, Expenses, etc	28
13.		REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES	28
	13.1.	Registration of Notes	28
	13.2.	Transfer and Exchange of Notes	28
	13.3.	Replacement of Notes	29
14.		PAYMENTS ON NOTES	29
	14.1.	Place of Payment	29
	14.2.	Home Office Payment	29
15.		EXPENSES, ETC.	30
	15.1.	Transaction Expenses	30
	15.2.	Survival	30
16.		SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT	31
17.		AMENDMENT AND WAIVER	31
	17.1.	Requirements	31
	17.2.	Solicitation of Holders of Notes	31
	17.3.	Binding Effect, etc.	32
	17.4.	Notes held by Company, etc	32
18.		NOTICES	32
19.		REPRODUCTION OF DOCUMENTS	33
20.		CONFIDENTIAL INFORMATION	33
21.		SUBSTITUTION OF PURCHASER	34
22.		MISCELLANEOUS	34
	22.1.	Successors and Assigns	34
	22.2.	Payments Due on Non-Business Days	34

22.3.	Severability	34
22.4.	Construction	35
22.5.	Counterparts	35
22.6.	Governing Law.	35
22.7.	Accounting Principles.	35

SCHEDULE A	--	Information Relating to Purchasers
SCHEDULE B	--	Defined Terms
SCHEDULE B-1	--	Investments
SCHEDULE 4.9	--	Changes in Corporate Structure
SCHEDULE 5.4	--	Subsidiaries of the Company and Ownership of Subsidiary Stock
SCHEDULE 5.5	--	Financial Statements
SCHEDULE 5.8	--	Certain Litigation
SCHEDULE 5.11	--	Licenses, Permits, Intellectual Property, Etc.
SCHEDULE 5.14	--	Use of Proceeds
SCHEDULE 5.15	--	Existing Indebtedness
SCHEDULE 10.7	--	Liens
EXHIBIT 1-A	--	Form of Series A Senior Note
EXHIBIT 1-B	--	Form of Series B Senior Note
EXHIBIT 1-C	--	Form of Series C Senior Note
EXHIBIT 4.4(a)	--	Form of Opinion of Special Counsel to the Company
EXHIBIT 4.4(b)	--	Form of Opinion of Special Counsel to the Purchasers

HERMAN MILLER, INC.
855 East Main Avenue
P.O. Box 302
Zeeland, Michigan 49464-0302
Facsimile: (616) 654-3632

6.37% Series A Senior Notes Due March 5, 2006
6.08% Series B Senior Notes Due March 5, 2001
6.52% Series C Senior Notes Due March 5, 2008

Dated as of March 1, 1996

TO EACH OF THE PURCHASERS LISTED IN
THE ATTACHED SCHEDULE A:

Ladies and Gentlemen:

HERMAN MILLER, INC., a Michigan corporation (the "COMPANY"), agrees with you as follows:

1. AUTHORIZATION OF NOTES.

The Company has authorized the issue and sale of $70,000,000 aggregate principal amount of its 6.37% Series A Senior Notes due March 5, 2006 (the "SERIES A NOTES"), $15,000,000 aggregate principal amount of its 6.08% Series B Senior Notes due March 5, 2001 (the "SERIES B NOTES"), and $15,000,000 aggregate principal amount of its 6.52% Series C Senior Notes due March 5, 2008 (the "SERIES C NOTES") (the Series A Notes, the Series B Notes and the Series C Notes are collectively referred to as the "NOTES", such term to include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement or the Other Agreements (as hereinafter defined)). The Notes shall be substantially in the form set out in EXHIBIT 1 with such changes therefrom, if any, as may be approved by you and the Company. Certain capitalized terms used in this Agreement are defined in SCHEDULE B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to you and you will purchase from the Company, at the Closing provided for in Section 3, Notes in the series and principal amount specified opposite your name in SCHEDULE A at the purchase price of 100% of the principal amount thereof. Contemporaneously with entering into this Agreement, the Company is entering into separate Note Purchase Agreements (the "OTHER AGREEMENTS") identical with this Agreement with each of the other purchasers named in SCHEDULE A (the "OTHER PURCHASERS"), providing for the sale at such Closing to each of the Other Purchasers of

Notes in the series and principal amount specified opposite its name in SCHEDULE A. Your obligation hereunder and the obligations of the Other Purchasers under the Other Agreements are several and not joint obligations and you shall have no obligation under any Other Agreement and no liability to any Person for the performance or nonperformance by any Other Purchaser thereunder.

3. CLOSING.

The sale and purchase of the Notes to be purchased by you and the Other Purchasers shall occur at the offices of Gardner, Carton & Douglas, Quaker Tower, Suite 3400, 321 North Clark Street, Chicago, Illinois 60610-4795 at 9:00 a.m., Chicago time, at a closing (the "CLOSING") on March 5, 1996 or on such other Business Day thereafter on or prior to March 5, 1996 as may be agreed upon by the Company and you and the Other Purchasers. At the Closing the Company will deliver to you the Notes in each series to be purchased by you in the form of a single Note (or such greater number of Notes in denominations of at least $1,000,000 as you may request) dated the date of the Closing and registered in your name (or in the name of your nominee), against delivery by you to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to account number 042-840-3 for credit of Herman Miller, Inc. at First Chicago-NBD Bank, 611 Woodward Avenue, Detroit, Michigan 48226, ABA #072000326. If at the Closing the Company shall fail to tender such Notes to you as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to your satisfaction, you shall, at your election, be relieved of all further obligations under this Agreement, without thereby waiving any rights you may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Your obligation to purchase and pay for the Notes to be sold to you at the Closing is subject to the fulfillment to your satisfaction, prior to or at the Closing, of the following conditions:

4.1. REPRESENTATIONS AND WARRANTIES.

The representations and warranties of the Company in this Agreement shall be correct when made and at the time of the Closing.

4.2. PERFORMANCE; NO DEFAULT.

The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by this Agreement had it applied since such date.

4.3. COMPLIANCE CERTIFICATES.

(a) Officer's Certificate. The Company shall have delivered to you an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) Secretary's Certificate. The Company shall have delivered to you a certificate certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes, this Agreement and the Other Agreements.

4.4. OPINIONS OF COUNSEL.

You shall have received opinions in form and substance satisfactory to you, dated the date of the Closing (a) from Varnum, Riddering, Schmidt & Howlett, counsel for the Company, covering the matters set forth in EXHIBIT 4.4(A) and covering such other matters incident to the transactions contemplated hereby as you or your counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to you) and (b) from Gardner, Carton & Douglas, your special counsel in connection with such transactions, substantially in the form set forth in EXHIBIT 4.4(B) and covering such other matters incident to such transactions as you may reasonably request.

4.5. PURCHASE PERMITTED BY APPLICABLE LAW, ETC.

On the date of the Closing your purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which you are subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation G, T or X of the Board of Governors of the Federal Reserve System) and (c) not subject you to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by you, you shall have received an Officer's Certificate certifying as to such matters of fact as you may reasonably specify to enable you to determine whether such purchase is so permitted.

4.6. SALE OF OTHER NOTES.

Contemporaneously with the Closing the Company shall sell to the Other Purchasers and the Other Purchasers shall purchase the Notes to be purchased by them at the Closing as specified in SCHEDULE A.

4.7. PAYMENT OF SPECIAL COUNSEL FEES.

Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of your special counsel

referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

4.8. PRIVATE PLACEMENT NUMBER.

Private Placement numbers issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for the Notes.

4.9. CHANGES IN CORPORATE STRUCTURE.

Except as specified in SCHEDULE 4.9, the Company shall not have changed its jurisdiction of incorporation or been a party to any merger or consolidation and shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in SCHEDULE 5.5.

4.10. PROCEEDINGS AND DOCUMENTS.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to you and your special counsel, and you and your special counsel shall have received all such counterpart originals or certified or other copies of such documents as you or they may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to you that:

5.1. ORGANIZATION; POWER AND AUTHORITY.

The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Other Agreements and the Notes and to perform the provisions hereof and thereof.

5.2. AUTHORIZATION, ETC.

This Agreement and the Other Agreements and the Notes have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by

(i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3. DISCLOSURE.

The Company, through its agent, BA Securities, Inc., has delivered to you and each Other Purchaser a copy of a Private Placement Memorandum dated January 1996 and the enclosures referred to therein, (the "MEMORANDUM"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. This Agreement, the Memorandum, the documents, certificates or other writings delivered to you by or on behalf of the Company in connection with the transactions contemplated hereby and the financial statements listed in SCHEDULE 5.5, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Memorandum or in one of the documents, certificates or other writings identified therein, or in the financial statements listed in SCHEDULE 5.5, since June 3, 1995, there has been no change in the financial condition, operations, business, properties or prospects of the Company or any of its Subsidiaries except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Memorandum or in the other documents, certificates and other writings delivered to you by or on behalf of the Company specifically for use in connection with the transactions contemplated hereby.

5.4. ORGANIZATION AND OWNERSHIP OF SHARES OF SUBSIDIARIES.

(a) SCHEDULE 5.4 contains (except as noted therein) complete and correct lists (i) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, (ii) of the Company's Affiliates, other than Subsidiaries, and (iii) of the Company's directors and senior officers and (iv) a designation of each Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in SCHEDULE 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except as otherwise disclosed in SCHEDULE 5.4).

(c) Each Subsidiary identified in SCHEDULE 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by

law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to, any legal restriction or any agreement (other than this Agreement, the agreements listed on SCHEDULE 5.4 and limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

5.5. FINANCIAL STATEMENTS.

The Company has delivered to each Purchaser copies of the financial statements of the Company and its Subsidiaries listed on SCHEDULE 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

5.6. COMPLIANCE WITH LAWS, OTHER INSTRUMENTS, ETC.

The execution, delivery and performance by the Company of this Agreement and the Notes will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary, or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

5.7. GOVERNMENTAL AUTHORIZATIONS, ETC.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority by the Company is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes, provided, however, the Company must disclose this Agreement in connection with its next Quarterly Report on Form 10-Q.

5.8. LITIGATION; OBSERVANCE OF AGREEMENTS, STATUTES AND ORDERS.

(a) Except as disclosed in SCHEDULE 5.8, there are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including, without limitation, Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9. TAXES.

The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of Federal, state or other taxes for all fiscal periods are adequate. The Federal income tax liabilities of the Company and its Subsidiaries have been determined by the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ended May 30, 1992.

5.10. TITLE TO PROPERTY; LEASES.

The Company and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that, individually or in the aggregate, are Material are valid and subsisting and are in full force and effect in all material respects.

5.11. LICENSES, PERMITS, INTELLECTUAL PROPERTY, ETC.

Except as disclosed in SCHEDULE 5.11,

(a) the Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without conflict with the rights of others which conflict could reasonably be expected to have a Material Adverse Effect;

(b) no product of the Company infringes on any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person which infringement could reasonably be expected to have a Material Adverse Effect; and

(c) there is no violation by any Person of any right of the Company or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries which violation could reasonably be expected to have a Material Adverse Effect.

5.12. COMPLIANCE WITH ERISA.

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in, and could not reasonably be expected to result in, a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to Section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "BENEFIT LIABILITIES" has the meaning specified in Section 4001 of ERISA and the terms "CURRENT VALUE" and "PRESENT VALUE" have the meaning specified in Section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under

Section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by Section 4980B of the Code) of the Company and its Subsidiaries is $19,122,000.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of your representation in Section 6.2 as to the sources of the funds to be used to pay the purchase price of the Notes to be purchased by you.

5.13. PRIVATE OFFERING BY THE COMPANY.

Neither the Company nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than you, the Other Purchasers and not more than 50 other Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act.

5.14. USE OF PROCEEDS; MARGIN REGULATIONS.

The Company will apply the proceeds of the sale of the Notes as set forth in SCHEDULE 5.14. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation G of the Board of Governors of the Federal Reserve System (12 CFR 207), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). The Company and its Subsidiaries have no margin stock and the Company does not have any present intention to buy, carry or obtain any margin stock. As used in this Section, the terms "MARGIN STOCK" and "PURPOSE OF BUYING OR CARRYING" shall have the meanings assigned to them in said Regulation G.

5.15. EXISTING INDEBTEDNESS; FUTURE LIENS.

(a) Except as described therein, SCHEDULE 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Company and its Subsidiaries as of February 16, 1996, since which date there has been no Material change in the amounts,

interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default, and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Company or such Subsidiary and no event or condition exists with respect to any Indebtedness of the Company or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in SCHEDULE 5.15, neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien.

5.16. FOREIGN ASSETS CONTROL REGULATIONS, ETC.

Neither the sale of the Notes by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

5.17. STATUS UNDER CERTAIN STATUTES.

Neither the Company nor any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the Public Utility Holding Company Act of 1935, as amended, the Interstate Commerce Act, as amended, or the Federal Power Act, as amended.

5.18. ENVIRONMENTAL MATTERS.

Except as otherwise disclosed to you in writing, neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim, against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to you in writing;

(a) neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(b) neither the Company nor any of its Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them or disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(c) all buildings on all real properties now owned, leased or operated by the Company or any of its Subsidiaries are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

6. REPRESENTATIONS OF THE PURCHASER.

6.1. PURCHASE FOR INVESTMENT.

You represent that you are purchasing the Notes for your own account or for one or more separate accounts maintained by you or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of your or their property shall at all times be within your or their control. You understand that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

6.2. SOURCE OF FUNDS.

You represent that at least one of the following statements is an accurate representation as to each source of funds (a "SOURCE") to be used by you to pay the purchase price of the Notes to be purchased by you hereunder:

(a) if you are an insurance company, the Source does not include assets allocated to any separate account maintained by you in which any employee benefit plan (or its related trust) has any interest, other than a separate account that is maintained solely in connection with your fixed contractual obligations under which the amounts payable, or credited, to such plan and to any participant or beneficiary of such plan (including any annuitant) are not affected in any manner by the investment performance of the separate account; or

(b) the Source is either (i) an insurance company pooled separate account, within the meaning of Prohibited Transaction Exemption ("PTE") 90-1 (issued January 29, 1990), or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991) and, except as you have disclosed to the Company in writing pursuant to this paragraph (b), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(c) the Source constitutes assets of an "INVESTMENT FUND" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of "CONTROL" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (c); or

(d) the Source is a governmental plan; or

(e) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (e); or

(f) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA; or

(g) if you are an insurance company and the Source includes assets of your general account, (i) your purchase of Notes is entitled to the exemption afforded by PTE 95-60 (issued July 12, 1995), provided the Company is not an affiliate (within the meaning of Section v(a) of PTE 95-60) of you, or (ii) there is no Plan with respect to which the assets of your general account's reserves (as determined under Section 807(d) of the Code) for all contracts held by or on behalf of such Plan and all other Plans maintained by the same employer or its affiliates (as so defined) or by the same employee organization exceed 10% of the liabilities of your general account.

