

STEELCASE INC  
Form DEF 14A  
June 04, 2014  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant   
Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under § 240.14a-12

Steelcase Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

Title of each class of securities to which transaction applies:

(1 )

Aggregate number of securities to which transaction applies:

(2 )

(3 ) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Proposed maximum aggregate value of transaction:

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(4 )

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Table of Contents

NOTICE OF ANNUAL MEETING

The Board of Directors of Steelcase Inc. cordially invites all shareholders to attend the Company's 2014 Annual Meeting of Shareholders as follows:

Date and Time: July 16, 2014 at 11:00 a.m. EDT

Location: via live webcast at [www.virtualshareholdermeeting.com/scs2014](http://www.virtualshareholdermeeting.com/scs2014)

The Annual Meeting is being held to allow you to vote on the following proposals and any other matter properly brought before the shareholders:

1. Election of thirteen nominees to the Board of Directors
2. Advisory vote to approve named executive officer compensation
3. Ratification of our independent registered public accounting firm

If you were a shareholder of record as of the close of business on May 19, 2014, you are eligible to vote. You may either vote online at the meeting or by proxy, which allows your shares to be voted at the meeting even if you are not able to attend. If you choose to vote by proxy:

Please carefully review the enclosed proxy statement and proxy card.

Select your preferred method of voting, including by telephone, Internet or signing and mailing the proxy card.

You can withdraw your proxy and vote your shares at the meeting if you decide to do so.

Every vote is important, and we urge you to vote your shares as soon as possible.

We look forward to seeing you at the meeting.

By Order of the Board of Directors,

Lizbeth S. O'Shaughnessy  
Senior Vice President, Chief Legal Officer and Secretary

Grand Rapids, Michigan  
June 4, 2014

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

	Page No.
<u>Questions and Answers</u>	<u>1</u>
<u>Proposal 1 - Election of Directors</u>	<u>4</u>
<u>Director Independence</u>	<u>7</u>
<u>Related Person Transactions</u>	<u>9</u>
<u>Board Meetings</u>	<u>11</u>
<u>Committees of the Board of Directors</u>	<u>11</u>
<u>Other Corporate Governance Matters</u>	<u>15</u>
<u>Director Compensation</u>	<u>17</u>
<u>Stock Ownership of Management and Certain Beneficial Owners</u>	<u>21</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>24</u>
<u>Proposal 2 - Advisory Vote to Approve Named Executive Officer Compensation</u>	<u>25</u>
<u>Compensation Committee Report</u>	<u>26</u>
<u>Compensation Discussion and Analysis</u>	<u>26</u>
<u>Executive Compensation, Retirement Programs and Other Arrangements</u>	<u>38</u>
<u>Proposal 3 - Ratification of Independent Registered Public Accounting Firm</u>	<u>50</u>
<u>Fees Paid to Principal Independent Auditor</u>	<u>50</u>
<u>Audit Committee Report</u>	<u>51</u>

---

Table of Contents

QUESTIONS AND ANSWERS

How can I attend the Meeting?

Our 2014 Annual Meeting of Shareholders (the "Meeting") will be a virtual meeting, conducted via live webcast only, to allow all of our shareholders the opportunity to participate in the Meeting, no matter where they are located. No physical meeting will be held. Shareholders of record of Class A Common Stock or Class B Common Stock at the close of business on May 19, 2014 (the "Record Date") will be able to attend the Meeting, vote and submit questions during the Meeting by logging on to [www.virtualshareholdermeeting.com/scs2014](http://www.virtualshareholdermeeting.com/scs2014) at the Meeting date and time using their 12-digit Control Number provided with the notice of the Meeting.

Can I listen to the Meeting if I cannot attend it live?

If you are not able to attend the Meeting while it is being conducted, an audio replay of the Meeting will be available on our website shortly after the conclusion of the Meeting and for at least 90 days thereafter. You will be able to find the replay on the "Events & Presentations" page of the Investor Relations section of our website, located under "Company" at [www.steelcase.com](http://www.steelcase.com).

On what am I voting?

You are being asked to vote on the following matters and any other business properly coming before the Meeting:

Proposal 1: Election of thirteen nominees to the Board of Directors

Proposal 2: Advisory vote to approve named executive officer compensation

Proposal 3: Ratification of our independent registered public accounting firm

The Board of Directors recommends that you vote FOR each of the nominees listed in Proposal 1 and FOR Proposals 2 and 3. As of June 4, 2014, we do not know of any other matter to be considered at the Meeting.

Who is entitled to vote, and how many votes does each shareholder have?

Shareholders of record of Class A Common Stock or Class B Common Stock at the close of business on the Record Date may vote at the Meeting. At the close of business on the Record Date, there were 90,721,066 shares of Class A Common Stock and 32,552,942 shares of Class B Common Stock outstanding. Each shareholder has one vote per share of Class A Common Stock and ten votes per share of Class B Common Stock owned.

How can I vote?

If you are a registered shareholder (that is, you hold your Steelcase stock directly in your name), you may vote by telephone, Internet or mail or by attending the Meeting via the Internet and voting online during the Meeting.

To vote by telephone or Internet: Please follow the instructions on the proxy card. The deadline for voting by telephone or Internet is 11:59 p.m. Eastern Daylight Time on July 15, 2014.

Table of Contents

To vote by mail: Please complete, sign and date the accompanying proxy card and return it in the enclosed postage-paid envelope. If you have not received a proxy card, you will need to request one be sent to you by following the instructions included in the Notice of Internet Availability of Proxy Materials. Only proxy cards received and processed before 11:00 a.m. Eastern Daylight Time on July 16, 2014 will be voted.

