

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

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

For Quarter Ended December 1, 2018

Commission File No. 001-15141

HERMAN MILLER, INC.

A Michigan Corporation

ID No. 38-0837640

855 East Main Avenue, Zeeland, MI 49464-0302

Phone (616) 654 3000

Indicate by check mark whether the registrant:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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

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

Yes ☐ No ☒

Common Stock Outstanding at January 7, 2019 - 58,895,990 shares

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

	Three Months Ended		Six Months Ended	
	December 1, 2018	December 2, 2017	December 1, 2018	December 2, 2017
Net sales	\$ 652.6	\$ 604.6	\$ 1,277.3	\$ 1,184.8
Cost of sales	417.0	382.5	816.6	745.8
Gross margin	235.6	222.1	460.7	439.0
Operating expenses:				
Selling, general and administrative	163.2	153.2	322.7	300.7
Restructuring and impairment expenses	0.3	0.5	1.4	1.9
Design and research	19.0	18.0	37.5	36.5
Total operating expenses	182.5	171.7	361.6	339.1
Operating earnings	53.1	50.4	99.1	99.9
Other expenses:				
Interest expense	3.1	3.7	6.0	7.4
Other, net	0.7	(0.3)	(0.3)	(1.0)
Earnings before income taxes and equity income	49.3	47.0	93.4	93.5
Income tax expense	11.2	14.3	20.0	28.5
Equity income from nonconsolidated affiliates, net of tax	1.2	0.8	1.8	1.5
Net earnings	39.3	33.5	75.2	66.5
Net earnings attributable to noncontrolling interests	—	—	0.1	—
Net earnings attributable to Herman Miller, Inc.	\$ 39.3	\$ 33.5	\$ 75.1	\$ 66.5
Earnings per share — basic	\$ 0.66	\$ 0.56	\$ 1.27	\$ 1.11
Earnings per share — diluted	\$ 0.66	\$ 0.55	\$ 1.26	\$ 1.10
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	\$ (4.5)	\$ 0.1	\$ (12.4)	\$ 4.5
Pension and other post-retirement plans	0.4	0.8	1.1	1.6
Interest rate swaps	1.0	2.6	0.5	1.0
Unrealized holding loss	—	—	(0.1)	—
Other comprehensive (loss) income	(3.1)	3.5	(10.9)	7.1
Comprehensive income	36.2	37.0	64.3	73.6
Comprehensive income attributable to noncontrolling interests	—	—	0.1	—
Comprehensive income attributable to Herman Miller, Inc.	\$ 36.2	\$ 37.0	\$ 64.2	\$ 73.6

See accompanying notes to condensed consolidated financial statements.

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

	December 1, 2018	June 2, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 113.6	\$ 203.9
Short-term investments	8.2	8.6
Accounts and notes receivable, net	223.0	217.4
Unbilled accounts receivable	32.4	1.9
Inventories, net	178.5	162.4
Prepaid expenses and other	45.3	51.2
Total current assets	601.0	645.4
Property and equipment, at cost	1,047.3	1,020.8
Less — accumulated depreciation	(714.3)	(689.4)
Net property and equipment	333.0	331.4
Goodwill	303.9	304.1
Indefinite-lived intangibles	78.1	78.1
Other amortizable intangibles, net	43.9	41.3
Other noncurrent assets	149.8	79.2
Total Assets	\$ 1,509.7	\$ 1,479.5
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 184.6	\$ 171.4
Accrued compensation and benefits	82.0	86.3
Accrued warranty	52.4	51.5
Customer deposits	27.0	27.6
Other accrued liabilities	79.3	77.0
Total current liabilities	425.3	413.8
Long-term debt	281.9	275.0
Pension and post-retirement benefits	13.8	15.6
Other liabilities	82.5	79.8
Total Liabilities	803.5	784.2
Redeemable noncontrolling interests	20.7	30.5
Stockholders' Equity:		
Preferred stock, no par value (10,000,000 shares authorized, none issued)	—	—
Common stock, \$0.20 par value (240,000,000 shares authorized, 58,902,002 and 59,230,974 shares issued and outstanding in 2019 and 2018, respectively)	11.8	11.7
Additional paid-in capital	94.3	116.6
Retained earnings	650.6	598.3
Accumulated other comprehensive loss	(70.8)	(61.3)
Key executive deferred compensation plans	(0.7)	(0.7)
Herman Miller, Inc. Stockholders' Equity	685.2	664.6
Noncontrolling Interests	0.3	0.2
Total Stockholders' Equity	685.5	664.8
Total Liabilities, Redeemable Noncontrolling Interests, and Stockholders' Equity	\$ 1,509.7	\$ 1,479.5

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended	
	December 1, 2018	December 2, 2017
Cash Flows from Operating Activities:		
Net earnings	\$ 75.2	\$ 66.5
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	37.6	31.8
Stock-based compensation	5.0	3.0
Pension and post-retirement expenses	0.6	0.7
Pension contributions	—	(12.0)
Earnings from nonconsolidated affiliates net of dividends received	(0.7)	(0.3)
Deferred taxes	1.1	(1.0)
Gain on sales of property and dealers	—	(0.8)
Restructuring and impairment expenses	1.4	1.9
Increase in current assets	(44.2)	(15.7)
Increase in current liabilities	15.1	4.4
(Decrease) increase in non-current liabilities	(0.4)	3.0
Other, net	0.8	—
Net Cash Provided by Operating Activities	91.5	81.5
Cash Flows from Investing Activities:		
Proceeds from sale of property and dealers	—	2.0
Marketable securities purchases	(0.3)	(0.4)
Marketable securities sales	0.7	0.4
Equity investment in non-controlled entities	(71.6)	—
Capital expenditures	(41.1)	(39.8)
Proceeds from life insurance policy	—	8.1
Purchase of HAY licensing agreement	(4.8)	—
Net advances on notes receivable	(0.1)	(0.5)
Other, net	(1.5)	(0.4)
Net Cash Used in Investing Activities	(118.7)	(30.6)
Cash Flows from Financing Activities:		
Dividends paid	(22.4)	(20.9)
Proceeds from issuance of long-term debt	—	115.4
Payments of long-term debt	—	(115.4)
Common stock issued	10.4	5.9
Common stock repurchased and retired	(37.4)	(17.3)
Purchase of redeemable noncontrolling interests	(10.1)	(1.0)
Net (payments) proceeds from supplier financing program	(0.4)	0.4
Payment of contingent consideration	(0.2)	(0.1)
Other, net	0.3	(0.2)
Net Cash Used in by Financing Activities	(59.8)	(33.2)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3.3)	0.7
Net Decrease in Cash and Cash Equivalents	(90.3)	18.4
Cash and Cash Equivalents, Beginning of Period	203.9	96.2
Cash and Cash Equivalents, End of Period	\$ 113.6	\$ 114.6

See accompanying notes to condensed consolidated financial statements.

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

Six Months Ended December 1, 2018										
	Preferred Stock	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Key Executive Deferred Compensation	Herman Miller, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount								
June 2, 2018	\$ —	59,230,974	\$ 11.7	\$ 116.6	\$ 598.3	\$ (61.3)	\$ (0.7)	\$ 664.6	\$ 0.2	\$ 664.8
Net earnings	—	—	—	—	35.8	—	—	35.8	0.1	35.9
Other comprehensive loss	—	—	—	—	—	(7.8)	—	(7.8)	—	(7.8)
Stock-based compensation expense	—	—	—	2.2	—	—	—	2.2	—	2.2
Exercise of stock options	—	265,739	0.2	7.9	—	—	—	8.1	—	8.1
Restricted and performance stock units released	—	335,266	0.1	—	—	—	—	0.1	—	0.1
Employee stock purchase plan issuances	—	16,805	—	0.5	—	—	—	0.5	—	0.5
Repurchase and retirement of common stock	—	(545,866)	(0.1)	(20.7)	—	—	—	(20.8)	—	(20.8)
Dividends declared (\$0.1975 per share)	—	—	—	—	(11.6)	—	—	(11.6)	—	(11.6)
Cumulative effect of accounting changes	—	—	—	—	2.0	(0.1)	—	1.9	—	1.9
September 1, 2018	\$ —	59,302,918	\$ 11.9	\$ 106.5	\$ 624.5	\$ (69.2)	\$ (0.7)	\$ 673.0	\$ 0.3	\$ 673.3
Net earnings	—	—	—	—	39.3	—	—	39.3	—	39.3
Other comprehensive loss	—	—	—	—	—	(3.1)	—	(3.1)	—	(3.1)
Stock-based compensation expense	—	—	—	2.5	—	—	—	2.5	—	2.5
Exercise of stock options	—	53,614	—	1.3	—	—	—	1.3	—	1.3
Restricted and performance stock units released	—	7,511	—	—	—	—	—	—	—	—
Employee stock purchase plan issuances	—	14,813	—	0.5	—	—	—	0.5	—	0.5
Repurchase and retirement of common stock	—	(476,854)	(0.1)	(16.5)	—	—	—	(16.6)	—	(16.6)
Dividends declared (\$0.1975 per share)	—	—	—	—	(11.7)	—	—	(11.7)	—	(11.7)
Cumulative effect of accounting changes	—	—	—	—	(1.5)	1.5	—	—	—	—
December 1, 2018	\$ —	58,902,002	\$ 11.8	\$ 94.3	\$ 650.6	\$ (70.8)	\$ (0.7)	\$ 685.2	\$ 0.3	\$ 685.5

Six Months Ended December 2, 2017

	Preferred Stock	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Key Executive Deferred Compensation	Herman Miller, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount								
June 3, 2017	\$ —	59,715,824	\$ 11.9	\$ 139.3	\$ 519.5	\$ (82.2)	\$ (1.0)	\$ 587.5	\$ 0.2	\$ 587.7
Net earnings	—	—	—	—	33.0	—	—	33.0	—	33.0
Other comprehensive income	—	—	—	—	—	3.6	—	3.6	—	3.6
Stock-based compensation expense	—	—	—	1.7	—	—	—	1.7	—	1.7
Exercise of stock options	—	150,556	0.1	3.8	—	—	—	3.9	—	3.9
Restricted and performance stock units released	—	220,850	—	—	—	—	—	—	—	—
Employee stock purchase plan issuances	—	18,223	—	0.5	—	—	—	0.5	—	0.5
Repurchase and retirement of common stock	—	(330,963)	—	(11.1)	—	—	—	(11.1)	—	(11.1)
Dividends declared (\$0.1800 per share)	—	—	—	—	(10.8)	—	—	(10.8)	—	(10.8)
Redemption value adjustment	—	—	—	—	0.2	—	—	0.2	—	0.2
Cumulative effect of accounting changes	—	—	—	(0.3)	0.2	—	—	(0.1)	—	(0.1)
September 2, 2017	\$ —	59,774,490	\$ 12.0	\$ 133.9	\$ 542.1	\$ (78.6)	\$ (1.0)	\$ 608.4	\$ 0.2	\$ 608.6
Net earnings	—	—	—	—	33.5	—	—	33.5	—	33.5
Other comprehensive income	—	—	—	—	—	3.5	—	3.5	—	3.5
Stock-based compensation expense	—	—	—	1.1	—	—	—	1.1	—	1.1
Exercise of stock options	—	37,469	—	0.9	—	—	—	0.9	—	0.9
Restricted and performance stock units released	—	14,424	—	—	—	—	—	—	—	—
Employee stock purchase plan issuances	—	15,192	—	0.6	—	—	—	0.6	—	0.6
Repurchase and retirement of common stock	—	(177,511)	(0.1)	(6.1)	—	—	—	(6.2)	—	(6.2)
Dividends declared (\$0.1800 per share)	—	—	—	—	(10.8)	—	—	(10.8)	—	(10.8)
Redemption value adjustment	—	—	—	—	(0.3)	—	—	(0.3)	—	(0.3)
Cumulative effect of accounting changes	—	—	—	—	(0.1)	—	—	(0.1)	—	(0.1)
December 2, 2017	\$ —	59,664,064	\$ 11.9	\$ 130.4	\$ 564.4	\$ (75.1)	\$ (1.0)	\$ 630.6	\$ 0.2	\$ 630.8

See accompanying notes to condensed consolidated financial statements.

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

1. Basis of Presentation

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

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

2. Recently Issued Accounting Standards

Recently Adopted Accounting Standards

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
Revenue from Contracts with Customers	The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is designed to create greater comparability for financial statement users across industries and jurisdictions and also requires enhanced disclosures. The standard allows for two adoption methods, a full retrospective or modified retrospective approach.	June 3, 2018	The Company adopted the standard effective June 3, 2018 using the modified retrospective method. Refer to Note 3 to the financial statements for further information regarding the adoption of the standard.
Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities	The standard provides guidance for the measurement, presentation and disclosure of financial assets and liabilities. The standard requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any change in fair value in net income. The standard does not permit early adoption and at adoption a cumulative-effect adjustment to beginning retained earnings should be recorded.	June 3, 2018	The Company adopted the standard effective June 3, 2018 using the modified retrospective method. As a result, the Company reclassified \$0.1 million of net gains on mutual fund equity securities, that were formerly classified as available for sale securities before the adoption of the new standard, from Accumulated other comprehensive loss to Retained earnings. The impact of adoption also resulted in certain disclosure changes. Refer to Note 11 of the financial statements for further information.
Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract	This update aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. Early adoption is permitted.	September 2, 2018	The Company early adopted the standard prospectively effective September 2, 2018. The impacts resulting from adoption did not have an impact on the Company's Financial Statements.

Recently Adopted Accounting Standards (Continued)

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	This update allows for the reclassification to retained earnings of the tax effects stranded in Accumulated Other Comprehensive Income resulting from The Tax Cuts and Jobs Act. Early adoption is permitted.	September 2, 2018	The Company early adopted the standard effective September 2, 2018 and reclassified \$1.5 million from Accumulated other comprehensive loss to Retained earnings related to the Company's interest rate swap agreements.
Compensation - Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost	This standard changes the rules related to the income statement presentation of the components of net periodic benefit cost for defined benefit pension and other postretirement benefit plans. Under the new guidance, entities must present the service cost component of net periodic benefit cost in the same income statement line items as other employee compensation costs related to services rendered during the period. Other components of net periodic benefit cost will be presented separately from the line items that include the service cost. Early adoption is permitted.	June 3, 2018	The Company retrospectively adopted the standard effective June 3, 2018. Prior to adoption, the Company recorded net periodic benefit costs related to its defined benefit pension and post-retirement medical plans within Selling, general and administrative expenses. As a result of adoption, these costs are recorded within Other, net. The Company retrospectively reclassified these costs in the Condensed Consolidated Statements of Comprehensive Income for the period ending September 2, 2017 from Selling, general and administrative to Other, net. Refer to Note 7 of the financial statements for further information.

Recently Issued Accounting Standards Not Yet Adopted

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities	This update amends the hedge accounting recognition and presentation with the objectives of improving the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities and simplifying the application of hedge accounting. The update expands the strategies eligible for hedge accounting, relaxes the timing requirements of hedge documentation and effectiveness assessments and permits the use of qualitative assessments on an ongoing basis to assess hedge effectiveness. The new guidance also requires new disclosures and presentation.	June 2, 2019	The Company is currently evaluating the impact of adopting this guidance.
Leases	Under the updated standard a lessee's rights and obligations under most leases, including existing and new arrangements, would be recognized as assets and liabilities, respectively, on the balance sheet. The standard must be adopted under a modified retrospective approach and early adoption is permitted.	June 2, 2019	The standard is expected to have a significant impact on our Consolidated Financial Statements. The Company does not expect the Statement of Comprehensive Income to be significantly impacted. However, the impact to the balance sheet of recording right of use assets and lease liabilities for the Company's operating leases, as well as the necessary financial statement disclosures, is expected to be significant. The Company has assembled a project team and is working towards implementation of the lease accounting standard.
Measurement of Credit Losses on Financial Instruments	This guidance replaces the existing incurred loss impairment model with an expected loss model and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.	May 31, 2020	The Company is currently evaluating the impact of adopting this guidance.

Recently Issued Accounting Standards Not Yet Adopted (Continued)

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement	This update eliminates, adds and modifies certain disclosure requirements for fair value measurements. Early adoption is permitted, and an entity is also permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until their effective date.	May 31, 2020	The Company is currently evaluating the impact of adopting this guidance.
Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans	This update eliminates, adds and clarifies certain disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. Early adoption is permitted.	May 30, 2021	The Company is currently evaluating the impact of adopting this guidance.

3. Revenue from Contracts with Customers

Impact of Adoption

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

The Company adopted ASC 606 using the modified retrospective approach and applied the guidance therein to all applicable contracts that were not complete as of the date of adoption. As a result of these changes in accounting, the Company recorded a cumulative adjustment to retained earnings of \$1.9 million on the date of adoption. With the change in performance obligations under ASC 606, product revenue recognition is accelerated on certain direct commercial customer sales. As a result, the cumulative adjustment recorded upon the adoption of ASC 606 had the impact of reducing inventory for sales transactions that would have been recognized in a prior period under ASC 606 and recording unbilled receivables for the amounts owed prior to invoicing. Additionally, the cumulative adjustment reflects the change in accrued expenses, including income taxes payable, related to these sales transactions. The cumulative impact to our Condensed Consolidated Balance Sheet as of June 3, 2018 was as follows:

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

In accordance with the modified retrospective adoption rules per ASC 606, the Company has disclosed in the tables below the differences in our financial statements due to the adoption of the standard. The “As reported” column represents the financial statement values recorded in

accordance with ASC 606, while the “Legacy GAAP” column represents what the financial statement values would have been under ASC 605, had the new standard not been adopted.

(In millions)	Three Months Ended December 1, 2018			
	As reported	Performance Obligation Change	Gross vs. Net Change	Legacy GAAP
Statement of Comprehensive Income				
Net sales	\$ 652.6	\$ (7.5)	\$ (10.1)	\$ 635.0
Cost of sales	417.0	(4.1)	(10.1)	402.8
Gross margin	235.6	(3.4)		232.2
Total operating expenses	182.5	(0.1)		182.4
Operating earnings	53.1	(3.3)		49.8
Income tax expense	11.2	(0.6)		10.6
Net earnings	39.3	(2.7)		36.6

(In millions)	Six Months Ended December 1, 2018			
	As reported	Performance Obligation Change	Gross vs. Net Change	Legacy GAAP
Statement of Comprehensive Income				
Net sales	\$ 1,277.3	\$ (18.2)	\$ (18.6)	\$ 1,240.5
Cost of sales	816.6	(9.9)	(18.6)	788.1
Gross margin	460.7	(8.3)		452.4
Total operating expenses	361.6	(0.2)		361.4
Operating earnings	99.1	(8.1)		91.0
Income tax expense	20.0	(1.7)		18.3
Net earnings	75.2	(6.4)		68.8

(In millions)	As of December 1, 2018			
	As reported	Performance Obligation Change	Gross vs. Net Change	Legacy GAAP
Balance Sheet				
Assets:				
Unbilled accounts receivable	\$ 32.4	\$ (29.3)		\$ 3.1
Inventories, net	178.5	16.5		195.0
Liabilities:				
Accrued compensation and benefits	82.0	(0.3)		81.7
Other accrued liabilities	79.3	(4.2)		75.1
Equity:				
Retained earnings	650.6	(8.3)		642.3

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

Accounting Policies

The Company recognizes revenue as performance obligations based on the terms of contracts with customers are satisfied. This happens when control of goods and services based on the contract have been conveyed to the customer. Revenue for the sale of products is typically recognized at the point in time when control transfers, generally upon transfer of title and risk of loss to the customer. Revenue for services, including the installation of products by the Company's owned dealers, is recognized over time as the services are provided. The method of revenue recognition may vary, depending on the type of contract with the customer, as noted in the section Disaggregated Revenue further below.

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

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

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

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

Disaggregated Revenue

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

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

In certain instances, entities owned by the Company, rather than independent third-party dealers, perform installation and other services. In these cases, Service revenue is generated by the Company's entities that provide installation services, which include owned dealers, and is recognized by the Company over time as the services are provided. For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation based on relative standalone selling prices.

- *Other* - these contracts are comprised mainly of alliance fee arrangements, whereby the Company earns revenue for allowing other furniture sellers access to its dealer distribution channel, as well as other miscellaneous selling arrangements. Revenue from alliance contracts are recorded at the point in time in which the sale is made by other furniture sellers through the Company's sales channel.

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

(In millions)	Three Months Ended December 1, 2018	Six Months Ended December 1, 2018
Net Sales:		
Single performance obligation		
Product revenue	\$ 539.4	\$ 1,074.6
Multiple performance obligations		
Product revenue	107.9	192.7
Service revenue	3.2	5.9
Other	2.1	4.1
Total	<u>\$ 652.6</u>	<u>\$ 1,277.3</u>

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

(In millions)	Three Months Ended December 1, 2018	Six Months Ended December 1, 2018
North American Furniture Solutions:		
Systems	\$ 143.5	\$ 288.1
Seating	100.0	196.6
Freestanding and storage	78.5	153.2
Other	31.2	59.0
Total North American Furniture Solutions	<u>\$ 353.2</u>	<u>\$ 696.9</u>
ELA Furniture Solutions:		
Systems	\$ 28.4	\$ 51.1
Seating	62.1	130.8
Freestanding and storage	13.9	24.3
Other	14.1	27.8
Total ELA Furniture Solutions	<u>\$ 118.5</u>	<u>\$ 234.0</u>
Specialty:		
Systems	\$ 1.8	\$ 3.3
Seating	26.9	55.9
Freestanding and storage	19.5	32.3
Textiles	4.0	9.0
Other	29.4	58.4
Total Specialty	<u>\$ 81.6</u>	<u>\$ 158.9</u>
Consumer:		
Systems	\$ 0.1	\$ 0.1
Seating	58.1	111.8
Freestanding and storage	16.8	34.0
Other	24.3	41.6
Total Consumer	<u>\$ 99.3</u>	<u>\$ 187.5</u>
Total	<u>\$ 652.6</u>	<u>\$ 1,277.3</u>

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

Contract Assets and Contract Liabilities

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

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

Contract liabilities represent deposits made by customers before the satisfaction of performance obligation(s) are complete and revenue is recognized. Upon completion of the performance obligation(s) that the Company has with the customer based on the terms of the contract, the liability for the customer deposit is relieved and revenue is recognized. These customer deposits are included within the caption "Customer deposits" in the Condensed Consolidated Balance Sheets. During the three and six month periods ended December 1, 2018, the Company recognized Net sales of \$17.8 million and \$23.1 million, respectively, related to customer deposits there were included in the balance sheet as of September 1, 2018 and June 2, 2018.

4. Acquisitions and Divestitures

Maars Holding B.V.

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

For the Maars equity method investment, the fair values assigned to the assets acquired were based on best estimates and assumptions as of the reporting date and are considered preliminary pending completion of the valuation analysis.

Nine United Denmark A/S

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

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

For the Hay equity method investment, the fair values assigned to the assets acquired were based on best estimates and assumptions as of the reporting date and are considered preliminary pending completion of the valuation analysis.

Contract Furniture Dealerships

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

On January 1, 2017, the Company completed the sale of a wholly-owned contract furniture dealership in Philadelphia, Pennsylvania in exchange for \$3.0 million, that was comprised of both a term note receivable and a line of credit. A pre-tax gain of \$0.7 million was recognized as a result of the sale within the caption Selling, general and administrative within the Condensed Consolidated Statements of Comprehensive Income. These long-term receivables were deemed to be variable interests in a variable interest entity. The carrying value of the long-term receivables was \$2.6 million and \$2.5 million as of December 1, 2018 and June 2, 2018, and represents the Company's maximum exposure to loss. The Company is not deemed to be the primary beneficiary of the variable interest entity as the buyers of the dealership control the activities that most significantly impact the entity's economic performance, including sales, marketing and operations.

5. Inventories, net

(In millions)	December 1, 2018	June 2, 2018
Finished goods	\$ 138.2	\$ 124.2
Raw materials	40.3	38.2
Total	<u>\$ 178.5</u>	<u>\$ 162.4</u>

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

6. Goodwill and Indefinite-lived Intangibles

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

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

7. Employee Benefit Plans

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

(In millions)	Three Months Ended		Six Months Ended	
	December 1, 2018	December 2, 2017	December 1, 2018	December 2, 2017
Interest cost	\$ 0.7	\$ 0.8	\$ 1.4	\$ 1.6
Expected return on plan assets	(1.1)	(1.8)	(2.1)	(3.5)
Net amortization loss	0.7	1.3	1.3	2.6
Net periodic benefit cost	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 0.6</u>	<u>\$ 0.7</u>

The Company retrospectively adopted *ASU 2017-07 - Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* on June 3, 2018. As the Company's pension and post retirement medical plans are frozen and not open to new plan participants, these plans no longer have a service component in net periodic benefit cost. Prior to adoption, the Company recorded net periodic benefit costs related to its defined benefit pension and post-retirement medical plans within Selling, general and administrative expenses. As a result of adoption, these costs are recorded within Other, net. The Company retrospectively reclassified \$0.4 million and \$0.8 million of net periodic benefit cost in the Condensed Consolidated Statements of Comprehensive Income for the three and six month periods ended December 2, 2017, respectively, from Selling, general and administrative to Other, net.

The Company made a voluntary contribution of \$12.0 million to its International defined benefit pension plan in the six month period ended December 2, 2017.

8. Earnings Per Share

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

	Three Months Ended		Six Months Ended	
	December 1, 2018	December 2, 2017	December 1, 2018	December 2, 2017
Numerators:				
Numerator for both basic and diluted EPS, Net earnings attributable to Herman Miller, Inc. - in millions	\$ 39.3	\$ 33.5	\$ 75.1	\$ 66.5
Denominators:				
Denominator for basic EPS, weighted-average common shares outstanding	59,133,700	59,747,932	59,212,370	59,753,271
Potentially dilutive shares resulting from stock plans	308,519	524,275	399,743	543,457
Denominator for diluted EPS	59,442,219	60,272,207	59,612,113	60,296,728
Antidilutive equity awards not included in weighted-average common shares - diluted	292,699	423,670	207,868	356,135

9. Stock-Based Compensation

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

(In millions)	Three Months Ended		Six Months Ended	
	December 1, 2018	December 2, 2017	December 1, 2018	December 2, 2017
Stock-based compensation expense	\$ 2.6	\$ 1.4	\$ 5.0	\$ 3.0
Related income tax effect	0.6	0.5	1.1	1.0

10. Income Taxes

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

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

(In millions)	December 1, 2018	June 2, 2018
Liability for interest and penalties	\$ 0.9	\$ 1.0

The components of the Company's unrecognized tax benefits are as follows:

(In millions)	
Balance at June 2, 2018	\$ 3.2
Increases related to current year income tax positions	0.2
Decreases related to settlements	(1.1)
Balance at December 1, 2018	\$ 2.3

The balance of unrecognized tax benefits would impact the effective tax rate if recognized.

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

In accordance with SAB 118, for the three month period ended December 1, 2018, the Company has not completed its accounting for all the effects of the Act, as the U.S. Treasury Department and the Internal Revenue Service continue to provide additional guidance. As a result of analyzing additional guidance, the Company has updated its provisional estimate related to foreign tax credits and recorded a discrete increase

to income tax expense of \$0.9 million. Additionally, the Company updated its provisional estimate for the one-time U.S. tax liability on certain undistributed foreign earnings and recorded a discrete decrease to income tax expense of \$0.1 million. The Company will continue to refine its estimates as additional analysis is completed and further guidance is issued.

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

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

In determining the provision for income taxes for the three and six month periods ended December 1, 2018, the Company used an estimated annual effective tax rate which was based on expected annual income and statutory tax rates across the various jurisdictions in which it operates, which included effects of the Act. The effective tax rates were 22.6% and 30.5%, respectively, for the three month periods ended December 1, 2018 and December 2, 2017. The effective tax rates were 21.4% and 30.5%, respectively, for the six month periods ended December 1, 2018 and December 2, 2017. The year over year decrease in the effective tax rate for the three and six months ended December 1, 2018 was the result of the Act. The effective tax rate for the three and six months ended December 1, 2018 is higher than the United States federal statutory rate due to the mix of earnings in taxing jurisdictions that had rates that were higher than the United States federal statutory rate. The effective tax rate for the three and six months ended December 2, 2017 is lower than the United States federal statutory rate due to the mix of earnings in taxing jurisdictions that had rates that were lower than the United States federal statutory rate, along with the research and development tax credit under the Protecting Americans from Tax Hikes ("PATH") Act of 2015.

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

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

11. Fair Value Measurements

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

(In millions)	December 1, 2018		June 2, 2018	
Carrying value	\$	285.3	\$	285.8
Fair value	\$	288.0	\$	288.6

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

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

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

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

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

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

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

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

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

(In millions)	December 1, 2018		June 2, 2018	
	Quoted Prices with Other Observable Inputs (Level 2)	Management Estimate (Level 3)	Quoted Prices with Other Observable Inputs (Level 2)	Management Estimate (Level 3)
Financial Assets				
Cash equivalents:				
Money market funds	\$ 38.0	\$ —	\$ 121.0	\$ —
Mutual funds - equity	0.8	—	0.9	—
Foreign currency forward contracts	0.4	—	0.4	—
Deferred compensation plan	15.6	—	15.1	—
Total	<u>\$ 54.8</u>	<u>\$ —</u>	<u>\$ 137.4</u>	<u>\$ —</u>
Financial Liabilities				
Foreign currency forward contracts	\$ 0.4	\$ —	\$ 0.3	\$ —
Contingent consideration	—	0.4	—	0.5
Total	<u>\$ 0.4</u>	<u>\$ 0.4</u>	<u>\$ 0.3</u>	<u>\$ 0.5</u>

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

(In millions)	December 1, 2018		June 2, 2018	
	Quoted Prices with Other Observable Inputs (Level 2)	Management Estimate (Level 3)	Quoted Prices with Other Observable Inputs (Level 2)	Management Estimate (Level 3)
Financial Assets				
Mutual funds - fixed income	7.4	—	7.7	—
Interest rate swap agreement	11.9	—	15.0	—
Total	<u>\$ 19.3</u>	<u>\$ —</u>	<u>\$ 22.7</u>	<u>\$ —</u>

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

Contingent Consideration	December 1, 2018	December 2, 2017
Beginning balance	\$ 0.5	\$ 0.5
Net realized losses (gains)	—	0.1
Payments	(0.1)	(0.1)
Ending balance	<u>\$ 0.4</u>	<u>\$ 0.5</u>

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

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

(In millions)	December 1, 2018			June 2, 2018		
	Cost	Unrealized Gain/(loss)	Market Value	Cost	Unrealized Gain/(Loss)	Market Value
Mutual funds - fixed income	\$ 7.5	\$ (0.1)	\$ 7.4	\$ 7.8	\$ (0.1)	\$ 7.7
Mutual funds - equity	0.7	0.1	0.8	0.7	0.2	0.9
Total	\$ 8.2	\$ —	\$ 8.2	\$ 8.5	\$ 0.1	\$ 8.6

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

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

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

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

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

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

Derivative Instruments and Hedging Activities

Foreign Currency Forward Contracts

The Company transacts business in various foreign currencies and has established a program that primarily utilizes foreign currency forward contracts to reduce the risks associated with the effects of certain foreign currency exposures. Under this program, the Company's strategy is to have increases or decreases in our foreign currency exposures offset by gains or losses on the foreign currency forward contracts to mitigate the risks and volatility associated with foreign currency transaction gains or losses. Foreign currency exposures typically arise from net liability or asset exposures in non-functional currencies on the balance sheets of our foreign subsidiaries. Foreign currency forward contracts generally settle within 30 days and are not used for trading purposes. These forward contracts are not designated as hedging instruments. Accordingly, we record the fair value of these contracts as of the end of the reporting period in the Consolidated Balance Sheets with changes in fair value recorded within the Consolidated Statements of Comprehensive Income. The balance sheet classification for the fair values of these forward contracts is to Other current assets for unrealized gains and to Other accrued liabilities for unrealized losses. The Consolidated Statements of Comprehensive Income classification for the fair values of these forward contracts is to Other expenses (income); Other, net, for both realized and unrealized gains and losses. The realized loss on foreign currency forward contracts was \$0.2 million for the three months ended December 1, 2018 and December 2, 2017, respectively. The realized gain on foreign currency forward contracts was \$0.2 million for the six months ended December 1, 2018 and December 2, 2017, respectively.