As used in this Section 6.2, the terms "EMPLOYEE BENEFIT PLAN," "GOVERNMENTAL PLAN," "PARTY IN INTEREST" and "SEPARATE ACCOUNT" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

7. INFORMATION AS TO COMPANY.

7.1. FINANCIAL AND BUSINESS INFORMATION.

The Company shall deliver to each holder of Notes that is an Institutional Investor:

(a) Quarterly Statements -- within 45 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, provided that delivery within the time period specified above of copies of the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) Annual Statements -- within 90 days after the end of each fiscal year of the Company, duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied

(A) by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances; and

(B) a certificate of such accountants stating that they have reviewed this Agreement and stating further whether, in making their audit, they have become aware of any condition or event that then constitutes a Default or an Event of Default, and, if they are aware that any such condition or event then exists, specifying the nature and period of the existence thereof (it being understood that such accountants shall not be liable, directly or indirectly, for any failure to obtain knowledge of any

Default or Event of Default unless such accountants should have obtained knowledge thereof in making an audit in accordance with generally accepted auditing standards or did not make such an audit);

provided that the delivery within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission together with the accountant's certificate described in clause (B) above, shall be deemed to satisfy the foregoing requirements of this Section 7.1(b);

(c) SEC and Other Reports -- promptly upon their becoming available, but in any event within 15 days of being sent or filed, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material;

(d) Notice of Default or Event of Default -- promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) ERISA Matters -- promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(b) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate

pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect;

(f) Notices from Governmental Authority -- promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any Federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect; and

(g) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes.

7.2. OFFICER'S CERTIFICATE.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) hereof shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) Covenant Compliance -- the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Sections 10.2 through 10.9 hereof, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) Event of Default -- a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and proposes to take with respect thereto.

7.3. INSPECTION.

The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) No Default -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and, with the consent of the Company (which consent will not be unreasonably withheld) its independent public accountants, and with the consent of the Company (which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default -- if a Default or Event of Default then exists, at the expense of the Company, to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

8. PREPAYMENT OF THE NOTES.

8.1. REQUIRED PREPAYMENTS.

On March 5, 2000 and on each March 5 thereafter to and including March 5, 2005, the Company will prepay $10,000,000 principal amount (or such lesser principal amount as shall then be outstanding) of the Series A Notes at par and without payment of the Make-Whole Amount or any premium, and on March 5, 2004 and on each March 5 thereafter to and including March 5, 2007, the Company will prepay $3,000,000 principal amount (or such lesser principal amount as shall then be outstanding) of the Series C Notes at par and without payment of the Make-Whole Amount or any premium; provided that upon any partial prepayment of the Notes pursuant to Section 8.2, or purchase of the Notes permitted by Section 8.5, the principal amount of each required prepayment of the Notes becoming due under this Section 8.1 on and after the date of such prepayment or purchase shall be reduced in the same proportion as the aggregate unpaid principal amount of the Notes is reduced as a result of such prepayment or purchase.

8.2. OPTIONAL PREPAYMENTS WITH MAKE-WHOLE AMOUNT.

The Company may, at its option, upon notice as provided below, prepay on any interest payment date all or any part of the Notes, in an amount not less than $1,000,000 in aggregate principal amount in the case of a partial prepayment, at 100% of the principal amount so prepaid, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each

holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3. ALLOCATION OF PARTIAL PREPAYMENTS.

In the case of each partial prepayment of the Notes, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.4. MATURITY; SURRENDER, ETC.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and the Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and canceled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.5. PURCHASE OF NOTES.

The Company will not, and will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.6. MAKE-WHOLE AMOUNT.

The term "MAKE-WHOLE AMOUNT" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than

zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"CALLED PRINCIPAL" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"DISCOUNTED VALUE" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"REINVESTMENT YIELD" means, with respect to the Called Principal of any Note, the yield to maturity implied by 50 basis points plus (i) the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as the "PX Screen" on the Bloomberg Financial Market Service (or such other display as may replace the PX Screen on Bloomberg Financial Market Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the duration closest to and greater than the Remaining Average Life and (2) the actively traded U.S. Treasury security with the duration closest to and less than the Remaining Average Life.

"REMAINING AVERAGE LIFE" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"REMAINING SCHEDULED PAYMENTS" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or Section 12.1.

"SETTLEMENT DATE" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

9.1. COMPLIANCE WITH LAW.

The Company will and will cause each of its Restricted Subsidiaries to comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2. INSURANCE.

The Company will, and will cause each of its Restricted Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3. MAINTENANCE OF PROPERTIES.

The Company will, and will cause each of its Restricted Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times,

provided that this Section shall not prevent the Company or any Restricted Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4. PAYMENT OF TAXES AND CLAIMS.

The Company will, and will cause each of its Restricted Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that neither the Company nor any Restricted Subsidiary need pay any such tax or assessment if the amount, applicability or validity thereof is contested by the Company or such Restricted Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Restricted Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Restricted Subsidiary.

9.5. CORPORATE EXISTENCE, ETC.

The Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.8 and 10.9, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Restricted Subsidiaries (unless merged into the Company or a Restricted Subsidiary) and all rights and franchises of the Company and its Restricted Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

10.1. TRANSACTIONS WITH AFFILIATES.

The Company will not, and will not permit any Restricted Subsidiary to, enter into, directly or indirectly, any transaction or Material group of related transactions (including, without limitation, the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Restricted Subsidiary), except pursuant to the reasonable requirements of the Company's or such Restricted Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Restricted Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2. MERGER, CONSOLIDATION, ETC.

The Company will not, and will not permit any Restricted Subsidiary to, consolidate with or merge with any other corporation or Person or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to any Person, except that:

(a) The Company may merge or consolidate with, or convey, transfer or lease substantially all of its assets to, another Person, if (i) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety, as the case may be, shall be a solvent corporation organized and existing under the laws of the United States or any State thereof (including the District of Columbia), and, if the Company is not such corporation, such corporation shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement, the Other Agreements and the Notes together with an opinion of counsel in form and substance satisfactory to the holders of the Notes to the effect that the instrument of assumption has been duly authorized, executed and delivered and constitutes the legal, value and binding agreement of such corporation enforceable in accordance with its terms; and (ii) immediately after giving effect to such transaction, (A) no Default or Event of Default shall have occurred and (B) such corporation could incur $1.00 of additional Funded Debt.

(b) any Restricted Subsidiary may merge into, or convey, transfer or lease substantially all of its assets to, the Company or another Wholly-Owned Restricted Subsidiary.

No such conveyance, transfer or lease of substantially all of the assets of the Company shall have the effect of releasing the Company or any successor corporation that shall theretofore have become such in the manner prescribed in this Section 10.2 from its liability under this Agreement, the Other Agreements or the Notes.

10.3. ADJUSTED CONSOLIDATED NET WORTH.

The Company will not permit its Adjusted Consolidated Net Worth to be less than $200,000,000 at any time.

10.4. LIMITATION ON FUNDED DEBT.

The Company will not, and will not permit any Restricted Subsidiary to, create, assume, incur or otherwise become liable for, directly or indirectly, any Funded Debt, other than:

(a) the Notes;

(b) Outstanding Funded Debt of the Company and its Restricted Subsidiaries described in SCHEDULE 5.15.

(c) Funded Debt of a Restricted Subsidiary owed to the Company or a Wholly-Owned Restricted Subsidiary; and

(d) Additional Funded Debt, provided that at the time of incurrence and after giving effect thereto and to the application of the proceeds thereof, Consolidated Funded Debt does not exceed 55% of Consolidated Total Capitalization.

10.5. LIMITATION ON CONSOLIDATED SHORT-TERM DEBT.

The Company will not, and will not permit any Restricted Subsidiary to, have outstanding Consolidated Short-Term Debt unless, for a period of not less than 45 consecutive days during the preceding 12 month period on each day of which the sum of (i) Consolidated Short-Term Debt on such day and (ii) Consolidated Funded Debt on such day did not exceed 55% of Consolidated Total Capitalization on such day.

10.6. INDEBTEDNESS OF RESTRICTED SUBSIDIARIES.

The Company will not permit any Restricted Subsidiary to create, assume, incur or otherwise become liable for, directly or indirectly, any Indebtedness other than:

(a) Indebtedness of a Restricted Subsidiary owed to the Company or a Wholly-Owned Restricted Subsidiary; and

(b) Additional Indebtedness, provided that at the time of incurrence thereof and after giving effect thereto and to the application of the proceeds therefrom, the sum (without duplication) of outstanding (i) Indebtedness of Restricted Subsidiaries (other than Indebtedness referred to in paragraph (a) of this Section 10.6), and (ii) Consolidated Indebtedness secured by Liens permitted by Section 10.7(g), does not at any time exceed 25% of Adjusted Consolidated Net Worth.

10.7. LIENS.

The Company will not, and will not permit any Restricted Subsidiary to, permit to exist, create, assume or incur, directly or indirectly, any Lien on its properties or assets, whether now owned or hereafter acquired, except:

(a) Liens existing on property or assets of the Company or any Restricted Subsidiary as of the date of this Agreement that are described in the attached SCHEDULE 10.7;

(b) Liens for taxes, assessments or governmental charges not then due and delinquent or the validity of which is being contested in good faith and as to which the Company has established adequate reserves on its books in accordance with GAAP;

(c) Liens arising in connection with court proceedings, provided the execution of such Liens is effectively stayed, such Liens are being contested in good faith by appropriate proceedings and the Company has established adequate reserves therefor on its books in accordance with GAAP;

(d) Liens arising in the ordinary course of business and not incurred in connection with the borrowing of money (including encumbrances in the nature of zoning restrictions, easements, rights and restrictions of record on the use of real property, defects in title and landlord's, lessor's, mechanics' and materialmen's liens) that in the aggregate do not materially interfere with the conduct of the business of the Company and its Restricted Subsidiaries taken as a whole or materially impair the value of the property or assets subject thereto;

(e) Liens securing Indebtedness of a Restricted Subsidiary to the Company;

(f) Liens on fixed assets created substantially contemporaneously or within 90 days of the acquisition thereof to secure or provide for all or a portion of the purchase price of such fixed assets; provided that (i) such Liens do not extend to other property of the Company or any Restricted Subsidiary, (ii) such assets were not previously owned and disposed of while not subject to any Lien by the Company or any Restricted Subsidiary, (iii) the aggregate principal amount of Indebtedness secured by each such Lien does not exceed the purchase price of the fixed assets subject thereto, and (iv) the Indebtedness so secured is permitted by Section 10.4, Section 10.5 or Section 10.6;

(g) Liens not otherwise permitted by paragraphs (a) through (f) above incurred subsequent to the date of Closing to secure Indebtedness, provided that at the time of incurring such additional Indebtedness and after giving effect thereto and to the application of the proceeds therefrom, the sum of such additional Indebtedness and Indebtedness of Restricted Subsidiaries permitted by Section 10.6 (other than Indebtedness referred to in paragraph (a) of Section 10.6) does not exceed 25% of Adjusted Consolidated Net Worth.

10.8. SALE OF ASSETS.

Except as permitted by Section 10.2 hereof, the Company will not, and will not permit any Restricted Subsidiary to, sell, lease, transfer or otherwise dispose of, including by way of merger (collectively a "DISPOSITION"), any assets, including capital stock of Subsidiaries, in one or a series of transactions, to any Person, other than in the ordinary course of business, except to the Company or, in the case of a Restricted Subsidiary, to a Wholly-Owned Restricted Subsidiary, (i) if, in any fiscal year, after giving effect to such Disposition, the aggregate net book value of assets subject to Dispositions during such fiscal year would exceed 10% of Consolidated Total Assets as of the end of the immediately preceding fiscal year or (ii) if a Default or Event of Default exists or would exist. Notwithstanding the foregoing, the Company may, or may permit a Restricted Subsidiary to, make a Disposition and the assets subject to such Disposition shall not be subject to or included in the foregoing limitation and computation contained in clause (i) of the preceding sentence to the extent that (x) such assets are not at the time subject to any Lien and are leased back by the Company or any Restricted Subsidiary, as lessee, within 180 days of the acquisition or construction thereof by the Company or any Restricted Subsidiary or (y) the net proceeds from such Disposition are within 180 days of such Disposition (1) reinvested in productive assets of the Company or a Restricted

Subsidiary of at least equivalent value which productive assets shall not be subject to Liens permitted by Section 10.7(f) unless the assets sold were subject to Liens at the time of the Disposition or (2) applied to the payment or prepayment of outstanding Indebtedness other than Indebtedness which is subordinate in the right of payment or prepayment to the Notes. Any prepayment of Notes pursuant to this Section 10.8 shall be in accordance with Section 8.2.

10.9. DISPOSITION OF STOCK OF RESTRICTED SUBSIDIARIES.

The Company will not permit any Restricted Subsidiary to issue its capital stock, or any warrants, rights or options to purchase, or securities convertible into or exchangeable for, such capital stock, to any Person other than the Company or a Wholly-Owned Restricted Subsidiary or directors, management and employees of the Company or a Restricted Subsidiary pursuant to incentive programs approved by the Company's board of directors. The Company will not, and will not permit any Restricted Subsidiary to, sell, transfer or otherwise dispose of (other than to the Company or a Wholly-Owned Restricted Subsidiary or directors, management and employees of the Company or a Restricted Subsidiary pursuant to incentive programs approved by the Company's board of directors) any capital stock (including any warrants, rights or options to purchase, or securities convertible into or exchangeable for, capital stock) or Indebtedness of any Restricted Subsidiary, unless:

(a) simultaneously therewith all Investments in such Restricted Subsidiary owned by the Company and every other Restricted Subsidiary are disposed of as an entirety;

(b) such Restricted Subsidiary does not have any continuing Investment in the Company or any other Subsidiary not being simultaneously disposed of;

(c) such sale, transfer or other disposition is permitted by Section 10.8; and

(d) after giving effect to such sale, transfer or disposition and to the application of the proceeds thereof, the Company could incur at least $1.00 of additional Funded Debt.

10.10. DESIGNATION OF UNRESTRICTED SUBSIDIARIES.

The Company will not designate any Restricted Subsidiary as an Unrestricted Subsidiary if such Subsidiary has been designated an Unrestricted Subsidiary more than twice previously and unless immediately before and after such designation:

(a) such Subsidiary does not own any Investment in the Company or any Restricted Subsidiary; and

(b) there exists no Default or Event of Default.

10.11. NO IMPAIRMENT OF SUBSIDIARIES.

The Company will not, and will not permit any Restricted Subsidiary to, enter into any agreement or amend the charter or by-laws of such Restricted Subsidiary or take or omit to take any action, the effect of which is to legally or contractually impair the ability of any Restricted Subsidiary to pay dividends or make distributions to the Company, or if the Company is not its parent, to its parent.

10.12. NATURE OF BUSINESS.

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business if, as a result thereof, the business then to be conducted by the Company and its Restricted Subsidiaries, taken as a whole, would cease to be substantially that described in the Memorandum.

11. EVENTS OF DEFAULT.

An "EVENT OF DEFAULT" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Sections 10.2 through 10.9, 10.11 or 10.12; or

(d) the Company defaults in the performance of or compliance with any term contained in Sections 10.1 or 10.10 and such default is not remedied within 10 days; or

(e) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b), (c) and (d) of this Section 11) and such default is not remedied within 30 days; or

(f) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made; or

(g) (i) the Company or any Restricted Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least $10,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Restricted Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an

aggregate outstanding principal amount of at least $10,000,000 or of any mortgage, indenture or other agreement relating thereto beyond any period of grace provided with respect thereto, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), (x) the Company or any Restricted Subsidiary has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least $10,000,000 or (y) one or more Persons have the right to require the Company or any Restricted Subsidiary so to purchase or repay such Indebtedness; or

(h) the Company or any Restricted Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(i) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Restricted Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Restricted Subsidiaries, or any such petition shall be filed against the Company or any of its Restricted Subsidiaries and such petition shall not be dismissed within 60 days; or

(j) a final judgment or judgments for the payment of money aggregating in excess of $5,000,000 are rendered against one or more of the Company and its Subsidiaries and which judgments are not, within 30 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 30 days after the expiration of such stay; or

(k) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance

with Title IV of ERISA, shall exceed 15% of the value of benefit liabilities within the meaning of Section 4001(a)(18)(A) of ERISA, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect.