Whether you vote by telephone, Internet or mail, you may specify whether your shares should be voted for all, some or none of the nominees for director. If you use the proxy card provided by us and you do not specify a choice, your shares will be voted FOR the election of each of the nominees listed under Proposal 1 — Election of Directors and FOR each of Proposals 2 and 3. For any other matter that properly comes before the Meeting, your shares will be voted in the discretion of the proxy holders.

If you hold your stock in “street name” (that is, your shares are registered in the name of a bank, broker or other nominee, which we will collectively refer to as your “broker”), you must vote your shares in the manner required by your broker. If you use a ballot card supplied by your broker and you do not specify a choice, the rules of the New York Stock Exchange, or NYSE, provide that your broker may not vote your shares on Proposals 1 or 2.

What should I do if I received more than one proxy card?

If you received more than one proxy card, it is likely that your shares are registered differently or are in more than one account. You should complete, sign and return all proxy cards to ensure all of your shares are voted.

May I revoke my proxy?

If you appoint a proxy, you may revoke it at any time before it is exercised by notifying our corporate secretary in writing, by delivering a later-dated proxy to our corporate secretary or by attending the Meeting online and voting during the Meeting.

What is the quorum requirement for the Meeting?

Michigan law and our By-laws require a quorum for the Meeting, which means that holders of a majority of the voting power entitled to vote must be present or represented by proxy in order to transact business at the Meeting. Withheld votes and abstentions will be counted in determining whether a quorum has been reached.

How many votes are needed to approve the proposals?

Assuming a quorum has been reached, the following votes are needed to approve each of the proposals:

In order to be elected, a nominee must receive the affirmative vote of a majority of the votes cast at the Meeting with respect to such nominee.

Proposal 2 is an advisory vote which is not binding on our company or our Board of Directors. In order to be approved, this proposal must receive the affirmative vote of the majority of the votes cast at the Meeting for that proposal.

Proposal 3 must receive the affirmative vote of the majority of the votes cast at the Meeting for that proposal.

Table of Contents

How will abstentions and broker non-votes be treated?

Under NYSE rules, brokers who hold shares on behalf of their customers (i.e., shares held in street name) can vote on certain items when they do not receive instructions from their customers. However, brokers are not authorized to vote on non-routine matters if they do not receive instructions from their customers. The election of directors and Proposal 2 are non-routine matters under NYSE rules. Therefore, if you fail to give your broker instructions on how to vote on the election of directors or Proposal 2, your shares will not be treated as votes cast in determining the outcome of those matters. Proposal 3 is considered a routine matter under NYSE, and therefore, your broker may vote your shares on that proposal if it does not receive instructions from you.

If you abstain from voting on a matter, your shares will not be counted as voting for or against that matter, and therefore abstentions will have no effect on the adoption of the proposal.

Why didn't I receive printed copies of this proxy statement and the annual report?

We make our proxy materials available to our shareholders electronically via the Internet and send you a Notice of Internet Availability of Proxy Materials which lists the address of a website where you can view, print or request printed copies of our proxy materials and submit your voting instructions. The notice also provides an email address and toll-free telephone number that you can use to request printed copies of our proxy materials. Unless you request otherwise, you will not receive a printed copy of our proxy materials. If you wish to elect to receive printed copies of our proxy materials each year, you can make a permanent request.

What if I have the same address as another shareholder?

We send a single copy of our Notice of Internet Availability of Proxy Materials to any household at which two or more shareholders reside if they appear to be members of the same family. This practice is known as "householding" and helps reduce our printing and mailing costs. Any shareholder residing at the same address as another shareholder who wishes to receive a single document or separate documents should call 1-800-542-1061 or write to Broadridge Financial Solutions, Householding Department, 51 Mercedes Way, Edgewood, New York 11717, and we will deliver the requested documents promptly.

Who will pay for this proxy solicitation?

We will bear the cost of soliciting proxies, which may be done by e-mail, mail, telephone or in person by our directors, officers and employees, who will not be additionally compensated for those activities. We may also reimburse banks, brokers, nominees and other fiduciaries for reasonable expenses they incur in forwarding these proxy materials at our request to the beneficial owners of Class A Common Stock and Class B Common Stock. Proxies will be solicited on behalf of our Board of Directors.

When and how are shareholder proposals for next year's Annual Meeting to be submitted?

We must receive any shareholder proposals to be included in our proxy statement for the 2015 Annual Meeting of Shareholders by February 4, 2015. Shareholder proposals to be presented during the 2015 Annual Meeting must be received no earlier than April 17, 2015 and no later than May 7, 2015. All shareholder proposals must be sent in the manner and meet the requirements specified in our By-laws.





Table of Contents

PROPOSAL 1 - ELECTION OF DIRECTORS

Our Board of Directors has thirteen members, and all of our directors are elected annually. There are thirteen nominees for election this year, each of whom is currently a member of the Board. The Board of Directors recommends that you vote FOR each of the nominees.

Lawrence J. Blanford Director since 2012

Mr. Blanford was President and Chief Executive Officer of Green Mountain Coffee Roasters, Inc., a specialty coffee and coffeemaker company, from 2007 to December 2012, and also served as a director of Green Mountain from 2007 to 2013. Age 60.

Mr. Blanford's experience as the chief executive officer, or CEO, of a consumer products organization and leading a public company in a challenging environment led the Board of Directors to recommend that he should serve as a director.