Interest Rate Swaps

The Company enters into interest rate swap agreements to manage its exposure to interest rate changes and its overall cost of borrowing. The Company's interest rate swap agreements were entered into to exchange variable rate interest payments for fixed rate payments over the life of the agreement without the exchange of the underlying notional amounts. The notional amount of the interest rate swap agreements is used to measure interest to be paid or received and does not represent the amount of exposure to credit loss. The differential paid or received on the interest rate swap agreements is recognized as an adjustment to interest expense.

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

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

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

As of December 1, 2018, the fair value of the Company's two outstanding interest rate swap agreements, which are designated cash flow hedges, was an asset of \$11.9 million. The asset fair value was recorded within Other noncurrent assets within the Condensed Consolidated Balance Sheets. The net unrealized gain recorded within Other comprehensive loss, net of tax, for the effective portion of the Company's designated cash flow hedges was \$1.0 million and \$2.6 million for the three months ended December 1, 2018 and December 2, 2017, respectively. The net unrealized gain recorded within Other comprehensive loss, net of tax, for the effective portion of the Company's designated cash flow hedges was \$0.5 million and \$1.0 million for the six months ended December 1, 2018 and December 2, 2017, respectively.

There were no gains or losses recognized against earnings for hedge ineffectiveness for the three and six month periods ended December 1, 2018 and December 2, 2017, respectively. The losses reclassified from Accumulated other comprehensive loss into earnings were \$0.1 million and zero for three month periods ended December 1, 2018 and December 2, 2017, respectively. There were no gains or losses reclassified from Accumulated other comprehensive loss into earnings for the six month periods ended December 1, 2018 and December 2, 2017. The net of tax amount expected to be reclassified out of Accumulated other comprehensive loss into earnings during the next twelve months is a \$0.9 million gain.

12. Commitments and Contingencies

Product Warranties

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

(In millions)	Three Months Ended		Six Months Ended	
	December 1, 2018	December 2, 2017	December 1, 2018	December 2, 2017
Accrual Balance — beginning	\$ 52.1	\$ 52.6	\$ 51.5	\$ 47.7
Accrual for product-related matters	5.1	5.6	10.7	15.0
Settlements and adjustments	(4.8)	(4.9)	(9.8)	(9.4)
Accrual Balance — ending	<u>\$ 52.4</u>	<u>\$ 53.3</u>	<u>\$ 52.4</u>	<u>\$ 53.3</u>

Guarantees

The Company is periodically required to provide performance bonds to do business with certain customers. These arrangements are common in the industry and generally have terms ranging between one and three years. The bonds are required to provide assurance to customers that the products and services they have purchased will be installed and/or provided properly and without damage to their facilities. The bonds are provided by various bonding agencies. However, the Company is ultimately liable for claims that may occur against them. As of December 1, 2018, the Company had a maximum financial exposure related to performance bonds totaling approximately \$5.1 million. The Company has no history of claims, nor is it aware of circumstances that would require it to pay, under any of these arrangements. The Company also believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the Company's financial statements. Accordingly, no liability has been recorded in respect to these bonds as of either December 1, 2018 or June 2, 2018.

The Company has entered into standby letter of credit arrangements for purposes of protecting various insurance companies and lessors against default on insurance premium and lease payments. As of December 1, 2018, the Company had a maximum financial exposure from these standby letters of credit totaling approximately \$11.3 million, all of which is considered usage against the Company's revolving line of credit. The Company has no history of claims, nor is it aware of circumstances that would require it to perform under any of these arrangements, and believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the Company's financial statements. Accordingly, no liability has been recorded in respect of these arrangements as of December 1, 2018 and June 2, 2018.

Contingencies

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

One shareholder has put options that would require the Company to purchase an additional 33% of the equity in HAY at fair market value. These put options have multiple periods for exercise, with fiscal 2020 through fiscal 2024 representing the earliest possible period of exercise.

13. Debt

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

(In millions)	December 1, 2018	June 2, 2018
Debt securities, due March 1, 2021	\$ 50.0	\$ 50.0
Syndicated revolving line of credit, due September 2021	225.0	225.0
Construction-Type Lease	6.9	7.0
Supplier financing program	3.4	3.8
Total debt	\$ 285.3	\$ 285.8
Less: Current debt	(3.4)	(10.8)
Long-term debt	\$ 281.9	\$ 275.0

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

As of December 1, 2018, the total debt outstanding related to borrowings under the syndicated revolving line of credit was \$225.0 million. Available borrowings against this facility were \$163.7 million due to \$11.3 million related to outstanding letters of credit. As of June 2, 2018, total debt outstanding related to borrowings under the syndicated revolving line of credit was \$225.0 million and available borrowings were \$166.8 million due to \$8.2 million outstanding letters of credit.

Supplier Financing Program

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

The Company has lengthened the payment terms for certain suppliers that have chosen to participate in the program. As a result, certain amounts due to suppliers have payment terms that are longer than standard industry practice and as such, these amounts have been excluded from the caption “Accounts payable” in the Condensed Consolidated Balance Sheets as the amounts have been accounted for by the Company as a current debt obligation. Accordingly, \$3.4 million and \$3.8 million have been recorded within the caption “Other accrued liabilities” for the periods ended December 1, 2018 and June 2, 2018, respectively.

Construction-Type Lease

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

During the first quarter of fiscal 2018, the construction was substantially completed, and the property was placed in service. As a result, the Company began depreciating the assets over their estimated useful lives. The Company also reclassified the related financing liability to Long-term debt. Additionally, the Company began allocating its monthly lease payments between land rent, which is recorded as an operating lease expense, interest expense and the reduction of the related lease obligation. The imputed interest rate on the financing liability is 2.9%, our incremental borrowing rate. The carrying value of the building and the related financing liability were both \$6.9 million at December 1, 2018. The carrying value of the building and the related financing liability were both \$7.0 million at June 2, 2018.

14. Accumulated Other Comprehensive Loss

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

(In millions)	Cumulative Translation Adjustments	Pension and Other Post- retirement Benefit Plans	Unrealized Gains on Available-for- sale Securities	Interest Rate Swap Agreement	Accumulated Other Comprehensive Loss
Balance at June 3, 2017	\$ (36.8)	\$ (47.6)	\$ 0.1	\$ 2.1	\$ (82.2)
Other comprehensive income (loss) before reclassifications	4.5	—	—	1.0	5.5
Reclassification from accumulated other comprehensive loss - Other, net	—	2.1	—	—	2.1
Tax benefit	—	(0.5)	—	—	(0.5)
Net reclassifications	—	1.6	—	—	1.6
Net current period other comprehensive income	4.5	1.6	—	1.0	7.1
Balance at December 2, 2017	<u>\$ (32.3)</u>	<u>(46.0)</u>	<u>\$ 0.1</u>	<u>\$ 3.1</u>	<u>\$ (75.1)</u>
Balance at June 2, 2018	\$ (34.1)	\$ (37.2)	\$ 0.1	\$ 9.9	\$ (61.3)
Cumulative effect of accounting change	—	—	(0.1)	1.5	1.4
Other comprehensive income before reclassifications	(12.4)	—	(0.1)	0.5	(12.0)
Reclassification from accumulated other comprehensive loss - Other, net	—	1.3	—	—	1.3
Tax benefit	—	(0.2)	—	—	(0.2)
Net reclassifications	—	1.1	—	—	1.1
Net current period other comprehensive income	(12.4)	1.1	(0.1)	0.5	(10.9)
Balance at December 1, 2018	<u>\$ (46.5)</u>	<u>\$ (36.1)</u>	<u>\$ (0.1)</u>	<u>\$ 11.9</u>	<u>\$ (70.8)</u>

15. Redeemable Noncontrolling Interests

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

Changes in the Company’s redeemable noncontrolling interests for the six months ended December 1, 2018 and December 2, 2017 are as follows:

(In millions)	December 1, 2018	December 2, 2017
Beginning Balance	\$ 30.5	\$ 24.6
Purchase of redeemable noncontrolling interests	(10.1)	(1.0)
Net income attributable to redeemable noncontrolling interests	0.1	—
Exercised options	0.2	—
Redemption value adjustment	—	0.2
Other adjustments	—	0.1
Ending Balance	<u>\$ 20.7</u>	<u>\$ 23.9</u>

16. Operating Segments

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

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

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

(In millions)	Three Months Ended		Six Months Ended	
	December 1, 2018	December 2, 2017	December 1, 2018	December 2, 2017
Net Sales:				
North American Furniture Solutions	\$ 353.2	\$ 330.5	\$ 696.9	\$ 659.0
ELA Furniture Solutions	118.5	113.0	234.0	206.4
Specialty	81.6	74.4	158.9	149.5
Consumer	99.3	86.7	187.5	169.9
Total	<u>\$ 652.6</u>	<u>\$ 604.6</u>	<u>\$ 1,277.3</u>	<u>\$ 1,184.8</u>
Operating Earnings (Loss):				
North American Furniture Solutions	\$ 46.4	\$ 45.1	\$ 91.4	\$ 93.9
ELA Furniture Solutions	13.8	12.7	24.3	19.6
Specialty	4.8	2.1	8.0	3.7
Consumer	1.8	1.0	3.9	1.3
Corporate	(13.7)	(10.5)	(28.5)	(18.6)
Total	<u>\$ 53.1</u>	<u>\$ 50.4</u>	<u>\$ 99.1</u>	<u>\$ 99.9</u>

(In millions)	December 1, 2018	June 2, 2018
Total Assets:		
North American Furniture Solutions	\$ 515.1	\$ 488.7
ELA Furniture Solutions	355.0	283.4
Specialty	197.2	188.7
Consumer	305.0	291.2
Corporate	137.4	227.5
Total	\$ 1,509.7	\$ 1,479.5

17. Restructuring and Impairment Expenses

Fiscal 2019 Restructuring Expenses

ELA segment

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

In the second quarter of fiscal 2019, the Company recognized restructuring expenses of \$0.3 million related to the consolidation of certain facilities in China and the United Kingdom that were announced in the fourth quarter of fiscal 2018. In the first half of fiscal 2019, the Company recognized restructuring and impairment expenses of \$1.4 million related to the facilities consolidation plan, of which \$0.8 million related to an asset impairment recorded against the office building in the United Kingdom that is being vacated and \$0.6 million from the consolidation of China manufacturing facilities, comprised primarily of moving related costs. As the United Kingdom office building and related assets meet the criteria to be designated as assets held for sale, the carrying value of these assets have been classified as current assets and included within "Prepaid expenses and other" in the Condensed Consolidated Balance Sheets for the period ended December 1, 2018. The carrying amount of the assets held for sale was approximately \$5.0 million as of December 1, 2018.

To date, the Company has recognized \$5.3 million of restructuring costs related to the ELA facilities consolidation plan. The Company expects the ELA facilities consolidations to be completed by the first quarter of fiscal 2020. It is currently contemplated that this plan will incur an additional estimated \$2 million of future restructuring charges.

The following table provides an analysis of the changes in ELA segment restructuring costs reserve for the six months ended December 1, 2018:

(In millions)	Severance and Employee-Related	Impairment of Property and Equipment	Exit or Disposal Activities	Total
Beginning Balance	\$ —	\$ —	\$ —	\$ —
Restructuring Costs	0.1	0.8	0.5	1.4
Amounts Paid	(0.1)	—	(0.5)	(0.6)
Charges Against Assets	—	(0.8)	—	(0.8)
Ending Balance	\$ —	\$ —	\$ —	\$ —

Fiscal 2018 Restructuring Expenses

North America Contract segment

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

During the second quarter of fiscal 2018, the company announced further restructuring actions involving targeted workforce reductions primarily within the North American segment. These actions related to the company's previously announced cost savings initiatives and resulted in the recognition of restructuring expenses of \$0.5 million in the second quarter of fiscal 2018. The restructuring actions were deemed to be complete at December 2, 2017 and final payments were made over the next two quarters.

The following table provides an analysis of the changes in North America Contract segment restructuring costs reserve for the six months ended December 2, 2017:

(In millions)

Beginning Balance	\$	2.4
Restructuring expenses		1.9
Payments		(2.8)
Ending Balance	\$	1.5

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

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

Discussion of Current Business Conditions

In the second quarter of fiscal 2019, the Company set records for reported net sales and orders. Net sales of \$652.6 million represented an increase of 7.9% from the same quarter of the prior year period and orders of \$702.6 million represented an increase of 11.6% relative to the prior year period. Diluted earnings per share were \$0.66, which was an increase of \$0.11 per share as compared to the prior year. Excluding the impact of restructuring expenses and other charges, adjusted diluted earnings per share were \$0.75^(*), a 31.6% increase as compared to the prior year.

The North American segment reported net sales of \$353.2 million in the current period, an increase of 6.9% as compared to the prior year period. On an organic basis, net sales were \$354.2 million^(*), which represented growth of 5.5%^(*) over the second quarter of fiscal 2018. Orders during the second quarter of fiscal 2019 of \$370.6 million were 8.6% higher than the same quarter of last fiscal year. On an organic basis, orders were \$371.5 million, which represented growth of 6.7% over the same quarter of the prior year period. Operating earnings for North America in the second quarter of fiscal 2019 were \$46.4 million or 13.1% of sales as compared to \$45.1 million or 13.6% of sales in the second quarter of fiscal 2018.

The ELA segment recorded net sales of \$118.5 million during the current period representing growth of 4.9% compared to last year, while organic net sales increased by 4.3%^(*). Orders in the second quarter of fiscal 2019 of \$137.3 million represented an increase of 16.4% from the prior year. Organic order growth was 15.1% relative to the prior year period. This growth in sales and orders was driven primarily by increases in the Asia Pacific, Europe, and the Middle East regions. Operating earnings within the ELA segment for the second quarter of fiscal 2019 were \$13.8 million or 11.6% of sales as compared to \$12.7 million or 11.2% of sales in the second quarter of fiscal 2018.

The Specialty segment reported growth in both net sales and orders compared to the same three month period of the prior year. Net sales of \$81.6 million and orders of \$87.1 million represented growth compared to the prior year of 9.7% and 13.0%, respectively. Organic net sales growth was 8.8%^(*) as compared to the prior year period while organic order growth was 12.2% as compared to the prior year period. The increase in net sales was broad-based and driven by all components in the Specialty segment, while the increase in orders was driven mainly by the Company's Maharam and Nemschoff subsidiaries, as well as the Herman Miller Collection family of products. Operating earnings for Specialty increased from \$2.1 million in the second quarter of fiscal 2018 to \$4.8 million in the second quarter of fiscal 2019. The increase in operating earnings as compared to the prior year was mainly by driven improved profitability at the Company's Maharam and Nemschoff subsidiaries.

The Consumer segment reported net sales of \$99.3 million, which represented an improvement of 14.5% compared to the same quarter of last fiscal year. Orders of \$107.6 million represented growth in the comparative period of 15.5%. Organic net sales growth was 14.6%^(*) as compared to the prior year period while organic order growth was 15.6% as compared to the prior year period. Operating earnings for the Consumer segment in the second quarter of fiscal 2019 were \$1.8 million or 1.8% of sales as compared to \$1.0 million or 1.2% of sales in the second quarter of fiscal 2018.

The Company believes that the economic environment in North America remains generally conducive to continued growth due to recent positive industry order trends as reported by BIFMA - The Business and Institutional Furniture Manufacturer's Association, GDP growth, service sector employment and architectural billings. Further, the potential benefits of the Tax Cuts and Jobs Act continue to support a positive outlook in North America as companies increase business investment and spending. However, the Company acknowledges certain areas of risk within the geographies in which it operates and it is monitoring the resolution of trade trade policy negotiations between the U.S. and key trading partners as well as the ongoing negotiations concerning the U.K. referendum to exit the European Union.

The Company is also closely monitoring the potential impact of global tariffs. However, due to the recent deferral of the potential 25% tariff rate on goods imported by the Company and its suppliers from China, near-term tariff pressures have lessened. While uncertainty remains with respect to trade relations with China, the Company continues to believe that its profit optimization work and January 2019 price increase will fully offset the incurred impact of imposed tariffs and will continue to evaluate additional contingency plans to help navigate this situation in the longer term. The remaining sections within Item 2 include additional analysis of our six months ended December 1, 2018, including discussion of significant variances compared to the prior year periods.

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

Reconciliation of Non-GAAP Financial Measures

This report contains references to Organic net sales and Adjusted earnings per share - diluted, which are non-GAAP financial measures. Organic Growth (Decline) represents the change in Net sales, excluding currency translation effects, the impact of the reclassification of certain pricing elements from Net sales to Cost of sales related to the new revenue recognition standard (ASC 606) and the impact of acquisitions, divestitures and changes in shipping terms. Adjusted earnings per share - diluted represents reported diluted earnings per share excluding an income tax adjustment for provisional estimates related to adoption of U.S. Tax Reform, inventory step up on HAY equity method investment, restructuring and impairment expenses, and other special charges, including related taxes. Special charges include incremental costs related to the CEO transition and third party consulting costs related to the company's profit enhancement initiatives.

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

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

	Three Months Ended 12/1/18					Three Months Ended 12/2/17				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Net Sales, as reported	\$ 353.2	\$ 118.5	\$ 81.6	\$ 99.3	\$ 652.6	\$ 330.5	\$ 113.0	\$ 74.4	\$ 86.7	\$ 604.6
% change from PY	6.9%	4.9%	9.7%	14.5%	7.9%					
<u>Proforma Adjustments</u>										
Currency Translation Effects ⁽¹⁾	1.0	2.9	—	0.1	4.0	—	—	—	—	—
Impact of Reclassification Related to New Revenue Recognition Standard	—	—	—	—	—	5.3	3.4	0.6	—	9.3
Organic net sales	\$ 354.2	\$ 121.4	\$ 81.6	\$ 99.4	\$ 656.6	\$ 335.8	\$ 116.4	\$ 75.0	\$ 86.7	\$ 613.9
% change from PY	5.5%	4.3%	8.8%	14.6%	7.0%					

	Six Months Ended 12/1/18					Six Months Ended 12/2/17				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Net Sales, as reported	\$ 696.9	\$ 234.0	\$ 158.9	\$ 187.5	\$1,277.3	\$ 659.0	\$ 206.4	\$ 149.5	\$ 169.9	\$ 1,184.8
% change from PY	5.8%	13.4%	6.3%	10.4%	7.8%					
<u>Proforma Adjustments</u>										
Dealer Divestitures	—	—	—	—	—	(0.8)	—	—	—	(0.8)
Currency Translation Effects ⁽¹⁾	1.5	4.0	0.1	0.1	5.7	—	—	—	—	—
Impact of Reclassification Related to New Revenue Recognition Standard	—	—	—	—	—	9.9	5.5	1.2	—	16.6
Impact of change in DWR shipping terms	—	—	—	—	—	—	—	—	(5.0)	(5.0)
Organic net sales	\$ 698.4	\$ 238.0	\$ 159.0	\$ 187.6	\$1,283.0	\$ 668.1	\$ 211.9	\$ 150.7	\$ 164.9	\$ 1,195.6
% change from PY	4.5%	12.3%	5.5%	13.8%	7.3%					

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

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

	Three Months Ended		Six Months Ended	
	12/1/18	12/2/17	12/1/18	12/2/17
Earnings per Share - Diluted	\$ 0.66	\$ 0.55	\$ 1.26	\$ 1.10
Add: Adjustments Related to Adoption of U.S. Tax Cuts and Jobs Act	0.01	—	0.01	—
Add: Inventory step up on HAY equity method investment, after tax	—	—	0.01	—
Add: Special charges, after tax	0.08	0.01	0.14	0.02
Add: Restructuring and impairment expenses, after tax	—	0.01	0.02	0.02
Adjusted Earnings per Share - Diluted	\$ 0.75	\$ 0.57	\$ 1.44	\$ 1.14
Weighted Average Shares Outstanding (used for Calculating Adjusted Earnings per Share) – Diluted	59,442,219	60,272,207	59,612,113	60,296,728

Analysis of Results for Three and Six Months

The following table presents certain key highlights from the results of operations for the periods indicated.

(In millions, except per share data)

	Three Months Ended			Six Months Ended		
	December 1, 2018	December 2, 2017	Percent Change	December 1, 2018	December 2, 2017	Percent Change
Net sales	\$ 652.6	\$ 604.6	7.9 %	\$ 1,277.3	\$ 1,184.8	7.8 %
Cost of sales	417.0	382.5	9.0 %	816.6	745.8	9.5 %
Gross margin	235.6	222.1	6.1 %	460.7	439.0	4.9 %
Operating expenses	182.2	171.2	6.4 %	360.2	337.2	6.8 %
Restructuring expenses	0.3	0.5	(40.0)%	1.4	1.9	(26.3)%
Total operating expenses	182.5	171.7	6.3 %	361.6	339.1	6.6 %
Operating earnings	53.1	50.4	5.4 %	99.1	99.9	(0.8)%
Other expenses, net	3.8	3.4	11.8 %	5.7	6.4	(10.9)%
Earnings before income taxes and equity income	49.3	47.0	4.9 %	93.4	93.5	(0.1)%
Income tax expense	11.2	14.3	(21.7)%	20.0	28.5	(29.8)%
Equity income from nonconsolidated affiliates, net of tax	1.2	0.8	50.0 %	1.8	1.5	20.0 %
Net earnings	39.3	33.5	17.3 %	75.2	66.5	13.1 %
Net earnings attributable to noncontrolling interests	—	—	n/a	0.1	—	n/a
Net earnings attributable to Herman Miller, Inc.	\$ 39.3	\$ 33.5	17.3 %	75.1	66.5	12.9 %
Earnings per share — diluted	0.66	0.55	20.0 %	1.26	1.10	14.5 %
Orders	702.6	629.4	11.6 %	1,333.2	1,224.2	8.9 %
Backlog	396.1	356.9	11.0 %			

The following table presents, for the periods indicated, select components of the Company's Condensed Consolidated Statements of Comprehensive Income as a percentage of net sales:

	Three Months Ended		Six Months Ended	
	December 1, 2018	December 2, 2017	December 1, 2018	December 2, 2017
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	63.9	63.3	63.9	62.9
Gross margin	36.1	36.7	36.1	37.1
Operating expenses	27.9	28.3	28.2	28.5
Restructuring expenses	—	0.1	0.1	0.2
Total operating expenses	28.0	28.4	28.3	28.6
Operating earnings	8.1	8.3	7.8	8.4
Other expenses, net	0.6	0.6	0.4	0.5
Earnings before income taxes and equity income	7.6	7.8	7.3	7.9
Income tax expense	1.7	2.4	1.6	2.4
Equity income from nonconsolidated affiliates, net of tax	0.2	0.1	0.1	0.1
Net earnings	6.0	5.5	5.9	5.6
Net earnings attributable to noncontrolling interests	—	—	—	—
Net earnings attributable to Herman Miller, Inc.	6.0	5.5	5.9	5.6

Performance versus the Domestic Contract Furniture Industry

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

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

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

For the three months ended December 1, 2018, the Company's North American shipments and orders, as defined by BIFMA, increased by 6.7% and 10.2% year-over-year, respectively. BIFMA reported an estimated year-over-year increase in shipments and orders of 5.1% and 8.7%, respectively for the comparable period.

Performance versus the Consumer Furnishings Sector

We also monitor trade statistics reported by the U.S. Census Bureau, which reports monthly retail sales growth data across a number of retail categories, including *Furniture and Home Furnishing Stores*. This information provides a relative comparison to our Consumer segment, but is not intended to be an exact comparison. The average monthly year-over-year growth rate in sales for the Furniture and Home Furnishing Stores category for the calendar three month period through ended November 2018, was approximately 2.2%. By comparison, Net sales in our Consumer segment increased by approximately 14.5% as reported and 14.6%^(*) on an organic basis for the three months ended December 1, 2018. Incremental Net sales in the Consumer Segment was attributable to the Company's DWR studios, e-commerce and HAY products.

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

Consolidated Sales

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



Consolidated Net sales increased \$48.0 million or 7.9% in the second quarter of fiscal 2019 compared to the second quarter of fiscal 2018. The following items contributed to the change:

- Sales volumes within the North American segment increased by approximately \$20 million, resulting from increased demand within the Company's North America office furniture businesses.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from Net sales to Cost of sales, which resulted in an increase in Net sales of \$10.7 million compared to the same period of the prior year in which revenue was recorded under previous accounting rules.
- Incremental sales volumes within the Consumer segment of approximately \$10 million were driven by growth across the DWR studios, e-commerce and introduction of HAY products.
- Increased sales volumes within the Specialty segment of approximately \$7 million were driven by broad-based growth across all four businesses that comprise the Specialty segment.
- Increased sales volumes within the ELA segment of approximately \$4 million were driven primarily by growth in the Asia Pacific, Europe, and the Middle East regions.
- Foreign currency translation had a negative impact on net sales of approximately \$4 million.

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

Consolidated net sales increased \$92.5 million or 7.8% in the first half of fiscal 2019 compared to the first half of fiscal 2018. The following items led to the change:

- Sales volumes within the North American segment increased by approximately \$32 million, resulting from increased demand within the Company's North America office furniture business.
- Increased sales volumes within the ELA segment of approximately \$25 million were driven by broad-based growth across all regions.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from Net sales to Cost of sales, which resulted in an increase in Net sales of \$19.2 million compared to the same period of the prior year in which revenue was recorded under previous accounting rules.
- Incremental sales volumes within the Consumer segment of approximately \$14 million were driven by the introduction of HAY products and growth across the DWR studio, e-commerce and contract channels.
- Increased sales volumes within the Specialty segment of approximately \$8 million were driven mainly by the Company's Maharam and Nemschoff subsidiaries, as well as the Herman Miller Collection portfolio of products.
- Foreign currency translation had a negative impact on net sales of approximately \$6 million.

Consolidated Gross Margin

Consolidated gross margin was 36.1% for the three month period ended December 1, 2018 as compared to 36.7% for the same quarter of the prior fiscal year. The following factors summarize the major drivers of the year-over-year change in gross margin percentage:

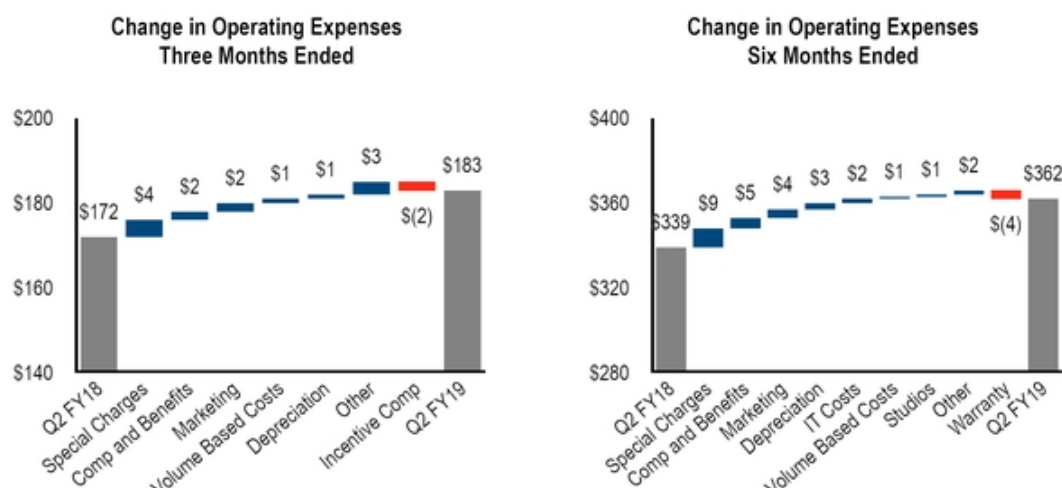
- Approximately 60 basis points of the year-over-year decrease in gross margin related to the adoption of the new revenue recognition standard (ASC 606) at the beginning of fiscal 2019. This adoption requires recording certain product pricing elements as expenses within Cost of sales that were previously classified on a net basis within Net sales. This reclassification lowers gross margin percentage but has no impact on gross margin dollars.
- A favorable change in product mix that was driven by a shift out of lower margin product categories and into seating drove an increase of approximately 50 basis points as compared to last fiscal year.
- Higher overhead costs at the company's West Michigan manufacturing facilities related to higher medical costs, job correction costs and depreciation decreased gross margin by approximately 30 basis points as compared to the same period of the prior fiscal year.
- Higher commodity costs and the initial impact of tariffs on Chinese imports drove an unfavorable impact of approximately 20 basis points relative to the prior year period.