As used in Section 11(k), the terms "EMPLOYEE BENEFIT PLAN" and "EMPLOYEE WELFARE BENEFIT PLAN" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1. ACCELERATION.

(a) If an Event of Default with respect to the Company described in paragraph (h) or (i) of Section 11 (other than an Event of Default described in clause (i) of paragraph (h) or described in clause (vi) of paragraph (h) by virtue of the fact that such clause encompasses clause (i) of paragraph (h)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of 50% or more in principal amount of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the

Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2. OTHER REMEDIES.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3. RESCISSION.

At any time after any Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of not less than 51% in principal amount of the Notes then outstanding, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4. NO WAIVERS OR ELECTION OF REMEDIES, EXPENSES, ETC.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

13.1. REGISTRATION OF NOTES.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

13.2. TRANSFER AND EXCHANGE OF NOTES.

Upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or his attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes of the same series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of EXHIBIT 1-A, EXHIBIT 1-B or EXHIBIT 1-C, as appropriate. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $3,000,000. Nothing contained herein shall prohibit any holder of Notes from transferring; (i) its entire holdings of any series of Notes, (ii) any portion of its holdings of any series of Notes to any affiliate of such holder, or (iii) any portion of its holdings of any series of Notes to any other holder of Notes. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Sections 6.1 and 6.2.

13.3. REPLACEMENT OF NOTES.

Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note which is an Institutional Investor, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

14. PAYMENTS ON NOTES.

14.1. PLACE OF PAYMENT.

Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in Zeeland, Michigan at the principal office of the Company in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

14.2. HOME OFFICE PAYMENT.

So long as you or your nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below your name in SCHEDULE A, or by such other method or at such other address as you shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, you shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by you or your nominee you will, at your election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by you under this Agreement and that has made the same agreement relating to such Note as you have made in this Section 14.2.

15. EXPENSES, ETC.

15.1. TRANSACTION EXPENSES.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required, local or other counsel) incurred by you and each Other Purchaser or holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the Notes, or by reason of being a holder of any Note, and (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes. The Company will pay, and will save you and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those retained by you).

15.2. SURVIVAL.

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by you of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of you or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between you and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1. REQUIREMENTS.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders,

except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to you unless consented to by you in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20.

17.2. SOLICITATION OF HOLDERS OF NOTES.

(a) Solicitation. The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes or any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

17.3. BINDING EFFECT, ETC.

Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "THIS AGREEMENT" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

17.4. NOTES HELD BY COMPANY, ETC.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or

consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to you or your nominee, to you or it at the address specified for such communications in SCHEDULE A, or at such other address as you or it shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of chief financial officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by you at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to you, may be reproduced by you by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and you may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by you in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, "CONFIDENTIAL INFORMATION" means information delivered to you by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by you as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to you prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by you or any person acting on your behalf, (c) otherwise becomes known to you other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to you under Section 7.1 that are otherwise publicly available. You will maintain the confidentiality of such Confidential Information in accordance with your current practice or your policies and procedures from time to time in effect to protect confidential information of third parties delivered to you, provided that you may deliver or disclose Confidential Information to (i) your directors, officers, employees, agents, attorneys and affiliates, (to the extent such disclosure reasonably relates to the administration of the investment represented by your Notes), (ii) your financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which you sell or offer to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which you offer to purchase any security of the Company, (vi) any federal or state regulatory authority having jurisdiction over you, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about your investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to you, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which you are a party or (z) if an Event of Default has occurred and is continuing, to the extent you may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under your Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

21. SUBSTITUTION OF PURCHASER.

You shall have the right to substitute any one of your Affiliates as the purchaser of the Notes that you have agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both you and such Affiliate, shall contain

such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, wherever the word "you" is used in this Agreement (other than in this Section 21), such word shall be deemed to refer to such Affiliate in lieu of you. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to you all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, wherever the word "you" is used in this Agreement (other than in this Section 21), such word shall no longer be deemed to refer to such Affiliate, but shall refer to you, and you shall have all the rights of an original holder of the Notes under this Agreement.

22. MISCELLANEOUS.

22.1. SUCCESSORS AND ASSIGNS.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

22.2. PAYMENTS DUE ON NON-BUSINESS DAYS.

Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day, without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

22.3. SEVERABILITY.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

22.4. CONSTRUCTION.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

22.5. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto. Each of the Purchasers are identified on the signature pages hereto as a matter of convenience but such identification shall not diminish the concept of separate Agreements or imply any joint and several liability on the part of the Purchasers.

22.6. GOVERNING LAW.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Illinois, excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

22.7. ACCOUNTING PRINCIPLES.

Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, the same shall be done in accordance with GAAP, except where such principles are inconsistent with the requirements of this Agreement.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on the accompanying counterpart of this Agreement and return it to the Company, whereupon the foregoing shall become a binding agreement between you and the Company.

Very truly yours,

HERMAN MILLER, INC.

By: /s/ Brian C. Walker

Title: EVP Finance, CFO

The foregoing is agreed
to as of the date thereof.

METROPOLITAN LIFE INSURANCE
COMPANY

By: /s/ John R. Endres

Title: Assistant Vice-President

METROPOLITAN PROPERTY AND
CASUALTY INSURANCE COMPANY

By: /s/ James A. Kuchta

Title: Vice President

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Patricia W. Wilson

Name: Patricia W. Wilson

By: /s/ Steven M. Laude

Name: Steven M. Laude

Authorized Signatories

ALLSTATE LIFE INSURANCE COMPANY
OF NEW YORK

By: /s/ Patricia W. Wilson

Name: Patricia W. Wilson

By: /s/ Steven M. Laude

Name: Steven M. Laude

Authorized Signatories

AID ASSOCIATION FOR LUTHERANS

By: /s/ R. Jerry Scheel

Title: Second Vice-President - Securities

NATIONWIDE LIFE INSURANCE COMPANY

By: /s/ Michael D. Groseclose

Title: Associate Vice President

NATIONWIDE LIFE INSURANCE COMPANY SEPARATE ACCOUNT OH

By: /s/ Michael D. Groseclose

Title: Associate Vice President

AMERICAN UNITED LIFE INSURANCE COMPANY

By: /s/ Kent R. Adams

Title: Vice President

THE STATE LIFE INSURANCE COMPANY

By: /s/ Kent R. Adams

Title: Vice President

LUTHERAN BROTHERHOOD

By: /s/ Michael Landreville

Title: Assistant Vice-President

AMERITAS LIFE INSURANCE CORP.

By: /s/ Patrick J. Henry

Title: Vice President-Fixed Income Securities

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A	Series B
	Series C	
METROPOLITAN LIFE INSURANCE COMPANY	$27,000,000	

(1) All payments by wire transfer of immediately available funds to:

Metropolitan Life Insurance Company, Corporate Investments
Account No. 002-2-410591
The Chase Manhattan Bank, N.A.
Metropolitan Branch
33 East 23rd Street
New York, NY 10010
ABA # 021000021

providing sufficient information, including PPN, to identify the source and application of funds and requesting the bank to send a credit advice thereof to Metropolitan Life Insurance Company.

(2) All other communications:

Metropolitan Life Insurance Company
Fixed Income Investments
334 Madison Avenue, P.O. Box 633
Convent Station, NJ 07961-0633
Attention: Vice-President
Telecopier Number: (201) 254-3050

with a copy to:

Metropolitan Life Insurance Company
One Lincoln Centre, Suite 800
Oakbrook Terrace, IL 60181
Attention: Assistant Vice-President
Telecopier Number: (847) 916-2575

Tax ID #13-5581829

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A	Series B
	Series C	
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	$5,000,000	

(1) All payments by wire transfer of immediately available funds to:

Metropolitan Property and Casualty Insurance Company
Account No. 002-1-025432
The Chase Manhattan Bank, N.A.
Metropolitan Branch
33 East 23rd Street
New York, NY 10010

providing sufficient information, including PPN, to identify the source and application of funds and requesting the bank to send a credit advice thereof to Metropolitan Property and Casualty Insurance Company.

(2) All other communications:

Metropolitan Life Insurance Company
Fixed Income Investments
334 Madison Avenue, P.O. Box 633
Convent Station, NJ 07961-0633
Attention: Vice-President
Telecopier Number: (201) 254-3050

with a copy to:

Metropolitan Life Insurance Company
One Lincoln Centre, Suite 800
Oakbrook Terrace, IL 60181
Attention: Assistant Vice-President
Telecopier Number: (847) 916-2575

Tax ID #13-2725441

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased Series A Series C	Series B
ALLSTATE LIFE INSURANCE COMPANY	$19,000,000*	

(1) All payments by wire transfer of immediately available funds to:

BBK = Harris Trust and Savings Bank
ABA #071000288
BNF = Allstate Life Insurance Company
Collection Account #168-117-0
ORG = Herman Miller, Inc.
OBI = DPP (enter PPN)
Payment Due Date (MM/DD/YY)
P___________(enter amount of principal being remitted, for example, P5,000,000)
I___________(enter amount of interest being remitted, for example, I225,000)

(2) All notices of payments and written confirmations of such wire transfers:

Allstate Insurance Company
Investment Operations - Private Placements
3075 Sanders Road, Ste G4A
Northbrook, IL 60062-7127
Telephone: (847) 402-8709
Telecopy: (847) 402-7331

(3) Deliver securities to:

Harris Trust and Savings Bank
111 West Monroe Street
Institutional Custody, 5E
Chicago, IL 60690
Attention: Lisa Cox
For Allstate Life Insurance Company/
Safekeeping Account No. 23-91317

- ---------------

* To consist of four Notes, two in the principal amount of $5,000,000 and the others to be in the principal amount of $1,000,000 and $8,000,000.

(4) All other communications:

Allstate Life Insurance Company
Private Placements Department
3075 Sanders Road, Ste G3A
Northbrook, IL 60062-7127
Telephone: (847) 402-4394
Telecopy: (847) 402-3092

Tax ID #36-2554642

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased Series A	Series B	Series C
ALLSTATE LIFE INSURANCE COMPANY OF NEW YORK	$1,000,000		

(1) All payments by wire transfer of immediately available funds to:

BBK = Harris Trust and Savings Bank
ABA #071000288
BNF = Allstate Life Insurance Company of New York
Collection Account #168-120-4
ORG = Herman Miller, Inc.
OBI = DPP (enter PPN)
Payment Due Date (MM/DD/YY)
P___________ (enter amount of principal being remitted, for example, P5,000,000)
I (enter amount of interest being remitted, for example, I225,000)

(2) All notices of payments and written confirmations of such wire transfers:

Allstate Insurance Company
Investment Operations - Private Placements
3075 Sanders Road, Ste G4A
Northbrook, IL 60062-7127
Telephone: (847) 402-8709
Telecopy: (847) 402-7331

(3) Deliver securities to:

Northern Trust Company of New York
80 Broad Street, 19th Floor
New York, NY 10004
Attention: Mike Sacaccio
For Allstate Life Insurance Company of New York/
Safekeeping Account No. 26-02960

(4) All other communications:

Allstate Life Insurance Company
Private Placements Department
3075 Sanders Road, Ste G3A
Northbrook, IL 60062-7127
Telephone: (847) 402-4394
Telecopy: (847) 402-3092

Tax ID #36-2608394

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A	Series B
	Series C	
AID ASSOCIATION FOR LUTHERANS	$15,000,000	

(1) All payments by wire transfer of immediately available funds to:

Harris Trust and Savings Bank, Chicago
ABA #071 000 288
A/C #109-211-3
Attention: Trust Collection/P&I
Ref. Information: Security Description, PPN, Payable Date, Principal and Interest breakdown, and Interest rate for variable rate

(2) All notices of payments and written confirmations of such wire transfers:

Aid Association for Lutherans
Attention: Investment Accounting
4321 North Ballard Road
Appleton, WI 54919

AND

Harris Trust and Savings Bank
Institutional Custody - 5E
111 West Monroe Street
Chicago, IL 60690-0755

(3) Deliver securities to:

Ms. Polly Jozefczyk
Investment Manager Services 190/6
Harris Trust and Savings Bank
111 West Monroe Street
Chicago, IL 60690

(4) All other communications:

Aid Association for Lutherans
Attention: Investment Department
4321 North Ballard Road
Appleton, WI 54919

Tax ID #39-0123480

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A	Series B
	Series C	
NATIONWIDE LIFE INSURANCE COMPANY	$13,500,000	

(1) All payments by wire transfer of immediately available funds to:

Morgan Guaranty Trust Company of New York
ABA #021-000-238
JOURNAL #999-99-024
F/A/O Nationwide Life Insurance Company
Custody A/C #71615
Attention: Custody Service Department
PPN: 600544 B#6
with a description of the securities

(2) All notices of payments and written confirmations of such wire transfers:

Nationwide Life Insurance Company
One Nationwide Plaza (1-32-09)
Columbus, OH 43215-2220
Attention: Corporate Money Management

(3) Deliver securities to:

Morgan Guaranty Trust Company of New York
Safekeeping Incoming
55 Exchange Place - A Level
New York, NY 10260-0023
F/A/O Nationwide Life Insurance Company
Custody Account #71615

(4) All other communications:

Nationwide Life Insurance Company
One Nationwide Plaza (1-33-07)
Columbus, OH 43215-2220
Attention: Corporate Fixed-Income Securities

Tax ID #31-4156830

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A	Series B
	Series C	
NATIONWIDE LIFE INSURANCE COMPANY SEPARATE ACCOUNT OH	$1,500,000	

(1) All payments by wire transfer of immediately available funds to:

Morgan Guaranty Trust Company of New York
ABA #021-000-238
JOURNAL #999-99-024
F/A/O Nationwide Life Insurance Company
Separate Account OH Custody A/C #74605
Attention: Custody Service Department
PPN: 600544 B# 6
with a description of the securities

(2) All notices of payments and written confirmations of such wire transfers:

Nationwide Life Insurance Company Separate Account OH
One Nationwide Plaza (1-32-09)
Columbus, OH 43215-2220
Attention: Corporate Money Management

(3) Deliver securities to:

Morgan Guaranty Trust Company of New York
Safekeeping Incoming
55 Exchange Place - A Level
New York, NY 10260-0023
F/A/O Nationwide Life Insurance Company Separate Account OH
Custody Account #74605

(4) All other communications:

Nationwide Life Insurance Company Separate Account OH
One Nationwide Plaza (1-33-07)
Columbus, OH 43215-2220
Attention: Corporate Fixed-Income Securities

Tax ID #31-4156830

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A / Series C	Series B
AMERICAN UNITED LIFE INSURANCE COMPANY		$7,000,000*

(1) All payments by wire transfer of immediately available funds to:

Bank of New York
One Wall Street, 3rd Floor
ABA #021000018
Window A
Acct. #186683/AUL
New York, NY 10286

payments should contain sufficient information to identify the breakdown of principal and interest and should identify the full description of the bond and the payment date.