William P. Crawford Director since 1979

Mr. Crawford held various positions at Steelcase from 1965 until his retirement in 2000, including President and Chief Executive Officer of the Steelcase Design Partnership. Mr. Crawford is a director of Fifth Third Bank—a Michigan banking corporation. Age 71.

Mr. Crawford's experience with our company, having served as a director for 35 years and as an employee for 35 years, and his understanding of the long-term interests of our company and its shareholders led the Board of Directors to recommend that he should serve as a director.

Connie K. Duckworth Director since 2010

Ms. Duckworth has been Chairman and Chief Executive Officer of ARZU, Inc., a non-profit organization that helps Afghan women weavers by sourcing and selling the rugs they weave, since 2003. Ms. Duckworth is a member of the Board of Trustees of The Northwestern Mutual Life Insurance Company and the Board of Directors of Russell Investment Group. Within the past five years, Ms. Duckworth also served as a director of DNP Select Income Fund, DTF Tax-Free Income Inc., Duff & Phelps Utility & Corporate Bond Trust, Inc. and Smurfit-Stone Container Corporation. Age 59.

Ms. Duckworth's experience as a former partner and managing director of Goldman Sachs, serving on other public company boards of directors and as a non-profit entrepreneur led the Board of Directors to recommend that she should serve as a director.

Table of Contents

James P. Hackett Director since 1994

Mr. Hackett currently serves as Vice Chair of Steelcase Inc., a non-executive employee role. Mr. Hackett intends to retire from such role and from the Board of Directors on February 27, 2015. Mr. Hackett served as our Chief Executive Officer from 1994 to February 2014 and President from 1994 to April 2013. Mr. Hackett is the non-executive Chairman of the Board of Fifth Third Bancorp and a member of the Board of Directors of Ford Motor Company and the Board of Trustees of The Northwestern Mutual Life Insurance Company. Age 59.

Mr. Hackett's experience as CEO of our company for 20 years led the Board of Directors to recommend that he should serve as a director.

R. David Hoover Director since 2012

Mr. Hoover was Chairman of the Board of Directors of Ball Corporation, a supplier of metal packaging, from 2002 to April 2013. Mr. Hoover held a number of positions with Ball Corporation, including Chief Executive Officer from 2001 to 2011 and President from 2000 to 2010, until his retirement in 2011. Mr. Hoover is a director of Ball Corporation, Eli Lilly and Company and Energizer Holdings, Inc. Within the past five years, Mr. Hoover also served as a director of Irwin Financial Corporation and Qwest Communications International Inc. Age 68.

Mr. Hoover's experience as CEO of a global public company, his extensive public company governance experience in a variety of industries and his qualification as an audit committee financial expert led the Board of Directors to recommend that he should serve as a director.

David W. Joos Director since 2001

Mr. Joos has been Chairman of the Board of CMS Energy Corporation, an energy company, and its primary electric utility, Consumers Energy Company, since May 2010. He served as President and Chief Executive Officer of CMS Energy Corporation and Chief Executive Officer of Consumers Energy Company from 2004 to May 2010. Mr. Joos is a director of AECOM Technology Corporation. Age 61.

Mr. Joos' experience as CEO of a publicly traded company and his leadership and analytical skills led the Board of Directors to recommend that he should serve as a director.

Table of Contents

James P. Keane Director since 2013

Mr. Keane has been President and Chief Executive Officer of Steelcase Inc. since March 2014. Mr. Keane served as our President and Chief Operating Officer from April 2013 to March 2014, Chief Operating Officer from November 2012 to April 2013, and President, Steelcase Group from October 2006 to November 2012. Mr. Keane is a director of Rockwell Automation, Inc.

Age 54.

Mr. Keane's role as our President and Chief Executive Officer and his experience in various leadership roles at our company led the Board of Directors to recommend that he should serve as a director.

Elizabeth Valk Long Director since 2001

Ms. Long held various management positions, including Executive Vice President, at Time Inc., a magazine publisher, until her retirement in 2001. Ms. Long is a director of Belk, Inc. and The J.M. Smucker Company. Age 64.

Ms. Long's marketing expertise and her experience in senior management of a global public company led the Board of Directors to recommend that she should serve as a director.

Robert C. Pew III Director since 1987

Mr. Pew III has been a private investor since 2004. From 1974 to 1984 and from 1988 to 1995, Mr. Pew III held various positions at Steelcase, including President, Steelcase North America and Executive Vice President, Operations. During the period from 1984 to 1988, Mr. Pew III was a majority owner of an independent Steelcase dealership. Mr. Pew III has served as Chair of our Board of Directors since June 2003. Age 63.

Mr. Pew's experience with our company, having served as a director for more than 25 years, as an employee for more than 15 years and as an owner of a Steelcase dealership for four years, and his understanding of the long-term interests of our company and its shareholders led the Board of Directors to recommend that he should serve as a director.

Cathy D. Ross Director since 2006

Ms. Ross has been Executive Vice President and Chief Financial Officer of Federal Express Corporation, an express transportation company and subsidiary of FedEx Corporation, since September 2010. She served as Senior Vice President and Chief Financial Officer of Federal Express Corporation from 2004 to September 2010. Age 56.

Ms. Ross' financial expertise and her experience in senior management of a global public company led the Board of Directors to recommend that she should serve as a director.



Table of Contents

Peter M. Wege II Director since 1979

Mr. Wege II has been Chairman of the Board of Directors of Contract Pharmaceuticals Limited, a manufacturer and distributor of prescription and over-the-counter pharmaceuticals, since 2000. From 1981 to 1989, he held various positions at Steelcase, including President of Steelcase Canada Ltd. Age 65.