Consolidated gross margin was 36.1% for the six month period ended December 1, 2018 as compared to 37.1% for the same period of the prior fiscal year. The following factors summarize the major drivers of the year-over-year change in gross margin percentage:

- Approximately 60 basis points of the year-over-year decrease in gross margin related to the adoption of the new revenue recognition standard (ASC 606) at the beginning of fiscal 2019. This adoption requires recording certain product pricing elements as expenses within cost of goods sold that were previously classified on a net basis within sales. This reclassification lowers gross margin percentage but has no impact on gross margin dollars.
- Higher overhead costs at the company's West Michigan manufacturing facilities related to higher medical costs, job correction costs and depreciation decreased gross margin by approximately 40 basis points as compared to the same period of the prior fiscal year.
- A favorable change in product mix that was driven by a shift out of lower margin product categories and into seating drove an increase of approximately 20 basis points as compared to last fiscal year.
- Higher commodity costs drove an unfavorable impact of approximately 20 basis points relative to the first half of prior year.

Operating Expenses and Operating Earnings

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



Consolidated operating expenses increased by \$10.8 million or 6.3% in the second quarter of fiscal 2019 compared to the prior year period. The following factors contributed to the change:

- Special charges, primarily associated with the planned CEO transition and consulting fees related to the Company's profit optimization initiatives increased operating expenses by \$4.3 million in the current three month period compared to the same period last fiscal year.
- Compensation and benefit costs increased by approximately \$2 million due mainly to employee headcount and wage increases in the current quarter compared to the same period last fiscal year.
- Marketing expenses increased by approximately \$2 million in the second quarter of fiscal 2019 as compared to the same period in fiscal 2018. The increase was due primarily to the Consumer segment and included initiatives related to the launch of the HAY brand in North America.
- Sales volume-based costs, such as sales commissions, increased by approximately \$1 million in the current three month period compared to the same period last fiscal year.
- Depreciation expense increased by approximately \$1 million and was driven primarily by capital investment in facilities and IT systems.
- Lower employee incentive costs decreased operating expenses by \$1.8 million. The decrease reflects lower incentive compensation costs that are variable based on the achievement of earnings levels for the fiscal year relative to plan in the current three month period compared to the same period last fiscal year.
- The rest of the increase in operating expenses was driven mainly by incremental DWR studio costs and higher IT expenses.

Consolidated operating expenses increased by \$22.5 million or 6.6% in the first six months of fiscal 2019 compared to the prior year period. The following factors contributed to the change:

- Special charges, primarily associated with the planned CEO transition and consulting fees related to the Company's profit optimization initiatives increased operating expenses by \$8.5 million in the first half of fiscal 2019 compared to the same period last fiscal year.
- Compensation and benefit costs increased by approximately \$5 million due mainly to employee headcount and wage increases in the first half of fiscal 2019 as compared to the same period of fiscal 2018.
- Marketing expenses increased by approximately \$4 million in the first half of fiscal 2019 as compared to the same period in fiscal 2018. The increase was due primarily to the Consumer segment and included initiatives related to the launch of the HAY brand in North America.
- Depreciation expense increased by approximately \$3 million and was driven primarily by investment in facilities and IT systems.
- Warranty costs were \$4.1 million lower due to specific reserves incurred in the same period of the prior year that did not recur in the current six month period.
- The rest of the increase in operating expenses was driven mainly by incremental DWR studio costs, higher IT expenses and higher sales volume-related costs, such as sales commissions.

Operating earnings for the three and six month periods ended December 1, 2018 were \$53.1 million or 8.1% of sales and \$99.1 million or 7.8% of sales, respectively. This compares to \$50.4 million or 8.3% of sales and \$99.9 million or 8.4% of sales for the respective periods during last fiscal year.

Other Income/Expense

During the three months ended December 1, 2018, net other expense was \$3.8 million, an increase of \$0.4 million compared to the same period in the prior year. This increase resulted mainly from investment losses associated with the Company's deferred compensation plan in the current quarter relative to investment gains recorded in the prior fiscal year, which was partially offset by lower interest expense on outstanding debt.

During the six months ended December 1, 2018, net other expense was \$5.7 million, a decrease of \$0.7 million compared to the same period in the prior year. This decrease resulted mainly from lower interest expense on outstanding debt and lower investment losses associated with the Company's deferred compensation plan in the current year relative to those recorded in the prior fiscal year.

Income Taxes

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

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

The effective tax rates were 22.6% and 30.5%, respectively, for the three month periods ended December 1, 2018 and December 2, 2017. The effective tax rates were 21.4% and 30.5%, respectively, for the six month periods ended December 1, 2018 and December 2, 2017. The year over year decrease in the effective tax rate for the three and six months ended December 1, 2018 was the result of the Act. The effective tax rate for the three and six months ended December 1, 2018 is higher than the United States federal statutory rate due to the mix of earnings in taxing jurisdictions that had rates that were higher than the United States federal statutory rate. The effective tax rate for the three and six months ended December 2, 2017 is lower than the United States federal statutory rate due to the mix of earnings in taxing jurisdictions that had rates that were lower than the United States federal statutory rate, along with the research and development tax credit under the Protecting Americans from Tax Hikes ("PATH") Act of 2015.

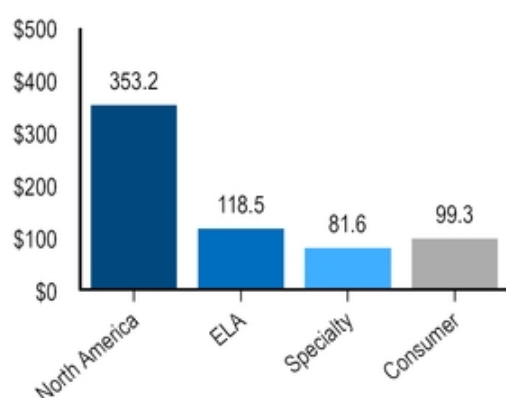
Reportable Operating Segment Results

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

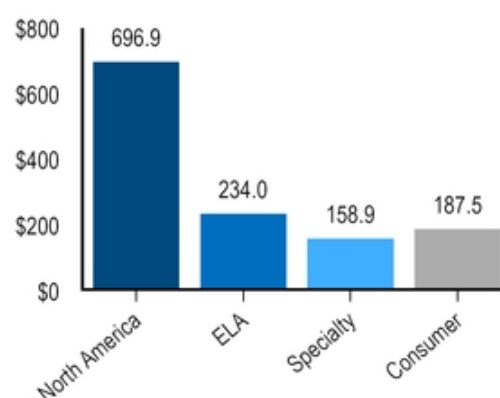
- *North American Furniture Solutions* — Includes the operations associated with the design, manufacture and sale of furniture products for work-related settings, including office, education, and Herman Miller healthcare environments, throughout the United States and Canada.
- *ELA Furniture Solutions*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

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

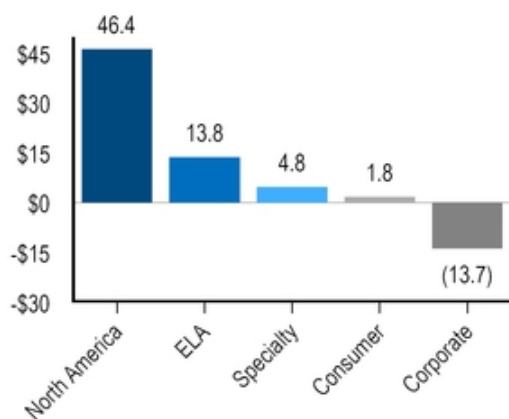
**Net Sales by Reportable Operating Segment
Three Months Ended December 1, 2018 (in Millions)**



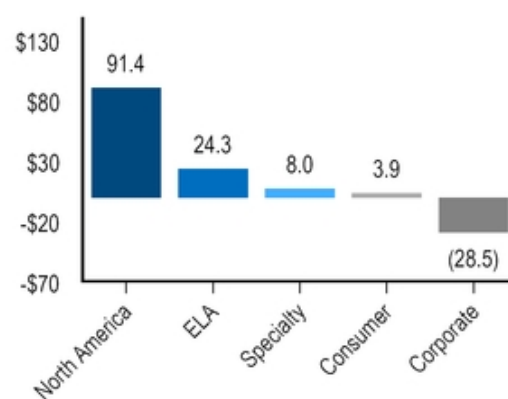
**Net Sales by Reportable Operating Segment
Six Months Ended December 1, 2018 (in Millions)**



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



**Operating Earnings by Reportable Operating Segment
Six Months Ended December 1, 2018 (in Millions)**



Three Months Ended December 1, 2018

Net sales totaled \$353.2 million for the second quarter of fiscal 2019, an increase of 6.9% from the second quarter of fiscal 2018. Orders totaled \$370.6 million, an increase of 8.6% from the same period in the prior year. Organic net sales totaled \$354.2 million^(*) for the second quarter of fiscal 2019, an increase of 5.5% from the second quarter of fiscal 2018. Organic orders totaled \$371.5 million, an increase of 6.7% from the same period in the prior year. Operating earnings for the second quarter of fiscal 2019 were \$46.4 million or 13.1% of sales as compared to \$45.1 million or 13.6% of sales in the second quarter of fiscal 2018. The following is a summary of the major factors impacting our comparative sales and earnings results:

- Sales volumes within the North American segment increased by approximately \$20 million in the second quarter of fiscal 2019, resulting from increased demand within the Company's North America office furniture business.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from net sales to cost of sales, which resulted in an increase in net sales of \$6.8 million in the current three months compared to the same period of the prior year in which revenue was recorded under previous accounting rules.
- Deeper contract price discounting, net of incremental list price increases, reduced net sales and operating earnings in the second quarter of fiscal 2019 by roughly \$3 million as compared to the prior year.
- Operating earnings increased an estimated \$7 million from incremental sales volumes in the current three month period as compared to the same period of the prior year.
- Higher commodity costs and the initial impact of tariffs on Chinese imports decreased operating earnings by approximately \$2 million relative to the same period of the prior fiscal year.
- A favorable change in product mix that was driven by a shift out of lower margin product categories and into seating drove an increase in operating earnings of approximately \$3 million as compared to last fiscal year.
- Higher overhead costs at the company's West Michigan manufacturing facilities related to higher medical costs, job correction costs and depreciation decreased operating earnings by approximately \$2 million as compared to the same period of the prior fiscal year.
- Operating earnings decreased due to increased depreciation expense, recorded within operating expenses, of approximately \$1 million.

Six Months Ended December 1, 2018

Net sales totaled \$696.9 million for the first six months of fiscal 2019, an increase of 5.8% from the same period of fiscal 2018. Orders totaled \$715.6 million, an increase of 5.9% from the same period in the prior year. Organic net sales totaled \$698.4 million^(*) for the first six months of fiscal 2019, an increase of 4.5% from the same period of fiscal 2018. Organic orders totaled \$717.1 million, an increase of 4.6% from the same period in the prior year. Operating earnings for the first six months of fiscal 2019 were \$91.4 million or 13.1% of sales as compared to \$93.9 million or 14.2% of sales in the same period of the prior year. The following is a summary of the major factors impacting our comparative sales and earnings results:

- Sales volumes within the North American segment increased by approximately \$32 million, resulting from increased demand within the Company's North America office furniture business.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from net sales to cost of sales, which resulted in an increase in Net sales for the North American segment by approximately \$12.1 million compared to the same period of the prior year, in which revenue was recorded under previous accounting rules.
- Deeper contract price discounting, net of incremental list price increases, reduced net sales and operating earnings in the first half of fiscal 2019 by roughly \$4 million as compared to the prior year.
- Operating earnings increased an estimated \$12 million from incremental sales volumes in the current six month period as compared to the same period of the prior year.
- Higher commodity costs and the initial impact of tariffs on Chinese imports decreased operating earnings by approximately \$4 million relative to the same period of the prior fiscal year.
- Higher overhead costs at the company's West Michigan manufacturing facilities related to higher medical costs, job correction costs and depreciation decreased operating earnings by approximately \$5 million as compared to the same period of the prior fiscal year.
- Operating earnings decreased due to increased depreciation expense, recorded within operating expenses, of approximately \$2 million.

Three Months Ended December 1, 2018

Net sales totaled \$118.5 million for the second quarter of fiscal 2019, an increase of 4.9% from the second quarter of fiscal 2018. Orders totaled \$137.3 million, an increase of 16.4% from the same period in the prior year. Organic net sales totaled \$121.4 million^(*) for the second quarter of fiscal 2019, an increase of 4.3% from the second quarter of fiscal 2018. Organic orders totaled \$139.7 million, an increase of 15.1% from the same period in the prior year. Operating earnings for the second quarter of fiscal 2019 were \$13.8 million or 11.6% of sales as compared to \$12.7 million or 11.2% of sales in the second quarter of fiscal 2018. The following is a summary of the major factors impacting our comparative sales and earnings results:

- Increased sales volumes within the ELA segment of approximately \$4 million were driven primarily by growth in the Asia Pacific, Europe, and the Middle East regions.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from net sales to cost of sales, which resulted in an increase in net sales for the ELA segment by approximately \$3.2 million compared to the same period of the prior year, in which revenue was recorded under previous accounting rules.
- Operating earnings increased by \$1.1 million in the current three month period of fiscal 2019 due to incremental price increases, net of deeper contract discounting and increased sales volumes. These items increased operating earnings by approximately \$2 million and \$1 million, respectively. These increases were partially offset by the negative impact on operating earnings of changes in foreign currency exchange rates of approximately \$1 million and incremental operating expenses of \$0.5 million related to the facilities consolidation plan.

Six Months Ended December 1, 2018

Net sales totaled \$234.0 million for the first six months of fiscal 2019, an increase of 13.4% from the same period of fiscal 2018. Orders totaled \$262.3 million, an increase of 15.8% from the same period in the prior year. Organic net sales totaled \$238.0 million^(*) for the first six months of fiscal 2019, an increase of 12.3% from the same period of fiscal 2018. Organic orders totaled \$266.1 million, an increase of 14.7% from the same period in the prior year. Operating earnings for the first six months of fiscal 2019 were \$24.3 million or 10.4% of sales as compared to \$19.6 million or 9.5% of sales in the same period of the prior year. The following is a summary of the major factors impacting our comparative sales and earnings results:

- Increased sales volumes within the ELA segment of approximately \$25 million were driven by broad-based growth across all regions.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from net sales to cost of sales, which resulted in an increase in net sales for the ELA segment by approximately \$6.1 million compared to the same period of the prior year, in which revenue was recorded under previous accounting rules.
- The impact of foreign currency translation decreased net sales and operating earnings by roughly \$4 million and \$1 million, respectively.
- Operating earnings increased by \$4.7 million in the first half of fiscal 2019 due to increased sales volumes and incremental price increases, net of deeper contract discounting. These items increased operating earnings by approximately \$8 million and \$1 million, respectively. These increases were partially offset by the negative impact on operating earnings of changes in foreign currency exchange rates of approximately \$1 million and incremental operating expenses of \$1.8 million related to the facilities consolidation plan.

Specialty

Three Months Ended December 1, 2018

Net sales totaled \$81.6 million for the second quarter of fiscal 2019, an increase of 9.7% from the second quarter of fiscal 2018. Orders totaled \$87.1 million, an increase of 13.0% from the same period in the prior year. Organic net sales totaled \$81.6 million^(*) for the second quarter of fiscal 2019, an increase of 8.8% from the second quarter of fiscal 2018. Organic orders totaled \$87.1 million, an increase of 12.2% from the same period in the prior year. Operating earnings for the second quarter of fiscal 2019 were \$4.8 million or 5.9% of sales as compared to \$2.1 million or 2.8% of sales in the second quarter of fiscal 2018. The following is a summary of the major factors impacting our comparative sales and earnings results:

- Increased sales volumes within the Specialty segment of approximately \$7 million were driven by broad-based growth across all four businesses that comprise the Specialty segment.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from net sales to cost of sales, which resulted in an increase in net sales for the Specialty segment by approximately \$0.7 million compared to the same period of the prior year, in which revenue was recorded under previous accounting rules.
- Operating earnings increased by approximately \$2.7 million in the current three month period of fiscal 2019 due primarily due to increased sales volumes and decreased operating expenses. Warranty, marketing and compensation expenses each decreased by approximately \$0.7 million, \$0.5 million and \$0.2 million, respectively, as compared to the same period of the prior fiscal year.

Six Months Ended December 1, 2018

Net sales totaled \$158.9 million for the first six months of fiscal 2019, an increase of 6.3% from the same period of fiscal 2018. Orders totaled \$167.2 million, an increase of 9.6% from the same period in the prior year. Organic net sales totaled \$159.0 million^(*) for the first six months of fiscal 2019, an increase of 5.5% from the same period of fiscal 2018. Organic orders totaled \$167.3 million, an increase of 9.0% from the same period in the prior year. Operating earnings for the first six months of fiscal 2019 were \$8.0 million or 5.0% of sales as compared to \$3.7 million or 2.5% of sales in the same period of the prior year. The following is a summary of the major factors impacting our comparative sales and earnings results:

- Increased sales volumes within the Specialty segment of approximately \$8 million were driven mainly by the Company's Maharam and Nemschoff subsidiaries, as well as the Herman Miller Collection family of products.
- Adoption of ASC 606 - *Revenue from Contracts with Customers* at the beginning of fiscal 2019 led to the reclassification of certain pricing elements from net sales to cost of sales, which resulted in an increase in net sales for the Specialty segment by approximately \$1.1 million compared to the same period of the prior year, in which revenue was recorded under previous accounting rules.
- Operating earnings increased by approximately \$4.3 million in the first half of fiscal 2019 due primarily due to increased sales volumes and decreased operating expenses. Warranty, marketing and compensation expenses each decreased by approximately \$1.3 million, \$0.6 million and \$0.2 million, respectively, as compared to the same period of the prior fiscal year.

Consumer

Three Months Ended December 1, 2018

Net sales totaled \$99.3 million for the second quarter of fiscal 2019, an increase of 14.5% from the second quarter of fiscal 2018. Orders of \$107.6 million increased 15.5% from the same period last year. Organic net sales totaled \$99.4 million^(*) for the second quarter of fiscal 2019, an increase of 14.6% from the second quarter of fiscal 2018. Organic orders totaled \$107.7 million, an increase of 15.6% from the same period in the prior year. Operating earnings for the second quarter of fiscal 2019 were \$1.8 million or 1.8% of sales as compared to operating earnings of \$1.0 million or 1.2% of sales in the second quarter of fiscal 2018. The following is a summary of the major factors impacting our comparative sales and earnings results:

- Incremental sales volumes within the Consumer segment of approximately \$10 million were driven by growth attributable to the Company's DWR studios, e-commerce and HAY products.
- Operating earnings increased by \$0.8 million in the current three month period of fiscal 2019 due to increased sales volumes and incremental price increases, net of deeper contract discounting, which was partially offset by increased operating expenses. Increased sales volumes and incremental price increases, net of deeper discounting each increased operating earnings by approximately \$4 million and approximately \$2 million, respectively, while increased operating expenses decreased operating earnings by approximately \$5 million. Operating expenses increased due to incremental marketing, compensation, and depreciation expenses that were driven mainly by new studios and the launch of the HAY brand in North America.

Six Months Ended December 1, 2018

Net sales totaled \$187.5 million for the first six months of fiscal 2019, an increase of 10.4% from the same period of fiscal 2018. Orders of \$188.1 million increased 11.0% from the same period in the prior year. Organic net sales totaled \$187.6 million^(*) for the first six months of fiscal 2019, an increase of 13.8% from the same period of fiscal 2018. Organic orders totaled \$188.2 million, an increase of 11.1% from the same period in the prior year. Operating earnings for the first six months of fiscal 2019 were \$3.9 million or 2.1% of sales as compared to operating earnings of \$1.3 million or 0.8% of sales in the same period of the prior year. The following is a summary of the major factors impacting our comparative sales and earnings results:

- Incremental sales volumes within the Consumer segment of approximately \$14 million were driven by the introduction of HAY products and growth across the DWR studio, e-commerce and contract channels.
- Operating earnings increased by \$2.6 million in the first half of fiscal 2019 due to increased sales volumes and incremental price increases, net of deeper contract discounting, which was partially offset by increased operating expenses. Increased sales volumes and incremental price increases, net of deeper discounting each increased operating earnings by approximately \$6 million and approximately \$3 million, respectively, while increased operating expenses decreased operating earnings by approximately \$6 million. Operating expenses increased due to incremental marketing, compensation, and depreciation expenses that were driven mainly by new studios and the launch of the HAY brand in North America.

Corporate

Corporate unallocated expenses totaled \$13.7 million for the second quarter of fiscal 2019, an increase of \$3.2 million from the second quarter of fiscal 2018. The increase was driven mainly by incremental special charges of \$4.3 million from third party consulting costs related to the Company's profit improvement initiatives, as well as transition costs related to the retirement of the Company's CEO. These increases were partially offset by lower compensation and benefits and employee incentive costs of \$1.1 million from the comparative period.

Corporate unallocated expenses totaled \$28.5 million for the first six months of fiscal 2019, an increase of \$9.9 million from the same period of fiscal 2018. The increase was driven mainly by incremental special charges of \$8.6 million from third party consulting costs related to the Company's profit improvement initiatives, as well as transition costs related to the retirement of the Company's CEO. Increased legal and depreciation expenses also contributed to the increase in corporate unallocated expenses from the comparative period.

Financial Condition, Liquidity and Capital Resources

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

(In millions)	December 1, 2018	December 2, 2017
Cash and cash equivalents, end of period	\$ 113.6	\$ 114.6
Marketable securities, end of period	8.2	8.5
Cash provided by operating activities	91.5	81.5
Cash used in investing activities	(118.7)	(30.6)
Cash used in financing activities	(59.8)	(33.2)
Capital expenditures	(41.1)	(39.8)
Stock repurchased and retired	(37.4)	(17.3)
Common stock issued	10.4	5.9
Dividends paid	(22.4)	(20.9)
Interest-bearing debt, end of period	281.9	200.0
Available unsecured credit facility, end of period ⁽¹⁾	\$ 163.7	\$ 391.8

⁽¹⁾ Amounts shown are net of outstanding letters of credit of \$11.3 million and \$8.2 million as of December 1, 2018 and December 2, 2017, respectively, which are applied against availability under the Company's unsecured credit facility.

Cash Flows - Operating Activities

Six Month Period Ended December 1, 2018

Cash generated from operating activities was \$91.5 million for the six months ended December 1, 2018, as compared to \$81.5 million in the same period of the prior year. Changes in working capital balances drove a use of cash totaling \$29.1 million during the first six months of fiscal 2019. The main factors driving this use of cash were increases in inventory of \$26.5 million and accounts, notes and unbilled accounts receivable of \$27.7 million, exclusive of the cumulative adjustment upon adoption of ASC 606. These were offset by an increase in prepaid expenses and other current assets of \$10.0 million, an increase in accounts payable of \$11.3 million, and an increase in accrued compensation and benefits of \$6.8 million. Additionally, the Company made a voluntary contribution of \$12.0 million to its international defined benefit pension plan in the first half of fiscal 2018, which also drove a portion of the increase in cash generated from operating activities when compared to the prior year.

Six Month Period Ended December 2, 2017

Cash generated from operating activities was \$81.5 million for the six months ended December 2, 2017, as compared to \$94.4 million in the same period of the prior year. In the first half of fiscal 2018, the Company made a voluntary contribution of \$12.0 million to its international defined benefit pension plan. Additionally, changes in working capital balances drove a use of cash totaling \$13.2 million during the first six months of fiscal 2018. The main factors driving this use of cash were an increase in inventory of \$19.8 million and a decrease in accrued compensation and benefits of \$4.5 million. Inventory increased due mainly to DWR inventory stocking related to new studios and upcoming promotions, as well as a build of inventory in the ELA segment to fulfill demand. Accrued compensation and benefits decreased due to the annual payout of the prior year accrued bonus and profit sharing. These factors more than offset drivers within working capital that increased cash, primarily an increase in accounts payable of \$18.3 million.

Cash Flows - Investing Activities

Investing activities in the first six months of fiscal 2019 resulted in a net cash outflow of \$118.7 million as compared to a net cash outflow of \$30.6 million in the same period of the prior year. Equity investments in the noncontrolled entities of HAY and Maars and the HAY license agreement resulted in a cash outlay of \$71.6 million and \$4.8 million, respectively in the first half of fiscal 2019.

The Company had cash outflows for the purchase of \$41.1 million of capital assets in the first six months of fiscal 2019 as compared to \$39.8 million during the first six months of the prior year.

At the end of the second quarter of fiscal 2019, there were outstanding commitments for capital purchases of \$25.1 million compared to \$29.5 million at the corresponding date in the prior year. The Company expects full-year capital purchases to be between \$90 million and \$100 million,

which will be primarily related to investments in the Company's facilities and equipment. This compares to full-year capital spending of \$70.6 million in fiscal 2018.

Cash Flows - Financing Activities

Cash outflows from financing activities were \$59.8 million for the first six months of fiscal 2019 compared to cash outflows of \$33.2 million during the same period of the prior year. Cash outflows for dividend payments were \$22.4 million and \$20.9 million for the first six months of fiscal 2019 and fiscal 2018, respectively. Cash paid for the repurchase of common stock was \$37.4 million and \$17.3 million in the first six months of fiscal 2019 and 2018, respectively. Cash inflows for stock issuances related to employee benefit programs were \$10.4 million and \$5.9 million during the first six months of fiscal 2019 and fiscal 2018, respectively.

Certain minority shareholders in a subsidiary have the right, at certain times, to require the Company to acquire a portion of their ownership interest in those entities at fair value. During the six months ended December 1, 2018, the Company purchased \$10.1 million of minority ownership shares as compared to \$1.0 million in the same period last year. It is possible that within the next two fiscal years the Company could be required to acquire the majority of the balance of their ownership interest. The fair value of this redeemable noncontrolling interest as of December 1, 2018 was \$20.7 million and is included within "Redeemable noncontrolling interests" on the Consolidated Balance Sheets.

One shareholder has put options that would require the Company to purchase an additional 33% of the equity in HAY at fair market value. These put options have multiple periods for exercise, with fiscal 2020 through fiscal 2024 representing the earliest possible period of exercise.

Sources of Liquidity

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

(In millions)	December 1, 2018		December 2, 2017	
Cash and cash equivalents	\$	113.6	\$	114.6
Marketable securities		8.2		8.5
Availability under syndicated revolving line of credit	\$	163.7	\$	391.8

At the end of the second quarter of fiscal 2019, the Company had cash and cash equivalents of \$113.6 million, including \$72.3 million of cash and cash equivalents held outside the United States. In addition, the Company had marketable securities of \$8.2 million held by one of its international subsidiaries.

The subsidiary holding the Company's marketable securities is taxed as a United States taxpayer at the Company's election. Consequently, for tax purposes, all United States tax impacts for this subsidiary have been recorded. The Company maintains its intent to permanently reinvest the remainder of the cash outside the United States. The Tax Cuts and Jobs Act (the "Act"), enacted on December 22, 2017, assesses a one-time tax on deferred foreign income upon transition to a participation exemption system of taxation. The new system of taxation allows for future distribution of foreign earnings to the U.S. without incremental federal income taxes. The Company is considering the impact of the Act and the one-time transition tax on its foreign earnings which are invested in liquidable assets.

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

Contractual Obligations

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

Guarantees

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

Variable Interest Entities

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

Contingencies

See Note 12 to the condensed consolidated financial statements.

Critical Accounting Policies

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

New Accounting Standards

See Note 2 to the Condensed Consolidated Financial Statements.

Safe Harbor Provisions

Certain statements in this filing are not historical facts but are “forward-looking statements” as defined under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended, that are based on management’s beliefs, assumptions, current expectations, estimates, and projections about the office furniture industry, the economy, and the Company itself. Words like “anticipates,” “believes,” “confident,” “estimates,” “expects,” “forecasts,” “likely,” “plans,” “projects,” and “should,” variations of such words, and similar expressions identify such forward-looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict with regard to timing, extent, likelihood, and degree of occurrence. These risks include, without limitation, the success of our growth strategy, employment and general economic conditions, the pace of economic growth in the U.S., and in our International markets, the potential impact of changes in U.S. tax law, the increase in white collar employment, the willingness of customers to undertake capital expenditures, the types of products purchased by customers, competitive-pricing pressures, the availability and pricing of raw materials, our reliance on a limited number of suppliers, our ability to expand globally given the risks associated with regulatory and legal compliance challenges and accompanying currency fluctuations, the ability to increase prices to absorb the additional costs of raw materials, the financial strength of our dealers and the financial strength of our customers, our ability to locate new DWR and HAY studios, negotiate favorable lease terms for new and existing locations and the implementation of our studio portfolio transformation, our ability to attract and retain key executives and other qualified employees, our ability to continue to make product innovations, the success of newly-introduced products, our ability to serve all of our markets, possible acquisitions, divestitures or alliances, the pace and level of government procurement, the outcome of pending litigation or governmental audits or investigations, political risk in the markets we serve, and other risks identified in our filings with the Securities and Exchange Commission. Therefore, actual results and outcomes may materially differ from what we express or forecast. Furthermore, Herman Miller, Inc., undertakes no obligation to update, amend or clarify forward-looking statements.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

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

Foreign Exchange Risk

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

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

Item 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

Changes in Internal Control Over Financial Reporting

There were no changes in the company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the quarterly period ended December 1, 2018, that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

Part II - Other Information

Item 1: Legal Proceedings

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

Item 1A: Risk Factors

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

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

Issuer Purchases of Equity Securities

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

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average price Paid per Share or Unit	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased Under the Plans or Programs (in millions)
9/2/18 - 9/29/18	23,979	\$ 38.74	23,979	\$ 40,327,829
9/30/18 - 10/27/18	227,752	\$ 35.51	227,752	\$ 32,329,346
10/28/18 - 12/1/18	225,123	\$ 33.41	225,123	\$ 24,717,035
Total	<u>476,854</u>		<u>476,854</u>	

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

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

Item 3: Defaults upon Senior Securities

None

Item 4: Mine Safety Disclosures

Not applicable

Item 5: Other Information

None

Item 6: Exhibits

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

<u>Exhibit Number</u>	<u>Document</u>
10.1	Form of Herman Miller, Inc. Long-Term Incentive Plan Stock Option Agreement
10.2	Form of Herman Miller, Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement
10.3	Form of Herman Miller, Inc. Long-Term Incentive Plan HMVA Performance Share Unit Award Agreement
10.4	Form of Herman Miller, Inc. Long-Term Incentive Plan TSR Performance Share Unit Award Agreement
10.5	Stock Option Agreement between the Company and Andrea Owen
10.6	Restricted Stock Unit Award Agreement between the Company and Andrea Owen
10.7	HMVA Performance Share Award Agreement between the Company and Andrea Owen
10.8	TSR Performance Share Unit Award Agreement between the Company and Andrea Owen
31.1	Certificate of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certificate of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certificate of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

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

HERMAN MILLER, INC.