(2) All notices of payments and written confirmations of such wire transfers:

American United Life Insurance Company
ATTN: Mike Bullock, Securities Department
1 American Square
Post Office Box 368
Indianapolis, IN 46206

(3) Deliver securities to:

Bank of New York
One Wall Street, 3rd Floor
Window A
Acct. #186683/American Untied Life
New York, NY 10286

- ------------------------

* To consist of two Notes, in the principal amounts of $4,000,000 and $3,000,000.

(4) All other communications:

American United Life Insurance Company
ATTN: Mike Bullock, Securities Department
1 American Square
Post Office Box 368
Indianapolis, IN 46206

Tax ID #35-0145825

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A	Series B
	Series C	
THE STATE LIFE INSURANCE COMPANY		$1,000,000

(1) All payments by wire transfer of immediately available funds to:

Bank of New York
One Wall Street, 3rd Floor
ABA #021000018
Window A
Acct. #343761/State Life, c/o American United Life
New York, NY 10286

payments should contain sufficient information to identify the breakdown of principal and interest and should identify the full description of the bond and the payment date.

(2) All notices of payments and written confirmations of such wire transfers:

American United Life Insurance Company
ATTN: Mike Bullock, Securities Department
1 American Square
Post Office Box 368
Indianapolis, IN 46206

(3) Deliver securities to:

Bank of New York
Trust Securities
One Wall Street, 3rd Floor
Window A
Acct. #343761/State Life, c/o American United Life
New York, NY 10286

(4) All other communications:

American United Life Insurance Company
ATTN: Mike Bullock, Securities Department
1 American Square
Post Office Box 368
Indianapolis, IN 46206

Tax ID #35-0684263

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A	Series B
	Series C	
LUTHERAN BROTHERHOOD	$3,000,000	$4,000,000

(1) All payments by wire transfer of immediately available funds to:

Norwest Bank Minnesota, N.A.
ABA #091000019
For Credit to Trust Clearing Account #08-40-245
Attn: Income Collection
For Credit to: Lutheran Brotherhood
Acct. No. 12651300

include the following information:

A/C Lutheran Brotherhood
Account No. 12651300
Security Description
Private Placement Number
Reference Purpose of Payment
Interest and/or Principal Breakdown

(2) All notices of payments and written confirmations of such wire transfers:

Lutheran Brotherhood
Attn: Investment Division
625 Fourth Avenue South
10th Floor
Minneapolis, MN 55415
Telecopy: (612) 340-5776

(3) Deliver securities to:

Norwest Bank Minnesota, N.A.
733 Marquette Avenue
5th Floor
Investors Building
Minneapolis, MN 55479-0047

(4) All other communications:

Lutheran Brotherhood
Attn: Investment Division
625 Fourth Avenue South
10th Floor
Minneapolis, MN 55415
Telecopy: (612) 340-5776

Tax ID #41-0385700

SCHEDULE A

INFORMATION RELATING TO PURCHASER

Name and Address of Purchaser	Principal Amount of Notes to be Purchased	
	Series A / Series C	Series B
AMERITAS LIFE INSURANCE CORP.		$3,000,000

(1) All payments by wire transfer of immediately available funds to:

First Bank Nebraska, NA
ABA #104000029
Account: Ameritas Life Insurance Corp.
Account #1-494-0070-0188

Re: Herman Miller 6.08% due 2001
P&I Breakdown

with sufficient information to identify the source and application of such funds

(2) All notices of payments and written confirmations of such wire transfers:

Ameritas Life Insurance Corp.
5900 "O" Street
Lincoln, NE 68510
Attn: Financial Department
phone: (402) 467-6961
FAX: (402) 467-6970

(3) All other communications:

Ameritas Life Insurance Corp.
5900 "O" Street
Lincoln, NE 68510
phone: (402) 467-6961
FAX: (402) 467-6970

Tax ID #47-0098400

SCHEDULE B

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"ADJUSTED CONSOLIDATED NET WORTH" means the consolidated stockholders' equity of the Company and its Restricted Subsidiaries, determined in accordance with GAAP, less the amount by which Restricted Investments exceed 10% of consolidated stockholders' equity as so determined.

"AFFILIATE" means any Person (other than a Restricted Subsidiary or an original Purchaser) (i) who is a director or executive officer of the Company or any Restricted Subsidiary, (ii) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Company, (iii) which beneficially owns or holds securities representing 5% or more of the combined voting power of the Voting Stock of the Company or any Subsidiary, or (iv) of which securities representing 5% or more of the combined voting power of its Voting Stock (or in the case of a Person not a corporation, 5% or more of its equity) is beneficially owned or held by the Company or any Subsidiary. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"BUSINESS DAY" means (a) for the purposes of Section 8.6 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in Chicago, Illinois or New York City are required or authorized to be closed.

"CAPITAL LEASE" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"CAPITALIZED LEASE OBLIGATION" means any amounts required to be capitalized under any Capital Lease.

"CLOSING" is defined in Section 3.

"CODE" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"COMPANY" means Herman Miller, Inc., a Michigan corporation.

"CONFIDENTIAL INFORMATION" is defined in Section 20.

"CONSOLIDATED FUNDED DEBT" means Funded Debt of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED INDEBTEDNESS" means Indebtedness of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED SHORT-TERM DEBT" means all Consolidated Indebtedness other than Consolidated Funded Debt.

"CONSOLIDATED TOTAL ASSETS" means the assets and properties of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED TOTAL CAPITALIZATION" means the sum of Adjusted Consolidated Net Worth and Consolidated Funded Debt and, solely for purposes of Section 10.5, Consolidated Short-Term Debt.

"DEALER LOAN PROGRAM" means all secured loans and advances made to the Company's independent furniture dealers at a prevailing rate not less than the prime lending rate.

"DEFAULT" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"DEFAULT RATE" means that rate of interest that is the greater of (i) 2% per annum above the rate of interest stated in clause (a) of the first paragraph of the Series A Notes, the Series B Notes or the Series C Notes, as the case may be, or (ii) 2% over the rate of interest publicly announced by Bank of America Illinois in Chicago, Illinois as its "base" or "prime" rate.

"ENVIRONMENTAL LAWS" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"ERISA AFFILIATE" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"EVENT OF DEFAULT" is defined in Section 11.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"FUNDED DEBT" means, as of any date of determination, (i) Indebtedness which by its terms matures more than one year from the date of creation (including any portion thereof payable within a year), (ii) Indebtedness outstanding under a revolving credit or similar agreement providing for borrowings (and renewals and extensions thereof) over a period of more than one year notwithstanding that any such Indebtedness may be payable within one year after the creation thereof, and (iii) Capitalized Lease Obligations.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

"GOVERNMENTAL AUTHORITY" means

(a) the government of

(i) the United States of America or any State or other political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"GUARANTY" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"HAZARDOUS MATERIAL" means any and all pollutants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including, without limitation, asbestos, urea formaldehyde foam insulation and polycholorinated biphenyls).

"HOLDER" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"INDEBTEDNESS" means, for any Person (without duplication), all (i) obligations for borrowed money or to pay the deferred purchase price of property or assets (except trade account payables), (ii) obligations secured by any Lien upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, (iii) obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired, notwithstanding the fact that the rights and remedies of the seller, lender or lessor under such agreement in the event of default are limited to repossession or sale of property, (iv) Capitalized Lease Obligations, and (v) Guaranties of obligations of others of the character referred to in this definition.

"INSTITUTIONAL INVESTOR" means (a) any original purchaser of a Note, and (b) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

"INVESTMENTS" means all investments made, in cash or by delivery of property, directly or indirectly, by any Person, in any other Person, whether by acquisition of shares of capital stock, indebtedness or other obligations or securities or by loan, advance, capital contribution or otherwise; provided, however, that "Investments" shall not mean or include investments in property to be used or consumed in the ordinary course of business.

"KEY EXECUTIVE STOCK PURCHASE ASSISTANCE PLAN" means the plan adopted by the Company's Board of Directors and Stockholders in 1994, as amended or hereafter amended in accordance therewith, that authorizes the Executive Compensation Committee of the Board of Directors to extend loans to selected executives of the Company to acquire Common Stock of the Company.

"LIEN" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"MAKE-WHOLE AMOUNT" is defined in Section 8.6.

"MATERIAL" means material in relation to the business, operations, affairs, financial condition, assets, or properties of the Company and its Restricted Subsidiaries taken as a whole.

"MATERIAL ADVERSE EFFECT" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Restricted Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement and the Notes, or (c) the validity or enforceability of this Agreement or the Notes.

"MEMORANDUM" is defined in Section 5.3.

"MULTIEMPLOYER PLAN" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"NOTES" is defined in Section 1.

"OFFICER'S CERTIFICATE" means a certificate of a Responsible Officer.

"OTHER AGREEMENTS" is defined in Section 2.

"OTHER PURCHASERS" is defined in Section 2.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"PERSON" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"PLAN" means an "employee benefit plan" (as defined in section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"PROPERTY" or "PROPERTIES" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"QPAM EXEMPTION" means Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

"REQUIRED HOLDERS" means, at any time, the holders of at least 51% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

"RESPONSIBLE OFFICER" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"RESTRICTED INVESTMENTS" means any Investment of the Company and its Restricted Subsidiaries other than:

(i) Investments in Restricted Subsidiaries;

(ii) Investments in a Person which, as a result thereof, becomes a Restricted Subsidiary;

(iii) Investments in:

(A) commercial paper maturing in 270 days or less from the date of issuance which is rated in one of the top two rating classifications by at least one nationally recognized rating agency,

(B) certificates of deposit or banker's acceptances maturing within one year from the date of issuance of commercial bank subsidiaries of BankAmerica Corp. or of other financial institutions in each case whose long-term debt is rated within one of the top two ratings classifications by at least one nationally recognized rating agency,

(C) eurodollar time deposits maturing within one year from the date of issuance with foreign branches of institutions described in clause (B) above,

(D) up to $15,000,000 in the aggregate made by Milsure Insurance Limited, a Barbados corporation and a Wholly-Owned Subsidiary of the Company, in obligations of or fully guaranteed by the United States of America or an agency thereof maturing within five years from the date of issuance,

(E) obligations of or fully guaranteed by the United States of America or an agency thereof maturing within one year from the date of issuance,

(F) municipal securities maturing within one year of the date of acquisition which are rated in one of the top two rating classifications by at least one nationally recognized rating agency, and

(G) money market instrument programs which are rated in one of the top two rating classifications by at least one nationally recognized rating agency and that are properly classified as current assets in accordance with GAAP;

(iv) Investments in the ordinary course in notes receivable of dealers under the Dealer Loan Program;

(v) Loans to key executives under the Key Executive Stock Purchase Assistance Plan provided that such loans do not exceed $4,000,000 in the aggregate at any time;

(vi) Investments existing as of the date of this Agreement which are listed in the attached SCHEDULE B-1.

"RESTRICTED SUBSIDIARY" means any Subsidiary (i) 80% or more of the Voting Stock of which is owned by the Company and/or one or more Wholly-Owned Restricted Subsidiaries, (ii) which is organized under the laws of the United States or any state thereof, or Canada, or any European country, any Asian country, Mexico, Japan or Australia (iii) which maintains substantially all of its assets and conducts substantially all of its business within the one or more of the geographic areas referred to in clause (ii), (iv) which the Company has not designated an Unrestricted Subsidiary by notice (including designation in SCHEDULE 5.4) to the holders of the Notes (for purposes hereof all Subsidiaries shall be deemed Restricted Subsidiaries unless and until expressly designated otherwise), and (v) which has not been designated a Restricted Subsidiary more than twice previously.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SENIOR FINANCIAL OFFICER" means the chief financial officer, vice president, finance, principal accounting officer, treasurer or comptroller of the Company.

"SUBSIDIARY" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or Voting Stock to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership can and does ordinarily take major business actions without the prior approval of such Person or one or more of its

Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"UNRESTRICTED SUBSIDIARY" means any Subsidiary which has been designated an Unrestricted Subsidiary or which is hereafter designated an Unrestricted Subsidiary by the Company by notice to holders of the Notes.

"VOTING STOCK" means capital stock of any class of a corporation having power under ordinary circumstances to vote for the election of members of the board of directors of such corporation, or persons performing similar functions.

"WHOLLY-OWNED SUBSIDIARY" means, at any time, any Subsidiary 100% of all of the equity interests (except directors' qualifying shares) and Voting Stock of which are owned by any one or more of the Company and the Company's other Wholly-Owned Subsidiaries at such time.

SCHEDULE B-1

INVESTMENTS

SEE ATTACHED

SCHEDULE 4.9

CHANGES IN CORPORATE STRUCTURE

NONE

SCHEDULE 5.4

SUBSIDIARIES OF THE COMPANY
AND
OWNERSHIP OF SUBSIDIARY STOCK

SEE ATTACHED

SCHEDULE 5.5

FINANCIAL STATEMENTS

1. The Company's Form 10-Q Statement for the six months ended December 3, 1994 and December 2, 1995 (unaudited).

2. The Company's audited financial statements on Form 10-K for fiscal years 1991 through 1995.

SCHEDULE 5.8

CERTAIN LITIGATION

NONE

SCHEDULE 5.11

LICENSES, PERMITS, INTELLECTUAL PROPERTY, ETC.

NONE

SCHEDULE 5.14

USE OF PROCEEDS

Proceeds of the Notes will be used to repay $80,000,000 to $100,000,000 of the existing Indebtedness set forth on Schedule 5.15 and for general corporate purposes.

SCHEDULE 5.15

EXISTING INDEBTEDNESS

SEE ATTACHED

SCHEDULE 10.7

LIENS

Liens in connection with certain finance leases and miscellaneous capital leases and purchase money equipment liens which in the aggregate do not exceed $1,000,000.

EXHIBIT 1-A

FORM OF SERIES A NOTE

HERMAN MILLER, INC.

6.37% SERIES A SENIOR NOTE
DUE MARCH 5, 2006

No. [_____] March 5, 1996
$[_______] PPN[______________]

FOR VALUE RECEIVED, the undersigned, HERMAN MILLER, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Michigan, hereby promises to pay to [ ], or registered assigns, the principal sum of $[ ] on March 5, 2006, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.37% per annum from the date hereof, payable semiannually, March 5 and September 5 in each year, commencing with the March 5 or September 5 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 8.37% or (ii) 2% over the rate of interest publicly announced by Bank of America Illinois from time to time in Chicago, Illinois as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the Company's office in Zeeland, Michigan or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of a series of Series A Notes (herein called the "Notes") issued pursuant to separate Note Purchase Agreements, dated as of March 1, 1996 (as from time to time amended, the "Note Purchase Agreements"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreements and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder

hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreements. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

This Note shall be construed and enforced in accordance with, and shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of a jurisdiction other than such state.

HERMAN MILLER, INC.

By:

Title:

EXHIBIT 1-B

FORM OF SERIES B NOTE

HERMAN MILLER, INC.