Mr. Wege's experience with our company, having served as a director for 35 years and as an employee for 8 years, and his understanding of the long-term interests of our company and its shareholders led the Board of Directors to recommend that he should serve as a director.

P. Craig Welch, Jr. Director since 1979

Mr. Welch, Jr. has been Manager and a member of Honzo Fund LLC, an investment/venture capital firm, since 1999. From 1967 to 1987, Mr. Welch, Jr. held various positions at Steelcase, including Director of Information Services and Director of Production Inventory Control. Age 69.

Mr. Welch's experience with our company, having served as a director for 35 years and as an employee for 20 years, and his understanding of the long-term interests of our company and its shareholders led the Board of Directors to recommend that he should serve as a director.

Kate Pew Wolters Director since 2001

Ms. Wolters has been engaged in philanthropic activities since 1996. She is President of the Kate and Richard Wolters Foundation and a community volunteer and advisor. She serves as Chair of the Board of Trustees of the Steelcase Foundation. Age 56.

Ms. Wolters' experience in philanthropic activities and community involvement and her understanding of the long-term interests of our company and its shareholders led the Board of Directors to recommend that she should serve as a director.

Related Directors

Robert C. Pew III and Kate Pew Wolters are brother and sister and are cousins of William P. Crawford and P. Craig Welch, Jr., and Mr. Crawford and Mr. Welch, Jr. are cousins of each other.

DIRECTOR INDEPENDENCE

Our Board of Directors has determined that Lawrence J. Blanford, William P. Crawford, Connie K. Duckworth, R. David Hoover, David W. Joos, Elizabeth Valk Long, Robert C. Pew III, Cathy D. Ross, Peter M. Wege II, P. Craig Welch, Jr. and Kate Pew Wolters are independent. James P. Hackett and James P. Keane are not considered independent because they are employees of our company. All of the members of our Audit, Compensation and Nominating and Corporate Governance Committees are independent.

The independence of our directors is assessed using the listing standards of the NYSE, and our Board adopted categorical standards to guide the determination of each director's independence. A copy

Table of Contents

of these categorical standards for director independence is also available in the Corporate Governance section of our website, located at [www.steelcase.com](http://www.steelcase.com), and found under “Company,” “Investor Relations.”

On an annual basis, the Nominating and Corporate Governance Committee assesses the independence of our directors by reviewing and considering all relevant facts and circumstances and presents its findings and recommendations to our Board of Directors. For fiscal year 2014, the following relationships were considered by the Committee in assessing the independence of our directors:

Director	Relationships Considered
William P. Crawford	As described under “Related Person Transactions,” Mr. Crawford’s daughter is employed as the Chief Executive Officer of Red Thread Spaces LLC, a subsidiary of Steelcase. She is not an executive officer of Steelcase Inc.
Connie K. Duckworth	Ms. Duckworth is the pro bono Chairman and Chief Executive Officer of ARZU, Inc., a non-profit organization from which we purchased approximately \$50,000 in products and to which we made a \$5,000 charitable contribution. The transactions were made in the ordinary course of business on an arm's-length basis.
Cathy D. Ross	Ms. Ross is the Executive Vice President and Chief Financial Officer of Federal Express Corporation which purchased products and/or services from us or our dealers and from which we purchased services. In each case, the amount involved was less than 1% of Federal Express Corporation's and our annual gross revenues, and the transactions were made in the ordinary course of business on an arm's-length basis. We do not believe Ms. Ross has a material interest in these transactions.
P. Craig Welch, Jr.	As described under “Related Person Transactions,” Mr. Welch, Jr.’s brother-in-law is a 25% owner of the parent company of A&K Finishing, Inc., a supplier from which we purchased approximately \$165,000 in products and/or services. The transactions were made in the ordinary course of business on an arm's-length basis. Mr. Welch, Jr.'s son is a 50% owner and Chief Executive Officer of a supplier from which we purchased approximately \$60,000 in products and/or services. The transactions were made in the ordinary course of business on an arm's-length basis.

In addition, the Committee considered that immediate family members of Directors Blanford, Duckworth, Joos and Long are employees of companies which purchased products and/or services from us or our dealers and/or from which we purchased services in the ordinary course of business on an arm's-length basis. In each case, the purchases involved less than the greater of \$1 million or 1% of the other company’s annual gross revenues.

The Committee determined that each of the relationships it considered fell within the categorical standards adopted by the Board and, as a result, the relationships were not considered material.

The Steelcase Foundation

The Steelcase Foundation is a charitable organization operating under Section 501(c)(3) of the Internal Revenue Code which was established in 1951 by our company to give back to the communities that have been instrumental to our operations and growth by making grants to non-profit organizations, projects and programs in those communities. From time to time, we donate a portion of our earnings to the Foundation, as determined by our Board of Directors. The following directors also serve as

Table of Contents

Foundation trustees: James P. Keane, Robert C. Pew III and Kate Pew Wolters, who serves as Chair of the Board of Trustees. The other trustees of the Foundation are Mary Anne Hunting, Mary Goodwillie Nelson (sister of Director Peter M. Wege II), Craig M. Niemann (son-in-law of Director William P. Crawford) and Elizabeth Welch Lykins.