January 9, 2019

/s/ Andrea R. Owen

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

January 9, 2019

/s/ Jeffrey M. Stutz

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

**HERMAN MILLER, INC. LONG-TERM INCENTIVE PLAN
STOCK OPTION AGREEMENT**

This certifies that Herman Miller, Inc. (the "Company") has on %%OPTION_DATE,'Month DD, YYYY'%%-% (the "Award Date"), granted to %%FIRST_NAME%%-% %%LAST_NAME%%-% (the "Participant") an award (the "Award") of an option to purchase %%TOTAL_SHARES_GRANTED,'999,999,999'%%-% shares of the Company's common stock, par value \$.20 per share (the "Option Shares") pursuant to and under the Herman Miller, Inc. 2011 Long-Term Incentive Plan (the "Plan") and subject to the terms set forth in this Option Agreement. A copy of the Plan Prospectus has been delivered to Participant, and a copy of the Plan is available from the Company on request. The Plan is incorporated into this Option Agreement by reference, and in the event of any conflict between the terms of the Plan and this Option Agreement, the terms of the Plan will govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein will have the meaning set forth in the Plan.

1. Option. Pursuant to the Plan and this Option Agreement, the Participant has the option to purchase the Option Shares on the terms and conditions herein set forth (the "Option"). This Option shall not be designated as an incentive stock option ("ISO") for purposes of qualifying as such under the provisions of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Purchase Price. The purchase price of the shares covered by this Option Agreement shall be %%OPTION_PRICE,'\$999,999,999.99'%%-% per share (the "Purchase Price"). The "Committee" (provided for in Article 3 of the Plan) has determined that such price represents one hundred percent (100%) of the fair market value of a share of the Company's common stock as of the Award Date.

3. Term of Option. This Option shall expire on %%EXPIRE_DATE_PERIOD1,'Month DD, YYYY'%%-% subject to earlier termination as provided in subsequent sections of this Option Agreement (the "Expiration Date").

4. Participant's Agreement. In consideration of the granting of the Option, the Participant agrees to remain in the employ of the Company for the lesser of a period of at least twelve (12) months from the Award Date, or a period commencing on the date hereof and ending upon the Participant's Retirement (the "Minimum Employment Period"). Such employment, subject to the provisions of any written contract between the Company and the Participant, shall be at the pleasure of the Board of Directors, and this Option Agreement shall not impose on the Company any obligation to retain the Participant in its employ for any period. In the event of the termination of employment of the Participant for any reason during the Minimum Employment Period, this Option Agreement shall terminate, unless this Option becomes exercisable as provided in Sections 8 or 9.

5. Exercise of Option.

(a) Except as provided in Section 8 and 9, this Option may be exercised and Option Shares may be purchased in accordance with the vesting schedule set forth in Section 5(b) below. Subject to that vesting schedule, this Option may be exercised at any time during the term of this Option Agreement, by written notice to the Company. The notice shall state the number of shares with respect to which the Option is being exercised, shall be signed by the person exercising this Option, and shall be accompanied by payment of the full purchase price of the shares. This Option Agreement shall be submitted to the Company with the notice for purposes of recording the shares being purchased, if exercised in part, or for purposes of cancellation if all shares then subject to this Option are being purchased. In the event this Option shall be exercised pursuant to Section 8(e) hereof by any person other than the Participant, such notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. Payment of the purchase price shall be made by: (a) cash, check, bank draft, or money order, payable to the order of the Company; (b) the delivery by the Participant of unencumbered shares of common stock of the Company, with a fair market value on the date of exercise equal to the total purchase price of the shares to be purchased; or (c) reduction in the number of shares of Common Stock issuable upon exercise (based on the Fair Market Value of the Common Stock on the last trading date preceding payment as determined by the Committee) or (d) a combination of (a), (b) and (c). Upon exercise of all or a portion of this Option, the Company shall issue to the Participant a stock certificate or book entry deposit representing the number of shares with respect to which this Option was exercised.

(b) Vesting Schedule. On each date set forth below, this Option will vest and become exercisable with respect to the percentage of Option Shares set opposite such date if Participant is employed by the Company or a subsidiary as of such date:

<u>Date</u>	<u>Percent of Option Vested to Date</u>
%%VEST_DATE_PERIOD1, 'Month DD, YYYY'-%-%	33.34%
%%VEST_DATE_PERIOD2, 'Month DD, YYYY'-%-%	66.68%
%%VEST_DATE_PERIOD3, 'Month DD, YYYY'-%-%	100.00%

(c) Automatic Exercise Upon Expiration. Notwithstanding any other provision of this Option Agreement (other than this Section 5(c)), on the last trading day on which all or a portion of the outstanding Option may be exercised, if as of the close of trading on such day the then Fair Market Value of a share of Common Stock exceeds the per share Purchase Price of the Option by at least \$.01 (such expiring portion of the Option that is so in-the-money, an "Auto-Exercise Eligible Option"), the Participant will be deemed to have automatically exercised such Auto-Exercise Eligible Option (to the extent it is then vested and has not previously been exercised or forfeited) as of the close of trading in accordance with the provisions of this Section 5(c); provided that, if such automatic exercise would result in the issuance of less than one whole share of Common Stock to the Participant following the reduction for the Purchase Price and withholding described in the following sentence, then the Option shall not be automatically exercised pursuant to this Section 5(c). In the event of an automatic exercise pursuant to this Section 5(c), the Company will reduce the number of shares of Common Stock issued to the Participant upon such automatic exercise of the Auto-Exercise Eligible Option in an amount necessary to satisfy (1) the Participant's Purchase Price obligation for the Auto-Exercise Eligible Option, and (2) the applicable Federal, state, local and, if applicable, foreign income and employment tax and social insurance withholding requirements arising upon the automatic exercise in accordance with the procedures of Section 15.3 of the Plan (unless the Committee deems that a different method of satisfying the tax withholding obligations is practicable and advisable), in each case based on the Fair Market Value of the Common Stock as determined in accordance with the Plan. The Participant may notify the Plan record-keeper in writing in advance that the Participant does not wish for the Auto-Exercise Eligible Option to be exercised and, if such advance notification is provided, the automatic exercise shall not apply. This Section 5(c) shall not apply to the Option to the extent that this Section 5(c) causes the Option to fail to qualify for favorable tax or accounting treatment under applicable law or accounting standards. In its discretion, the Company may determine to cease automatically exercising some or all stock options, including the Option, at any time. The Participant understands, acknowledges, agrees and hereby stipulates that the automatic exercise procedure pursuant to this Section 5(c) is provided solely as a convenience to the Participant as protection against the Participant's inadvertent failure to exercise all or any portion of an in-the-money Option that is vested and exercisable before such Option expires under this Option Agreement. Because any exercise of all or any portion of the Option is solely the Participant's responsibility, the Participant hereby waives and releases and agrees to indemnify and hold the Company harmless from and against any and all claims of any kind whatsoever against the Company and/or any other party (including without limitation, the Committee and the Company's employees and agents) arising out of or relating to the automatic exercise procedure pursuant to this Section 5(c) (or any failure thereof), including without limitation any resulting individual income tax, penalty and/or interest liability and/or any other liability if the automatic exercise of the Option does occur, or does not occur for any reason or no reason whatsoever and/or the Option actually expires.

6. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of shares of Common Stock, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election prior to the date that the amount of tax to be withheld is determined (the "Tax Date"), then the Company will withhold shares of Common Stock as described in Section 6(b)(ii), below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise issuable to the Participant a number of shares having a Fair Market Value as of the Tax Date up to the amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, up to the amount of the withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this Section 6(b)(iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company.

7. Restriction on Transfer. This Option shall not be sold, assigned, transferred, pledged hypothecated or otherwise disposed of by Participant otherwise than by will or the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

8. Termination of Employment.

(a) Termination of Employment for Reasons Other Than Retirement, Disability or Death. In the event the Participant ceases to be employed by the Company for any reason other than Retirement (as defined below) or on account of Disability or death, this Option shall, to the extent rights to purchase shares hereunder have vested at the date of such termination and shall not have been fully exercised, be exercisable, in whole or in part, at any time within a period of three (3) months following cessation of the Participant's employment, subject, however, to prior expiration of the term of this Option and any other limitations upon its exercise in effect at the date of exercise.

(b) Termination of Employment for Retirement Prior to Full Vesting. If the Participant ceases to be employed by the Company by reason of Retirement prior to the full vesting of the Option Shares under Section 5(b) above and subject to Participant's compliance with the covenants set forth in Section 12 below, if (1) the date of Retirement occurs on or after the first anniversary of the Award Date, this Option shall vest in accordance with the schedule set forth in Section 5(b) above, or (2) if the date of Retirement occurs before the first anniversary of the Award Date, the number of Option Shares subject to this Option shall be deemed vested by multiplying that number of Option Shares by a fraction, the numerator of which shall be the number of full calendar months of employment service subsequent to the Award Date, and the denominator of which shall be twelve (12). "Retires" or "Retirement" means for purposes of this Award Agreement the Participant's resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a "Retirement". Subject to Participant's compliance with the covenants set forth in Section 12 below, this Option shall, to the extent rights to purchase shares hereunder have vested, be exercisable, in whole or in part, at any time within the period of five (5) years following the date of Retirement subject, however, to prior expiration of the term of this Option and any other limitations upon its exercise in effect at the date of exercise. If the Participant dies after such Retirement, this Option shall be exercisable in accordance with Section 8(e) hereof.

(c) Termination of Employment for Retirement After Full Vesting. If the Participant ceases to be employed by the Company by reason of Retirement after the full vesting of the Option Shares under Section 5(b) above, this Option shall be exercisable, in whole or in part, at any time within the period of five (5) years following the date of Retirement, subject, however, to prior expiration of the term of this Option and any of the limitations upon its exercise in effect at the date of exercise. If the Participant dies after such Retirement, this Option shall be exercisable in accordance with Section 8(e) hereof.

(d) Termination of Employment for Disability. If the Participant ceases to be employed by the Company by reason of Disability, this Option shall, to the extent rights to purchase shares hereunder have vested as of the date of such Disability and have not been fully exercised, be exercisable, in whole or in part, at any time within the period of five (5) years following such termination of employment, subject, however, to prior expiration of the term of this Option and any other limitations upon its exercise in effect at the date of exercise. If the Participant dies after such Disability, this Option shall be exercisable in accordance with Section 8(e) hereof.

(e) Termination of Employment Because of Death. In the event of the Participant's death, this Option shall, to the extent rights to purchase shares hereunder have vested at the date of death and shall not have been fully exercised, be exercisable, in whole or in part, by the personal representative of the Participant's estate, by any person or persons who shall have acquired this Option directly from the Participant by bequest or inheritance at any time during the following periods: (i) if Participant dies while employed by the Company, at any time within five (5) years after the date of death, or (ii) if Participant dies during the extended exercise period following termination of employment specified in Section 8(b), (c), or (d) above, at any time within the longer time of such extended period or one year after the date of death, subject, however, in each case, to the prior expiration of the term of this Option and any other limitations on the exercise of such Option in effect at the date of exercise.

(f) Termination of Option. If this Option is not exercised within whichever of the exercise periods specified in Sections 8(a), (b), (c), (d) or (e) is applicable, this Option shall terminate upon expiration of such exercise period.

9. Change in Control. Notwithstanding any term to the contrary in this Agreement or the Plan, if, within two (2) years following a Change in Control, the Participant's employment (a) is terminated without Cause (b) terminates with Good Reason, or (c) terminates under

circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, a Subsidiary, or any successor thereof, then this Award (or its replacement) shall become fully vested and immediately exercisable and shall remain exercisable for the applicable period as described in Section 8. Notwithstanding the foregoing, if upon the occurrence of a Change in Control this Award is not assumed or continued, then this Award shall be treated in accordance with Section 14.3(a) of the Plan.

10. Rights as a Shareholder. Participant shall not have any rights as a share-holder with respect to any shares covered hereby until Participant shall have become the holder of record of such shares. No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date on which Participant shall have become the holder of record thereof, except as provided in Section 11 hereof.

11. Adjustments to Option Shares for Certain Corporate Transactions.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Option Shares granted under this Award if (i) the outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of the Company, reclassification, stock dividend, stock split, reverse stock split with respect to such shares of Common Stock or other securities, or (ii) additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Option Shares granted under this Award if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 11(a) above.

12. Participant Covenants. In consideration of the grant of this Award by the Company, Participant agrees to the following:

(a) Confidentiality. In the course of Participant's employment with the Company, Participant may be making use of, acquiring, or adding to the Company's confidential information, trade secrets, and Protected Information; accordingly, Participant agrees and promises:.

(i) to protect and maintain the confidentiality of Protected Information while employed by the Company;

(ii) to return (and not retain) any and all materials reflecting Protected Information that Participant may possess (including all Company-owned equipment) immediately upon end of employment or upon demand by the Company; and

(iii) to not use or disclose, except as necessary for the performance of Participant's services on behalf of the Company or as required by law or legal process, any Protected Information where such use or disclosure would be detrimental to the interests of the Company. This promise applies only for so long as such Protected Information remains confidential and not generally known to the Company's competitors, or 18 months following the end of Participant's employment with the Company, whichever occurs first.

(b) Restrictive Covenants. Participant understands and agrees that the Company has legitimate interests in protecting its goodwill, its relationships with customers and business partners, and in maintaining its confidential information, trade secrets and Protected Information, and hereby agrees that the following restrictions are appropriate to meet such goals.

(i) Non-Solicitation. Participant acknowledges that the relationships and goodwill that Participant develops with Company Customers as a result of Participant's employment belong to the Company. Participant therefore agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends, for whatever reason, Participant will not, and will not assist anyone else to, (1) solicit or encourage any Company Customer to terminate or diminish its relationship with the Company relating to Competitive Services or Products; or (2) seek to persuade any Company Customer to conduct with anyone other than the Company any business or activity relating to Competitive Services or Products that such Company Customer conducts or could conduct with the Company.

(ii) Non-Competition. Participant agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends for any reason, Participant will not, for himself or herself, or on behalf of any other person or entity, directly or indirectly, provide services to a Direct Competitor in a role where Participant's

knowledge of Protected Information is likely to affect Participant's decisions or actions for the Direct Competitor to the detriment of the Company.

(c) Definitions. For purposes of this Section 12, the following terms shall be defined as follows:

(i) Protected Information. "Protected Information" means Company information not generally known to, and not readily ascertainable through proper means by, the Company's competitors on matters such as customer information, partner information, and the relative skills and experience of the Company's other Participants or agents; nonpublic information; strategic plans; business methods; investment strategies and plans; intellectual property; sales and marketing plans; Company (not individual) know-how; trade secrets; and other information of a technical or economic nature relating to the Company's business.

Protected Information does not include information that (i) was in the public domain, (ii) was independently developed or acquired by Participant, (iii) was approved by the Company for use and disclosure by Participant without restriction, or (iv) is the type of information which might form the basis for protected concerted activity under the National Labor Relations Act (for example, Participant pay or Participant terms and conditions of employment).

(ii) Company Customer. "Company Customer" is limited to those customers or partners who did business with the Company within the most recent 18 months of Participant's employment (or during the period of Participant's employment, if Participant was employed for less than 18 months) and with whom Participant personally dealt on behalf of the Company in the 12 months immediately preceding the last day of Participant's employment and Participant had business contact or responsibility with such Company Customer as a result of his or her employment with the Company. "Company Customer" shall not, however, include any individual who purchased a Competitive Product from the Company by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(iii) Competitive Services. "Competitive Services" means services of the type that the Company provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of Participant's employment with the Company (or at any time during Participant's employment if Participant was employed for less than 12 months), and for which Participant was involved in providing or managing the provision of such services.

(iv) Competitive Products. "Competitive Products" means products that serve the same function as, or that could be used to replace, products the Company provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of Participant's employment (or at any time during Participant's employment if Participant was employed for less than 12 months), with which Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Direct Competitor. "Direct Competitor" means a person, business or company providing Competitive Products or Competitive Services anywhere in the United States. "Direct Competitor" does not include any business which the parties have agreed in writing to exclude from the definition, and the Company will not unreasonably or arbitrarily withhold such agreement.

(a) Non-disparagement. Participant agrees that, while employed with the Company and thereafter, Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company, any member of its Board of Directors or any executive officer of the Company (the "Protected Persons") or the Company's business. Without limitation, Participant shall not publish, communicate, post or blog disparaging or confidential information about the Protected Persons. However, the Participant may give truthful and non-malicious testimony if properly subpoenaed to testify under oath.

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Protected Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company, at its expense, in seeking a protective order or other appropriate protection of such information. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector

General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Protected Information in the course of such reporting; provided, however, that the Participant use the Participant's reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (ii) request that such agency or entity treat such information as confidential. The Participant does not need the prior authorization from the Company to make any such whistleblower reports or disclosures and is not required to notify the Company that the Participant has made such reports or disclosures.

13. Miscellaneous.

(a) Neither this Option Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company's consolidated financial statements for any interim or annual period ("Restatement"), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been known at the time of the original Award or at the time of vesting of any Option Shares. In the event that the Committee makes such a determination, the Company shall have the right: (ii) in the instance of a Participant whose misconduct or violation of a Company policy causes such Restatement, or; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether Participant caused the Restatement, to (A) forfeit any vested or unvested rights in this Award, and/or (B) to require repayment or return of any benefit derived from the exercise of this Award. Both the cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion, and its decision shall be final and binding upon the Participant.

(c) An original record of this Option Agreement and of the Participant's acceptance and acknowledgement will be held on file by the Company. This Option Agreement and the Participant's acknowledgement may be made either paper or electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Option Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company will control.

14. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code ("Section 409A"). This Award Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are payable upon a termination of the Participant's employment, then (a) all such payments shall be made only upon a "separation from service" within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, Participant's termination shall not be considered to occur until he or she has incurred such a separation from service and (c) to the extent required for compliance with Section 409A if Participant is a "specified employee" within the meaning of Section 409A, payments will be delayed by six months.

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

IN WITNESS WHEREOF, the parties have executed this Option Agreement effective as of the Award Date.

Herman Miller, Inc.

By: _____

Jeffrey M. Stutz
Chief Financial Officer

ACCEPTANCE AND ACKNOWLEDGEMENT

Via electronic ACCEPT, I accept the Award Agreement described herein and in the Plan, acknowledge receipt of a copy of this Award Agreement and the Plan Prospectus, and acknowledge that I have read them carefully and that I fully understand their contents.

**HERMAN MILLER, INC. 2011 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

This certifies that Herman Miller, Inc. (the "Company") has on %%OPTION_DATE,'Month DD, YYYY'%%-% (the "Award Date"), granted to %%FIRST_NAME%%-% %%LAST_NAME%%-% (the "Participant") an award (the "Award") of %%TOTAL_SHARES_GRANTED,'999,999,999'%%-% restricted stock units (the "Restricted Stock Units") pursuant to and under the Herman Miller, Inc. 2011 Long-Term Incentive Plan (the "Plan") and subject to the terms set forth in this agreement (the "Award Agreement"). A copy of the Plan Prospectus has been delivered to Participant, and a copy of the Plan is available from the Company. The Plan is incorporated into this Award Agreement by reference, and in the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan shall govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein shall have the meaning set forth in the Plan.

1. Rights of the Participant with Respect to the Restricted Stock Units.

(a) No Shareholder Rights. The Restricted Stock Units granted pursuant to this Award are not shares of Common Stock, are the contingent right to receive shares of Common Stock and do not and shall not entitle Participant to any rights of a shareholder of Common Stock. The rights of Participant with respect to the Restricted Stock Units shall remain forfeitable at all times prior to the date on which such rights become vested in accordance with Section 2, 3 or 4.

(b) Additional Restricted Stock Units. As long as Participant holds Restricted Stock Units granted pursuant to this Award, the Company shall credit to Participant, as of each date that the Company pays a Dividend (as defined below) in cash to holders of Common Stock (the "Dividend Payment Date"), an additional number of Restricted Stock Units ("Additional Restricted Stock Units") equal to:

(i) The total number of Restricted Stock Units and Additional Restricted Stock Units credited to Participant under this Award as of the close of business on the record date for such Dividend, multiplied by

(ii) The dollar amount of the Dividend paid per share of Common Stock by the Company on such Dividend Payment Date, divided by

(iii) The Fair Market Value of a share of Common Stock on such Dividend Payment Date.

The term "Dividend" shall include all dividends, whether normal or special, and whether payable in cash, Common Stock, or other property.

The calculation of Additional Restricted Stock Units shall be carried to four (4) decimal places, and any fractional Restricted Stock Unit resulting from such calculation shall be included in the Participant's Additional Restricted Stock Units. A report showing the number of Additional Restricted Stock Units so credited shall be made available to Participant periodically, as determined by the Company. The Additional Restricted Stock Units so credited shall vest and be subject to the same terms and conditions as the Restricted Stock Units to which such Additional Restricted Stock Units relate, and the Additional Restricted Stock Units shall be forfeited in the event that the Restricted Stock Units with respect to which such Additional Restricted Stock Units were credited are forfeited.

(c) Conversion of Restricted Stock Units; Issuance of Common Stock. No shares of Common Stock shall be issued to Participant prior to the date on which the Restricted Stock Units vest, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 2, 3 or 4. Neither this Section 1(c) nor any action taken pursuant to or in accordance with this Section 1(c) shall be construed to create a trust of any kind. After any Restricted Stock Units vest pursuant to Section 2, 3 or 4, all restrictions with respect to the distribution of the Restricted Stock Units have lapsed, and any tax withholding obligations related to such Restricted Stock Units have been satisfied pursuant to Section 8, the Company shall, within sixty (60) days, cause to be issued to the Participant or the Participant's legal representatives, beneficiaries or heirs, as the case may be, a stock certificate or book entry representing the number of shares of Common Stock in payment of such vested whole Restricted Stock Units and Additional Restricted Stock Units, unless a valid deferral has been made pursuant to Section 7, in which case such distribution shall be made within sixty (60) days after the date to which distribution has been deferred.

2. Vesting. Subject to the terms and conditions of this Award, the Restricted Stock Units shall vest on the third (3rd) anniversary of the Award Date if Participant remains continuously employed by the Company or a Subsidiary. For purposes of this Award, a Participant who begins a leave of absence from the Company or a Subsidiary after the Award Date and who returns to employment with the Company or a Subsidiary prior to the third (3rd) anniversary of the Award Date or prior to any other event causing early vesting under Sections 3 or 4 following the leave of absence shall be considered to be continuously employed during the leave of absence.

3. Forfeiture or Early Vesting Upon Termination of Employment.

(a) Termination of Employment Generally. Except as provided in Sections 3(b), 3(c), 3(d), and 3(e), if, prior to vesting of the Restricted Stock Units pursuant to Section 2 or 4, Participant ceases to be an employee of the Company or a Subsidiary, then Participant's rights to all of the unvested Restricted Stock Units shall be immediately and irrevocably forfeited, including the right to receive Additional Restricted Stock Units issued in respect of unvested Restricted Stock Units.

(b) Death. If Participant dies while employed by the Company or a Subsidiary and has complied with Section 2 prior to the time that his Restricted Stock Units become vested, then all of his or her unvested Restricted Stock Units shall become immediately vested as of the date of death. No transfer by will or the applicable laws of descent and distribution of any Restricted Stock Units that vest by reason of Participant's death shall be effective to bind the Company unless the Committee shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer.

(c) Disability. If Participant's employment by the Company or Subsidiary is terminated due to Participant's Disability and the Participant has complied with Section 2 at all times prior to such termination, then all of his or her unvested Restricted Stock Units shall become immediately vested as of the date of such termination.

(d) Retirement.

(i) Except as provided in 3(d)(ii) below, if Participant's employment by the Company or Subsidiary is terminated by reason of Participant's Retirement (as defined below) during the first 12 months after the Award Date and prior to the time that his Restricted Stock Units have otherwise become vested, then a portion of his or her unvested Restricted Stock Units shall become immediately vested as of the date the Participant Retires. The portion of the Restricted Stock Units that shall vest upon the date of the Participant's Retirement will be determined by multiplying the sum of Participant's Restricted Stock Units granted under this Award and any related Additional Restricted Stock Units by a fraction, the numerator of which is the number of full calendar months, beginning on the Award Date and ending on the date the Participant Retires during which the Participant was employed by the Company, and the denominator of which is 12. If Participant terminates his or her employment by reason of Retirement after the initial 12 month period, all of his or her Restricted Stock Units will be fully vested. "Retires" or "Retirement" means for purposes of this Award Agreement the Participant's resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a "Retirement". Subject to Participant's compliance with the covenants set forth in Section 9 below and to applicable policies of the Company, the Restricted Stock Units shall, to the extent the right to receive shares has vested in accordance with the preceding sentences, be sellable any time.]

(ii) Notwithstanding (i), if the Participant is a "Key Employee" (as defined below), such pro rata portion of Participant's Restricted Stock Units shall become vested as provided above, but the conversion to Common Stock and the distribution of Common Stock to the Participant shall not occur until the earlier of:

(A) The date which is six (6) months after the date of the Participant's Retirement, or

(B) The date of Participant's death.

(iii) For purposes of Section 3, a "Key Employee" is a Participant who, at any time during the year in which his or her employment with the Company terminated, was:

(A) An officer of the Company whose compensation from the Company for the year was more than \$175,000, as adjusted pursuant to Code Section 416(i)(1)(A);

(B) A more than 5% owner of the Company; or

(C) A more than 1% owner of the Company with annual compensation from the Company of more than \$150,000. For purposes of this Section 3, the term "owner" will include ownership attributed to the Participant under the rules of Code Section 318; provided, however, that the rules of Code Section 414(b), (c), and (m) do not apply for purposes of determining ownership of the Company.

(e) Termination of Employment without Cause.

(i) Except as provided in Section 3(e)(ii) below, if the Company or a Subsidiary terminates the Participant's employment without "Cause" prior to the time that Participant's Restricted Stock Units become vested, then a portion of his or her unvested Restricted Stock Units shall become immediately vested as of the date the Company or a Subsidiary terminates the Participant's employment without Cause. The portion of Restricted Stock Units that shall vest upon the Company's or a Subsidiary's termination of the Participant's employment without Cause is determined by multiplying the sum of Participant's Restricted Stock Units granted under this Award and related Additional Restricted Stock Units by a fraction, the numerator of which is the number of full calendar months, beginning on the Award Date and ending on the date of Company's or Subsidiary's termination of Participant's employment without Cause, that Participant was employed by the Company or a Subsidiary, and the denominator of which is 36.

(ii) Notwithstanding the foregoing, if the Participant is a "Key Employee," such pro rata portion of Participant's Restricted Stock Units shall become vested as provided above, but the conversion to Common Stock and the distribution of Common Stock to the Participant shall not occur until the earlier of:

(A) The date which is six (6) months after the date the Company terminates the Participant's employment without Cause, or

(B) The date of Participant's death.

(iii) Subject to Participant's compliance with the covenants set forth in Section 9 below and to applicable policies of the Company, the Restricted Stock Units shall, to the extent the right to receive shares has vested in accordance with this Section 3(e), be sellable any time.

4. Change in Control. Notwithstanding any term to the contrary in this Agreement or the Plan, if within two (2) years after a Change in Control the Participant's employment (a) is terminated without Cause, (b) terminates with Good Reason or (c) terminates under circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, a Subsidiary, or any successor thereof, then this Award (or its replacement) shall become fully vested upon the date of such termination of employment. Notwithstanding the foregoing, if upon the occurrence of a Change in Control this Award is not assumed or continued, then this Award shall be treated in accordance with Section 14.3(a) of the Plan.

5. Restriction on Transfer. Any rights under this Award may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of by Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

6. Adjustments to Restricted Stock Units for Certain Corporate Transactions.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Restricted Stock Units granted under this Award, if (i) the outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of Company, reclassification, stock dividend, stock split, reverse stock split, with respect to such shares of Common Stock or other securities, or (ii) additional shares or new or different shares for other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities to merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Restricted Stock Units granted under this Award if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 6(a) above.

7. Deferral of Distribution. A Participant may elect to defer the conversion of Restricted Stock Units granted under this Award and related Additional Restricted Stock Units into Common Stock and the issuance of such Common Stock with respect thereto to a time later than that provided under Section 1(c). The Participant must file such election with the Committee at least 12 months prior to the date provided under Section 1(c) that such Restricted Stock Units are scheduled to be converted into Common Stock and issued to the Participant. The Participant must specify in the election the date on which the Restricted Stock Units granted under this Award and the related Additional Restricted Stock Units will be converted to Common Stock and issued to Participant. The date elected must be at least five (5) years later than the date on which the Restricted Stock Units would have been converted to Common Stock and issued to the Participant under Section 1(c).

8. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of, the lapse of restrictions relating to, or any other event relating to, the Restricted Stock Units, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election prior to the date that the amount of tax to be withheld is determined (the "Tax Date"), then the Company shall withhold shares of Common Stock as described in Section 8(b)(ii) below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise issuable to the Participant a number of shares having a Fair Market Value as of the Tax Date up to the amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, up to the amount of the withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this Section 8(b)(iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company.

9. Participant Covenants. In consideration of the grant of this Award by the Company, Participant agrees to the following:

(a) Confidentiality. In the course of Participant's employment with the Company, Participant may be making use of, acquiring, or adding to the Company's confidential information, trade secrets, and Protected Information; accordingly, Participant agrees and promises:

(i) to protect and maintain the confidentiality of Protected Information while employed by the Company;

(ii) to return (and not retain) any and all materials reflecting Protected Information that Participant may possess (including all Company-owned equipment) immediately upon end of employment or upon demand by the Company; and

(iii) not to use or disclose, except as necessary for the performance of Participant's services on behalf of the Company or as required by law or legal process, any Protected Information where such use or disclosure would be detrimental to the interests of the Company. This promise applies only for so long as such Protected Information remains confidential and not generally known to the Company's competitors, or 18 months following the end of Participant's employment with the Company, whichever occurs first.

(b) Restrictive Covenants. Participant understands and agrees that the Company has legitimate interests in protecting its goodwill, its relationships with customers and business partners, and in maintaining its confidential information, trade secrets and Protected Information, and hereby agrees that the following restrictions are appropriate to meet such goals.