6.08% SERIES B SENIOR NOTE
DUE MARCH 5, 2001

No. [_____] March 5, 1996
$[_______] PPN[______________]

FOR VALUE RECEIVED, the undersigned, HERMAN MILLER, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Michigan, hereby promises to pay to [ ], or registered assigns, the principal sum of $[ ] on March 5, 2001, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.08% per annum from the date hereof, payable semiannually, March 5 and September 5 in each year, commencing with the March 5 or September 5 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 8.08% or (ii) 2% over the rate of interest publicly announced by Bank of America Illinois from time to time in Chicago, Illinois as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the Company's office in Zeeland, Michigan or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of a series of Series B Notes (herein called the "Notes") issued pursuant to separate Note Purchase Agreements, dated as of March 1, 1996 (as from time to time amended, the "Note Purchase Agreements"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreements and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder

hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreements. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

This Note shall be construed and enforced in accordance with, and shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of a jurisdiction other than such state.

HERMAN MILLER, INC.

By:

Title:

EXHIBIT 1-C

FORM OF SERIES C NOTE

HERMAN MILLER, INC.

6.52% SERIES C SENIOR NOTE
DUE MARCH 5, 2008

No. [_____] March 5, 1996
$[_______] PPN[______________]

FOR VALUE RECEIVED, the undersigned, HERMAN MILLER, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Michigan, hereby promises to pay to [ ], or registered assigns, the principal sum of $[ ] on March 5, 2008, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.52% per annum from the date hereof, payable semiannually, March 5 and September 5 in each year, commencing with the March 5 or September 5 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 8.52% or (ii) 2% over the rate of interest publicly announced by Bank of America Illinois from time to time in Chicago, Illinois as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the Company's office in Zeeland, Michigan or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of a series of Series C Notes (herein called the "Notes") issued pursuant to separate Note Purchase Agreements, dated as of March 1, 1996 (as from time to time amended, the "Note Purchase Agreements"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreements and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to

due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreements. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

This Note shall be construed and enforced in accordance with, and shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of a jurisdiction other than such state.

HERMAN MILLER, INC.

By:

Title:

EXHIBIT 4.4(a)

FORM OF OPINION OF SPECIAL COUNSEL
TO THE COMPANY

The opinion of Varnum, Riddering, Schmidt & Howlett, counsel for the Company, shall be to the effect that:

1. Each of the Company and each Subsidiary is a corporation duly incorporated, validly existing in good standing under the laws of its jurisdiction of incorporation, and each has all requisite corporate power and authority to own and operate its properties, to carry on its business as now conducted, and, in the case of the Company, to enter into and perform under the Agreement and the Other Agreements and to issue and sell the Notes.

2. The Agreement, the Other Agreements and the Notes have been duly authorized by proper corporate action on the part of the Company, have been duly executed and delivered by an authorized officer of the Company, and constitute the legal, valid and binding agreements of the Company, enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, regardless of whether enforcement is sought in a proceeding in equity or at law.

3. Based upon the representations set forth in the Agreement, the offering, sale and delivery of the Notes do not require the registration of the Notes under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

4. No authorization, approval or consent of any governmental or regulatory body is necessary or required in connection with the execution and delivery by the Company of the Agreement, the Other Agreements or the offering, issuance and sale by the Company of the Notes, and no designation, filing, declaration, registration and/or qualification with any governmental authority is required in connection with the offer, issuance and sale of the Notes by the Company.

5. The issuance and sale of the Notes by the Company, the performance of the terms and conditions of the Notes and the Agreement and the Other Agreements and the execution and delivery of the Agreement and the Other Agreements do not conflict with, or result in any breach or violation of any of the provisions of, or constitute a default under, or result in the creation or imposition of any Lien upon the property of the Company or any Subsidiary pursuant to the provisions of (i) the Certificate of Incorporation or By-laws of the Company or any Subsidiary, (ii) any loan agreement to

which the Company or any Subsidiary is a party or by which any of them or their property is bound, (iii) any other agreement or instrument known to such counsel to which the Company or any Subsidiary is a party or by which any of them or their property is bound, (iv) any law (including usury laws) or regulation applicable to the Company, or (v) any order, writ, injunction or decree of any court or governmental authority applicable to the Company.

6. All of the issued and outstanding shares of capital stock of each Subsidiary have been duly and validly issued, are fully paid and nonassessable and are owned by the Company free and clear of any pledge or, to the knowledge of such counsel, any other Lien.

7. Neither the Company nor any Subsidiary is (i) a "public utility company" or a "holding company," or an "affiliate" or a "subsidiary company" of a "holding company," or an "affiliate" of such a "subsidiary company," as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, (ii) a "public utility" as defined in the Federal Power Act, as amended, or (iii) an "investment company" or an "affiliated person" thereof, as such terms are defined in the Investment Company Act of 1940, as amended.

8. The issuance of the Notes and the intended use of the proceeds of the sale of the Notes do not violate or conflict with Regulation G, T, U or X of the Board of Governors of the Federal Reserve System.

9. There are no actions, suits or proceedings pending or, to the best of such counsel's knowledge, threatened against, or affecting the Company or any Subsidiary, at law or in equity or before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which are likely to have a Material Adverse Effect.

The opinion of Varnum, Riddering, Schmidt & Howlett, counsel for the Company, shall cover such other matters relating to the sale of the Notes as the Purchasers may reasonably request. With respect to matters of fact on which such opinion is based, such counsel shall be entitled to rely on appropriate certificates of public officials and officers of the Company and with respect to matters governed by the laws of any jurisdiction other than the United States of America and the laws of the States of Delaware and Michigan, such counsel may rely upon the opinions of counsel deemed (and stated in their opinion to be deemed) by them to be competent and reliable.

EXHIBIT 4.4(b)

FORM OF OPINION OF SPECIAL COUNSEL
TO THE PURCHASERS

The opinion of Gardner, Carton & Douglas, special counsel for the Purchasers, shall be to the effect that:

1. The Company is a corporation organized and validly existing in good standing under the laws of the State of Michigan, with all requisite corporate power and authority to enter into the Agreement and to issue and sell the Notes.

2. The Agreement and the Notes have been duly authorized by proper corporate action on the part of the Company, have been duly executed and delivered by an authorized officer of the Company, and constitute the legal, valid and binding agreements of the Company, enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, regardless of whether enforcement is sought in a proceeding in equity or at law.

3. Based upon the representations set forth in the Agreement, the offering, sale and delivery of the Notes do not require the registration of the Notes under the Securities Act of 1933, as amended, nor the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

4. The issuance and sale of the Notes and compliance with the terms and provisions of the Notes and the Agreement will not conflict with or result in any breach of any of the provisions of the Certificate of Incorporation or By-Laws of the Company.

5. No approval, consent or withholding of objection on the part of, or filing, registration or qualification with, any governmental body, Federal or state, is necessary in connection with the execution and delivery of the Note Agreement or the Notes.

The opinion of Gardner, Carton & Douglas also shall state that the legal opinion of Varnum, Riddering, Schmidt & Howlett, counsel for the Company, delivered to you pursuant to the Agreement, is satisfactory in form and scope to Gardner, Carton & Douglas, and, in its opinion, the Purchasers and it are justified in relying thereon and shall cover such other matters relating to the sale of the Notes as the Purchaser may reasonably request.

EXHIBIT 10(G)

INCENTIVE SHARE AWARD AGREEMENT

AGREEMENT Made as of October 4, 1995, by HERMAN MILLER, INC., a Michigan corporation (the "Company"), and MICHAEL A. VOLKEMA (herein called "Mr. Volkema").

RECITALS

A. Mr. Volkema is the president, chief executive officer, and a director of the Company.

B. To provide an incentive to Mr. Volkema, the Company's Board of Directors has elected to award Mr. Volkema shares of common stock of the Company under the terms of the Company's Long-Term Incentive Plan (the "Plan").

C. The award of Restricted Stock (as defined in the Plan) to Mr. Volkema is subject to the terms and restrictions of the Plan and this Agreement, including the automatic reversion to the Company of some or all of the shares if Mr. Volkema does not continue to serve the Company as an officer or director for the period specified herein.

D. Mr. Volkema has accepted the grant of shares upon the terms, restrictions and conditions of this Agreement.

E. The parties desire to confirm in this Agreement the terms, conditions and restrictions applicable to the grant of shares.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS

1.1 "Affiliated Emplover" means any entity controlling, controlled by or under common control with the Company.

1.2 "Board" means the Board of Directors of the Company.

1.3 "Bonus Payout Percentage" means the percentage which results from dividing the actual bonus earned by Mr. Volkema in a particular fiscal year under the Company's Executive Incentive Plan for that year by his Bonus Potential (at 100 percent, as defined in such plan) for such year.

1.4 "Common Stock" means the common stock of the Company, par value $.20 per share.

1.5 "Company" means Herman Miller, Inc., a Michigan corporation, its successors and assigns.

1.6 "Executive Incentive Plan" means the Company's officers' executive incentive plan approved and adopted by the Board with respect to each fiscal year of the Company.

1.7 "Fiscal year" means the year ending the Saturday nearest the end of May of each year, or such other fiscal year as may be adopted for the Company by the Board.

1.8 "Plan" means the Company's Long-Term Incentive Plan, as approved by the Company's shareholders on October 6, 1994.

1.9 "Restricted Share" means a Share which is subject to the restriction on sale, pledge or other transfer imposed by Section 3.1. An "Unrestricted Share" is a Share which is no longer a Restricted Share.

1.10 "Reverted Shares" means Unvested Shares which have reverted to the Company pursuant to Sections 5.7 and 5.8.

1.11 "Shares" means the shares of Common Stock awarded, issued and delivered to Mr. Volkema under this Agreement. If, as a result of a stock split, stock dividend, combination of stock, or any other change or exchange of securities, by reclassification, reorganization, recapitalization or otherwise, the Shares shall be increased or decreased, or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or another corporation, the term "Shares" shall mean and include the shares of stock or other securities issued with respect to the Shares.

1.12 "Silver Parachute Plan" means the Herman Miller, Inc. Plan for Severance Compensation After Hostile Takeover, as amended and restated as of January 17, 1990, and as it may thereafter be amended.

1.13 "Vested Percentage" means the percentage of Shares which have become Vested Shares pursuant to Section 5.4.

1.14 "Vested Shares" and "Unvested Shares" shall have the meanings expressed in Section 5.3.

2. GRANT AND ACCEPTANCE OF AWARD

2.1 Grant. The Company confirms that on October 4, 1995, as authorized by the Board, Mr. Volkema was awarded thirty thousand (30,000) shares of Common Stock (the "Shares") pursuant to the Plan.

2.2 Acceptance. Mr. Volkema confirms that he has accepted the award of Shares and agrees to hold them subject to the terms, conditions and limitations of the Plan and this Agreement.

2.3 Tax Election. Mr. Volkema agrees to elect to be taxed in 1995 on the fair market value of the Shares awarded to him, and agrees to sign an election to be so taxed under Section 83(b) of the Internal Revenue Code. Mr. Volkema agrees to file such election on or before thirty (30) days from the date hereof.

Mr. Volkema confirms his understanding that, having made the election under Section 83(b) to be taxed in 1995 on the value of the Shares, if any of the Shares shall revert to the Company pursuant to Sections 5.7 and 5.8, the effect will be that he will have paid tax as if he had retained such Shares but will have been denied the right to retain them.

2.4 Withholding. Mr. Volkema recognizes that the Company is required by federal regulations to deduct and withhold income taxes at the rate of 28% of the market value of the Shares, and to pay the tax in money at the time or times the payroll deposit is due with respect to such income. The Company has offered to withhold 28 percent of the Shares (8,400 shares) and itself pay the

amount to be withheld. Mr. Volkema has accepted such offer rather than pay to the Company in cash the full amount to be withheld. Accordingly, Mr. Volkema will receive a certificate for 21,600 Shares and the Company will pay the requisite withholding tax. Mr. Volkema is responsible to pay when due all income taxes on the fair market value of the Shares in excess of the amount which is withheld.

3. RESTRICTIONS ON TRANSFER OF SHARES: LAPSE OF RESTRICTIONS

3.1 Transfer Prohibition. Mr. Volkema shall not sell any Share, pledge any Share or otherwise transfer any Share or any interest in any Share if such Share is a Restricted Share.

3.2 Restricted Shares. Every Share shall be a Restricted Share until the Share shall no longer be deemed to be a Restricted Share as provided in Section 3.6.

3.3 Securities Law Compliance. Mr. Volkema shall not sell or transfer any Share or any interest in any Share, whether such Share is or is not a Restricted Share, unless either (a) the Company shall consent in writing to such transfer, or (b) the Company shall have received an opinion of counsel reasonably satisfactory to the Company to the effect that such transfer will not violate the registration requirements imposed by the Securities Act of 1933 or any other provision of law which the Company shall desire such opinion to cover.

3.4 Legend. Every certificate representing a Share shall at all times bear the following legend:

'The Shares represented by this certificate are subject to certain restrictions and prohibitions and to the rights of Herman Miller, Inc. (the "Company"), as set forth in an Incentive Share Grant Agreement dated October 4, 1995 ("Agreement"), between the Company and Michael A. Volkema including but not limited to: (1) the Company's right to acquire absolute ownership of some or all of these Shares upon their reversion to the Company; (2) a prohibition against any transfer of any interest in these Shares without the Company's consent while these Shares remain Restricted Shares under the Agreement; and (3) a prohibition against transfer of any interest in these Shares except in compliance with requirements imposed by the Securities Act of 1933. No interest in these Shares may be transferred without compliance with the requirements in the Agreement."

3.5 Stop Transfer Instructions. The Company shall have the right to issue instructions to the transfer agent for the shares of the Company, prohibiting transfer of any Shares except in accordance with the requirements of this Agreement.

3.6 Unrestricted Shares. A Share shall no longer be deemed to be a Restricted Share if:

a. The Company stipulates in writing that the Share is no longer a Restricted Share.

b. The Share is or becomes a Vested Share as of the end of the Company's fiscal year ending in the year 2000.

c. The Share becomes a Vested Share as of the end of the Company's fiscal year ending in the year 2001.

d. The Share becomes a Vested Share pursuant to Section 5.6(c), (d) or (e).

A Share which is no longer deemed to be a Restricted Share shall be an Unrestricted Share.

3.7 New Certificate for Unrestricted Shares. If Mr. Volkema holds certificates representing Shares which are no longer Restricted Shares, Mr. Volkema shall be entitled to receive from the Company, in exchange therefor, a certificate representing such Unrestricted Shares, bearing a legend, if the Company shall deem such a legend to be appropriate, only to the effect that the transfer of such Shares is prohibited if it would violate the Securities Act of 1933. If the certificate held by Mr. Volkema represents both Restricted and Unrestricted Shares, he shall be entitled to receive two certificates in exchange therefor, one of which shall represent the Restricted Shares and one of which shall represent Unrestricted Shares.

3.8 Rights as Stockholder. Except for the restrictions imposed in this Article 3, and unless the Shares have reverted to the Company pursuant to Sections 5.7 and 5.8, Mr. Volkema shall have all the rights as a stockholder with respect to the Restricted Shares, including the right to vote and to receive the dividends declared and paid thereon.

4. ACQUISITION WARRANTIES

In order to induce the Company to issue and deliver the Shares on the terms of this Agreement, Mr. Volkema warrants to and agrees with the Company as follows:

4.1 No Participating Interest. Mr. Volkema is acquiring the Shares for his own account. He has not made any arrangement or commitment to convey any interest in the Shares to any person, other than to transfer Reverted Shares to the Company pursuant to Section 5.8 of this Agreement.