RELATED PERSON TRANSACTIONS

Related Person Transactions Policy

We have a written Related Person Transactions Policy under which the Nominating and Corporate Governance Committee is responsible for reviewing and approving transactions with us in which certain “related persons,” as defined in the policy, have a direct or indirect material interest. Related persons include our directors and executive officers, members of their immediate family and persons who beneficially own more than 5% of any class of our voting securities. A copy of our Related Person Transactions Policy is posted in the Corporate Governance section of our website, located at [www.steelcase.com](http://www.steelcase.com), and found under “Company,” “Investor Relations.”

Under the policy, our Chief Legal Officer determines whether any identified potential related person transaction requires review and approval by the Committee, in which case the transaction is presented at the next Committee meeting for approval, ratification or other action. In those instances where it is not practicable or desirable to wait until the next meeting, the Committee has delegated authority to the Committee Chair to consider the transaction in accordance with the policy. If management becomes aware of an existing related person transaction which has not been approved by the Committee, the transaction is presented for appropriate action at the next Committee meeting.

The Committee is authorized to approve related person transactions which are in, or are not inconsistent with, the best interests of our company and our shareholders. Certain categories of transactions have been identified as permissible without approval by the Committee, as the transactions involve no meaningful potential to cause disadvantage to us or to give advantage to the related person. These categories of permissible transactions include, for example, the sale or purchase of products or services at prevailing prices in the ordinary course of business if (1) the amount involved did not exceed 5% of our gross revenues or the gross revenues of the related person, (2) our sale or purchase decision was not influenced by the related person while acting in any capacity for us and (3) the transaction did not result in a commission, enhancement or bonus or other direct benefit to an individual related person.

In considering any transaction, the Committee considers all relevant factors, including, as applicable:

- the benefits to us,
- the impact on a director’s independence,
- the availability of other sources for comparable products or services,
- the terms of the transaction and
- the terms available to unrelated third parties, or to employees generally, for comparable transactions.

Related Person Transactions

Purchases from A&K Finishing, Inc.

We purchased approximately \$165,000 in products and/or services from A&K Finishing, Inc. Robert W. Corl is a 25% owner of the parent company of A&K Finishing, Inc. and is a brother-in-law of P. Craig Welch, Jr., one of our directors and a beneficial owner of more than 5% of our Class A Common Stock





## Table of Contents

and Class B Common Stock. The amount purchased from A&K Finishing, Inc. represents less than 5% of its annual revenues and our annual revenues, and the purchases were made in the ordinary course of business on an arm's-length basis. This supply relationship is continuing in fiscal year 2015.

### Purchases from Fifth Third Bancorp

We paid approximately \$331,000 in fees to Fifth Third Bancorp and its subsidiaries, or Fifth Third, for cash management services, letter of credit fees, credit facilities, retirement plan services and seminar fees. Fifth Third is a record holder of more than 5% of our Class A Common Stock and Class B Common Stock. In addition, Director James P. Hackett is the non-executive Chairman of the Board of Fifth Third Bancorp, and Director William P. Crawford is a director of Fifth Third Bank—a Michigan banking corporation, but neither Mr. Hackett nor Mr. Crawford is considered to have a direct or indirect material interest in our transactions with Fifth Third. The amounts paid to Fifth Third represent less than 5% of its annual revenues and our annual revenues, and the purchases were made in the ordinary course of business on an arm's-length basis. We continue to purchase such services from Fifth Third in fiscal year 2015.

### Related person employees

We employ Jennifer C. Niemann as Chief Executive Officer of Red Thread Spaces LLC, a subsidiary of Steelcase Inc.; however, she is not an executive officer of Steelcase Inc. Ms. Niemann is the daughter of William P. Crawford, one of our directors and a beneficial owner of more than 5% of our Class A Common Stock and Class B Common Stock. For fiscal year 2014, Ms. Niemann earned \$584,976 in total compensation, which included her base salary, a short-term award under our Management Incentive Plan, earnings on prior years' long-term Management Incentive Plan awards, the grant date fair value of a restricted unit award, company retirement plan contributions, life insurance premiums paid by us and perquisites relating to relocation for her current assignment. She also participated in other benefit programs on the same terms as other U.S. employees in comparable positions. We continue to employ Ms. Niemann in fiscal year 2015.

We employ Mary Louise Hooker as a Senior Consultant, Channel Development, which is not an executive officer position. Ms. Hooker is the sister of Lizbeth S. O'Shaughnessy, our Senior Vice President, Chief Legal Officer and Secretary. For fiscal year 2014, Ms. Hooker earned \$125,592 in total compensation, which included her base salary, an annual cash award under our Employee Bonus Plan, company retirement plan contributions and life insurance premiums paid by us. She also participated in other benefit programs on the same terms as other U.S. employees in comparable positions. We continue to employ Ms. Hooker in fiscal year 2015.

We employ Barry Brennand as a Sales Consultant - Educational Solutions, which is not an executive officer position. Mr. Brennand is the husband of Gale Moutrey, our Vice President, Communications. Ms. Moutrey became an executive officer at the beginning of fiscal year 2015, and Mr. Brennand's total compensation for fiscal year 2015 is expected to exceed \$120,000.

### Sales to shareholders

The following beneficial owners of more than 5% of our Class A Common Stock or Class B Common Stock and their respective affiliates purchased products and related services from us or our dealers, in the following amounts, during fiscal year 2014:

- The Bank of New York Mellon Corporation - approximately \$7.6 million
- BlackRock, Inc. - approximately \$203,000
- Fifth Third - approximately \$2.6 million
- The Vanguard Group, Inc. - approximately \$329,000



Table of Contents

In each case, the purchases represent less than 5% of our annual revenues and the shareholders' annual revenues, and the purchases were made in the ordinary course of business at prevailing prices not more favorable to the shareholders than those available to other customers for similar purchases.