(i) Non-Solicitation. Participant acknowledges that the relationships and goodwill that Participant develops with Company Customers as a result of Participant's employment belong to the Company. Participant therefore agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends, for whatever reason, Participant will not, and will not assist anyone else to, (1) solicit or encourage any Company Customer to terminate or diminish its relationship with the Company relating to Competitive Services or Products; or (2) seek to persuade any Company Customer to conduct with anyone other than the Company any business or activity relating to Competitive Services or Products that such Company Customer conducts or could conduct with the Company.

(ii) Non-Competition. Participant agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends for any reason, Participant will not, for himself or herself, or on behalf of any other person or entity, directly or indirectly, provide services to a Direct Competitor in a role where Participant's knowledge of Protected Information is likely to affect Participant's decisions or actions for the Direct Competitor to the detriment of the Company.

(c) Definitions. For purposes of this Section 9, the following terms shall be defined as follows:

(i) Protected Information. "Protected Information" means Company information not generally known to, and not readily ascertainable through proper means by, the Company's competitors on matters such as customer information, partner information, and the relative skills and experience of the Company's other Participants or agents; nonpublic information; strategic plans; business methods; investment strategies and plans; intellectual property; sales and marketing plans; Company (not individual) know-how; trade secrets; and other information of a technical or economic nature relating to the Company's business.

Protected Information does not include information that (i) was in the public domain, (ii) was independently developed or acquired by Participant, (iii) was approved by the Company for use and disclosure by Participant without restriction, or (iv) is the type of information which might form the basis for protected concerted activity under the National Labor Relations Act (for example, Participant pay or Participant terms and conditions of employment).

(ii) Company Customer. "Company Customer" is limited to those customers or partners who did business with the Company within the most recent 18 months of Participant's employment (or during the period of Participant's employment, if Participant was employed for less than 18 months) and with whom Participant personally dealt on behalf of the Company in the 12 months immediately preceding the last day of Participant's employment and Participant had business contact or responsibility with such Company Customer as a result of his or her employment with the Company. "Company Customer" shall not, however, include any individual who purchased a Competitive Product from the Company by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(iii) Competitive Services. "Competitive Services" means services of the type that the Company provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of Participant's employment with the Company (or at any time during Participant's employment if Participant was employed for less than 12 months), and for which Participant was involved in providing or managing the provision of such services.

(iv) Competitive Products. "Competitive Products" means products that serve the same function as, or that could be used to replace, products the Company provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of Participant's employment (or at any time during Participant's employment if Participant was employed for less than 12 months), with which Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Direct Competitor. "Direct Competitor" means a person, business or company providing Competitive Products or Competitive Services anywhere in the United States. "Direct Competitor" does not include any business which the parties have agreed in writing to exclude from the definition, and the Company will not unreasonably or arbitrarily withhold such agreement.

(a) Non-disparagement. Participant agrees that, while employed with the Company and thereafter, Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company, any member of its Board of Directors or any executive officer of the Company (the "Protected Persons") or the Company's business. Without limitation, Participant shall not publish, communicate, post or blog disparaging or confidential information about the Protected Persons. However, the Participant may give truthful and non-malicious testimony if properly subpoenaed to testify under oath.

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Protected Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company, at its expense, in seeking a protective order or other appropriate protection of such information. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Protected Information in the course of such reporting; provided, however, that the Participant use the Participant's reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (ii) request that such agency or entity treat such information as confidential.

The Participant does not need the prior authorization from the Company to make any such whistleblower reports or disclosures and is not required to notify the Company that the Participant has made such reports or disclosures.

10. Miscellaneous.

(a) Neither this Award Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company's consolidated financial statements for any interim or annual period ("Restatement"), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been known at the time of the Award Date or at the time of conversion of the Restricted Stock Units to shares of Common Stock. In the event that the Committee makes such a determination, the Company shall have the right: (i) in the instance of a Participant whose misconduct or violation of a Company policy causes such Restatement, or; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether Participant caused the Restatement, to (A) forfeit this Award, and/or (B) to require repayment or return of any benefit derived from this Award. Both the cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion, and its decision shall be final and binding upon the Participant.

(c) An original record of this Award Agreement and all the terms hereof, executed by the Company and accepted and acknowledged by the Participant, is held on file by the Company. This Award Agreement and the Participant's acknowledgment may be made in paper or in electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Award and the terms contained in the original held by the Company, the terms of the original held by the Company shall control.

11. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code ("Section 409A"). This Award Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are payable upon a termination of the Participant's employment, then (a) all such payments shall be made only upon a "separation from service" within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, Participant's termination shall not be considered to occur until he or she has incurred such a separation from service and (c) to the extent required for compliance with Section 409A if Participant is a "specified employee" within the meaning of Section 409A, payments will be delayed by six months.

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

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Award Agreement effective as of the Award Date.

Herman Miller, Inc.

By: _____

Jeffrey M. Stutz
Chief Financial Officer

ACCEPTANCE AND ACKNOWLEDGEMENT

Via electronic ACCEPT, I accept the Award Agreement described herein and in the Plan, acknowledge receipt of a copy of this Award Agreement and the Plan Prospectus, and acknowledge that I have read them carefully and that I fully understand their contents.

**HERMAN MILLER, INC. 2011 LONG-TERM INCENTIVE PLAN
HMVA PERFORMANCE SHARE UNIT AWARD AGREEMENT**

This certifies that Herman Miller, Inc. (the “Company”) has on %%OPTION_DATE, 'Month DD, YYYY'%%-% (the “Award Date”), granted to %%FIRST_NAME%%-% %%LAST_NAME%%-% (the “Participant”) an award (the “Award”) of %%TOTAL_SHARES_GRANTED, '999,999,999'%%-% target Performance Share Units (the “Target Performance Share Units”) pursuant to and under the Herman Miller, Inc. 2011 Long-Term Incentive Plan (the “Plan”) and subject to the terms set forth in this Award Agreement. A copy of the Plan Prospectus has been delivered to Participant, and a copy of the Plan is available from the Company on request. The Plan is incorporated into this Award Agreement by reference, and in the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan will govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein will have the meaning set forth in the Plan.

1. Definitions.

“Actual Performance Share Units” means the number of Performance Share Units earned in accordance with Section 2 of this Award Agreement.

“Average Herman Miller Value Added” means the sum of the Herman Miller Value Added for each fiscal year of the Performance Period divided by the number of fiscal years in the Performance Period.

“Average Capital” means the sum of the Company’s capital at the end of each month during a fiscal year divided by 12.

“Award Agreement” means the terms and conditions of the Award set forth in this agreement.

“Capital Charge” means the Company’s Average Capital for the fiscal year multiplied by the Cost of Capital for such fiscal year.

“Common Stock” means the Company’s \$.20 par value per share common stock.

“Cost of Capital” means the Company’s weighted cost of equity plus its weighted cost of debt, expressed as a percentage, as determined by the Committee in a manner consistent with the Manual.

“EBITDA” means the Company’s earnings calculated before charges for interest, taxes, depreciation and amortization as determined by the Committee in a manner consistent with the Manual.

“Herman Miller Value Added” means the value added of the Company determined each fiscal year by deducting the Company’s Capital Charge from EBITDA, as determined by the Committee in a manner consistent with the terms of the Manual.

“Manual” shall mean the manual used by the Committee for purposes of determining Average Herman Miller Value Added.

“Performance Period” means the period of three (3) consecutive fiscal years beginning with the fiscal year in which the Award Date occurs.

“Performance Share Unit” means the right to receive one (1) share of Common Stock on a future date subject to certain restrictions and on the terms and conditions contained in this Award Agreement.

“Retirement” means for purposes of this Award Agreement the Participant’s resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a “Retirement”.

2. Determination of Actual Performance Share Units. The Actual Performance Share Units that the Participant may earn shall equal (a) the number of Target Performance Share Units, multiplied by (b) the Earnout Percentage, as determined under this Section 2.

(a) Determination of Average Herman Miller Value Added.

(i) Beginning of the Year Determinations. Within ninety (90) days of the beginning of each fiscal year in the Performance Period, the Committee will establish the Cost of Capital for such year. If the Committee determines that

the ability to earn Actual Performance Share Units will be based in whole or in part upon the Herman Miller Value Added of any unit or subsidiary, then the Committee will also establish the Cost of Capital for such units or subsidiaries.

(ii) Year-End Determinations. Within ninety (90) days after the end of each fiscal year in the Performance Period, the Committee will determine the EBITDA and Capital Charge for such fiscal year consistent with the Manual, and will then calculate the Herman Miller Value Added for such year.

(iii) End of Performance Period Determinations. Within ninety (90) days after the end of the Performance Period, the Committee will determine the Average Herman Miller Value Added for the Performance Period.

(b) Calculation of Earnout Percentage. Within ninety (90) days after the end of the Performance Period, the Committee will determine the Earnout Percentage in accordance with the following:

<u>If the Average Herman Miller Value Added is:</u>	<u>The Earnout Percentage is:</u>
\$232 million or more	200%
\$204 million	100%
\$185 million	34%
Less than \$185 million	0%

If the Average Herman Miller Value Added is between the above performance levels, then the Earnout Percentage will be determined based on straight line interpolation. If the Committee determines that the ability to earn Actual Performance Share Units will be based on whole or in part upon the Herman Miller Value added of any unit or subsidiary, then the Committee will establish an alternative Earnout Percentage schedule for such unit or subsidiary.

(c) Alternate Performance Period for a Shortfall. If the calculation under Section 2(b) above would result in the Earnout Percentage being 0% (a “Shortfall”), then the Committee may, in its sole discretion, elect to determine the Actual Performance Share Units based upon the Average Herman Miller Value Added over the period of three (3) consecutive fiscal years beginning with the last fiscal year in the Performance Period (the “Alternate Performance Period”). If the Committee elects to use an Alternate Performance Period, then the Earnout Percentage shall equal (i) 34% if the Average Herman Miller Value Added over the Alternate Performance Period equals or exceeds 75% of the Average Herman Miller Value Added goal established by the Committee for such Alternate Performance Period and (ii) 0% if the Average Herman Miller Value Added is less than 75% of the Average Herman Miller Value Added goal established by the Committee for such Alternate Performance Period. If there is a Shortfall and the Committee does not elect to use an Alternate Performance Period, then no Actual Performance Share Units shall be earned.

(d) Calculation of Actual Performance Share Units after a Change in Control. If a Change in Control occurs, the Committee will determine the Participant’s Actual Performance Share Units as of the date of such Change in Control in accordance with Section 2(a)-(b), subject to the following:

(i) the Performance Period will end (the “Adjusted Performance Period”) on the effective date of the Change in Control;

(ii) the Committee will determine the Herman Miller Value Added for the fiscal year in which the Change in Control occurs as follows: (A) EBITDA will be measured from the first day of the fiscal year through the effective date of the Change in Control; and (B) Average Capital will be calculated as the sum of the Company’s capital at the end of each full and partial month in the fiscal year prior to the effective date of the Change in Control divided by the number of whole and partial months in the fiscal year prior to the effective date of the Change in Control; and

(iii) the Committee will determine the Average Herman Miller Value Added by adding the Herman Miller Value Added for each fiscal year (or portion thereof) in the Adjusted Performance Period and dividing the sum by the number of whole and partial fiscal years in the Adjusted Performance Period.

(f) Certification. Not later than ninety (90) days after the end of the Performance Period or the Adjusted Performance Period, as applicable, the Committee shall determine the Actual Performance Share Units and shall certify such finding to the Company and the Participant.

3. Adjustments Following Termination of Employment.

(a) Termination Due to Death. Notwithstanding anything in this Award Agreement to the contrary, in the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to the Participant's death, the Participant's Actual Performance Share Units shall equal the Participant's Target Performance Share Units multiplied by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the fiscal year in which the Award Date occurs and ending on the Participant's termination date, and the denominator of which is 36, and such Actual Performance Share Units shall vest immediately upon the Participant's termination.

(b) Termination Due to Disability or Termination Without Cause. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to Disability or termination by the Company or a Subsidiary without Cause, the Participant's Target Performance Share Units will be adjusted by multiplying the Participant's Target Performance Share Units by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the Performance Period and ending on the Participant's termination date, and the denominator of which is 36. Actual Performance Share Units shall continue to be calculated according to Section 2.

(c) Termination Due to Retirement. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to Retirement, the Participant's Target Performance Share Units will be adjusted as follows:

(i) If the Participant's Retirement occurs prior to the end of the first fiscal year of the Performance Period, the Participant's Target Performance Share Units will be adjusted by multiplying the Participant's Target Performance Share Units by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the Performance Period and ending on the date of the Participant's Retirement, and the denominator of which is 12;

(ii) No adjustment to the Participant's Target Performance Share Units will be made if the Participant's Retirement occurs on or after the last day of the first fiscal year of the Performance Period or during the Alternate Performance Period.

Actual Performance Share Units shall continue to be calculated according to Section 2

(d) Termination of Employment for Other Reasons. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period for any reason other than death, Disability, Retirement, or Termination by the Company or a Subsidiary without Cause, the Participant's rights to all of the Target Performance Share Units granted under this Award Agreement will be immediately and irrevocably forfeited upon such termination of employment and the Participant shall earn no Actual Performance Share Units.

(e) Termination After a Change in Control. Notwithstanding any term to the contrary in this Award Agreement or the Plan, the Participant shall retain the right to earn all of the Participant's Target Performance Share Units if, within two (2) years following a Change in Control, the Participant's employment (i) is terminated without Cause (including death or Disability), (ii) terminates with Good Reason or (iii) terminates under circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, a Subsidiary, or any successor thereof, and Actual Performance Share Units shall be calculated in accordance with Section 2(d). For all other terminations of employment that occur after a Change in Control, the Participant's Target Performance Share Units shall be adjusted in accordance with subsections (a)-(c) of this Section 3, and Actual Performance Share Units shall be calculated in accordance with Section 2(d).

4. Issuance of Common Stock; Shareholder Rights.

(a) Conversion of Performance Shares to Common Stock. Within ninety (90) days after the end of the Performance Period (or, in the case of an Alternate Performance Period or the Participant's death, within ninety (90) days after the Alternate Performance Period or the Participant's death, as applicable), the Company shall cause to be issued to the Participant or the Participant's legal representatives, beneficiaries or heirs, as the case may be, a stock certificate or book entry representing the number of shares of Common Stock in payment of such whole Actual Performance Share Units, unless a valid deferral has been made pursuant to Section 7, in which case such distribution will be made within sixty (60) days after the date to which distribution has been deferred, in either case, provided that the Participant has satisfied any tax withholding obligations related to such Actual Performance Share Units.

(b) No Shareholder Rights. No shares of Common Stock will be issued to Participant prior to the date on which the Target Performance Share Units become Actual Performance Share Units under the provisions of Section 2 of this Award Agreement. The Target Performance Share Units granted pursuant to this Award Agreement represent a contingent right to receive Common Stock in the future, are not issued shares of Common Stock and do not and will not entitle Participant to any rights of a shareholder of Common Stock, including the right to vote or receive dividends. Except as otherwise provided in Section 2, the rights of the Participant with respect to the Target Performance Share Units will remain forfeitable at all times prior to the end of the Performance Period as provided in this Award Agreement. Prior to conversion of some or all of the Target Performance Share Units into Common Stock, such Target Performance Share Units will represent only an unsecured obligation of the Company. Neither this Section 4(b) nor any action taken pursuant to or in accordance with this Section 4(b) will be construed to create a trust of any kind.

5. Restriction on Transfer. Any rights under this Award Agreement may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of by Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

6. Adjustments to Target Performance Share Units for Certain Corporate Transactions. Adjustments to Target Performance Share Units will be determined in accordance with this Section 6.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Target Performance Share Units granted under this Award Agreement if:

(i) The outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of the Company, reclassification, stock dividend, stock split, reverse stock split with respect to such shares of Common Stock or other securities, or

(ii) Additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Target Performance Share Units granted under this Award Agreement if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 6(a) above.

7. Deferral of Distribution. Participant may elect to defer the conversion of Actual Performance Share Units granted under this Award Agreement into Common Stock and the issuance of such Common Stock with respect thereto to a time later than that provided under Section 4(a). The Participant must file such election with the Committee at least 12 months prior to the end of the Performance Period. The Participant must specify in the election the date on which the Actual Performance Share Units earned under this Award Agreement will be converted to Common Stock and issued to Participant. The date elected must be at least five (5) years later than the date on which the Actual Performance Share Units would have been converted to Common Stock and issued to the Participant under Section 4(a).

8. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of, the lapse of restrictions relating to, or other event relating to, the Actual Performance Share Units, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election prior to the date that the amount of tax to be withheld is determined (the "Tax Date"), then the Company will withhold shares of Common Stock as described in Section 8(b)(ii), below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise issuable to the Participant a number of shares having a Fair Market Value as of the Tax Date up to the amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, up to the amount of the withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this Section 8(b)(iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company.

9. Participant Covenants. In consideration of the grant of this Award by the Company, Participant agrees to the following:

(a) Confidentiality. In the course of Participant's employment with the Company, Participant may be making use of, acquiring, or adding to the Company's confidential information, trade secrets, and Protected Information; accordingly, Participant agrees and promises:

(i) to protect and maintain the confidentiality of Protected Information while employed by the Company;

(ii) to return (and not retain) any and all materials reflecting Protected Information that Participant may possess (including all Company-owned equipment) immediately upon end of employment or upon demand by the Company; and

(iii) not to use or disclose, except as necessary for the performance of Participant's services on behalf of the Company or as required by law or legal process, any Protected Information where such use or disclosure would be detrimental to the interests of the Company. This promise applies only for so long as such Protected Information remains confidential and not generally known to the Company's competitors, or 18 months following the end of Participant's employment with the Company, whichever occurs first.

(b) Restrictive Covenants. Participant understands and agrees that the Company has legitimate interests in protecting its goodwill, its relationships with customers and business partners, and in maintaining its confidential information, trade secrets and Protected Information, and hereby agrees that the following restrictions are appropriate to meet such goals.

(i) Non-Solicitation. Participant acknowledges that the relationships and goodwill that Participant develops with Company Customers as a result of Participant's employment belong to the Company. Participant therefore agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends, for whatever reason, Participant will not, and will not assist anyone else to, (1) solicit or encourage any Company Customer to terminate or diminish its relationship with the Company relating to Competitive Services or Products; or (2) seek to persuade any Company Customer to conduct with anyone other than the Company any business or activity relating to Competitive Services or Products that such Company Customer conducts or could conduct with the Company.

(ii) Non-Competition. Participant agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends for any reason, Participant will not, for himself or herself, or on behalf of any other person or entity, directly or indirectly, provide services to a Direct Competitor in a role where Participant's knowledge of Protected Information is likely to affect Participant's decisions or actions for the Direct Competitor to the detriment of the Company.

(c) Definitions. For purposes of this Section 9, the following terms shall be defined as follows:

(i) Protected Information. "Protected Information" means Company information not generally known to, and not readily ascertainable through proper means by, the Company's competitors on matters such as customer information, partner information, and the relative skills and experience of the Company's other Participants or agents; nonpublic information; strategic plans; business methods; investment strategies and plans; intellectual property; sales and marketing plans; Company (not individual) know-how; trade secrets; and other information of a technical or economic nature relating to the Company's business.

Protected Information does not include information that (i) was in the public domain, (ii) was independently developed or acquired by Participant, (iii) was approved by the Company for use and disclosure by Participant without restriction, or (iv) is the type of information which might form the basis for protected concerted activity under the National Labor Relations Act (for example, Participant pay or Participant terms and conditions of employment).

(ii) Company Customer. “Company Customer” is limited to those customers or partners who did business with the Company within the most recent 18 months of Participant’s employment (or during the period of Participant’s employment, if Participant was employed for less than 18 months) and with whom Participant personally dealt on behalf of the Company in the 12 months immediately preceding the last day of Participant’s employment and Participant had business contact or responsibility with such Company Customer as a result of his or her employment with the Company. “Company Customer” shall not, however, include any individual who purchased a Competitive Product from the Company by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(iii) Competitive Services. “Competitive Services” means services of the type that the Company provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of Participant’s employment with the Company (or at any time during Participant’s employment if Participant was employed for less than 12 months), and for which Participant was involved in providing or managing the provision of such services.

(iv) Competitive Products. “Competitive Products” means products that serve the same function as, or that could be used to replace, products the Company provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of Participant’s employment (or at any time during Participant’s employment if Participant was employed for less than 12 months), with which Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Direct Competitor. “Direct Competitor” means a person, business or company providing Competitive Products or Competitive Services anywhere in the United States. “Direct Competitor” does not include any business which the parties have agreed in writing to exclude from the definition, and the Company will not unreasonably or arbitrarily withhold such agreement.

(d) Non-disparagement. Participant agrees that, while employed with the Company and thereafter, Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company, any member of its Board of Directors or any executive officer of the Company (the “Protected Persons”) or the Company’s business. Without limitation, Participant shall not publish, communicate, post or blog disparaging or confidential information about the Protected Persons. However, the Participant may give truthful and non-malicious testimony if properly subpoenaed to testify under oath.

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Protected Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company, at its expense, in seeking a protective order or other appropriate protection of such information.. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Protected Information in the course of such reporting; provided, however, that the Participant use the Participant’s reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (ii) request that such agency or entity treat such information as confidential. The Participant does not need the prior authorization from the Company to make any such whistleblower reports or disclosures and is not required to notify the Company that the Participant has made such reports or disclosures.

10. Miscellaneous.

(a) Neither this Award Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company’s consolidated financial statements for any interim or annual period (“Restatement”), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been known at the time of the Award Date or at the time of earning any Actual Performance Share Units. In the event that the Committee makes such a determination, the Company shall have the right: (i) in the instance of a Participant whose misconduct

or violation of a Company policy causes such Restatement, or; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether Participant caused the Restatement, to (A) forfeit this Award, and/or (B) to require repayment or return of any benefit derived from this Award. Both the cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion, and its decision shall be final and binding upon the Participant.

(c) An original record of this Award Agreement and of the Participant's acceptance and acknowledgement will be held on file by the Company. This Award Agreement and the Participant's acknowledgement may be made either in paper or electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Award Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company will control.

(d) Notwithstanding anything to the contrary herein, upon a Change in Control in which the surviving entity does not assume this Award (or replace this Award with an award having substantially similar terms), this Award shall be treated in accordance with Section 14.3(b) of the Plan.

11. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement to be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code ("Section 409A"). This Award Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are payable upon a termination of the Participant's employment, then (a) all such payments shall be made only upon a "separation from service" within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, Participant's termination shall not be considered to occur until he or she has incurred such a separation from service, and (c) to the extent required for compliance with Section 409A if Participant is a "specified employee" within the meaning of Section 409A, payments will be delayed by six months.

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

IN WITNESS WHEREOF, the parties have executed this Award Agreement effective as of the Award Date.

Herman Miller, Inc.

By: _____

Jeffrey M. Stutz
Chief Financial Officer

ACCEPTANCE AND ACKNOWLEDGEMENT

Via electronic ACCEPT, I accept the Award Agreement described herein and in the Plan, acknowledge receipt of a copy of this Award Agreement and the Plan Prospectus, and acknowledge that I have read them carefully and that I fully understand their contents.

**HERMAN MILLER, INC. 2011 LONG-TERM INCENTIVE PLAN
TSR PERFORMANCE SHARE UNIT AWARD AGREEMENT**

This certifies that Herman Miller, Inc. (the “Company”) has on **%%OPTION_DATE,Month DD, YYYY’%-%** (the “Award Date”), granted to **%%FIRST_NAME%- %%%LAST_NAME%-%** (the “Participant”) an award (the “Award”) of **%%TOTAL_SHARES_GRANTED,999,999,999’%-%** target Performance Share Units (the “Target Performance Share Units”) pursuant to and under the Herman Miller, Inc. 2011 Long-Term Incentive Plan (the “Plan”) and subject to the terms set forth in this Award Agreement. A copy of the Plan Prospectus has been delivered to Participant, and a copy of the Plan is available from the Company on request. The Plan is incorporated into this Award Agreement by reference, and in the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan will govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein will have the meaning set forth in the Plan.

1. Definitions.

“Actual Performance Share Units” means the number of Performance Share Units earned in accordance with Section 2 of this Award Agreement.

“Award Agreement” means the terms and conditions of the Award set forth in this agreement.

“Common Stock” means the Company’s \$.20 par value per share common stock.

“Manual” shall mean the TSR Manual used by the Committee for purposes of determining TSR for the Company and each member of the Peer Group.

“Peer Group” means the companies approved by the Committee as peer group companies, listed on Appendix A of this Award Agreement. For the sake of clarity, the Company is not included in the Peer Group.

“Performance Period” means the period of three (3) consecutive fiscal years beginning with the fiscal year in which the Award Date occurs.

“Performance Share Unit” means the right to receive one (1) share of Common Stock on a future date subject to certain restrictions and on the terms and conditions contained in this Award Agreement.

“Retirement” means for purposes of this Award Agreement the Participant’s resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a “Retirement”.

“Total Shareholder Returns” or “TSR” with respect to the Company and each member of the Peer Group shall mean the quotient of (a) the Beginning Price (as defined below) divided by (b) the Ending Price (as defined below). The Beginning Price shall equal the average closing price of a share of common stock during the twenty (20) trading day period ending on the last day before the start of the Performance Period. The Ending Price shall equal the average closing price of a share of common stock during the twenty (20) day trading period ending on the last day of the Performance Period. The Ending Price shall be adjusted to reflect any and all cash, stock or in-kind dividends paid on the stock of such company during the Performance Period, or any stock splits or reverse stock splits that occur during the Performance Period.

2. Determination of Actual Performance Share Units. The Actual Performance Share Units that the Participant may earn shall equal (a) the number of Target Performance Share Units, multiplied by (b) the Earnout Percentage, as determined under this Section 2.

(a) Determination of TSR.

(i) Determination of Company TSR. Within ninety (90) days after the end of the Performance Period, the Committee will determine the Company’s TSR during the Performance Period, in accordance with the Manual.

(ii) Determination of Peer Group TSR. Within ninety (90) days after the end of the Performance Period, the Committee will determine the TSR for each member of the Peer Group during the Performance Period, in accordance with the Manual.

(iii) Determination of Percentile Rank. Following the determination of Company's TSR and the TSR of each member of the Peer Group, the Committee shall determine the percentile rank of the Company within the Peer Group companies.

(b) Calculation of Earnout Percentage. The Earnout Percentage shall be determined in accordance with the following:

<u>If the Company's TSR is Ranked at or Above:</u>	<u>The Earnout Percentage is:</u>
80th percentile (Maximum Performance)	200%
65th percentile	150%
50th percentile (Target Performance)	100%
40th percentile	75%
30th percentile (Threshold Performance)	50%
Below 30th percentile	0%

The Earnout Percentage between the above performance levels shall be determined based on straight line interpolation.

(c) Calculation of Actual Performance Share Units after a Change in Control. If a Change in Control occurs during the Performance Period, the Committee will determine the Participant's Actual Performance Share Units as of the date of such Change in Control in accordance with the following:

(i) The Committee will determine the TSR for the Company and for each member of the Peer Group for the period beginning on the first day of the Performance Period and ending on the date immediately prior to the effective date of the Change in Control (the "Adjusted Performance Period").

(ii) The Committee shall determine the Earnout Percentage under the formula set forth in Section 2(b) above during the Adjusted Performance Period (the "Adjusted Earnout Percentage").

(iii) The Actual Performance Share Units shall equal the product of (a) the number of Target Performance Share Units, and (b) the Adjusted Earnout Percentage.

(d) Certification. Not later than ninety (90) days after the end of the Performance Period or the Adjusted Performance Period, as applicable, the Committee shall determine the Actual Performance Share Units and shall certify such finding to the Company and the Participant.

3. Adjustments Following Termination of Employment.

(a) Termination Due to Death. Notwithstanding anything in this Award Agreement to the contrary, in the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to the Participant's death, the Participant's Actual Performance Share Units shall equal the Participant's Target Performance Share Units multiplied by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the fiscal year in which the Award Date occurs and ending on the Participant's termination date, and the denominator of which is 36, and such Actual Performance Share Units shall vest immediately upon the Participant's termination.

(b) Termination Due to Disability or Termination Without Cause. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to Disability or termination by the Company or a Subsidiary without Cause, the Participant's Target Performance Share Units will be adjusted by multiplying the Participant's Target Performance Share Units by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the Performance Period and ending on the Participant's termination date, and the denominator of which is 36. Actual Performance Share Units shall continue to be calculated according to Section 2.

(c) Termination Due to Retirement. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to Retirement, the Participant's Target Performance Share Units will be adjusted as follows:

(i) If the Participant's Retirement occurs prior to the end of the first fiscal year of the Performance Period, the Participant's Target Performance Share Units will be adjusted by multiplying the Participant's Target Performance Share Units by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the Performance Period and ending on the date of the Participant's Retirement, and the denominator of which is 12.

(ii) No adjustment to the Participant's Target Performance Share Units will be made if the Participant's Retirement occurs on or after the last day of the first fiscal year of the Performance Period.

Actual Performance Share Units shall continue to be calculated according to Section 2.

(d) Termination of Employment for Other Reasons. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period for any reason other than Death, Disability, Retirement, or Termination by the Company or a Subsidiary without Cause, the Participant's rights to all of the Target Performance Share Units granted under this Award Agreement will be immediately and irrevocably forfeited upon such termination of employment, and the Participant shall earn no Actual Performance Share Units.

(e) Termination After a Change in Control. Notwithstanding any term to the contrary in this Award Agreement or the Plan, the Participant shall retain the right to earn all of the Participant's Target Performance Share Units if, within two (2) years following a Change in Control, the Participant's employment (i) is terminated without Cause (including death or Disability), (ii) terminates with Good Reason or (iii) terminates under circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, a Subsidiary, or any successor thereof, and Actual Performance Share Units shall be calculated in accordance with Section 2(c). For all other terminations of employment that occur after a Change in Control, the Participant's Target Performance Share Units shall be adjusted in accordance with subsections (a)-(c) of this Section 3, and Actual Performance Share Units shall be calculated in accordance with Section 2(c).