4.2 Ability to Evaluate. Because of his knowledge and experience in financial and business matters, Mr. Volkema is capable of evaluating the merits and risks of acquiring the Shares under the arrangements prescribed by this Agreement.

4.3 Familiaritv with Companv. Mr. Volkema is familiar with the business, properties, financial condition, liabilities, shares, earnings, prospects and operations of the Company. He confirms that the Company has not made any representation, warranty or agreement regarding the foregoing matters, the merits of the arrangements made pursuant to this Agreement, or any other matter except as expressly indicated in this Agreement.

4.4 All Questions Answered. Mr. Volkema thoroughly understands all the terms of this Agreement, the actions which may be taken under this Agreement, and the consequences such actions might have for him. He confirms there are no questions relating to any such matters which have not been answered to his complete satisfaction.

4.5 Agreement Binding and Enforceable. Mr. Volkema intends and agrees that every provision in this Agreement shall be binding upon and enforceable against him in accordance with its terms.

5. VESTING AND REVERSION

5.1 General. In general, Shares shall vest in accordance with Section 5.4 and the table of vesting set forth in that section. Shares may also become vested in accordance with Sections 5.5 and 5.6.

5.2 Vested Percentage. The "Vested Percentage" of the Shares at any time is the percentage of the Shares which have become vested pursuant to Section 5.4.

5.3 Vested Shares. The number of vested shares ("Vested Shares") at any time shall be the greater of (a) the number derived by multiplying the Vested Percentage at that time by the number of Shares issued hereunder, or (b) the number which have become vested pursuant to Sections 5.5 or 5.6.

5.4 Table of Vesting. The vesting of Shares shall be based upon the Bonus Payout Percentage earned by Mr. Volkema under the Company's Executive Incentive Plan for each of the fiscal years designated in the following table. The Vested Percentage for the fiscal years ending in 1997, 1998, 1999, and 2000, respectively, shall be based upon the sum of the bonus Payout Percentages earned by Mr. Volkema for that year and for each of the fiscal years ended prior to that date ("Cumulative Bonus Payout Percentage"), in accordance with the following table of vesting:

Fiscal Year Ending In	If Cumulative Bonus Payout Percentage is	The Vested Percentage is
1996	100 or more	20
1997	200 or more	40
1998	300 or more	60
1999	400 or more	80
2000	500 or more	100

In any fiscal year ending in the years 1996 to 2000 inclusive, in which Mr. Volkema's Vested Percentage does not increase by at least twenty (20) percentage points in accordance with the foregoing table of vesting, his Vested Percentage in that fiscal year shall increase by ten (10) percentage points.

No Shares shall be Vested Shares prior to the end of the Company's fiscal year ending in 1996.

If the Shares are not 100 percent vested by the end of the Company's fiscal year ending in the year 2000, the remainder of the Shares shall vest at the end of the Company's fiscal year ending in the year 2001.

5.5 Acceleration of Vested Percentage. The Board shall have the right at any time (but shall not be obligated) to increase the Vested Percentage under this Agreement to 100 percent, or to any other percentage greater than would otherwise apply under this Agreement. After any such action by the Board:

a. The Vested Percentage shall never be less than the percentage designated by the Board; and

b. If the Vested Percentage is less than 100 percent, the Vested Percentage shall increase at the end of each of the Company's fiscal years thereafter in accordance with Section 5.4.

5.6 One Hundred Percent Vesting. All Shares issued hereunder shall become Vested Shares:

a. If the Shares are 100 percent vested pursuant to Section 5.4.

b. If the Company so stipulates in writing.

c. Upon Mr. Volkema's death.

d. If Mr. Volkema's service to the Company both as an officer and as a director ends at a time when he is permanently disabled, as determined by a physician approved by the Board.

e. If Mr. Volkema's employment is voluntarily or involuntarily terminated at a time when he is entitled to receive a severance benefit under the Company's Silver Parachute Plan.

5.7 Reversion. All Unvested Shares shall automatically revert to the Company at any time Mr. Volkema shall no longer be employed by the Company or an Affiliated Employer for any reason whatsoever, including involuntary termination without the consent of Mr. Volkema. Except as provided in Section 5.9, no compensation shall be payable to Mr. Volkema for shares which revert to the Company.

5.8 Effect of Reversion. Upon reversion of any Unvested Shares (a) absolute ownership thereof shall automatically revert to the Company at that time, (b) such Unvested Shares shall be deemed to be "Reverted Shares" for purposes of this Agreement, (c) all Mr. Volkema's rights and interests in the Reverted Shares shall cease at that time, and (d) Mr. Volkema shall be obligated immediately to surrender to the Company the certificates representing the Reverted Shares, but the failure to do so shall not impair the immediate effect of clauses (a), (b) and (c) above.

5.9 Payment on Reversion. If Mr. Volkema's employment is terminated involuntarily and without his consent, so that he is no longer employed by the Company or an Affiliated Employer, and if Unvested Shares thereby revert to the Company pursuant to Section 5.7, the Company shall pay Mr. Volkema $6.625 per Reverted Share in full payment therefor. (This price is equal to 25 percent of the fair market value of the Shares at the date (October 4, 1995) on which the Shares were awarded to Mr. Volkema.) If, prior to the termination of Mr. Volkema's employment, Shares of common stock of the Company are increased, decreased or changed as a result of any event described in Section 1.10, the stated price payable by the Company for the Reverted Shares shall be fairly adjusted to reflect the effects of such an event.

6. MR VOLKEMA'S UNDERSTANDINGS AND ACKNOWLEDGMENTS

6.1 Free Choice. Mr. Volkema understands, acknowledges and agrees that he has no obligation to enter into this Agreement and that failure to do so will not have any adverse consequences on his other compensation, position, job responsibilities, or future prospects at the Company. Mr. Volkema has elected to enter into this Agreement because he has concluded that the potential benefits he could derive under this Agreement outweigh the risk of substantial after-tax loss which could be realized if any Unvested Shares revert to the Company or if the market value for the Shares declines substantially.

6.2 No Right to Employment. Neither the execution or delivery of this Agreement nor any action taken by the Company under this Agreement nor any course of dealing between the Company and Mr. Volkema, nor anything else, shall limit or impair in any way the right of the

Company to terminate Mr. Volkema's employment at any time. He acknowledges that no one has made any explicit or implicit promise that his employment relationship with the Company will be continued for all or any part of the period required for all or any part of the Shares to become Vested Shares.

7. INTERPRETATION OF THIS AGREEMENT

7.1 Severabilitv. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable, but if any provision of this Agreement shall be held to be prohibited or unenforceable under applicable law (a) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law, and (b) all other provisions of this Agreement shall remain in full force and effect.

7.2 Captions. The captions used in this Agreement are for convenience only, do not constitute a part of this Agreement and all of the provisions of this Agreement shall be enforced and construed as if no captions had been used.

7.3 Complete Agreement. This Agreement contains the complete agreement between the parties relating in any way to the subject matter of this Agreement and supersedes any prior understandings, agreements or representations, written or oral, which may have related to such subject matter in any way.

8. GENERAL PROVISIONS

8.1 Notices.

a. Procedures Required. Each communication given or delivered under this Agreement must be in writing and may be given by personal delivery or by registered or certified mail. A written communication shall be deemed to have been given on the date it shall be delivered to the address required by this Agreement.

b. Communications to Company. Communications to the Company shall be addressed to it at the principal corporate headquarters (which on the date hereof were located at 8500 Byron Road, Zeeland, Michigan) and marked to the attention of the Company's chairman of the Board or, if Mr. Volkema becomes chairman of the Board, to the attention of the Company's general counsel; if, prior to the issuance of such notice, the Company shall have given notice to Mr. Volkema that communications to the Company should be directed to a different address or to the attention of a different officer, then such communication shall be addressed in the manner most recently specified.

c. Cornmunications to Mr. Volkema. Every communication to Mr. Volkema shall be addressed to him at the address given immediately below his signature to this Agreement, provided that, if, prior to the issuance of such notice, he shall have given the Company notice that communications to him should be directed to a different address, then such communication shall be addressed to the address which shall most recently have been so specified.

8.2 Assignment. This Agreement is not assignable by Mr. Volkema during his lifetime. This Agreement shall be binding upon and inure to the benefit of (a) the successors and assigns of the Company, and (b) any person to whom Mr. Volkema's rights under this Agreement may pass by reason of his death.

8.3 Amendment. This Agreement may be amended or modified in any manner whatsoever or terminated by written agreement between the Company and Mr. Volkema. No course of dealing between the parties shall be deemed effective to modify, amend or terminate any part of this Agreement or any rights or obligations of either party hereunder.

8.4 Waiver. No delay or omission in exercising any right hereunder shall operate as a waiver of such right or of any other right hereunder. A waiver upon any one occasion shall not be construed as a bar or waiver of any right or remedy on any other occasion. All of the rights and remedies of the parties hereto, whether evidenced hereby or granted by law, shall be cumulative.

8.5 No Oral Commitments. No arnendment, modification or termination of this
Agreement under Section 8.3 and no waiver under this Agreement under Section 8.4 shall be effective or enforceable unless it is set forth in writing and signed by both parties.

8.6 Counterparts. Two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same agreement.

8.7 Choice of Law. This Agreement shall be deemed to be a contract made under the laws of the State of Michigan and for all purposes shall be construed in accordance with and governed by the laws of the state of Michigan or applicable federal law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HERMAN MILLER, INC.

By

\- ---------------------------- ------------------------

Michael A. Volkema

Richard H. Ruch
Its Chairman of the Board

Address:
18061 Lovell Road
Spring Lake, Michigan 49456

EXHIBIT 10(h)

INCENTIVE SHARE AWARD AGREEMENT

AGREEMENT Made as of May 15, 1996, by HERMAN MILLER, INC., a Michigan corporation (the "Company"), and MICHAEL A. VOLKEMA (herein called "Mr. Volkema").

RECITALS

A. Mr. Volkema is the president, chief executive officer, and a director of the Company.

B. To provide an incentive to Mr. Volkema, the Company's Board of Directors has elected to award Mr. Volkema shares of common stock of the Company under the terms of the Company's Long-Term Incentive Plan (the "Plan").

C. The award of Restricted Stock (as defined in the Plan) to Mr. Volkema is subject to the terms and restrictions of the Plan and this Agreement, including the automatic reversion to the Company of some or all of the shares if Mr. Volkema does not continue to serve the Company as an officer or director for the period specified herein.

D. Mr. Volkema has accepted the grant of shares upon the terms, restrictions and conditions of this Agreement.

E. The parties desire to confirm in this Agreement the terms, conditions and restrictions applicable to the grant of shares.

NOW, THEREFORES the parties agree as follows:

1. DEFINITIONS

1.1 "Affiliated Employer" means any entity controlling, controlled by or under common control with the Company.

1.2 "Board" means the Board of Directors of the Company.

1.3 "Bonus Payout Percentage" means the percentage which results from dividing the actual bonus earned by Mr. Volkema in a particular fiscal year under the Company's Executive Incentive Plan for that year by his Bonus Potential (at 100 percent, as defined in such plan) for such year.

1.4 "Cornmon Stock" means the common stock of the Company, par value $.20 per share.

1.5 "Company" means Herman Miller, Inc., a Michigan corporation, its successors and assigns.

1.6 "Executive Incentive Plan" means the Company's officers' executive incentive plan approved and adopted by the Board with respect to each fiscal year of the Company.

1.7 "Fiscal year" means the year ending the Saturday nearest the end of May of each year, or such other fiscal year as may be adopted for the Company by the Board.

1.8 "Plan" means the Company's Long-Term Incentive Plan, as approved by the Company's shareholders on October 6, 1994.

1.9 "Restricted Share" means a Share which is subject to the restriction on sale, pledge or other transfer imposed by Section 3.1. An "Unrestricted Share" is a Share which is no longer a Restricted Share.

1.10 "Reverted Shares" means Unvested Shares which have reverted to the Company pursuant to Sections 5.7 and 5.8.

1.11 "Shares" means the shares of Common Stock awarded, issued and delivered to Mr. Volkema under this Agreement. If, as a result of a stock split, stock dividend, combination of stock, or any other change or exchange of securities, by reclassification, reorganization, recapitalization or otherwise, the Shares shall be increased or decreased, or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or another corporation, the term "Shares" shall mean and include the shares of stock or other securities issued with respect to the Shares.

1.12 "Silver Parachute Plan" means the Herman Miller, Inc., Plan for Severance Compensation After Hostile Takeover, as amended and restated as of January 17, 1990, and as it may thereafter be amended.

1.13 "Vested Percentage" means the percentage of Shares which have become Vested Shares pursuant to Section 5.4.

1.14 "Vested Shares" and "Unvested Shares" shall have the meanings expressed in Section 5.3.

2. GRANT AND ACCEPTANCE OF AWARD

2.1 Grant. The Company confirms that on May 15, 1996, as authorized by the Board, Mr. Volkema was awarded twenty thousand (20,000) shares of Common Stock (the "Shares") pursuant to the Plan.

2.2 Acceptance. Mr. Volkema confirms that he has accepted the award of Shares and agrees to hold them subject to the terms, conditions and limitations of the Plan and this Agreement.

2.3 Tax Election. Mr. Volkema agrees to elect to be taxed in 1996 on the fair market value of the Shares awarded to him, and agrees to sign an election to be so taxed under Section 83(b) of the Internal Revenue Code. Mr. Volkema agrees to file such election on or before thirty (30) days from the date hereof.

Mr. Volkema confirms his understanding that, having made the election under Section 83(b) to be taxed in 1996 on the value ofthe Shares, if any of the Shares shall revert to the Company pursuant to Sections 5.7 and 5.8, the effect will be that he will have paid tax as if he had retained such Shares but will have been denied the right to retain them.

2.4 Withholding. Mr. Volkema recognizes that the Company is required by federal regulations to deduct and withhold income taxes at the rate of 28 percent of the market value of the Shares, and to pay the tax in money at the time or times the payroll deposit is due with respect to such income. The Company has offered to withhold 28 percent of the Shares (5,600 shares) and itself pay

the amount to be withheld. Mr. Volkema has accepted such offer rather than pay to the Company in cash the full amount to be withheld. Accordingly, Mr. Volkema will receive a certificate for 14,400 Shares and the Company will pay the requisite withholding tax. Mr. Volkema is responsible to pay when due all income taxes on the fair market value of the Shares in excess of the amount which is withheld.

3. RESTRICTIONS ON TRANSFER OF SHARES: LAPSE OF RESTRICTIONS

3.1 Transfer Prohibition. Mr. Volkema shall not sell any Share, pledge any Share or otherwise transfer any Share or any interest in any Share if such Share is a Restricted Share.

3.2 Restricted Shares. Every Share shall be a Restricted Share until the Share shall no longer be deemed to be a Restricted Share as provided in Section 3.6.

3.3 Securities Law Compliance. Mr. Volkema shall not sell or transfer any Share or any interest in any Share, whether such Share is or is not a Restricted Share, unless either (a) the Company shall consent in writing to such transfer, or (b) the Company shall have received an opinion of counsel reasonably satisfactory to the Company to the effect that such transfer will not violate the registration requirements imposed by the Securities Act of 1933 or any other provision of law which the Company shall desire such opinion to cover.