## Review and Approval of Transactions

The Nominating and Corporate Governance Committee reviewed each of the transactions described above, and following such review, the Committee approved the purchase of products and/or services from A&K Finishing, Inc. and the employment of Ms. Niemann, Ms. Hooker and Mr. Brennand, and the payment of related compensation to each of them. In each case, the director (if any) related to the person or entity involved in the transaction did not participate in the approval of the transaction by the Nominating & Corporate Governance Committee. Approval of the transactions with Fifth Third, The Bank of New York Mellon Corporation, BlackRock, Inc. and The Vanguard Group, Inc. was not required pursuant to our Related Person Transactions Policy, because such parties are institutional shareholders holding our stock with no apparent purpose or effect of changing or influencing control of our company.

## BOARD MEETINGS

Our Board of Directors met eight times during fiscal year 2014. Each of our directors attended at least 75% of the total number of meetings of the Board and the committees on which they served during the year. Our Board's policy is that each director is expected to attend our annual meeting of shareholders, and each of our directors attended our 2013 Annual Meeting.

## COMMITTEES OF THE BOARD OF DIRECTORS

Four standing committees assist our Board of Directors in fulfilling its responsibilities: Audit, Compensation, Executive and Nominating and Corporate Governance. During fiscal year 2014, the Audit Committee met eight times, the Compensation Committee met seven times, the Executive Committee did not meet, and the Nominating and Corporate Governance Committee met twice.

The following table indicates the current membership of each of the Board of Directors' committees. All of the members of the Audit, Compensation and Nominating and Corporate Governance Committees are independent.

Director	Audit Committee	Compensation Committee	Executive Committee	Nominating and Corporate Governance Committee
Lawrence J. Blanford	X			
William P. Crawford				
Connie K. Duckworth		X		X
James P. Hackett			X	
R. David Hoover		Chair	X	X
David W. Joos	X	X		
James P. Keane				
Elizabeth Valk Long	X		X	Chair
Robert C. Pew III			Chair	
Cathy D. Ross	Chair		X	
Peter M. Wege II	X			X

P. Craig Welch, Jr.  
Kate Pew Wolters

X  
X

X

## Table of Contents

The Audit, Compensation and Nominating and Corporate Governance Committees operate under written charters adopted by the Board of Directors that are reviewed and assessed at least annually. Their current charters are available in the Corporate Governance section of our website, located at [www.steelcase.com](http://www.steelcase.com), and found under “Company,” “Investor Relations.”

### Audit Committee

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The principal responsibilities of the Audit Committee are:

- appointing the independent auditor and reviewing and approving its services and fees in advance;
- reviewing the performance of our independent auditor and, if circumstances warrant, making decisions regarding its replacement or termination;
- evaluating the independence of the independent auditor;
- reviewing and concurring with the appointment, replacement, reassignment or dismissal of the head of our internal audit group, reviewing his or her annual performance evaluation and reviewing the group’s budget and staffing;
- reviewing the scope of the internal and independent annual audit plans and monitoring progress and results;
- reviewing our critical accounting policies and practices;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures;
- reviewing our financial reporting, including our annual and interim financial statements, as well as the type and presentation of information included in our earnings press releases;
- reviewing the process by which we monitor, assess and manage our exposure to risk; and
- reviewing compliance with our Global Business Standards, as well as legal and regulatory compliance.

The Board of Directors has designated each of Cathy D. Ross and David W. Joos as an “audit committee financial expert,” as defined by the rules and regulations of the Securities and Exchange Commission, or SEC, based on their respective financial and accounting education and experience. Ms. Ross, Mr. Joos and the other members of the Audit Committee are independent, as independence of audit committee members is defined by the listing standards of the NYSE.

### Compensation Committee

The principal responsibilities of the Compensation Committee are:

- establishing our compensation philosophy;
- reviewing and approving the compensation of our executive officers, and submitting the compensation of our CEO to the Board of Directors for ratification;
- reviewing executive and non-executive compensation programs and benefit plans to assess their competitiveness, reasonableness and alignment with our compensation philosophy;
- making awards, approving performance targets, certifying performance against targets and taking other actions under our incentive compensation plan; and
- reviewing the Compensation Discussion and Analysis and other executive compensation disclosures contained in our annual proxy statements.

## Table of Contents

### Delegation of Authority

Pursuant to its charter, the Compensation Committee may delegate its authority to subcommittees, provided that any such subcommittee must consist of at least two members, and may delegate appropriate responsibilities associated with our benefit and compensation plans to members of management.

The Compensation Committee has delegated to our CEO the authority to grant stock options, restricted stock and restricted units to employees. Under this delegated authority, our CEO cannot grant options to acquire more than 5,000 shares, more than 2,000 shares of restricted stock or more than 2,000 restricted units in any year to any one individual, and he cannot grant, in the aggregate, options to acquire more than 100,000 shares, more than 40,000 shares of restricted stock or more than 40,000 restricted units in any year. Also, our CEO cannot grant any stock options, restricted stock or restricted units to any executive officer.

Our CEO has the authority to designate those employees who will participate in our Management Incentive Plan; however, the Committee is required to approve participation in such plan by any executive officer or anyone else who directly reports to our CEO.