4. Issuance of Common Stock; Shareholder Rights.

(a) Conversion of Performance Shares to Common Stock. Within ninety (90) days after the end of the Performance Period (or, in the case of the Participant's death, within ninety (90) days after the Participant's death), the Company shall cause to be issued to the Participant or the Participant's legal representatives, beneficiaries or heirs, as the case may be, a stock certificate or book entry representing the number of shares of Common Stock in payment of such whole Actual Performance Share Units, unless a valid deferral has been made pursuant to Section 7, in which case such distribution will be made within sixty (60) days after the date to which distribution has been deferred, in either case, provided that the Participant has satisfied any tax withholding obligations related to such Actual Performance Share Units.

(b) No Shareholder Rights. No shares of Common Stock will be issued to Participant prior to the date on which the Target Performance Share Units become Actual Performance Share Units under the provisions of Section 2 of this Award Agreement. The Target Performance Share Units granted pursuant to this Award Agreement represent a contingent right to receive Common Stock in the future, are not issued shares of Common Stock and do not and will not entitle Participant to any rights of a shareholder of Common Stock, including the right to vote or receive dividends. Except as otherwise provided in Section 2, the rights of the Participant with respect to the Target Performance Share Units will remain forfeitable at all times prior to the end of the Performance Period as provided in this Award Agreement. Prior to conversion of some or all of the Target Performance Share Units into Common Stock, such Target Performance Share Units will represent only an unsecured obligation of the Company. Neither this Section 4(b) nor any action taken pursuant to or in accordance with this Section 4(b) will be construed to create a trust of any kind.

5. Restriction on Transfer. Any rights under this Award Agreement may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of by Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

6. Adjustments to Target Performance Share Units for Certain Corporate Transactions. Adjustments to Target Performance Share Units will be determined in accordance with this Section 6.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Target Performance Share Units granted under this Award Agreement if:

(i) The outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of the Company, reclassification, stock dividend, stock split, reverse stock split with respect to such shares of Common Stock or other securities, or

(ii) Additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Target Performance Share Units granted under this Award Agreement if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 6(a) above.

7. Deferral of Distribution. Participant may elect to defer the conversion of Actual Performance Share Units granted under this Award Agreement into Common Stock and the issuance of such Common Stock with respect thereto to a time later than that provided under Section 4(a). The Participant must file such election with the Committee at least 12 months prior to the end of the Performance Period. The Participant must specify in the election the date on which the Actual Performance Share Units earned under this Award Agreement will be converted to Common Stock and issued to Participant. The date elected must be at least five (5) years later than the date on which the Actual Performance Share Units would have been converted to Common Stock and issued to the Participant under Section 4(a).

8. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of, the lapse of restrictions relating to, or other event relating to, the Actual Performance Share Units, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election prior to the date that the amount of tax to be withheld is determined (the "Tax Date"), then the Company will withhold shares of Common Stock as described in Section 8(b)(ii), below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise issuable to the Participant a number of shares having a Fair Market Value as of the Tax Date up to the amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, up to the amount of the withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this Section 8(b)(iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company.

9. Participant Covenants. In consideration of the grant of this Award by the Company, Participant agrees to the following:

(a) Confidentiality. In the course of Participant's employment with the Company, Participant may be making use of, acquiring, or adding to the Company's confidential information, trade secrets, and Protected Information; accordingly, Participant agrees and promises:.

(i) to protect and maintain the confidentiality of Protected Information while employed by the Company;

(ii) to return (and not retain) any and all materials reflecting Protected Information that Participant may possess (including all Company-owned equipment) immediately upon end of employment or upon demand by the Company; and

(iii) not to use or disclose, except as necessary for the performance of Participant's services on behalf of the Company or as required by law or legal process, any Protected Information where such use or disclosure would be detrimental to the interests of the Company. This promise applies only for so long as such Protected Information remains

confidential and not generally known to the Company's competitors, or 18 months following the end of Participant's employment with the Company, whichever occurs first.

(b) Restrictive Covenants. Participant understands and agrees that the Company has legitimate interests in protecting its goodwill, its relationships with customers and business partners, and in maintaining its confidential information, trade secrets and Protected Information, and hereby agrees that the following restrictions are appropriate to meet such goals.

(i) Non-Solicitation. Participant acknowledges that the relationships and goodwill that Participant develops with Company Customers as a result of Participant's employment belong to the Company. Participant therefore agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends, for whatever reason, Participant will not, and will not assist anyone else to, (1) solicit or encourage any Company Customer to terminate or diminish its relationship with the Company relating to Competitive Services or Products; or (2) seek to persuade any Company Customer to conduct with anyone other than the Company any business or activity relating to Competitive Services or Products that such Company Customer conducts or could conduct with the Company.

(ii) Non-Competition. Participant agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends for any reason, Participant will not, for himself or herself, or on behalf of any other person or entity, directly or indirectly, provide services to a Direct Competitor in a role where Participant's knowledge of Protected Information is likely to affect Participant's decisions or actions for the Direct Competitor to the detriment of the Company.

(c) Definitions. For purposes of this Section 9, the following terms shall be defined as follows:

(i) Protected Information. "Protected Information" means Company information not generally known to, and not readily ascertainable through proper means by, the Company's competitors on matters such as customer information, partner information, and the relative skills and experience of the Company's other Participants or agents; nonpublic information; strategic plans; business methods; investment strategies and plans; intellectual property; sales and marketing plans; Company (not individual) know-how; trade secrets; and other information of a technical or economic nature relating to the Company's business.

Protected Information does not include information that (i) was in the public domain, (ii) was independently developed or acquired by Participant, (iii) was approved by the Company for use and disclosure by Participant without restriction, or (iv) is the type of information which might form the basis for protected concerted activity under the National Labor Relations Act (for example, Participant pay or Participant terms and conditions of employment).

(ii) Company Customer. "Company Customer" is limited to those customers or partners who did business with the Company within the most recent 18 months of Participant's employment (or during the period of Participant's employment, if Participant was employed for less than 18 months) and with whom Participant personally dealt on behalf of the Company in the 12 months immediately preceding the last day of Participant's employment and Participant had business contact or responsibility with such Company Customer as a result of his or her employment with the Company. "Company Customer" shall not, however, include any individual who purchased a Competitive Product from the Company by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(iii) Competitive Services. "Competitive Services" means services of the type that the Company provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of Participant's employment with the Company (or at any time during Participant's employment if Participant was employed for less than 12 months), and for which Participant was involved in providing or managing the provision of such services.

(iv) Competitive Products. "Competitive Products" means products that serve the same function as, or that could be used to replace, products the Company provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of Participant's employment (or at any time during Participant's employment if Participant was employed for less than 12 months), with which Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Direct Competitor. "Direct Competitor" means a person, business or company providing Competitive Products or Competitive Services anywhere in the United States. "Direct Competitor" does not include any business which

the parties have agreed in writing to exclude from the definition, and the Company will not unreasonably or arbitrarily withhold such agreement.

(a) Non-disparagement. Participant agrees that, while employed with the Company and thereafter, Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company, any member of its Board of Directors or any executive officer of the Company (the “Protected Persons”) or the Company’s business. Without limitation, Participant shall not publish, communicate, post or blog disparaging or confidential information about the Protected Persons. However, the Participant may give truthful and non-malicious testimony if properly subpoenaed to testify under oath.

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Protected Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company, at its expense, in seeking a protective order or other appropriate protection of such information. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Protected Information in the course of such reporting; provided, however, that the Participant use the Participant’s reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (ii) request that such agency or entity treat such information as confidential. The Participant does not need the prior authorization from the Company to make any such whistleblower reports or disclosures and is not required to notify the Company that the Participant has made such reports or disclosures.

10. Miscellaneous.

(a) Neither this Award Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company’s consolidated financial statements for any interim or annual period (“Restatement”), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been known at the time of the Award Date or at the time of earning any Actual Performance Share Units. In the event that the Committee makes such a determination, the Company shall have the right: (i) in the instance of a Participant whose misconduct or violation of a Company policy causes such Restatement, or; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether Participant caused the Restatement, to (A) forfeit this Award, and/or (B) to require repayment or return of any benefit derived from this Award. Both the cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion, and its decision shall be final and binding upon the Participant.

(c) An original record of this Award Agreement and of the Participant’s acceptance and acknowledgement will be held on file by the Company. This Award Agreement and the Participant’s acknowledgement may be made either in paper or electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Award Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company will control.

(d) Notwithstanding anything to the contrary herein, upon a Change in Control in which the surviving entity does not assume this Award (or replace this Award with an award having substantially similar terms), this Award shall be treated in accordance with Section 14.3(b) of the Plan.

11. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code (“Section 409A”). This Award Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are payable upon a termination of the Participant’s employment, then (a) all such payments shall be made only upon a “separation from service” within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, Participant’s termination shall not be considered

to occur until he or she has incurred such a separation from service and (c) to the extent required for compliance with Section 409A if Participant is a “specified employee” within the meaning of Section 409A, payments will be delayed by six months.

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

IN WITNESS WHEREOF, the parties have executed this Award Agreement effective as of the Award Date.

Herman Miller, Inc.

By: _____

Jeffrey M. Stutz
Chief Financial Officer

ACCEPTANCE AND ACKNOWLEDGEMENT

Via electronic ACCEPT, I accept the Award Agreement described herein and in the Plan, acknowledge receipt of a copy of this Award Agreement and the Plan Prospectus, and acknowledge that I have read them carefully and that I fully understand their contents.

Appendix A

1. **Peer Group.** The Peer Group shall consist of the following companies:

American Woodmark Corporation	JELD-WEN Holdings, Inc.	Restoration Hardware Holdings, Inc.
Armstrong World Industries, Inc.	Kimball International, Inc.	Select Comfort Corporation
Ethan Allen Interiors, Inc.	Knoll, Inc.	Steelcase, Inc.
Hill-Rom Holdings, Inc.	La-Z-Boy, Inc.	Tempur-Pedic International, Inc.
HNI Corporation	Leggett & Platt, Inc.	Universal Forest Products, Inc.
Interface, Inc.	Masonite International Corporation	Williams-Sonoma, Inc.

2. **Adjustments to the Peer Group.** The Committee may decide to adjust, in its sole discretion, the Peer Group at any time during the Performance Period to reflect the occurrence of certain extraordinary events. The Committee will generally make the determination to adjust (or not adjust) the Peer Group in accordance with the following guidelines, but reserves the right to make adjustments in addition to, or that conflict with, such guidelines if its determines such adjustments are equitable.
- If a Peer Group company becomes bankrupt, the bankrupt company will remain in the Peer Group and will positioned at one level below the lowest performing non-bankrupt Peer Group company. In the case of multiple bankruptcies, the bankrupt companies will be positioned below the non-bankrupt companies in reverse chronological order by bankruptcy date.
 - If a Peer Group company is acquired by another company, the acquired company will be removed from the Peer Group for the entire Performance Period.
 - If a Peer Group company sells, spins-off, or disposes of a portion of its business, the selling Peer Group company will remain in the Peer Group for the entire Performance Period unless such disposition(s) results in the disposition of more than 50% of the company's total assets during the Performance Period, in which case the Peer Group company shall be removed from the Peer Group.
 - If a Peer Group company acquires another company, the acquiring Peer Group company will remain in the Peer Group.
 - If the price of a Peer Company's common stock (or its equivalent) is not available on a consistent, reliable basis due to delisting on all major stock exchanges and over-the-counter markets, such delisted Peer Group company will be removed from the Peer Group for the entire Performance Period; *provided, however*, that if the company becomes bankrupt prior to the end of the Performance Period, it shall be treated as in (i) above.
 - If the Company's and/or any Peer Group company's stock splits, then the Committee shall adjust such company's performance in a manner that it deems equitable so as not to give an advantage or disadvantage to such company by comparison to the other companies.

**HERMAN MILLER, INC. LONG-TERM INCENTIVE PLAN
STOCK OPTION AGREEMENT**

This certifies that Herman Miller, Inc. (the "Company") has on **August 22, 2018** (the "Award Date"), granted to **Andrea Owen** (the "Participant") an award (the "Award") of an option to purchase **77,447** shares of the Company's common stock, par value \$.20 per share (the "Option Shares") pursuant to and under the Herman Miller, Inc. 2011 Long-Term Incentive Plan (the "Plan") and subject to the terms set forth in this Option Agreement. A copy of the Plan Prospectus has been delivered to Participant, and a copy of the Plan is available from the Company on request. The Plan is incorporated into this Option Agreement by reference, and in the event of any conflict between the terms of the Plan and this Option Agreement, the terms of the Plan will govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein will have the meaning set forth in the Plan.

1. Option. Pursuant to the Plan and this Option Agreement, the Participant has the option to purchase the Option Shares on the terms and conditions herein set forth (the "Option"). This Option shall not be designated as an incentive stock option ("ISO") for purposes of qualifying as such under the provisions of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Purchase Price. The purchase price of the shares covered by this Option Agreement shall be **\$38.15** per share (the "Purchase Price"). The "Committee" (provided for in Article 3 of the Plan) has determined that such price represents one hundred percent (100%) of the fair market value of a share of the Company's common stock as of the Award Date.

3. Term of Option. This Option shall expire on **August 22, 2028** subject to earlier termination as provided in subsequent sections of this Option Agreement (the "Expiration Date").

4. Participant's Agreement. In consideration of the granting of the Option, the Participant agrees to remain in the employ of the Company for the lesser of a period of at least twelve (12) months from the Award Date, or a period commencing on the date hereof and ending upon the Participant's Retirement (the "Minimum Employment Period"). Such employment, subject to the provisions of any written contract between the Company and the Participant, shall be at the pleasure of the Board of Directors, and this Option Agreement shall not impose on the Company any obligation to retain the Participant in its employ for any period. In the event of the termination of employment of the Participant for any reason during the Minimum Employment Period, this Option Agreement shall terminate, unless this Option becomes exercisable as provided in Sections 8 or 9.

5. Exercise of Option.

(a) Except as provided in Section 8 and 9, this Option may be exercised and Option Shares may be purchased in accordance with the vesting schedule set forth in Section 5(b) below. Subject to that vesting schedule, this Option may be exercised at any time during the term of this Option Agreement, by written notice to the Company. The notice shall state the number of shares with respect to which the Option is being exercised, shall be signed by the person exercising this Option, and shall be accompanied by payment of the full purchase price of the shares. This Option Agreement shall be submitted to the Company with the notice for purposes of recording the shares being purchased, if exercised in part, or for purposes of cancellation if all shares then subject to this Option are being purchased. In the event this Option shall be exercised pursuant to Section 8(e) hereof by any person other than the Participant, such notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. Payment of the purchase price shall be made by: (a) cash, check, bank draft, or money order, payable to the order of the Company; (b) the delivery by the Participant of unencumbered shares of common stock of the Company, with a fair market value on the date of exercise equal to the total purchase price of the shares to be purchased; or (c) reduction in the number of shares of Common Stock issuable upon exercise (based on the Fair Market Value of the Common Stock on the last trading date preceding payment as determined by the Committee) or (d) a combination of (a), (b) and (c). Upon exercise of all or a portion of this Option, the Company shall issue to the Participant a stock certificate or book entry deposit representing the number of shares with respect to which this Option was exercised.

(b) Vesting Schedule. On each date set forth below, this Option will vest and become exercisable with respect to the percentage of Option Shares set opposite such date if Participant is employed by the Company or a subsidiary as of such date:

<u>Date</u>	<u>Percent of Option Vested to Date</u>
August 22, 2019	33.34%
August 22, 2020	66.68%
August 22, 2021	100.00%

(c) Automatic Exercise Upon Expiration. Notwithstanding any other provision of this Option Agreement (other than this Section 5(c)), on the last trading day on which all or a portion of the outstanding Option may be exercised, if as of the close of trading on such day the then Fair Market Value of a share of Common Stock exceeds the per share Purchase Price of the Option by at least \$.01 (such expiring portion of the Option that is so in-the-money, an "Auto-Exercise Eligible Option"), the Participant will be deemed to have automatically exercised such Auto-Exercise Eligible Option (to the extent it is then vested and has not previously been exercised or forfeited) as of the close of trading in accordance with the provisions of this Section 5(c); provided that, if such automatic exercise would result in the issuance of less than one whole share of Common Stock to the Participant following the reduction for the Purchase Price and withholding described in the following sentence, then the Option shall not be automatically exercised pursuant to this Section 5(c). In the event of an automatic exercise pursuant to this Section 5(c), the Company will reduce the number of shares of Common Stock issued to the Participant upon such automatic exercise of the Auto-Exercise Eligible Option in an amount necessary to satisfy (1) the Participant's Purchase Price obligation for the Auto-Exercise Eligible Option, and (2) the applicable Federal, state, local and, if applicable, foreign income and employment tax and social insurance withholding requirements arising upon the automatic exercise in accordance with the procedures of Section 15.3 of the Plan (unless the Committee deems that a different method of satisfying the tax withholding obligations is practicable and advisable), in each case based on the Fair Market Value of the Common Stock as determined in accordance with the Plan. The Participant may notify the Plan record-keeper in writing in advance that the Participant does not wish for the Auto-Exercise Eligible Option to be exercised and, if such advance notification is provided, the automatic exercise shall not apply. This Section 5(c) shall not apply to the Option to the extent that this Section 5(c) causes the Option to fail to qualify for favorable tax or accounting treatment under applicable law or accounting standards. In its discretion, the Company may determine to cease automatically exercising some or all stock options, including the Option, at any time. The Participant understands, acknowledges, agrees and hereby stipulates that the automatic exercise procedure pursuant to this Section 5(c) is provided solely as a convenience to the Participant as protection against the Participant's inadvertent failure to exercise all or any portion of an in-the-money Option that is vested and exercisable before such Option expires under this Option Agreement. Because any exercise of all or any portion of the Option is solely the Participant's responsibility, the Participant hereby waives and releases and agrees to indemnify and hold the Company harmless from and against any and all claims of any kind whatsoever against the Company and/or any other party (including without limitation, the Committee and the Company's employees and agents) arising out of or relating to the automatic exercise procedure pursuant to this Section 5(c) (or any failure thereof), including without limitation any resulting individual income tax, penalty and/or interest liability and/or any other liability if the automatic exercise of the Option does occur, or does not occur for any reason or no reason whatsoever and/or the Option actually expires.

6. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of shares of Common Stock, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election prior to the date that the amount of tax to be withheld is determined (the "Tax Date"), then the Company will withhold shares of Common Stock as described in Section 6(b)(ii), below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise issuable to the Participant a number of shares having a Fair Market Value as of the Tax Date up to the amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, up to the amount of the withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this Section 6(b)(iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company.

7. Restriction on Transfer. This Option shall not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by Participant otherwise than by will or the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

8. Termination of Employment.

(a) Termination of Employment for Reasons Other Than Retirement, Disability or Death. In the event the Participant ceases to be employed by the Company for any reason other than Retirement (as defined below) or on account of Disability or death, this Option shall, to the extent rights to purchase shares hereunder have vested at the date of such termination and shall not have been fully exercised, be exercisable, in whole or in part, at any time within a period of three (3) months following cessation of the Participant's employment, subject, however, to prior expiration of the term of this Option and any other limitations upon its exercise in effect at the date of exercise.

(b) Termination of Employment for Retirement Prior to Full Vesting. If the Participant ceases to be employed by the Company by reason of Retirement prior to the full vesting of the Option Shares under Section 5(b) above and subject to Participant's compliance with the covenants set forth in Section 12 below, if (1) the date of Retirement occurs on or after the first anniversary of the Award Date, this Option shall vest in accordance with the schedule set forth in Section 5(b) above, or (2) if the date of Retirement occurs before the first anniversary of the Award Date, the number of Option Shares subject to this Option shall be deemed vested by multiplying that number of Option Shares by a fraction, the numerator of which shall be the number of full calendar months of employment service subsequent to the Award Date, and the denominator of which shall be twelve (12). "Retires" or "Retirement" means for purposes of this Award Agreement the Participant's resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a "Retirement". Subject to Participant's compliance with the covenants set forth in Section 12 below, this Option shall, to the extent rights to purchase shares hereunder have vested, be exercisable, in whole or in part, at any time within the period of five (5) years following the date of Retirement subject, however, to prior expiration of the term of this Option and any other limitations upon its exercise in effect at the date of exercise. If the Participant dies after such Retirement, this Option shall be exercisable in accordance with Section 8(e) hereof.

(c) Termination of Employment for Retirement After Full Vesting. If the Participant ceases to be employed by the Company by reason of Retirement after the full vesting of the Option Shares under Section 5(b) above, this Option shall be exercisable, in whole or in part, at any time within the period of five (5) years following the date of Retirement, subject, however, to prior expiration of the term of this Option and any of the limitations upon its exercise in effect at the date of exercise. If the Participant dies after such Retirement, this Option shall be exercisable in accordance with Section 8(e) hereof.

(d) Termination of Employment for Disability. If the Participant ceases to be employed by the Company by reason of Disability, this Option shall, to the extent rights to purchase shares hereunder have vested as of the date of such Disability and have not been fully exercised, be exercisable, in whole or in part, at any time within the period of five (5) years following such termination of employment, subject, however, to prior expiration of the term of this Option and any other limitations upon its exercise in effect at the date of exercise. If the Participant dies after such Disability, this Option shall be exercisable in accordance with Section 8(e) hereof.

(e) Termination of Employment Because of Death. In the event of the Participant's death, this Option shall, to the extent rights to purchase shares hereunder have vested at the date of death and shall not have been fully exercised, be exercisable, in whole or in part, by the personal representative of the Participant's estate, by any person or persons who shall have acquired this Option directly from the Participant by bequest or inheritance at any time during the following periods: (i) if Participant dies while employed by the Company, at any time within five (5) years after the date of death, or (ii) if Participant dies during the extended exercise period following termination of employment specified in Section 8(b), (c), or (d) above, at any time within the longer time of such extended period or one year after the date of death, subject, however, in each case, to the prior expiration of the term of this Option and any other limitations on the exercise of such Option in effect at the date of exercise.

(f) Termination of Option. If this Option is not exercised within whichever of the exercise periods specified in Sections 8(a), (b), (c), (d) or (e) is applicable, this Option shall terminate upon expiration of such exercise period.

9. Change in Control. Notwithstanding any term to the contrary in this Agreement or the Plan, if, within two (2) years following a Change in Control, the Participant's employment (a) is terminated without Cause (b) terminates with Good Reason (as defined below), or (c) terminates under circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, a Subsidiary, or any successor thereof, then this Award (or its replacement) shall become fully vested and immediately exercisable and shall remain exercisable for the applicable period as described in Section 8. Notwithstanding the foregoing, if upon the occurrence of a Change in Control this Award is not assumed or continued, then this Award shall be treated in accordance with Section 14.3(a) of the Plan.

For purposes of this Award, "Good Reason" shall mean, without the Participant's express written consent, the occurrence of any of the following events, and the failure of the Company (or any successor corporation) to cure such event or condition within thirty (30) days after receipt of written notice from the Participant specifying the events or conditions in reasonable detail, *provided that* the Participant serves notice

of such event and intended termination within ninety (90) days of her knowledge of its occurrence and the Participant terminates her employment within thirty (30) days following the expiration of the applicable cure period:

- (a) a material diminution in the Participant's duties, responsibilities, authorities, or reporting lines (other than a temporary change resulting from the Participant's inability to perform her duties as a result of her disability);
- (b) a material reduction by the Company of the Participant's annual base salary or annual or long-term cash incentive compensation opportunities;
- (c) any requirement of the Company that the Participant be based at any office location that is more than fifty (50) miles farther from Participant's primary work location in Holland, Michigan but only if it results in a longer commute for the Participant from the Participant's residence at such time, except for reasonable required travel on behalf of the Company (or any successor corporation); or
- (d) a material breach by the Company (or any successor corporation) of its obligations to the Participant under this Award Agreement or under any other material agreement or arrangement between the Company (or any successor corporation) and the Participant.

10. Rights as a Shareholder. Participant shall not have any rights as a share-holder with respect to any shares covered hereby until Participant shall have become the holder of record of such shares. No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date on which Participant shall have become the holder of record thereof, except as provided in Section 11 hereof.

11. Adjustments to Option Shares for Certain Corporate Transactions.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Option Shares granted under this Award if (i) the outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of the Company, reclassification, stock dividend, stock split, reverse stock split with respect to such shares of Common Stock or other securities, or (ii) additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Option Shares granted under this Award if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 11(a) above.

12. Participant Covenants. In consideration of the grant of this Award by the Company, Participant agrees to the following:

(a) Confidentiality. In the course of Participant's employment with the Company, Participant may be making use of, acquiring, or adding to the Company's confidential information, trade secrets, and Protected Information; accordingly, Participant agrees and promises:

- (i) to protect and maintain the confidentiality of Protected Information while employed by the Company;
- (ii) to return (and not retain) any and all materials reflecting Protected Information that Participant may possess (including all Company-owned equipment) immediately upon end of employment or upon demand by the Company; and
- (iii) to not use or disclose, except as necessary for the performance of Participant's services on behalf of the Company or as required by law or legal process, any Protected Information where such use or disclosure would be detrimental to the interests of the Company. This promise applies only for so long as such Protected Information remains confidential and not generally known to the Company's competitors, or 18 months following the end of Participant's employment with the Company, whichever occurs first.

(b) Restrictive Covenants. Participant understands and agrees that the Company has legitimate interests in protecting its goodwill, its relationships with customers and business partners, and in maintaining its confidential information, trade secrets and Protected Information, and hereby agrees that the following restrictions are appropriate to meet such goals.

(i) Non-Solicitation. Participant acknowledges that the relationships and goodwill that Participant develops with Company Customers as a result of Participant's employment belong to the Company. Participant therefore agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends, for whatever reason, Participant will not, and will not assist anyone else to, (1) solicit or encourage any Company Customer to terminate or diminish its relationship with the Company relating to Competitive Services or Products; or (2) seek to persuade any Company Customer to conduct with anyone other than the Company any business or activity relating to Competitive Services or Products that such Company Customer conducts or could conduct with the Company; *provided that* general, non-targeted advertising shall not be a violation of this subsection.

(ii) Non-Competition. Participant agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends for any reason, Participant will not, for himself or herself, or on behalf of any other person or entity, directly or indirectly, provide services to a Direct Competitor in a role where Participant's knowledge of Protected Information is likely to affect Participant's decisions or actions for the Direct Competitor to the detriment of the Company.

(c) Definitions. For purposes of this Section 12, the following terms shall be defined as follows:

(i) Protected Information. "Protected Information" means Company information not generally known to, and not readily ascertainable through proper means by, the Company's competitors on matters such as customer information, partner information, and the relative skills and experience of the Company's other Participants or agents; nonpublic information; strategic plans; business methods; investment strategies and plans; intellectual property; sales and marketing plans; Company (not individual) know-how; trade secrets; and other information of a technical or economic nature relating to the Company's business.

Protected Information does not include information that (i) was in the public domain, (ii) was independently developed or acquired by Participant, (iii) was approved by the Company for use and disclosure by Participant without restriction, or (iv) is the type of information which might form the basis for protected concerted activity under the National Labor Relations Act (for example, Participant pay or Participant terms and conditions of employment).

(ii) Company Customer. "Company Customer" is limited to those customers or partners who did business with the Company within the most recent 18 months of Participant's employment (or during the period of Participant's employment, if Participant was employed for less than 18 months) and with whom Participant personally dealt on behalf of the Company in the 12 months immediately preceding the last day of Participant's employment and Participant had business contact or responsibility with such Company Customer as a result of his or her employment with the Company. "Company Customer" shall not, however, include any individual who purchased a Competitive Product from the Company by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(iii) Competitive Services. "Competitive Services" means services of the type that the Company provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of Participant's employment with the Company (or at any time during Participant's employment if Participant was employed for less than 12 months), and for which Participant was involved in providing or managing the provision of such services.

(iv) Competitive Products. "Competitive Products" means products that serve the same function as, or that could be used to replace, products the Company provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of Participant's employment (or at any time during Participant's employment if Participant was employed for less than 12 months), with which Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Direct Competitor. "Direct Competitor" means a person, business or company that is listed as one of the 28 direct competitors on Exhibit G of the Participant's offer letter from the Company dated August 3, 2018, or any revised list of direct competitors established by the Company in compliance with the terms of the Participant's offer letter.

(d) Non-disparagement. Participant agrees that, while employed with the Company and for a period of five (5) years thereafter, Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company, any member of its Board of Directors or any executive officer of the Company (the "Protected Persons") or the Company's business. The Company agrees that, while the Participant is employed by the Company and for a period of five (5) years thereafter, the Protected Persons will not engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging, or otherwise reflecting poorly upon the Participant. However, the following conduct of the Participant and the Protected Persons shall not be considered a violation of this subsection: (i) comments or statements made or actions taken in the good faith performance of the individual's duties to the Company while employed by the Company; (ii) truthful testimony given in response to a lawful subpoena or similar court or government order; (iii) statements made to rebut false or misleading statements by others; or (iv) statements made in furtherance of legitimate competition (i.e., statements made by the Participant that fairly and truthfully compare the Company's products with a competitor's product who employs the Participant).

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Protected Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company, at its expense, in seeking a protective order or other appropriate protection of such information. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Protected Information in the course of such reporting; provided, however, that the Participant use the Participant's reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (ii) request that such agency or entity treat such information as confidential. The Participant does not need the prior authorization from the Company to make any such whistleblower reports or disclosures and is not required to notify the Company that the Participant has made such reports or disclosures.

13. Miscellaneous.

(a) Neither this Option Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company's consolidated financial statements for any interim or annual period ("Restatement"), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been known at the time of the original Award or at the time of vesting of any Option Shares. In the event that the Committee makes such a determination, the Company shall have the right: (i) in the instance of a Participant whose misconduct or violation of a Company policy causes such Restatement, or; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether Participant caused the Restatement, to (A) forfeit any vested or unvested rights in this Award, and/or (B) to require repayment or return of any benefit derived from the exercise of this Award. Both the cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion, and its decision shall be final and binding upon the Participant.

(c) An original record of this Option Agreement and of the Participant's acceptance and acknowledgement will be held on file by the Company. This Option Agreement and the Participant's acknowledgement may be made either paper or electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Option Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company will control.

14. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code ("Section 409A"). This Award Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are payable upon a termination of the Participant's employment, then (a) all such payments shall be made only upon a "separation from service" within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, Participant's termination shall not be considered to occur until he or she has incurred such a separation from service and (c) to the extent required for compliance with Section 409A if Participant is a "specified employee" within the meaning of Section 409A, payments will be delayed by six months.

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

IN WITNESS WHEREOF, the parties have executed this Option Agreement effective as of the Award Date.

Herman Miller, Inc.