3.4 Legend. Every certificate representing a Share shall at all times bear the following legend:

"The Shares represented by this certificate are subject to certain restrictions and prohibitions and to the rights of Herman Miller, Inc. (the "Company"), as set forth in an Incentive Share Grant Agreement dated May 15, 1996 ("Agreement"), between the Company and Michael A. Volkema, including but not limited to: (1) the Company's right to acquire absolute ownership of some or all of these Shares upon their reversion to the Company; (2) a prohibition against any transfer of any interest in these Shares without the Company's consent while these Shares remain Restricted Shares under the Agreement; and (3) a prohibition against transfer of any interest in these Shares except in compliance with requirements imposed by the Securities Act of 1933. No interest in these Shares may be transferred without compliance with the requirements in the Agreement."

3.5 Stop Transfer Instructions. The Company shall have the right to issue instructions to the transfer agent for the shares of the Company, prohibiting transfer of any Shares except in accordance with the requirements of this Agreement.

3.6 Unrestricted Shares. A Share shall no longer be deemed to be a Restricted Share if:

a. The Company stipulates in writing that the Share is no longer a Restricted Share.

b. The Share is or becomes a Vested Share as of the end of the Company's fiscal year ending in the year 2001.

c. The Share becomes a Vested Share as of the end of the Company's fiscal year ending in the year 2002.

d. The Share becomes a Vested Share pursuant to Section 5.6(c), (d), or (e).

A Share which is no longer deemed to be a Restricted Share shall be an Unrestricted Share.

3.7 New Certificate for Unrestricted Shares. If Mr. Volkema holds certificates representing Shares which are no longer Restricted Shares, Mr. Volkema shall be entitled to receive from the Company, in exchange therefor, a certificate representing such Unrestricted Shares, bearing a legend, if the Company shall deem such a legend to be appropriate, only to the effect that the transfer of such Shares is prohibited if it would violate the Securities Act of 1933. If the certificate held by Mr. Volkema represents both Restricted and Unrestricted Shares, he shall be entitled to receive two certificates in exchange therefor, one of which shall represent the Restricted Shares and one of which shall represent Unrestricted Shares.

3.8 Rights as Stockholder. Except for the restrictions imposed in this Article 3, and unless the Shares have reverted to the Company pursuant to Sections 5.7 and 5.8, Mr. Volkema shall have all the rights as a stockholder with respect to the Restricted Shares, including the right to vote and to receive the dividends declared and paid thereon.

4. ACQUISITION WARRANTIES

In order to induce the Company to issue and deliver the Shares on the terms of this Agreement, Mr. Volkema warrants to and agrees with the Company as follows:

4.1 No Participating Interest. Mr. Volkema is acquiring the Shares for his own account. He has not made any arrangement or commitment to convey any interest in the Shares to any person, other than to transfer Reverted Shares to the Company pursuant to Section 5.8 of this Agreement.

4.2 Ability to Evaluate. Because of his knowledge and experience in financial and business matters, Mr. Volkema is capable of evaluating the merits and risks of acquiring the Shares under the arrangements prescribed by this Agreement.

4.3 Familiarity with Company . Mr. Volkema is familiar with the business, properties, financial condition, liabilities, shares, earnings, prospects and operations of the Company. He confirms that the Company has not made any representation, warranty or agreement regarding the foregoing matters, the merits of the arrangements made pursuant to this Agreement, or any other matter except as expressly indicated in this Agreement.

4.4 All Ouestions Answered.. Mr. Volkema thoroughly understands all the terms of this Agreement, the actions which may be taken under this Agreement, and the consequences such actions might have for him. He confirms there are no questions relating to any such matters which have not been answered to his complete satisfaction.

4.5 Agreement Binding and Enforceable. Mr. Volkema intends and agrees that every provision in this Agreement shall be binding upon and enforceable against him in accordance with its terms.

5. VESTING AND REVERSION

5.1 General. In general, Shares shall vest in accordance with Section 5.4 and the table of vesting set forth in that section. Shares may also become vested in accordance with Sections 5.5 and 5.6.

5.1 Vested Percentage. The "Vested Percentage" of the Shares at any time is the percentage of the Shares which have become vested pursuant to Section 5.4.

5.3 Vested Shares. The number of vested shares ("Vested Shares") at any time shall be the greater of (a) the number derived by multiplying the Vested Percentage at that time by the number of Shares issued hereunder, or (b) the number which have become vested pursuant to Sections 5.5 or 5.6.

5.4 Table of Vesting. The vesting of Shares shall be based upon the Bonus Payout Percentage earned by Mr. Volkema under the Company's Executive Incentive Plan for each of the fiscal years designated in the following table. The Vested Percentage for the fiscal years ending in 1998, 1999, 2000, and 2001, respectively, shall be based upon the sum of the bonus Payout Percentages earned by Mr. Volkema for that year and for each of the fiscal years ended prior to that date ("Cumulative Bonus Payout Percentage"), in accordance with the following table of vesting:

Fiscal Year Ending In	If Cumulative Bonus Payout Percentage is	The Vested Percentage is
1997	100 or more	20
1998	200 or more	40
1999	300 or more	60
2000	400 ormore	80
2001	500 or more	100

In any fiscal year ending in the years 1997 to 2001 inclusive, in which Mr. Volkema's Vested Percentage does not increase by at least twenty (20) percentage points in accordance with the foregoing table of vesting, his Vested Percentage in that fiscal year shall increase by ten (10) percentage points.

No Shares shall be Vested Shares prior to the end of the Company's fiscal year ending in 1997.

If the Shares are not 100 percent vested by the end of the Company's fiscal year ending in the year 2001, the remainder of the Shares shall vest at the end of the Company's fiscal year ending in the year 2002.

5.5 Acceleration of Vested Percentage. The Board shall have the right at any time (but shall not be obligated) to increase the Vested Percentage under this Agreement to 100 percent, or to any other percentage greater than would otherwise apply under this Agreement. After any such action by the Board:

a. The Vested Percentage shall never be less than the percentage designated by the Board; and

b. If the Vested Percentage is less than 100 percent, the Vested Percentage shall increase at the end of each of the Company's fiscal years thereafter in accordance with Section 5.4.

5.6 One Hundred Percent Vesting. All Shares issued hereunder shall become Vested Shares:

a. If the Shares are 100 percent vested pursuant to Section 5.4.

b. If the Company so stipulates in writing.

c. Upon Mr. Volkema's death.

d. If Mr. Volkema's service to the Company both as an officer and as a director ends at a time when he is permanently disabled, as determined by a physician approved by the Board.

e. If Mr. Volkema's employment is voluntarily or involuntarily terminated at a time when he is entitled to receive a severance benefit under the Company's Silver Parachute Plan.

5.7 Reversion. All Unvested Shares shall automatically revert to the Company at any time Mr. Volkema shall no longer be employed by the Company or an Affiliated Employer for any reason whatsoever, including involuntary termination without the consent of Mr. Volkema. Except as provided in Section 5.9, no compensation shall be payable to Mr. Volkema for shares which revert to the Company.

5.8 Effect of Reversion. Upon reversion of any Unvested Shares (a) absolute ownership thereof shall automatically revert to the Company at that time, (b) such Unvested Shares shall be deemed to be "Reverted Shares" for purposes of this Agreements (c) all Mr. Volkema's rights and interests in the Reverted Shares shall cease at that time, and (d) Mr. Volkema shall be obligated immediately to surrender to the Company the certificates representing the Reverted Shares, but the failure to do so shall not impair the immediate effect of clauses (a), (b) and (c) above.

5.9 Payment on Reversion. If Mr. Volkema's employment is terminated involuntarily and without his consent, so that he is no longer employed by the Company or an Affiliated Employer, and if Unvested Shares thereby revert to the Company pursuant to Section 5.7, the Company shall pay Mr. Volkema $8.00 per Reverted Share in full payment therefor. (This price is equal to 25 percent of the fair market value of the Shares at the date (May 15, 1996) on which the Shares were awarded to Mr. Volkema.) If, prior to the termination of Mr. Volkema's employment, Shares of common stock of the Company are increased, decreased or changed as a result of any event described in Section 1.11, the stated price payable by the Company for the Reverted Shares shall be fairly adjusted to reflect the effects of such an event.

6. MR. VOLKEMA'S UNDERSTANDINGS AND ACKNOWLEDGMENTS

6.1 Free Choice. Mr. Volkema understands, acknowledges and agrees that he has no obligation to enter into this Agreement and that failure to do so will not have any adverse consequences on his other compensation, position, job responsibilities, or future prospects at the Company. Mr. Volkema has elected to enter into this Agreement because he has concluded that the potential benefits he could derive under this Agreement outweigh the risk of substantial after-tax loss which could be realized if any Unvested Shares revert to the Company or if the market value for the Shares declines substantially.

6.2 No Right to Employment. Neither the execution or delivery of this Agreement nor any action taken by the Company under this Agreement nor any course of dealing between the Company and Mr. Volkema, nor anything else, shall limit or impair in any way the right of the Company to terminate Mr. Volkema's employment at any time. He acknowledges that no one has

made any explicit or implicit promise that his employment relationship with the Company will be continued for all or any part of the period required for all or any part of the Shares to become Vested Shares.

7. INTERPRETATION OF THIS AGREEMENT

7.1 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable, but if any provision of this Agreement shall be held to be prohibited or unenforceable under applicable law (a) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law, and (b) all other provisions of this Agreement shall remain in full force and effect.

7.2 Captions. The captions used in this Agreement are for convenience only, do not constitute a part of this Agreement and all of the provisions of this Agreement shall be enforced and construed as if no captions had been used.

7.3 Complete Agreement. This Agreement contains the complete agreement between the parties relating in any way to the subject matter of this Agreement and supersedes any prior understandings, agreements or representations, written or oral, which may have related to such subject matter in any way.

8. GENERAL PROVISIONS

8.1 Notices.

a. Procedures Required. Each communication given or delivered under this Agreement must be in writing and may be given by personal delivery or by registered or certified mail. A written communication shall be deemed to have been given on the date it shall be delivered to the address required by this Agreement.

b. Communications to Company. Communications to the Company shall be addressed to it at the principal corporate headquarters (which on the date hereof were located at 855 East Main Avenue, Zeeland, Michigan) and marked to the attention of the Company's chairman of the Board; or, if Mr. Volkema becomes chairman of the Board, to the attention of the Company's general counsel; if, prior to the issuance of such notice, the Company shall have given notice to Mr. Volkema that communications to the Company should be directed to a different address or to the attention of a different officer, then such communication shall be addressed in the manner most recently specified.

c. Communications to Mr. Volkema. Every communication to Mr. Volkema shall be addressed to him at the address given immediately below his signature to this Agreement, provided that, if, prior to the issuance of such notice, he shall have given the Company notice that communications to him should be directed to a different address, then such communication shall be addressed to the address which shall most recently have been so specified.

8.2 Assignment. This Agreement is not assignable by Mr. Volkema during his lifetime. This Agreement shall be binding upon and inure to the benefit of (a) the successors and assigns of the Company, and (b) any person to whom Mr. Volkema's rights under this Agreement may pass by reason of his death.

8.3 Amendment. This Agreement may be amended or modified in any manner whatsoever or terminated by written agreement between the Company and Mr. VoLlcema. No course of dealing between the parties shall be deemed effective to modify, amend or terminate any part of this Agreement or any rights or obligations of either party hereunder.

8.4 Waiver. No delay or omission in exercising any right hereunder shall operate as a waiver of such right or of any other right hereunder. A waiver upon any one occasion shall not be construed as a bar or waiver of any right or remedy on any other occasion. All of the rights and remedies of the parties hereto, whether evidenced hereby or granted by law, shall be cumulative.

8.5 No Oral Commitments. No amendment, modification or termination of this Agreement under Section 8.3 and no waiver under this Agreement under Section 8.4 shall be effective or enforceable unless it is set forth in writing and signed by both parties.

8.6 Counterparts. Two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same agreement.

8.7 Choice of Law. This Agreement shall be deemed to be a contract made under the laws of the State of Michigan and for all purposes shall be construed in accordance with and governed by the laws of the state of Michigan or applicable federal law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HERMAN MILLER, INC.

By

\- ----------------------- -----------------------

Michael A. Volkema David L. Nelson

Its Chairman of the Board

Address:
283 Whispering Way
Holland, Michigan 49424

EXHIBIT 10 (i)

TERMINATION AND MUTUAL RELEASE AGREEMENT

Agreement made effective as of March 27, 1996, by and between Hansjorg Broser, of 15, rue Raynouard, 75016 Paris, France (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 "Employer") on its own behalf and as duly authorized agent on behalf of, and as joint and several guarantor of the obligations of, Herman Miller et Cie SNC (a French "societe en nom collectif" (hereinafter collectively "HMI").

In consideration of the mutual covenants and releases contained herein, the Employee and HMI agree as follows:

1. OFFICER STATUS. Effective immediately, Employee shall no longer be an officer of Employer.

2. TERMINATION IN FRANCE. It is acknowledged by the parties that Employee's French employer, Herman Miller et Cie SNC, has terminated Employee's position as a salaried employee of such company by giving notice to Employee of his dismissal on May 21, 1996, with effect on May 21, 1996 (after waiving Employee's obligation to be present in such company and to perform any services during the notice period).

3. TERMINATION COMPENSATION

   A. Employer shall pay and make available and shall cause Herman Miller et Cie SNC to pay and to make available to Employee, between the date hereof and September 27, 1996, unless Employee breaches this Agreement, all of the same compensation (both in cash and in kind) and benefits as Employee was receiving on March 27, 1996 (except as otherwise provided in the starred items set forth in Exhibit A), all of such compensation and benefits being so paid and made available in the same manner and amounts as currently is the case (except as otherwise provided in the starred items set forth in Exhibit A). Except as expressly otherwise provided herein, Employee, between the date hereof and September 27, 1996, shall (subject to Paragraph 5 below) have no obligation to provide any services to Employer and shall be free to accept such other employment or consultancy as he may decide in his entire discretion (in which case all of the compensation and benefits provided for by this Paragraph 3 shall nevertheless continue to be made by Employer through September 27, 1996).

   B. Beginning on September 28, 1996, and up to and including September 27, 1997, unless Employee breaches this Agreement, Employer shall continue to pay and make available and shall cause Herman Miller et Cie SNC to pay and make available to Employee all of the same compensation (both in cash and in kind) and benefits Employee was receiving on March 27, 1996 (except as otherwise provided in the starred items set forth in Exhibit A), all of such compensation and benefits being so paid and made available in the same manner and amounts as currently is the case (except as otherwise provided in the starred items set forth in Exhibit A), it being understood and agreed that such payments and

benefits shall be made whether or not Employee has during such period taken on new employment, provided however that if Employee takes on new employment at any time during the period from March 27, 1997, to September 27, 1997 (the "Six-Month Period"), then the periodic monetary compensation received by Employee from such new employer during the Six-Month Period shall reduce dollar for dollar and franc for franc the amounts otherwise due to him during such Six-Month Period pursuant to this Paragraph 3B.

c. Employer, subject to the terms of this Agreement, further agrees to and shall provide to Employee all of the benefits and payments indicated in Exhibit A hereto.

4. TERMINATION IN U.S. On September 27, 1996, Employee's position as an employee of Employer shall end unless Employee has previously notified Employer that he has taken on new employment, in which latter case such employment shall terminate on the date Employee so notifies Employer but (as set forth in Paragraph 3 above) all of the compensation and benefits provided for by Paragraph 3 shall nevertheless continue through September 27, 1996.