The Committee has delegated certain responsibilities with regard to our Retirement Plan to an investment committee consisting of directors and members of management and to an administrative committee consisting of members of management. The Committee also has delegated to our executive officers all responsibilities associated with the Company's broad-based health and welfare and retirement plans, including without limitation amending, merging and terminating plans and declaring discretionary, non-discretionary and matching contributions under the Steelcase Inc. Retirement Plan.

### Role of Executive Officers in Determining or Recommending Compensation

Our CEO develops and submits to the Compensation Committee his recommendation for the compensation of each of the named executive officers, other than himself, in connection with annual reviews of their performance. The Compensation Committee reviews and discusses the recommendations made by our CEO, approves the compensation for each named executive officer for the coming year and approves and submits the compensation of our CEO to the Board of Directors for ratification. In addition, our Chief Financial Officer and other members of our finance staff assist the Committee with establishing performance target levels for performance-based compensation, as well as with the calculation of actual financial performance and comparison to the performance targets, each of which requires the Committee's approval. See Compensation Discussion and Analysis for more discussion regarding the role of executive officers in determining or recommending the amount or form of executive compensation.

### Role of Compensation Consultants

Pursuant to its charter, the Compensation Committee has the sole authority to retain and terminate independent compensation consultants of its choosing to assist the Committee in carrying out its responsibilities. The Committee has appointed Exequity LLC, or Exequity, to serve as its independent compensation consultant reporting directly to the Committee. Exequity is responsible for providing information, insight and perspective for the Compensation Committee's use in making decisions on all elements of executive compensation. See Compensation Discussion and Analysis for more detail regarding the nature and scope of Exequity's assignment and the material elements of the instructions or directions given to them with respect to the performance of their duties. We have not purchased any additional services from Exequity beyond those provided to the Compensation Committee, and no conflicts of interests have been raised with regard to the work performed by Exequity.





## Table of Contents

### Compensation Risk Assessment

During fiscal year 2014, our management conducted an assessment of our employee compensation policies and practices and concluded that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on our company. The assessment was reviewed and discussed with the Compensation Committee, which concurred with management's conclusions.

### Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee was an officer or employee of our company during the fiscal year or was formerly an officer of our company, and none of our executive officers served on the compensation committee (or its equivalent) or board of directors of another entity whose executive officer served on our Board of Directors or our Compensation Committee. See Related Person Transactions for a discussion of a transaction between our company and a relative of Director P. Craig Welch, Jr., who serves on our Compensation Committee.

### Executive Committee

The Executive Committee is authorized to exercise the powers of our Board of Directors when necessary between regular meetings, subject to any legal or regulatory limitations, and performs such other duties as assigned by the Board of Directors from time to time. The members of the Executive Committee consist of the Board Chair, the Chairs of each of the Audit, Compensation and Nominating and Corporate Governance Committees and James P. Hackett.

### Nominating and Corporate Governance Committee

The principal responsibilities of the Nominating and Corporate Governance Committee are:

- establishing procedures for identifying and evaluating potential director nominees and recommending nominees for election to our Board of Directors;
- reviewing the suitability for continued service of directors when their terms are expiring or a significant change in responsibility occurs, including a change in employment;
- reviewing annually the composition of our Board to ensure it reflects an appropriate balance of knowledge, experience, skills, expertise and diversity;
- making recommendations to our Board regarding its size, the frequency and structure of its meetings and other aspects of its governance procedures;
- making recommendations to our Board regarding the functioning and composition of Board committees;
- reviewing our Corporate Governance Principles at least annually and recommending appropriate changes to our Board;
- overseeing the annual self-evaluation of our Board and annual evaluation of our CEO;
- reviewing director compensation and recommending appropriate changes to our Board;
- administering our Related Person Transactions Policy and the Board's policy on disclosing and managing conflicts of interest, including reviewing and approving any related person transactions under our Related Person Transactions Policy;
- considering any waiver requests under our Code of Ethics and Code of Business Conduct; and
- reviewing the annual budget established for the Board and monitoring the spending against such budget.

## Table of Contents

### OTHER CORPORATE GOVERNANCE MATTERS

#### Corporate Governance Principles

Our Board of Directors is committed to monitoring the effectiveness of policy and decision making at the Board and management levels. Fundamental to its corporate governance philosophy is the Board's commitment to upholding our reputation for honesty and integrity. Equally fundamental is its commitment to serving as an independent overseer of our management and operations. Our Board adopted a set of Corporate Governance Principles, a copy of which can be found in the Corporate Governance section of our website at [www.steelcase.com](http://www.steelcase.com) under "Company," "Investor Relations."

#### Board of Directors Leadership Structure

The leadership structure of our Board of Directors involves a Board Chair who is not our principal executive officer. Robert C. Pew III serves as non-executive Chair of the Board, and James P. Keane serves as our CEO. Our Board of Directors has chosen to keep the roles of Chair of the Board and CEO separate as a matter of sound corporate governance practices and a balance of responsibilities, with an independent director serving as Chair of the Board. This structure allows Mr. Keane to focus on the day-to-day leadership of our business, while Mr. Pew is able to focus on the leadership of our Board of Directors and its oversight of our company.

#### Risk Oversight

Our Board of Directors administers its oversight of risk assessment and management practices in several ways. We have an Enterprise Risk Management Committee, consisting of our CEO, Chief Financial Officer and other senior members of our finance and legal teams, which oversees our risk assessment and management practices. On a quarterly basis, the Audit Committee reviews a business risk profile prepared by the Enterprise Risk Management Committee which summarizes the key risks faced by the company and the likelihood and anticipated financial impact of each risk materializing, as well as any significant changes in the risk profile from the previous quarter. On an annual basis, the Compensation Committee reviews a risk assessment of our employment compensation policies and practices prepared by management. In addition, risk identification and risk management are discussed by the Board of Directors on a regular basis as part of its review of our financial performance and business and strategic planning.