By: /s/ Jeffrey M. Stutz

Jeffrey M. Stutz
Chief Financial Officer

ACCEPTANCE AND ACKNOWLEDGEMENT

Via electronic ACCEPT, I accept the Award Agreement described herein and in the Plan, acknowledge receipt of a copy of this Award Agreement and the Plan Prospectus, and acknowledge that I have read them carefully and that I fully understand their contents.

**HERMAN MILLER, INC. 2011 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

This certifies that Herman Miller, Inc. (the "Company") has on **August 22, 2018** (the "Award Date"), granted to **Andrea Owen** (the "Participant") an award (the "Award") of **16,383** restricted stock units (the "Restricted Stock Units") pursuant to and under the Herman Miller, Inc. 2011 Long-Term Incentive Plan (the "Plan") and subject to the terms set forth in this agreement (the "Award Agreement"). A copy of the Plan Prospectus has been delivered to Participant, and a copy of the Plan is available from the Company. The Plan is incorporated into this Award Agreement by reference, and in the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan shall govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein shall have the meaning set forth in the Plan.

1. Rights of the Participant with Respect to the Restricted Stock Units.

(a) No Shareholder Rights. The Restricted Stock Units granted pursuant to this Award are not shares of Common Stock, are the contingent right to receive shares of Common Stock and do not and shall not entitle Participant to any rights of a shareholder of Common Stock. The rights of Participant with respect to the Restricted Stock Units shall remain forfeitable at all times prior to the date on which such rights become vested in accordance with Section 2, 3 or 4.

(b) Additional Restricted Stock Units. As long as Participant holds Restricted Stock Units granted pursuant to this Award, the Company shall credit to Participant, as of each date that the Company pays a Dividend (as defined below) in cash to holders of Common Stock (the "Dividend Payment Date"), an additional number of Restricted Stock Units ("Additional Restricted Stock Units") equal to:

- (i) The total number of Restricted Stock Units and Additional Restricted Stock Units credited to Participant under this Award as of the close of business on the record date for such Dividend, multiplied by
- (ii) The dollar amount of the Dividend paid per share of Common Stock by the Company on such Dividend Payment Date, divided by
- (iii) The Fair Market Value of a share of Common Stock on such Dividend Payment Date.

The term "Dividend" shall include all dividends, whether normal or special, and whether payable in cash, Common Stock, or other property.

The calculation of Additional Restricted Stock Units shall be carried to four (4) decimal places, and any fractional Restricted Stock Unit resulting from such calculation shall be included in the Participant's Additional Restricted Stock Units. A report showing the number of Additional Restricted Stock Units so credited shall be made available to Participant periodically, as determined by the Company. The Additional Restricted Stock Units so credited shall vest and be subject to the same terms and conditions as the Restricted Stock Units to which such Additional Restricted Stock Units relate, and the Additional Restricted Stock Units shall be forfeited in the event that the Restricted Stock Units with respect to which such Additional Restricted Stock Units were credited are forfeited.

(c) Conversion of Restricted Stock Units; Issuance of Common Stock. No shares of Common Stock shall be issued to Participant prior to the date on which the Restricted Stock Units vest, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 2, 3 or 4. Neither this Section 1(c) nor any action taken pursuant to or in accordance with this Section 1(c) shall be construed to create a trust of any kind. After any Restricted Stock Units vest pursuant to Section 2, 3 or 4, all restrictions with respect to the distribution of the Restricted Stock Units have lapsed, and any tax withholding obligations related to such Restricted Stock Units have been satisfied pursuant to Section 8, the Company shall, within sixty (60) days, cause to be issued to the Participant or the Participant's legal representatives, beneficiaries or heirs, as the case may be, a stock certificate or book entry representing the number of shares of Common Stock in payment of such vested whole Restricted Stock Units and Additional Restricted Stock Units, unless a valid deferral has been made pursuant to Section 7, in which case such distribution shall be made within sixty (60) days after the date to which distribution has been deferred.

2. Vesting. Subject to the terms and conditions of this Award, the Restricted Stock Units shall vest on the third (3rd) anniversary of the Award Date if Participant remains continuously employed by the Company or a Subsidiary. For purposes of this Award, a Participant who begins a leave of absence from the Company or a Subsidiary after the Award Date and who returns to employment with the Company or a Subsidiary prior to the third (3rd) anniversary of the Award Date or prior to any other event causing early vesting under Sections 3 or 4 following the leave of absence shall be considered to be continuously employed during the leave of absence.

3. Forfeiture or Early Vesting Upon Termination of Employment.

(a) Termination of Employment Generally. Except as provided in Sections 3(b), 3(c), 3(d), and 3(e), if, prior to vesting of the Restricted Stock Units pursuant to Section 2 or 4, Participant ceases to be an employee of the Company or a Subsidiary, then Participant's rights to all of the unvested Restricted Stock Units shall be immediately and irrevocably forfeited, including the right to receive Additional Restricted Stock Units issued in respect of unvested Restricted Stock Units.

(b) Death. If Participant dies while employed by the Company or a Subsidiary and has complied with Section 2 prior to the time that his Restricted Stock Units become vested, then all of his or her unvested Restricted Stock Units shall become immediately vested as of the date of death. No transfer by will or the applicable laws of descent and distribution of any Restricted Stock Units that vest by reason of Participant's death shall be effective to bind the Company unless the Committee shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer.

(c) Disability. If Participant's employment by the Company or Subsidiary is terminated due to Participant's Disability and the Participant has complied with Section 2 at all times prior to such termination, then all of his or her unvested Restricted Stock Units shall become immediately vested as of the date of such termination.

(d) Retirement.

(i) Except as provided in 3(d)(ii) below, if Participant's employment by the Company or Subsidiary is terminated by reason of Participant's Retirement (as defined below) during the first 12 months after the Award Date and prior to the time that his Restricted Stock Units have otherwise become vested, then a portion of his or her unvested Restricted Stock Units shall become immediately vested as of the date the Participant Retires. The portion of the Restricted Stock Units that shall vest upon the date of the Participant's Retirement will be determined by multiplying the sum of Participant's Restricted Stock Units granted under this Award and any related Additional Restricted Stock Units by a fraction, the numerator of which is the number of full calendar months, beginning on the Award Date and ending on the date the Participant Retires during which the Participant was employed by the Company, and the denominator of which is 12. If Participant terminates his or her employment by reason of Retirement after the initial 12 month period, all of his or her Restricted Stock Units will be fully vested. "Retires" or "Retirement" means for purposes of this Award Agreement the Participant's resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a "Retirement". Subject to Participant's compliance with the covenants set forth in Section 9 below and to applicable policies of the Company, the Restricted Stock Units shall, to the extent the right to receive shares has vested in accordance with the preceding sentences, be sellable any time.

(ii) Notwithstanding (i), if the Participant is a "Key Employee" (as defined below), such pro rata portion of Participant's Restricted Stock Units shall become vested as provided above, but the conversion to Common Stock and the distribution of Common Stock to the Participant shall not occur until the earlier of:

(A) The date which is six (6) months after the date of the Participant's Retirement, or

(B) The date of Participant's death.

(iii) For purposes of Section 3, a "**Key Employee**" is a Participant who, at any time during the year in which his or her employment with the Company terminated, was:

(A) An officer of the Company whose compensation from the Company for the year was more than \$175,000, as adjusted pursuant to Code Section 416(i)(1)(A);

(B) A more than 5% owner of the Company; or

(C) A more than 1% owner of the Company with annual compensation from the Company of more than \$150,000. For purposes of this Section 3, the term "owner" will include ownership attributed to the Participant under the rules of Code Section 318; provided, however, that the rules of Code Section 414(b), (c), and (m) do not apply for purposes of determining ownership of the Company.

(e) Termination of Employment without Cause or with Good Reason.

(i) Except as provided in Section 3(e)(ii) below, if the Company or a Subsidiary terminates the Participant's employment without "Cause" or if the Participant terminates with "Good Reason" (as defined below) prior to the time that

Participant's Restricted Stock Units become vested, then a portion of his or her unvested Restricted Stock Units shall become immediately vested as of the date the Company or a Subsidiary terminates the Participant's employment without Cause or the Participant terminates with Good Reason. The portion of Restricted Stock Units that shall vest upon the Company's or a Subsidiary's termination of the Participant's employment without Cause or the Participant's termination with Good Reason is determined by multiplying the sum of Participant's Restricted Stock Units granted under this Award and related Additional Restricted Stock Units by a fraction, the numerator of which is the number of full calendar months, beginning on the Award Date and ending on the date of the Participant's date of termination, that Participant was employed by the Company or a Subsidiary, and the denominator of which is 36.

For purposes of this Award, "**Good Reason**" shall mean, without the Participant's express written consent, the occurrence of any of the following events, and the failure of the Company (or any successor corporation) to cure such event or condition within thirty (30) days after receipt of written notice from the Participant specifying the events or conditions in reasonable detail, *provided that* the Participant serves notice of such event and intended termination within ninety (90) days of her knowledge of its occurrence and the Participant terminates her employment within thirty (30) days following the expiration of the applicable cure period:

(A) a material diminution in the Participant's duties, responsibilities, authorities, or reporting lines (other than a temporary change resulting from the Participant's inability to perform her duties as a result of her disability);

(B) a material reduction by the Company of the Participant's annual base salary or annual or long-term cash incentive compensation opportunities;

(C) any requirement of the Company that the Participant be based at any office location that is more than fifty (50) miles farther from Participant's primary work location in Holland, Michigan but only if it results in a longer commute for the Participant from the Participant's residence at such time, except for reasonable required travel on behalf of the Company (or any successor corporation); or

(D) a material breach by the Company (or any successor corporation) of its obligations to the Participant under this Award Agreement or under any other material agreement or arrangement between the Company (or any successor corporation) and the Participant.

(ii) Notwithstanding the foregoing, if the Participant is a "Key Employee," such pro rata portion of Participant's Restricted Stock Units shall become vested as provided above, but the conversion to Common Stock and the distribution of Common Stock to the Participant shall not occur until the earlier of:

(A) The date which is six (6) months after the date the Company terminates the Participant's employment without Cause or the Participant terminates with Good Reason, or

(B) The date of Participant's death.

(iii) Subject to Participant's compliance with the covenants set forth in Section 9 below and to applicable policies of the Company, the Restricted Stock Units shall, to the extent the right to receive shares has vested in accordance with this Section 3(e), be sellable any time.

4. Change in Control. Notwithstanding any term to the contrary in this Agreement or the Plan, if within two (2) years after a Change in Control the Participant's employment (a) is terminated without Cause, (b) terminates with Good Reason or (c) terminates under circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, a Subsidiary, or any successor thereof, then this Award (or its replacement) shall become fully vested upon the date of such termination of employment. Notwithstanding the foregoing, if upon the occurrence of a Change in Control this Award is not assumed or continued, then this Award shall be treated in accordance with Section 14.3(a) of the Plan.

5. Restriction on Transfer. Any rights under this Award may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of by Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

6. Adjustments to Restricted Stock Units for Certain Corporate Transactions.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Restricted Stock Units granted under this Award, if (i) the outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of Company, reclassification, stock dividend, stock split, reverse stock split, with respect to such shares of Common Stock or other securities, or (ii) additional shares or new or different shares for other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities to merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Restricted Stock Units granted under this Award if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 6(a) above.

7. Deferral of Distribution. A Participant may elect to defer the conversion of Restricted Stock Units granted under this Award and related Additional Restricted Stock Units into Common Stock and the issuance of such Common Stock with respect thereto to a time later than that provided under Section 1(c). The Participant must file such election with the Committee at least 12 months prior to the date provided under Section 1(c) that such Restricted Stock Units are scheduled to be converted into Common Stock and issued to the Participant. The Participant must specify in the election the date on which the Restricted Stock Units granted under this Award and the related Additional Restricted Stock Units will be converted to Common Stock and issued to Participant. The date elected must be at least five (5) years later than the date on which the Restricted Stock Units would have been converted to Common Stock and issued to the Participant under Section 1(c).

8. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of, the lapse of restrictions relating to, or any other event relating to, the Restricted Stock Units, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election prior to the date that the amount of tax to be withheld is determined (the "Tax Date"), then the Company shall withhold shares of Common Stock as described in Section 8(b)(ii) below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise issuable to the Participant a number of shares having a Fair Market Value as of the Tax Date up to the amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, up to the amount of the withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this Section 8(b)(iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company.

9. Participant Covenants. In consideration of the grant of this Award by the Company, Participant agrees to the following:

(a) Confidentiality. In the course of Participant's employment with the Company, Participant may be making use of, acquiring, or adding to the Company's confidential information, trade secrets, and Protected Information; accordingly, Participant agrees and promises:

(i) to protect and maintain the confidentiality of Protected Information while employed by the Company;

(ii) to return (and not retain) any and all materials reflecting Protected Information that Participant may possess (including all Company-owned equipment) immediately upon end of employment or upon demand by the Company; and

(iii) not to use or disclose, except as necessary for the performance of Participant's services on behalf of the Company or as required by law or legal process, any Protected Information where such use or disclosure would be

detrimental to the interests of the Company. This promise applies only for so long as such Protected Information remains confidential and not generally known to the Company's competitors, or 18 months following the end of Participant's employment with the Company, whichever occurs first.

(b) Restrictive Covenants. Participant understands and agrees that the Company has legitimate interests in protecting its goodwill, its relationships with customers and business partners, and in maintaining its confidential information, trade secrets and Protected Information, and hereby agrees that the following restrictions are appropriate to meet such goals.

(i) Non-Solicitation. Participant acknowledges that the relationships and goodwill that Participant develops with Company Customers as a result of Participant's employment belong to the Company. Participant therefore agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends, for whatever reason, Participant will not, and will not assist anyone else to, (1) solicit or encourage any Company Customer to terminate or diminish its relationship with the Company relating to Competitive Services or Products; or (2) seek to persuade any Company Customer to conduct with anyone other than the Company any business or activity relating to Competitive Services or Products that such Company Customer conducts or could conduct with the Company *provided that* general, non-targeted advertising shall not be a violation of this subsection.

(ii) Non-Competition. Participant agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends for any reason, Participant will not, for himself or herself, or on behalf of any other person or entity, directly or indirectly, provide services to a Direct Competitor in a role where Participant's knowledge of Protected Information is likely to affect Participant's decisions or actions for the Direct Competitor to the detriment of the Company.

(c) Definitions. For purposes of this Section 9, the following terms shall be defined as follows:

(i) Protected Information. "Protected Information" means Company information not generally known to, and not readily ascertainable through proper means by, the Company's competitors on matters such as customer information, partner information, and the relative skills and experience of the Company's other Participants or agents; nonpublic information; strategic plans; business methods; investment strategies and plans; intellectual property; sales and marketing plans; Company (not individual) know-how; trade secrets; and other information of a technical or economic nature relating to the Company's business.

Protected Information does not include information that (i) was in the public domain, (ii) was independently developed or acquired by Participant, (iii) was approved by the Company for use and disclosure by Participant without restriction, or (iv) is the type of information which might form the basis for protected concerted activity under the National Labor Relations Act (for example, Participant pay or Participant terms and conditions of employment).

(ii) Company Customer. "Company Customer" is limited to those customers or partners who did business with the Company within the most recent 18 months of Participant's employment (or during the period of Participant's employment, if Participant was employed for less than 18 months) and with whom Participant personally dealt on behalf of the Company in the 12 months immediately preceding the last day of Participant's employment and Participant had business contact or responsibility with such Company Customer as a result of his or her employment with the Company. "Company Customer" shall not, however, include any individual who purchased a Competitive Product from the Company by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(iii) Competitive Services. "Competitive Services" means services of the type that the Company provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of Participant's employment with the Company (or at any time during Participant's employment if Participant was employed for less than 12 months), and for which Participant was involved in providing or managing the provision of such services.

(iv) Competitive Products. "Competitive Products" means products that serve the same function as, or that could be used to replace, products the Company provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of Participant's employment (or at any time during Participant's employment if Participant was employed for less than 12 months), with which Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Direct Competitor. "Direct Competitor" means a person, business or company that is listed as one of the 28 direct competitors on Exhibit G of the Participant's offer letter from the Company dated August 3, 2018, or any revised list of direct competitors established by the Company in compliance with the terms of the Participant's offer letter.

(d) Non-disparagement. Participant agrees that, while employed with the Company and for a period of five (5) years thereafter, Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company, any member of its Board of Directors or any executive officer of the Company (the "Protected Persons") or the Company's business. The Company agrees that, while the Participant is employed by the Company and for a period of five (5) years thereafter, the Protected Persons will not engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging, or otherwise reflecting poorly upon the Participant. However, the following conduct of the Participant and the Protected Persons shall not be considered a violation of this subsection: (i) comments or statements made or actions taken in the good faith performance of the individual's duties to the Company while employed by the Company; (ii) truthful testimony given in response to a lawful subpoena or similar court or government order; (iii) statements made to rebut false or misleading statements by others; or (iv) statements made in furtherance of legitimate competition (i.e., statements made by the Participant that fairly and truthfully compare the Company's products with a competitor's product who employs the Participant).

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Protected Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company, at its expense, in seeking a protective order or other appropriate protection of such information. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Protected Information in the course of such reporting; provided, however, that the Participant use the Participant's reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (ii) request that such agency or entity treat such information as confidential. The Participant does not need the prior authorization from the Company to make any such whistleblower reports or disclosures and is not required to notify the Company that the Participant has made such reports or disclosures.

10. Miscellaneous.

(a) Neither this Award Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company's consolidated financial statements for any interim or annual period ("Restatement"), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been known at the time of the Award Date or at the time of conversion of the Restricted Stock Units to shares of Common Stock. In the event that the Committee makes such a determination, the Company shall have the right: (i) in the instance of a Participant whose misconduct or violation of a Company policy causes such Restatement, or; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether Participant caused the Restatement, to (A) forfeit this Award, and/or (B) to require repayment or return of any benefit derived from this Award. Both the cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion, and its decision shall be final and binding upon the Participant.

(c) An original record of this Award Agreement and all the terms hereof, executed by the Company and accepted and acknowledged by the Participant, is held on file by the Company. This Award Agreement and the Participant's acknowledgment may be made in paper or in electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Award and the terms contained in the original held by the Company, the terms of the original held by the Company shall control.

11. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code ("Section 409A"). This Award Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are

payable upon a termination of the Participant's employment, then (a) all such payments shall be made only upon a "separation from service" within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, Participant's termination shall not be considered to occur until he or she has incurred such a separation from service and (c) to the extent required for compliance with Section 409A if Participant is a "specified employee" within the meaning of Section 409A, payments will be delayed by six months.

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

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Award Agreement effective as of the Award Date.

Herman Miller, Inc.

By: /s/ Jeffrey M. Stutz

Jeffrey M. Stutz

Chief Financial Officer

ACCEPTANCE AND ACKNOWLEDGEMENT

Via electronic ACCEPT, I accept the Award Agreement described herein and in the Plan, acknowledge receipt of a copy of this Award Agreement and the Plan Prospectus, and acknowledge that I have read them carefully and that I fully understand their contents.

**HERMAN MILLER, INC. 2011 LONG-TERM INCENTIVE PLAN
HMVA PERFORMANCE SHARE UNIT AWARD AGREEMENT**

This certifies that Herman Miller, Inc. (the “Company”) has on **August 22, 2018** (the “Award Date”), granted to **Andrea Owen** (the “Participant”) an award (the “Award”) of **16,383** target Performance Share Units (the “Target Performance Share Units”) pursuant to and under the Herman Miller, Inc. 2011 Long-Term Incentive Plan (the “Plan”) and subject to the terms set forth in this Award Agreement. A copy of the Plan Prospectus has been delivered to Participant, and a copy of the Plan is available from the Company on request. The Plan is incorporated into this Award Agreement by reference, and in the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan will govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein will have the meaning set forth in the Plan.

1. Definitions.

“Actual Performance Share Units” means the number of Performance Share Units earned in accordance with Section 2 of this Award Agreement.

“Average Herman Miller Value Added” means the sum of the Herman Miller Value Added for each fiscal year of the Performance Period divided by the number of fiscal years in the Performance Period.

“Average Capital” means the sum of the Company’s capital at the end of each month during a fiscal year divided by 12.

“Award Agreement” means the terms and conditions of the Award set forth in this agreement.

“Capital Charge” means the Company’s Average Capital for the fiscal year multiplied by the Cost of Capital for such fiscal year.

“Common Stock” means the Company’s \$.20 par value per share common stock.

“Cost of Capital” means the Company’s weighted cost of equity plus its weighted cost of debt, expressed as a percentage, as determined by the Committee in a manner consistent with the Manual.

“EBITDA” means the Company’s earnings calculated before charges for interest, taxes, depreciation and amortization as determined by the Committee in a manner consistent with the Manual.

“Good Reason,” for purposes of this Award, shall mean, without the Participant's express written consent, the occurrence of any of the following events, and the failure of the Company (or any successor corporation) to cure such event or condition within thirty (30) days after receipt of written notice from the Participant specifying the events or conditions in reasonable detail, *provided that* the Participant serves notice of such event and intended termination within ninety (90) days of her knowledge of its occurrence and the Participant terminates her employment within thirty (30) days following the expiration of the applicable cure period:

(a) a material diminution in the Participant’s duties, responsibilities, authorities, or reporting lines (other than a temporary change resulting from the Participant’s inability to perform her duties as a result of her disability);

(b) a material reduction by the Company of the Participant’s annual base salary or annual or long-term cash incentive compensation opportunities;

(c) any requirement of the Company that the Participant be based at any office location that is more than fifty (50) miles farther from Participant’s primary work location in Holland, Michigan but only if it results in a longer commute for the Participant from the Participant’s residence at such time, except for reasonable required travel on behalf of the Company (or any successor corporation); or

(d) a material breach by the Company (or any successor corporation) of its obligations to the Participant under this Award Agreement or under any other material agreement or arrangement between the Company (or any successor corporation) and the Participant.

“Herman Miller Value Added” means the value added of the Company determined each fiscal year by deducting the Company’s Capital Charge from EBITDA, as determined by the Committee in a manner consistent with the terms of the Manual.

“Manual” shall mean the manual used by the Committee for purposes of determining Average Herman Miller Value Added.

“Performance Period” means the period of three (3) consecutive fiscal years beginning with the fiscal year in which the Award Date occurs.

“Performance Share Unit” means the right to receive one (1) share of Common Stock on a future date subject to certain restrictions and on the terms and conditions contained in this Award Agreement.

“Retirement” means for purposes of this Award Agreement the Participant’s resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a “Retirement”.

2. Determination of Actual Performance Share Units. The Actual Performance Share Units that the Participant may earn shall equal (a) the number of Target Performance Share Units, multiplied by (b) the Earnout Percentage, as determined under this Section 2.

(a) Determination of Average Herman Miller Value Added.

(i) Beginning of the Year Determinations. Within ninety (90) days of the beginning of each fiscal year in the Performance Period, the Committee will establish the Cost of Capital for such year. If the Committee determines that the ability to earn Actual Performance Share Units will be based in whole or in part upon the Herman Miller Value Added of any unit or subsidiary, then the Committee will also establish the Cost of Capital for such units or subsidiaries.

(ii) Year-End Determinations. Within ninety (90) days after the end of each fiscal year in the Performance Period, the Committee will determine the EBITDA and Capital Charge for such fiscal year consistent with the Manual, and will then calculate the Herman Miller Value Added for such year.

(iii) End of Performance Period Determinations. Within ninety (90) days after the end of the Performance Period, the Committee will determine the Average Herman Miller Value Added for the Performance Period.

(b) Calculation of Earnout Percentage. Within ninety (90) days after the end of the Performance Period, the Committee will determine the Earnout Percentage in accordance with the following:

<u>If the Average Herman Miller Value Added is:</u>	<u>The Earnout Percentage is:</u>
\$232 million or more	200%
\$204 million	100%
\$185 million	34%
Less than \$185 million	0%

If the Average Herman Miller Value Added is between the above performance levels, then the Earnout Percentage will be determined based on straight line interpolation. If the Committee determines that the ability to earn Actual Performance Share Units will be based on whole or in part upon the Herman Miller Value added of any unit or subsidiary, then the Committee will establish an alternative Earnout Percentage schedule for such unit or subsidiary.

(c) Alternate Performance Period for a Shortfall. If the calculation under Section 2(b) above would result in the Earnout Percentage being 0% (a “Shortfall”), then the Committee may, in its sole discretion, elect to determine the Actual Performance Share Units based upon the Average Herman Miller Value Added over the period of three (3) consecutive fiscal years beginning with the last fiscal year in the Performance Period (the “Alternate Performance Period”). If the Committee elects to use an Alternate Performance Period, then the Earnout Percentage shall equal (i) 34% if the Average Herman Miller Value Added over the Alternate Performance Period equals or exceeds 75% of the Average Herman Miller Value Added goal established by the Committee for such Alternate Performance Period and (ii) 0% if the Average Herman Miller Value Added is less than 75% of the Average Herman Miller Value Added goal established by the Committee for such Alternate Performance Period. If there is a Shortfall and the Committee does not elect to use an Alternate Performance Period, then no Actual Performance Share Units shall be earned.

(d) Calculation of Actual Performance Share Units after a Change in Control. If a Change in Control occurs, the Committee will determine the Participant’s Actual Performance Share Units as of the date of such Change in Control in accordance with Section 2(a)-(b), subject to the following:

(i) the Performance Period will end (the “Adjusted Performance Period”) on the effective date of the Change in Control;

(ii) the Committee will determine the Herman Miller Value Added for the fiscal year in which the Change in Control occurs as follows: (A) EBITDA will be measured from the first day of the fiscal year through the effective date of the Change in Control; and (B) Average Capital will be calculated as the sum of the Company’s capital at the end of each full and partial month in the fiscal year prior to the effective date of the Change in Control divided by the number of whole and partial months in the fiscal year prior to the effective date of the Change in Control; and

(iii) the Committee will determine the Average Herman Miller Value Added by adding the Herman Miller Value Added for each fiscal year (or portion thereof) in the Adjusted Performance Period and dividing the sum by the number of whole and partial fiscal years in the Adjusted Performance Period.

(f) Certification. Not later than ninety (90) days after the end of the Performance Period or the Adjusted Performance Period, as applicable, the Committee shall determine the Actual Performance Share Units and shall certify such finding to the Company and the Participant.

3. Adjustments Following Termination of Employment.

(a) Termination Due to Death. Notwithstanding anything in this Award Agreement to the contrary, in the event that the Participant’s employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to the Participant’s death, the Participant’s Actual Performance Share Units shall equal the Participant’s Target Performance Share Units multiplied by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the fiscal year in which the Award Date occurs and ending on the Participant’s termination date, and the denominator of which is 36, and such Actual Performance Share Units shall vest immediately upon the Participant’s termination.

(b) Termination Due to Disability, Termination Without Cause, or Termination for Good Reason. In the event that the Participant’s employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to Disability, Good Reason, or termination by the Company or a Subsidiary without Cause, the Participant’s Target Performance Share Units will be adjusted by multiplying the Participant’s Target Performance Share Units by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the Performance Period and ending on the Participant’s termination date, and the denominator of which is 36. Actual Performance Share Units shall continue to be calculated according to Section 2.

(c) Termination Due to Retirement. In the event that the Participant’s employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to Retirement, the Participant’s Target Performance Share Units will be adjusted as follows:

(i) If the Participant’s Retirement occurs prior to the end of the first fiscal year of the Performance Period, the Participant’s Target Performance Share Units will be adjusted by multiplying the Participant’s Target Performance Share Units by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the Performance Period and ending on the date of the Participant’s Retirement, and the denominator of which is 12;

(ii) No adjustment to the Participant’s Target Performance Share Units will be made if the Participant’s Retirement occurs on or after the last day of the first fiscal year of the Performance Period or during the Alternate Performance Period.

Actual Performance Share Units shall continue to be calculated according to Section 2

(d) Termination of Employment for Other Reasons. In the event that the Participant’s employment with the Company or a Subsidiary terminates prior to the end of the Performance Period for any reason other than death, Disability, Retirement, Good Reason, or Termination by the Company or a Subsidiary without Cause, the Participant’s rights to all of the Target Performance Share Units granted under this Award Agreement will be immediately and irrevocably forfeited upon such termination of employment and the Participant shall earn no Actual Performance Share Units.

(e) Termination After a Change in Control. Notwithstanding any term to the contrary in this Award Agreement or the Plan, the Participant shall retain the right to earn all of the Participant's Target Performance Share Units if, within two (2) years following a Change in Control, the Participant's employment (i) is terminated without Cause (including death or Disability), (ii) terminates with Good Reason or (iii) terminates under circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, a Subsidiary, or any successor thereof, and Actual Performance Share Units shall be calculated in accordance with Section 2(d). For all other terminations of employment that occur after a Change in Control, the Participant's Target Performance Share Units shall be adjusted in accordance with subsections (a)-(c) of this Section 3, and Actual Performance Share Units shall be calculated in accordance with Section 2(d).

4. Issuance of Common Stock; Shareholder Rights.

(a) Conversion of Performance Shares to Common Stock. Within ninety (90) days after the end of the Performance Period (or, in the case of an Alternate Performance Period or the Participant's death, within ninety (90) days after the Alternate Performance Period or the Participant's death, as applicable), the Company shall cause to be issued to the Participant or the Participant's legal representatives, beneficiaries or heirs, as the case may be, a stock certificate or book entry representing the number of shares of Common Stock in payment of such whole Actual Performance Share Units, unless a valid deferral has been made pursuant to Section 7, in which case such distribution will be made within sixty (60) days after the date to which distribution has been deferred, in either case, provided that the Participant has satisfied any tax withholding obligations related to such Actual Performance Share Units.

(b) No Shareholder Rights. No shares of Common Stock will be issued to Participant prior to the date on which the Target Performance Share Units become Actual Performance Share Units under the provisions of Section 2 of this Award Agreement. The Target Performance Share Units granted pursuant to this Award Agreement represent a contingent right to receive Common Stock in the future, are not issued shares of Common Stock and do not and will not entitle Participant to any rights of a shareholder of Common Stock, including the right to vote or receive dividends. Except as otherwise provided in Section 2, the rights of the Participant with respect to the Target Performance Share Units will remain forfeitable at all times prior to the end of the Performance Period as provided in this Award Agreement. Prior to conversion of some or all of the Target Performance Share Units into Common Stock, such Target Performance Share Units will represent only an unsecured obligation of the Company. Neither this Section 4(b) nor any action taken pursuant to or in accordance with this Section 4(b) will be construed to create a trust of any kind.