5. CONSULTATION. Beginning on the date hereof, Employee will upon written request from time to time of Employer provide consulting services to HMI for a period ending on September 27, 1997, or until he obtains new employment, whichever occurs first. Employee will be reimbursed by HMI for all out-of-pocket expenses incurred at the request of HMI. Employee will provide HMI with 10 hours of consulting services in each 180-day period (or part thereof) starting from the date hereof without charge and thereafter HMI will compensate Employee at the rate of the French franc equivalent of US $1,000 per day (or part thereof) (net of taxes) for such consulting services. HMI will coordinate its request for consulting services with Employee's other activities so as to not place undue burdens on Employee.

6. 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 has been privy to such trade secrets and information and that protection of such is of vital importance to HMI's business. All information, whether written or not, regarding HMI's business, is presumed to be confidential. Examples of confidential information would include 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.

7. NONDISCLOSURE. Employee agrees that for so long as same is not generally known outside Employer, he will not at any time disclose any trade secrets or confidential information of HMI to others which he has obtained in the course of his employment with HMI. Employee shall not use any such trade secrets or confidential information for his own personal use or advantage, or make such trade secrets or confidential information available for use by others. Nothing in this Agreement shall, however,

prevent Employee from using his general knowledge, skill, and experience (including the contacts made while an employee of HMI) in the employment of a third party after the date hereof or in connection with the rendering of any consultancy services to third parties.

8. RETURN OF PROPERTY. Employee acknowledges having returned to HMI all Company property in his prior possession except for garage door opener and a cellular telephone. Employer acknowledges that Employee has vacated his prior office and returned all such property except as mentioned above. Employee will return such property as soon as possible. For the next three months HMI will forward Employee's mail.

9. PAYMENT OF PRE-TERMINATION EXPENSES. Employer shall promptly reimburse Employee for business expenses incurred in the ordinary course of Employee's employment on or before the date hereof, but not previously reimbursed, provided that Employer's policies of documentation and approval are satisfied. However, Employee is not authorized to be reimbursed for any business expenses incurred after the date hereof unless specifically set forth herein or authorized in advance by Employer.

10. MUTUAL RELEASE. Except for the enforcement of the terms and covenants in this Agreement, Employee and HMI hereby release each other from any and all claims and obligations arising under French, European Community, United States federal, state, or local law by statute, common law, or equity that each may have against the other arising out of the employment relationship and the termination thereof. Employee specifically waives any claim for unlawful discrimination including, but not limited to claims for race, sex, religion, disability, or national origin discrimination. Employee further agrees to waive and release any rights he might have under the federal Age Discrimination in Employment Act of 1967, as amended (29 USCSection 621 et seq.) ("ADEA") against the Company. This release covers claims and obligations even if they are unknown at this time. HMI and Employee also agree that as to any such claim they will not start or pursue any complaint or proceeding against the other before any court, tribunal, or government agency. 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 parties acknowledge and agree that this release and covenant not to sue are essential and material terms of this Agreement and that, without such releases and covenant not to sue, no agreement would have been reached by the parties. Employee understands and acknowledges the significance of this release and this Agreement.

11. SEVERABILITY. In the event any term of this Agreement is invalid or unenforceable, then such invalid or unenforceable term, if possible, will by reasonable agreement of the parties be altered so as to be valid and 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.

12. NONCOMPETITION. Employee agrees that until September 27, 1997, he will not directly or indirectly engage or invest in (except up to five percent of a publicly held company), or counsel, or advise, or be employed by, or affiliated with, any entity which is a competitor with HMI. The right and authority to determine whether or not the new employer or client is a competitor is vested solely with HMI's chief executive officer whose decision shall be final and binding.

13. PAYMENT BY HMI. If Employee (1) signs and returns this Agreement within 30 days of the date of this Agreement, (2) has otherwise complied with this Agreement, and (3) signs and complies with the terms of an agreement having the same date as this Agreement settling his claims under French law, then the Employee will be entitled to receive the discretionary and additional Termination Benefits listed on Exhibit A. Otherwise, the Employee will not be entitled to the Termination Benefits listed on Exhibit A. The Termination Benefits may be terminated if Employee breaches this Agreement, or if Employee harasses or intimidates any HMI employee or family member. In the event that HMI believes that Employee is in breach of the restrictions contained in paragraph 2 of Exhibit A relating to competition, it will give Employee written notice of the breach. Employee will then have 60 days to cure the breach before HMI may stop Termination Benefits under this Agreement.

14. GOVERNING LAW. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Michigan. Any dispute arising out of this Agreement shall be submitted exclusively to either the United States District Court for the Western District of Michigan or the Circuit Court of Ottawa County, Michigan, for resolution.

15. ENTIRE AGREEMENT. This Agreement and any other documents between the same parties relating to all their differences contain the entire understanding of the parties and supersede all previous oral and written agreements relating to the subject matter hereof; there are no other agreements, representations, or understandings relating to the subject matter hereof not set forth herein and in such other documents. Further, this Agreement can be modified only by a written agreement signed by Employee and Employer.

16. 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 Hansjorg Broser and all of his heirs, administrators, successors, assigns, and those who could make a claim through him. This Agreement shall benefit and be binding upon HMI's successors and assigns, and Employee's executors, administrators, and representatives.

17. VOLUNTARY EXECUTION. Employee acknowledges that he has read this Agreement, understands its terms, has been given an opportunity to consider this Agreement and its release of claims and covenant not to sue, and it has been entered into by him voluntarily. Employee further acknowledges that he has been advised to consult with an attorney prior to executing this Agreement.

HERMAN MILLER, INC.

______________________________ By ______________________________
Date James E. Christenson
Vice President

HANSJORG BROSER

______________________________ ______________________________
Date Employee Signature

______________________________ ______________________________
Date Witness

EXHIBIT A

1. Employee will receive his executive incentive for 1995/96 pursuant to the Executive Incentive Plan, such payment to be made to Employee no later than June 30, 1996. Employee will not be eligible to participate in the Executive Incentive Plan after June 1, 1996.

2. Employee will be entitled to the bundled fringe benefits including, but not limited to, any carry-over in the amount of $11,948.24 until July 1, 1996. Employee will not be eligible to any such benefits after July 1, 1996.

3. If Employee has money in either the Health Care or Dependent Care spending accounts for the current year, claims must be submitted within 90 days of September 27, 1996. Any unused balances will be forfeited at that time.

4. If Employee has an existing balance on his corporate Visa card or his cellular phone service, he will pay off the balance within 20 days after the date of this Agreement.

5. Employee will pay the balance owed to HMI on his employee purchase account (product purchase) within 20 days of the date of this Agreement.

6. Employee will, in accordance with Paragraph 3A (through September 27, 1996) and Paragraph 3B (from September 27, 1996, through September 27, 1997) of the Agreement, continue to receive the expatriate package pursuant to the August 7, 1992, document setting out the terms and conditions of Employee's assignment in Paris. HMI may deduct from the payments otherwise due to him from the Executive Bonus, U.S. $37,616 for the 1994 tax equalization. Any other amounts finally determined due to HMI by Employee pursuant to the tax equalization package included in the Expatriate Terms and Conditions, shall be payable in accordance with such Expatriate Terms and Conditions. Employee's expatriate package includes but is not limited to:

    a. Tax equalization--HMI will pay for John Rigg or any other accounting firm mutually agreed between the parties to calculate Employee's tax liabilities, and will cover those taxes related to money earned or received pursuant to this Agreement which result in a higher burden than working in the U.S. would have caused in accordance with the methodology and principles in practice on March 27, 1996. This provision will continue up to the filing of the 1996 tax returns. Employee is responsible for the preparation and filing of all tax-related documents for both home and host countries. Employee is accountable for monitoring any changes in home country laws which might impact his legal obligations.

    b. Goods and service allowance--Employee is to be paid by HMI one hundred percent of the level recommended by ORC to reflect cost-of-living differences, which amount is currently net FF35,230.76 (including the amount of FF1,194.00 currently paid by Employee to HMI for car rental reimbursement), and which amount will be reviewed every six months to determine appropriate

adjustments in accordance with the methodology and principles in practice on March 27, 1996.

c. Housing allowance--Employee is to be paid a housing allowance by HMI. In such connection, Employee is entitled to occupy the apartment he is currently occupying which apartment is leased by HMI. HMI will continue to pay the rent and charges, including the cost of insuring the apartment, in accordance with the current practice. Provided that Employee has not breached this Agreement, HMI will permit Employee, if Employee so chooses in his sole discretion, to sublease the said apartment from HMI from the expiration of the termination payments (i.e., as provided in Paragraph 3 of the Agreement) until the first cancellation dates contained in such lease. Employee will indemnify HMI from any liability in connection with such sublease and will attempt to have HMI released from liability.

d. Automobile lease--Employee is to be paid an allowance for the lease of an automobile. In this connection, HMI will continue to pay the existing lease of the automobile used by Employee. HMI also pays and will continue to pay the additional costs of renting the garage currently used to store the automobile. Provided that Employee has not breached this Agreement, HMI will permit Employee, if Employee so chooses in his sole discretion, to sublease the current automobile and garage from the expiration of the termination payments (i.e., as provided in Paragraph 3 of the Agreement) until the first cancellation date contained in such leases. Employee will indemnify HMI from any liability in connection with such subleases and will attempt to have HMI released from liability.

7. In the event that Employee relocates at any time during the period in which compensation payments are payable as provided in Paragraph 3A of the Agreement and thereafter the period in which termination payments are payable as provided in Paragraph 3B of the Agreement, he shall give to the Employer four weeks' notice on the expiry of which he may leave the flat and garage in Paris and return the automobile leased by the Employer for the Employee's use with no obligations or liabilities therefore. Further, for any such period, if the Employee relocates to the United States, the Employer shall pay to the Employee all relocation benefits provided for by the Employer as if the Employee were moving to take on another job with the Employer up to a gross maximum of U.S. $25,000 according to HMI's relocation policy.

8. On undertaking other employment during the Six-Month Period provided in Paragraph 3B of the Agreement, the Employee shall on or before the first payroll date thereof provide to the Employer written details of the amount of his remuneration therefore so as to enable the Employer to determine the amount of termination compensation payable thereafter in accordance with the provisions of said Paragraph 3B.

9. Employee will continue to participate in the Flexible Benefits Plan until September 27, 1997. If Employee becomes eligible for benefits comparable to the Flexible Benefits Plan through another employer, his participation in the Flexible Benefits Plan will cease.

10. Employee will receive full outplacement support through Roberston and Lowstuter and Mediator Paris France. HMI will also pay for telephone and other communication expenses not covered by the terms of the outplacement agreement between HMI and Robertson and Lowstuter.

11. Stock options granted to Employee under the HMI Employee Stock Option Plan will terminate 90 days after Employee's employment with HMI is terminated, or 90 days after September 27, 1996, whichever is earlier. As of the date of this Agreement, Employee is vested in 16,000 shares and 10,000 will vest on June 1, 1996, if Employee is still employed on such date. Employee is entitled to contact Bob Dentzman if he has any questions.

12. The loan to Employee under the HMI Key Employee Stock Purchase Plan will be due and payable at the earlier of September 1, 1996, or when Employee's employment with HMI is terminated. At that time HMI will foreclose the pledge on the 15,000 shares of HMI stock held as security for the loan. The amount owed by Employee as of March 27, 1996, is U.S. $304,628 principal plus U.S. $12,210.18 interest. Employee will receive credit against these amounts for repayment credits earned through June 1, 1996, as provided in the plan.

13. Employee's restricted stock grant of 6,000 shares awarded on October 1, 1992, will be foreclosed according to its terms. Forty percent (40%) of the shares (2,400 shares) is expected to be vested as of June 1, 1996, and sixty percent (60%) (3,600 shares) is expected to be forfeited at the price of U.S. $3.97 per share, the total amount of which shall be paid by HMI to Employee within 14 days after the earlier of the date Employee's employment with HMI is terminated and September 27, 1996. The shares subject to vesting under the restricted stock grant will be determined on the earlier of the date Employee's employment with HMI is terminated and September 27, 1996.

14. The balance of Employee's Employee Ownership/Profit Sharing account will be paid to Employee at the end of the month after he is no longer employed by HMI (i.e., September 30, 1996, unless terminated earlier) and Employee is entitled to make contributions to such account until such date. Employee may contact Del Arendsen if he has any questions.

15. The balance of Employee's employee stock purchase account will be paid to Employee upon termination of his employment (i.e., September 27, 1996, unless terminated earlier) and Employee is entitled to make contributions to such account until such date.

16. The Retirement Income Plan benefit and Officers Supplemental Plan benefits will be based upon your total compensation through the fiscal year ending June 1, 1996. Benefits will be explained in a separate cover letter.

EXHIBIT 11

HERMAN MILLER, INC., AND SUBSIDIARIES

Exhibit 11
Statement Regarding Computation of Per Share Earnings
(Dollars in Thousands Except Per Share Data)

	June 1, 1996(d)	June 3, 1995(c)	May 28, 1994(d)
NET INCOME APPLICABLE TO COMMON SHARES	$ 45,946(a)	$ 4,339(b)	$ 40,373
Weighted Average Common Shares Outstanding	25,001,560	24,720,638	25,080,895
Net Common Shares Issuable Upon Exercise of Certain Stock Options	127,175	71,419	173,849
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING AS ADJUSTED	25,128,735	24,792,057	25,254,743
NET INCOME PER SHARE	$ 1.83	$ .18	$ 1.60

Earnings per share on a fully diluted basis are not significantly different from reported primary amounts.

(a) Includes $10.6 million of patent litigation settlement charges.
(b) Includes $28.1 million of restructuring and other charges.
(c) Represents a 53-week period.
(d) Represents a 52-week period.

EXHIBIT 22

HERMAN MILLER, INC., AND SUBSIDIARIES

Subsidiaries

The Company's principal subsidiaries are as follows:

Name	Ownership	Jurisdiction Of Incorporation
Coro, Inc.	98% Company	Michigan
Herman Miller (Australia) Pty., Ltd.	100% Company	Australia
Herman Miller B.V. (Netherlands)	100% Company	Netherlands
Herman Miller Canada, Inc.	100% Company	Canada
Herman Miller Deutschland, Inc. und Co.--OHG	100% Company	Germany
Herman Miller Et Cie	100% Company	France
Herman Miller Italia	100% Company	Italy
Herman Miller, Japan, Ltd.	100% Company	Japan
Herman Miller, Limited	100% Company	England, U.K.
Herman Miller Mexico	100% Company	Mexico
Herman Miller Transportation Company	100% Company	Michigan
Integrated Metal Technology, Inc.	100% Company	Michigan
Meridian Incorporated	100% Company	Michigan
Milcare, Inc.	100% Company	Michigan
Milsure Insurance Limited	100% Company	Barbados
Miller SQA, Inc.	100% Company	Michigan
Powder Coat Technology, Inc.	100% Company	Michigan
The Resource Alliance, Inc.	100% Company	Canada

5
1,000

12-MOS
JUN-01-1996
JUN-04-1995
JUN-01-1996
57,053
0
180,539
10,423
65,730
42,006
536,108
267,343
694,911
219,027
110,245
0
0
4,934
303,211
694,911
1,283,931
1,283,931
848,985
848,985
352,305
4,635
7,910
70,096
24,150
45,946
0
0
0
45,946
1.83
1.83