5. Restriction on Transfer. Any rights under this Award Agreement may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of by Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

6. Adjustments to Target Performance Share Units for Certain Corporate Transactions. Adjustments to Target Performance Share Units will be determined in accordance with this Section 6.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Target Performance Share Units granted under this Award Agreement if:

(i) The outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of the Company, reclassification, stock dividend, stock split, reverse stock split with respect to such shares of Common Stock or other securities, or

(ii) Additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Target Performance Share Units granted under this Award Agreement if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 6(a) above.

7. Deferral of Distribution. Participant may elect to defer the conversion of Actual Performance Share Units granted under this Award Agreement into Common Stock and the issuance of such Common Stock with respect thereto to a time later than that provided under Section 4(a). The Participant must file such election with the Committee at least 12 months prior to the end of the Performance Period. The Participant must specify in the election the date on which the Actual Performance Share Units earned under this Award Agreement will be

converted to Common Stock and issued to Participant. The date elected must be at least five (5) years later than the date on which the Actual Performance Share Units would have been converted to Common Stock and issued to the Participant under Section 4(a).

8. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of, the lapse of restrictions relating to, or other event relating to the Actual Performance Share Units, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election prior to the date that the amount of tax to be withheld is determined (the "Tax Date"), then the Company will withhold shares of Common Stock as described in Section 8(b)(ii), below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise issuable to the Participant a number of shares having a Fair Market Value as of the Tax Date up to the amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, up to the amount of the withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this Section 8(b)(iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company.

9. Participant Covenants. In consideration of the grant of this Award by the Company, Participant agrees to the following:

(a) Confidentiality. In the course of Participant's employment with the Company, Participant may be making use of, acquiring, or adding to the Company's confidential information, trade secrets, and Protected Information; accordingly, Participant agrees and promises:

(i) to protect and maintain the confidentiality of Protected Information while employed by the Company;

(ii) to return (and not retain) any and all materials reflecting Protected Information that Participant may possess (including all Company-owned equipment) immediately upon end of employment or upon demand by the Company; and

(iii) not to use or disclose, except as necessary for the performance of Participant's services on behalf of the Company or as required by law or legal process, any Protected Information where such use or disclosure would be detrimental to the interests of the Company. This promise applies only for so long as such Protected Information remains confidential and not generally known to the Company's competitors, or 18 months following the end of Participant's employment with the Company, whichever occurs first.

(b) Restrictive Covenants. Participant understands and agrees that the Company has legitimate interests in protecting its goodwill, its relationships with customers and business partners, and in maintaining its confidential information, trade secrets and Protected Information, and hereby agrees that the following restrictions are appropriate to meet such goals.

(i) Non-Solicitation. Participant acknowledges that the relationships and goodwill that Participant develops with Company Customers as a result of Participant's employment belong to the Company. Participant therefore agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends, for whatever reason, Participant will not, and will not assist anyone else to, (1) solicit or encourage any Company Customer to terminate or diminish its relationship with the Company relating to Competitive Services or Products; or (2) seek to persuade any Company Customer to conduct with anyone other than the Company any business or activity relating to Competitive Services or Products that such Company Customer conducts or could conduct with the Company; *provided that* general, non-targeted advertising shall not be a violation of this subsection.

(ii) Non-Competition. Participant agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends for any reason, Participant will not, for himself or herself, or on behalf of any other person or entity, directly or indirectly, provide services to a Direct Competitor in a role where Participant's knowledge of Protected Information is likely to affect Participant's decisions or actions for the Direct Competitor to the detriment of the Company.

(c) Definitions. For purposes of this Section 9, the following terms shall be defined as follows:

(i) Protected Information. "Protected Information" means Company information not generally known to, and not readily ascertainable through proper means by, the Company's competitors on matters such as customer information, partner information, and the relative skills and experience of the Company's other Participants or agents; nonpublic information; strategic plans; business methods; investment strategies and plans; intellectual property; sales and marketing plans; Company (not individual) know-how; trade secrets; and other information of a technical or economic nature relating to the Company's business.

Protected Information does not include information that (i) was in the public domain, (ii) was independently developed or acquired by Participant, (iii) was approved by the Company for use and disclosure by Participant without restriction, or (iv) is the type of information which might form the basis for protected concerted activity under the National Labor Relations Act (for example, Participant pay or Participant terms and conditions of employment).

(ii) Company Customer. "Company Customer" is limited to those customers or partners who did business with the Company within the most recent 18 months of Participant's employment (or during the period of Participant's employment, if Participant was employed for less than 18 months) and with whom Participant personally dealt on behalf of the Company in the 12 months immediately preceding the last day of Participant's employment and Participant had business contact or responsibility with such Company Customer as a result of his or her employment with the Company. "Company Customer" shall not, however, include any individual who purchased a Competitive Product from the Company by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(iii) Competitive Services. "Competitive Services" means services of the type that the Company provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of Participant's employment with the Company (or at any time during Participant's employment if Participant was employed for less than 12 months), and for which Participant was involved in providing or managing the provision of such services.

(iv) Competitive Products. "Competitive Products" means products that serve the same function as, or that could be used to replace, products the Company provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of Participant's employment (or at any time during Participant's employment if Participant was employed for less than 12 months), with which Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Direct Competitor. "Direct Competitor" means a person, business or company that is listed as one of the 28 direct competitors on Exhibit G of the Participant's offer letter from the Company dated August 3, 2018, or any revised list of direct competitors established by the Company in compliance with the terms of the Participant's offer letter.

(d) Non-disparagement. Participant agrees that, while employed with the Company and for a period of five (5) years thereafter, Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company, any member of its Board of Directors or any executive officer of the Company (the "Protected Persons") or the Company's business. The Company agrees that, while the Participant is employed by the Company and for a period of five (5) years thereafter, the Protected Persons will not engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging, or otherwise reflecting poorly upon the Participant. However, the following conduct of the Participant and the Protected Persons shall not be considered a violation of this subsection: (i) comments or statements made or actions taken in the good faith performance of the individual's duties to the Company while employed by the Company; (ii) truthful testimony given in response to a lawful subpoena or similar court or government order; (iii) statements made to rebut false or misleading statements by others; or (iv) statements made in furtherance of legitimate competition (i.e., statements made by the Participant that fairly and truthfully compare the Company's products with a competitor's product who employs the Participant).

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Protected Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company, at its expense, in seeking a protective order or other appropriate protection of such information. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Protected Information in the course of such reporting; provided, however, that the Participant use the Participant's reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (ii) request that such agency or entity treat such information as confidential. The Participant does not need the prior authorization from the Company to make any such whistleblower reports or disclosures and is not required to notify the Company that the Participant has made such reports or disclosures.

10. Miscellaneous.

(a) Neither this Award Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company's consolidated financial statements for any interim or annual period ("Restatement"), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been known at the time of the Award Date or at the time of earning any Actual Performance Share Units. In the event that the Committee makes such a determination, the Company shall have the right: (i) in the instance of a Participant whose misconduct or violation of a Company policy causes such Restatement, or; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether Participant caused the Restatement, to (A) forfeit this Award, and/or (B) to require repayment or return of any benefit derived from this Award. Both the cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion, and its decision shall be final and binding upon the Participant.

(c) An original record of this Award Agreement and of the Participant's acceptance and acknowledgement will be held on file by the Company. This Award Agreement and the Participant's acknowledgement may be made either in paper or electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Award Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company will control.

(d) Notwithstanding anything to the contrary herein, upon a Change in Control in which the surviving entity does not assume this Award (or replace this Award with an award having substantially similar terms), this Award shall be treated in accordance with Section 14.3(b) of the Plan.

11. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code ("Section 409A"). This Award Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are payable upon a termination of the Participant's employment, then (a) all such payments shall be made only upon a "separation from service" within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, Participant's termination shall not be considered to occur until he or she has incurred such a separation from service and (c) to the extent required for compliance with Section 409A if Participant is a "specified employee" within the meaning of Section 409A, payments will be delayed by six months.

12. Section 280G. Notwithstanding anything contained in this Award Agreement to the contrary, to the extent that any of the payments and benefits provided for under this Award Agreement, together with any payments or benefits under any other agreement or arrangement between the Company or any of its affiliates and the Participant (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, the amount of such Payments shall be reduced (to the extent any reduction is necessary) to the amount that would result in no portion of the Payments being subject to the excise tax imposed pursuant to Section 4999 of the Code if and only if such reduction would provide the Participant with an after-tax amount greater than if there was no reduction. Any reduction shall be done in a manner that maximizes the amount to be retained by the Participant, provided that to the extent any order is required to be set forth herein, then such reduction shall be applied in the following order: (a) payments that are payable in cash that are valued at full value

under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced (if necessary, to zero), with amounts that are payable last reduced first; (b) payments due in respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced next (if necessary, to zero), with amounts that are payable or deliverable last reduced first; (c) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); (d) payments due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); and (e) all other non-cash benefits will be next reduced pro-rata.

IN WITNESS WHEREOF, the parties have executed this Award Agreement effective as of the Award Date.

Herman Miller, Inc.

By: /s/ Jeffrey M. Stutz

Jeffrey M. Stutz
Chief Financial Officer

ACCEPTANCE AND ACKNOWLEDGEMENT

Via electronic ACCEPT, I accept the Award Agreement described herein and in the Plan, acknowledge receipt of a copy of this Award Agreement and the Plan Prospectus, and acknowledge that I have read them carefully and that I fully understand their contents.

**HERMAN MILLER, INC. 2011 LONG-TERM INCENTIVE PLAN
TSR PERFORMANCE SHARE UNIT AWARD AGREEMENT**

This certifies that Herman Miller, Inc. (the “Company”) has on **August 22, 2018** (the “Award Date”), granted to **Andrea Owen** (the “Participant”) an award (the “Award”) of **12,164** target Performance Share Units (the “Target Performance Share Units”) pursuant to and under the Herman Miller, Inc. 2011 Long-Term Incentive Plan (the “Plan”) and subject to the terms set forth in this Award Agreement. A copy of the Plan Prospectus has been delivered to Participant, and a copy of the Plan is available from the Company on request. The Plan is incorporated into this Award Agreement by reference, and in the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan will govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein will have the meaning set forth in the Plan.

1. Definitions.

“Actual Performance Share Units” means the number of Performance Share Units earned in accordance with Section 2 of this Award Agreement.

“Award Agreement” means the terms and conditions of the Award set forth in this agreement.

“Common Stock” means the Company’s \$.20 par value per share common stock.

“Good Reason,” for purposes of this Award, shall mean, without the Participant's express written consent, the occurrence of any of the following events, and the failure of the Company (or any successor corporation) to cure such event or condition within thirty (30) days after receipt of written notice from the Participant specifying the events or conditions in reasonable detail, *provided that* the Participant serves notice of such event and intended termination within ninety (90) days of her knowledge of its occurrence and the Participant terminates her employment within thirty (30) days following the expiration of the applicable cure period:

(a) a material diminution in the Participant’s duties, responsibilities, authorities, or reporting lines (other than a temporary change resulting from the Participant’s inability to perform her duties as a result of her disability);

(b) a material reduction by the Company of the Participant’s annual base salary or annual or long-term cash incentive compensation opportunities;

(c) any requirement of the Company that the Participant be based at any office location that is more than fifty (50) miles farther from Participant’s primary work location in Holland, Michigan but only if it results in a longer commute for the Participant from the Participant’s residence at such time, except for reasonable required travel on behalf of the Company (or any successor corporation); or

(d) a material breach by the Company (or any successor corporation) of its obligations to the Participant under this Award Agreement or under any other material agreement or arrangement between the Company (or any successor corporation) and the Participant.

“Manual” shall mean the TSR Manual used by the Committee for purposes of determining TSR for the Company and each member of the Peer Group.

“Peer Group” means the companies approved by the Committee as peer group companies, listed on Appendix A of this Award Agreement. For the sake of clarity, the Company is not included in the Peer Group.

“Performance Period” means the period of three (3) consecutive fiscal years beginning with the fiscal year in which the Award Date occurs.

“Performance Share Unit” means the right to receive one (1) share of Common Stock on a future date subject to certain restrictions and on the terms and conditions contained in this Award Agreement.

“Retirement” means for purposes of this Award Agreement the Participant’s resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a “Retirement”.

“Total Shareholder Returns” or “TSR” with respect to the Company and each member of the Peer Group shall mean the quotient of (a) the Beginning Price (as defined below) divided by (b) the Ending Price (as defined below). The Beginning Price shall equal the average closing price of a share of common stock during the twenty (20) trading day period ending on the last day before the start of the Performance Period. The Ending Price shall equal the average closing price of a share of common stock during the twenty (20) day trading period ending on the last day of the Performance Period. The Ending Price shall be adjusted to reflect any and all cash, stock or in-kind dividends paid on the stock of such company during the Performance Period, or any stock splits or reverse stock splits that occur during the Performance Period.

2. Determination of Actual Performance Share Units. The Actual Performance Share Units that the Participant may earn shall equal (a) the number of Target Performance Share Units, multiplied by (b) the Earnout Percentage, as determined under this Section 2.

(a) Determination of TSR.

(i) Determination of Company TSR. Within ninety (90) days after the end of the Performance Period, the Committee will determine the Company’s TSR during the Performance Period, in accordance with the Manual.

(ii) Determination of Peer Group TSR. Within ninety (90) days after the end of the Performance Period, the Committee will determine the TSR for each member of the Peer Group during the Performance Period, in accordance with the Manual.

(iii) Determination of Percentile Rank. Following the determination of Company’s TSR and the TSR of each member of the Peer Group, the Committee shall determine the percentile rank of the Company within the Peer Group companies.

(b) Calculation of Earnout Percentage. The Earnout Percentage shall be determined in accordance with the following:

<u>If the Company’s TSR is Ranked at or Above:</u>	<u>The Earnout Percentage is:</u>
80th percentile (Maximum Performance)	200%
65th percentile	150%
50th percentile (Target Performance)	100%
40th percentile	75%
30th percentile (Threshold Performance)	50%
Below 30th percentile	0%

The Earnout Percentage between the above performance levels shall be determined based on straight line interpolation.

(c) Calculation of Actual Performance Share Units after a Change in Control. If a Change in Control occurs during the Performance Period, the Committee will determine the Participant’s Actual Performance Share Units as of the date of such Change in Control in accordance with the following:

(i) The Committee will determine the TSR for the Company and for each member of the Peer Group for the period beginning on the first day of the Performance Period and ending on the date immediately prior to the effective date of the Change in Control (the “Adjusted Performance Period”).

(ii) The Committee shall determine the Earnout Percentage under the formula set forth in Section 2(b) above during the Adjusted Performance Period (the “Adjusted Earnout Percentage”).

(iii) The Actual Performance Share Units shall equal the product of (a) the number of Target Performance Share Units, and (b) the Adjusted Earnout Percentage.

(d) Certification. Not later than ninety (90) days after the end of the Performance Period or the Adjusted Performance Period, as applicable, the Committee shall determine the Actual Performance Share Units and shall certify such finding to the Company and the Participant.

3. Adjustments Following Termination of Employment.

(a) Termination Due to Death. Notwithstanding anything in this Award Agreement to the contrary, in the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to the Participant's death, the Participant's Actual Performance Share Units shall equal the Participant's Target Performance Share Units multiplied by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the fiscal year in which the Award Date occurs and ending on the Participant's termination date, and the denominator of which is 36, and such Actual Performance Share Units shall vest immediately upon the Participant's termination.

(b) Termination Due to Disability, or Termination Without Cause, or Termination With Good Reason. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to Disability, termination by the Company or a Subsidiary without Cause, or the Participant's termination with Good Reason, the Participant's Target Performance Share Units will be adjusted by multiplying the Participant's Target Performance Share Units by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the Performance Period and ending on the Participant's termination date, and the denominator of which is 36. Actual Performance Share Units shall continue to be calculated according to Section 2.

(c) Termination Due to Retirement. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to Retirement, the Participant's Target Performance Share Units will be adjusted as follows:

(i) If the Participant's Retirement occurs prior to the end of the first fiscal year of the Performance Period, the Participant's Target Performance Share Units will be adjusted by multiplying the Participant's Target Performance Share Units by a fraction, the numerator of which is the number of full calendar months that the Participant was employed by the Company or a Subsidiary, beginning on the first day of the Performance Period and ending on the date of the Participant's Retirement, and the denominator of which is 12.

(ii) No adjustment to the Participant's Target Performance Share Units will be made if the Participant's Retirement occurs on or after the last day of the first fiscal year of the Performance Period.

Actual Performance Share Units shall continue to be calculated according to Section 2.

(d) Termination of Employment for Other Reasons. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period for any reason other than death, Disability, Retirement, Good Reason, or Termination by the Company or a Subsidiary without Cause, the Participant's rights to all of the Target Performance Share Units granted under this Award Agreement will be immediately and irrevocably forfeited upon such termination of employment, and the Participant shall earn no Actual Performance Share Units.

(e) Termination After a Change in Control. Notwithstanding any term to the contrary in this Award Agreement or the Plan, the Participant shall retain the right to earn all of the Participant's Target Performance Share Units if, within two (2) years following a Change in Control, the Participant's employment (i) is terminated without Cause (including death or Disability), (ii) terminates with Good Reason or (iii) terminates under circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, a Subsidiary, or any successor thereof, and Actual Performance Share Units shall be calculated in accordance with Section 2(c). For all other terminations of employment that occur after a Change in Control, the Participant's Target Performance Share Units shall be adjusted in accordance with subsections (a)-(c) of this Section 3, and Actual Performance Share Units shall be calculated in accordance with Section 2(c).

4. Issuance of Common Stock; Shareholder Rights.

(a) Conversion of Performance Shares to Common Stock. Within ninety (90) days after the end of the Performance Period (or, in the case of the Participant's death, within ninety (90) days after the Participant's death), the Company shall cause to be issued to the Participant or the Participant's legal representatives, beneficiaries or heirs, as the case may be, a stock certificate or book entry representing the number of shares of Common Stock in payment of such whole Actual Performance Share Units, unless a valid deferral has been made pursuant to Section 7, in which case such distribution will be made within sixty (60) days after the date

to which distribution has been deferred, in either case, provided that the Participant has satisfied any tax withholding obligations related to such Actual Performance Share Units.

(b) No Shareholder Rights. No shares of Common Stock will be issued to Participant prior to the date on which the Target Performance Share Units become Actual Performance Share Units under the provisions of Section 2 of this Award Agreement. The Target Performance Share Units granted pursuant to this Award Agreement represent a contingent right to receive Common Stock in the future, are not issued shares of Common Stock and do not and will not entitle Participant to any rights of a shareholder of Common Stock, including the right to vote or receive dividends. Except as otherwise provided in Section 2, the rights of the Participant with respect to the Target Performance Share Units will remain forfeitable at all times prior to the end of the Performance Period as provided in this Award Agreement. Prior to conversion of some or all of the Target Performance Share Units into Common Stock, such Target Performance Share Units will represent only an unsecured obligation of the Company. Neither this Section 4(b) nor any action taken pursuant to or in accordance with this Section 4(b) will be construed to create a trust of any kind.

5. Restriction on Transfer. Any rights under this Award Agreement may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of by Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

6. Adjustments to Target Performance Share Units for Certain Corporate Transactions. Adjustments to Target Performance Share Units will be determined in accordance with this Section 6.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Target Performance Share Units granted under this Award Agreement if:

(i) The outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of the Company, reclassification, stock dividend, stock split, reverse stock split with respect to such shares of Common Stock or other securities, or

(ii) Additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Target Performance Share Units granted under this Award Agreement if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 6(a) above.

7. Deferral of Distribution. Participant may elect to defer the conversion of Actual Performance Share Units granted under this Award Agreement into Common Stock and the issuance of such Common Stock with respect thereto to a time later than that provided under Section 4(a). The Participant must file such election with the Committee at least 12 months prior to the end of the Performance Period. The Participant must specify in the election the date on which the Actual Performance Share Units earned under this Award Agreement will be converted to Common Stock and issued to Participant. The date elected must be at least five (5) years later than the date on which the Actual Performance Share Units would have been converted to Common Stock and issued to the Participant under Section 4(a).

8. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of, the lapse of restrictions relating to, or other event relating to, the Actual Performance Share Units, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election prior to the date that the amount of tax to be withheld is determined (the "Tax Date"), then the Company will withhold shares of Common Stock as described in Section 8(b)(ii), below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise issuable to the Participant a number of shares having a Fair Market Value as of the Tax Date up to the amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, up to the amount of the withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this Section 8(b)(iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company.

9. Participant Covenants. In consideration of the grant of this Award by the Company, Participant agrees to the following:

(a) Confidentiality. In the course of Participant's employment with the Company, Participant may be making use of, acquiring, or adding to the Company's confidential information, trade secrets, and Protected Information; accordingly, Participant agrees and promises:

(i) to protect and maintain the confidentiality of Protected Information while employed by the Company;

(ii) to return (and not retain) any and all materials reflecting Protected Information that Participant may possess (including all Company-owned equipment) immediately upon end of employment or upon demand by the Company; and

(iii) not to use or disclose, except as necessary for the performance of Participant's services on behalf of the Company or as required by law or legal process, any Protected Information where such use or disclosure would be detrimental to the interests of the Company. This promise applies only for so long as such Protected Information remains confidential and not generally known to the Company's competitors, or 18 months following the end of Participant's employment with the Company, whichever occurs first.

(b) Restrictive Covenants. Participant understands and agrees that the Company has legitimate interests in protecting its goodwill, its relationships with customers and business partners, and in maintaining its confidential information, trade secrets and Protected Information, and hereby agrees that the following restrictions are appropriate to meet such goals.

(i) Non-Solicitation. Participant acknowledges that the relationships and goodwill that Participant develops with Company Customers as a result of Participant's employment belong to the Company. Participant therefore agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends, for whatever reason, Participant will not, and will not assist anyone else to, (1) solicit or encourage any Company Customer to terminate or diminish its relationship with the Company relating to Competitive Services or Products; or (2) seek to persuade any Company Customer to conduct with anyone other than the Company any business or activity relating to Competitive Services or Products that such Company Customer conducts or could conduct with the Company; *provided that* general, non-targeted advertising shall not be a violation of this subsection..

(ii) Non-Competition. Participant agrees that while employed by the Company and for a period of 18 months after Participant's employment with the Company ends for any reason, Participant will not, for himself or herself, or on behalf of any other person or entity, directly or indirectly, provide services to a Direct Competitor in a role where Participant's knowledge of Protected Information is likely to affect Participant's decisions or actions for the Direct Competitor to the detriment of the Company.

(c) Definitions. For purposes of this Section 9, the following terms shall be defined as follows:

(i) Protected Information. "Protected Information" means Company information not generally known to, and not readily ascertainable through proper means by, the Company's competitors on matters such as customer information, partner information, and the relative skills and experience of the Company's other Participants or agents; nonpublic information; strategic plans; business methods; investment strategies and plans; intellectual property; sales and marketing plans; Company (not individual) know-how; trade secrets; and other information of a technical or economic nature relating to the Company's business.

Protected Information does not include information that (i) was in the public domain, (ii) was independently developed or acquired by Participant, (iii) was approved by the Company for use and disclosure by Participant without restriction, or (iv) is the type of information which might form the basis for protected concerted activity under the National Labor Relations Act (for example, Participant pay or Participant terms and conditions of employment).

(ii) Company Customer. “Company Customer” is limited to those customers or partners who did business with the Company within the most recent 18 months of Participant’s employment (or during the period of Participant’s employment, if Participant was employed for less than 18 months) and with whom Participant personally dealt on behalf of the Company in the 12 months immediately preceding the last day of Participant’s employment and Participant had business contact or responsibility with such Company Customer as a result of his or her employment with the Company. “Company Customer” shall not, however, include any individual who purchased a Competitive Product from the Company by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(iii) Competitive Services. “Competitive Services” means services of the type that the Company provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of Participant’s employment with the Company (or at any time during Participant’s employment if Participant was employed for less than 12 months), and for which Participant was involved in providing or managing the provision of such services.

(iv) Competitive Products. “Competitive Products” means products that serve the same function as, or that could be used to replace, products the Company provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of Participant’s employment (or at any time during Participant’s employment if Participant was employed for less than 12 months), with which Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Direct Competitor. “Direct Competitor” means a person, business or company that is listed as one of the 28 direct competitors on Exhibit G of the Participant’s offer letter from the Company dated August 3, 2018, or any revised list of direct competitors established by the Company in compliance with the terms of the Participant’s offer letter.

(a) Non-disparagement. Participant agrees that, while employed with the Company and for a period of five (5) years thereafter, Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company, any member of its Board of Directors or any executive officer of the Company (the “Protected Persons”) or the Company’s business. The Company agrees that, while the Participant is employed by the Company and for a period of five (5) years thereafter, the Protected Persons will not engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging, or otherwise reflecting poorly upon the Participant. However, the following conduct of the Participant and the Protected Persons shall not be considered a violation of this subsection: (i) comments or statements made or actions taken in the good faith performance of the individual’s duties to the Company while employed by the Company; (ii) truthful testimony given in response to a lawful subpoena or similar court or government order; (iii) statements made to rebut false or misleading statements by others; or (iv) statements made in furtherance of legitimate competition (i.e., statements made by the Participant that fairly and truthfully compare the Company’s products with a competitor’s product who employs the Participant).

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Protected Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company, at its expense, in seeking a protective order or other appropriate protection of such information. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the Defend Trade Secrets Act of 2016. Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Protected Information in the course of such reporting; provided, however, that the Participant use the Participant’s reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity and (ii) request that such agency or entity treat such information as confidential. The Participant does not need the prior authorization from the Company to make any such whistleblower reports or disclosures and is not required to notify the Company that the Participant has made such reports or disclosures.

10. Miscellaneous.

(a) Neither this Award Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company's consolidated financial statements for any interim or annual period ("Restatement"), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been known at the time of the Award Date or at the time of earning any Actual Performance Share Units. In the event that the Committee makes such a determination, the Company shall have the right: (i) in the instance of a Participant whose misconduct or violation of a Company policy causes such Restatement, or; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether Participant caused the Restatement, to (A) forfeit this Award, and/or (B) to require repayment or return of any benefit derived from this Award. Both the cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion, and its decision shall be final and binding upon the Participant.

(c) An original record of this Award Agreement and of the Participant's acceptance and acknowledgement will be held on file by the Company. This Award Agreement and the Participant's acknowledgement may be made either in paper or electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Award Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company will control.

(d) Notwithstanding anything to the contrary herein, upon a Change in Control in which the surviving entity does not assume this Award (or replace this Award with an award having substantially similar terms), this Award shall be treated in accordance with Section 14.3(b) of the Plan.

11. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code ("Section 409A"). This Award Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are payable upon a termination of the Participant's employment, then (a) all such payments shall be made only upon a "separation from service" within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, Participant's termination shall not be considered to occur until he or she has incurred such a separation from service and (c) to the extent required for compliance with Section 409A if Participant is a "specified employee" within the meaning of Section 409A, payments will be delayed by six months.

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

IN WITNESS WHEREOF, the parties have executed this Award Agreement effective as of the Award Date.

Herman Miller, Inc.

By: /s/ Jeffrey M. Stutz

Jeffrey M. Stutz
Chief Financial Officer

ACCEPTANCE AND ACKNOWLEDGEMENT

Via electronic ACCEPT, I accept the Award Agreement described herein and in the Plan, acknowledge receipt of a copy of this Award Agreement and the Plan Prospectus, and acknowledge that I have read them carefully and that I fully understand their contents.

Appendix A

1. **Peer Group.** The Peer Group shall consist of the following companies:

American Woodmark Corporation	JELD-WEN Holdings, Inc.	Restoration Hardware Holdings, Inc.
Armstrong World Industries, Inc.	Kimball International, Inc.	Select Comfort Corporation
Ethan Allen Interiors, Inc.	Knoll, Inc.	Steelcase, Inc.
Hill-Rom Holdings, Inc.	La-Z-Boy, Inc.	Tempur-Pedic International, Inc.
HNI Corporation	Leggett & Platt, Inc.	Universal Forest Products, Inc.
Interface, Inc.	Masonite International Corporation	Williams-Sonoma, Inc.

2. **Adjustments to the Peer Group.** The Committee may decide to adjust, in its sole discretion, the Peer Group at any time during the Performance Period to reflect the occurrence of certain extraordinary events. The Committee will generally make the determination to adjust (or not adjust) the Peer Group in accordance with the following guidelines, but reserves the right to make adjustments in addition to, or that conflict with, such guidelines if its determines such adjustments are equitable.
- If a Peer Group company becomes bankrupt, the bankrupt company will remain in the Peer Group and will positioned at one level below the lowest performing non-bankrupt Peer Group company. In the case of multiple bankruptcies, the bankrupt companies will be positioned below the non-bankrupt companies in reverse chronological order by bankruptcy date.
 - If a Peer Group company is acquired by another company, the acquired company will be removed from the Peer Group for the entire Performance Period.
 - If a Peer Group company sells, spins-off, or disposes of a portion of its business, the selling Peer Group company will remain in the Peer Group for the entire Performance Period unless such disposition(s) results in the disposition of more than 50% of the company's total assets during the Performance Period, in which case the Peer Group company shall be removed from the Peer Group.
 - If a Peer Group company acquires another company, the acquiring Peer Group company will remain in the Peer Group.
 - If the price of a Peer Company's common stock (or its equivalent) is not available on a consistent, reliable basis due to delisting on all major stock exchanges and over-the-counter markets, such delisted Peer Group company will be removed from the Peer Group for the entire Performance Period; *provided, however*, that if the company becomes bankrupt prior to the end of the Performance Period, it shall be treated as in (i) above.
 - If the Company's and/or any Peer Group company's stock splits, then the Committee shall adjust such company's performance in a manner that it deems equitable so as not to give an advantage or disadvantage to such company by comparison to the other companies.

Exhibit 31.1

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

I, Andrea R. Owen, certify that:

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

Date: January 9, 2019

/s/ Andrea R. Owen

Andrea R. Owen

Chief Executive Officer

Exhibit 31.2

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

I, Jeffrey M. Stutz, certify that:

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

Date: January 9, 2019

/s/ Jeffrey M. Stutz

Jeffrey M. Stutz

Chief Financial Officer

Exhibit 32.1

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

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

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

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

Dated: January 9, 2019

/s/ Andrea R. Owen

Andrea R. Owen

Chief Executive Officer

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

Exhibit 32.2

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

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

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

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

Dated: January 9, 2019

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

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