We believe our Board of Directors' oversight of risk management is strengthened by having an independent director serve as Chair of the Board.

#### Executive Sessions of Non-Management Directors

Our Board meets quarterly in executive session without any members of management present. During these sessions, Robert C. Pew III, as Chair of the Board, presides. Our Corporate Governance Principles provide that if the Chair of the Board is a member of management, the outside directors will designate a member to preside at executive sessions.

#### Consideration of Candidates for Director

The Nominating and Corporate Governance Committee considers candidates suggested by its members, other directors and senior management in anticipation of potential or expected Board vacancies. After identifying a potential candidate, the Committee collects and reviews publicly available information to assess whether he or she should be considered further. If the candidate warrants further consideration, the Chair or another member of the Committee will initiate a contact. Generally, if the person expresses a willingness to be considered, the Committee requests information from the candidate, reviews his or her qualifications and accomplishments and conducts one or more interviews with the



## Table of Contents

candidate. Committee members may also contact references or others who have personal knowledge of the candidate's accomplishments.

Nominees for director are selected on the basis of several criteria, the most fundamental of which is integrity. Directors are expected to be curious and demanding independent thinkers who possess appropriate business judgment and are committed to representing the interests of our shareholders. Directors must possess knowledge, experience, skills or expertise that will enhance our Board's ability to direct our business. Our Board is committed to diversity, and a candidate's ability to add to the diversity of our Board is also considered. Directors must be willing and able to spend the time and effort necessary to effectively perform their responsibilities, and they must be prepared to resign from our Board in the event that they have a significant change in responsibilities, including a change in employment, as required by our Corporate Governance Principles.

The Committee will consider candidates recommended by shareholders for nomination by the Board, taking into consideration the needs of the Board and the qualifications of the candidate. Shareholders must submit recommendations to our corporate secretary in writing and include the following information:

- the recommending shareholder's name and evidence of ownership of our stock, including the number of shares owned and the length of time owned; and
- the candidate's name, resume or a listing of qualifications to be a director of our company and the candidate's consent to be named as a director if selected by the Nominating and Corporate Governance Committee and nominated by the Board.

Shareholders may also make their own nominations for director by following the process specified in our By-laws. Any shareholder who intends to nominate a director to be elected at our 2015 Annual Meeting of Shareholders must give written notice of such intent, delivered no earlier than April 17, 2015 and no later than May 7, 2015.

## Shareholder Communications

Our Board has adopted a process for interested parties to send communications to the Board. To contact the Board, any of its committees, the Chair of the Board (or the lead non-management director, if one is subsequently appointed) or any of our other directors, please send a letter addressed to: Board of Directors, c/o Lizbeth S. O'Shaughnessy, Secretary, Steelcase Inc., P.O. Box 1967, Grand Rapids, MI 49501-1967.

All such letters will be opened by the corporate secretary. Any contents that are not advertising, promotions of a product or service or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any committee or group of directors, the corporate secretary will make sufficient copies of the contents and send them to each director who is a member of the committee or group to which the envelope is addressed.

## Code of Ethics and Code of Business Conduct

Our Board adopted a Code of Ethics applicable to our chief executive and senior financial officers, as well as a Code of Business Conduct that applies to all of our employees and directors. Only our Nominating and Corporate Governance Committee may grant any waivers of either code for a director or executive officer. Each of these codes is available in the Corporate Governance section of our website, located at [www.steelcase.com](http://www.steelcase.com), and found under "Company," "Investor Relations." If any amendment to, or waiver from, a provision of our Code of Ethics is made for our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, we will also post such information in the Corporate Governance section of our website. To date, no such waivers have been issued.



Table of Contents

## Available Information

The following materials are available on our website at [www.steelcase.com](http://www.steelcase.com):

- Code of Ethics,
- Code of Business Conduct,
- Corporate Governance Principles,
- Audit Committee Charter,
- Compensation Committee Charter and
- Nominating and Corporate Governance Committee Charter.

We will send you a copy of any of these materials upon request and without charge. Please send any such request to us either by email at [ir@steelcase.com](mailto:ir@steelcase.com) or by mail at: Steelcase Inc., Investor Relations, GH-3E, P.O. Box 1967, Grand Rapids, MI 49501-1967.

## DIRECTOR COMPENSATION

## Standard Arrangements

Our standard compensation arrangements for our non-employee directors for fiscal year 2014 were as follows:

Type of Compensation	Director	Board Chair
Board Annual Retainer	\$ 120,000	\$ 200,000
Committee Chair Annual Retainers:		
Audit Committee	\$ 15,000	
Compensation Committee	\$ 10,000	
Nominating and Corporate Governance Committee	\$ 5,000	
Committee meeting fee, per committee meeting attended	\$ 1,500	\$—

Board and committee chair annual retainers are payable 50% in cash and 50% in shares of our Class A Common Stock, and committee meeting fees are payable in cash. A director may elect to receive all or a part of the cash portion of his or her annual retainers in shares of our Class A Common Stock. All shares granted to our directors as part of their non-cash director compensation are granted in the form of our Class A Common Stock under our Incentive Compensation Plan. The number of shares issued is based on the fair market value of the Class A Common Stock on the date the shares are issued.

James P. Hackett and James P. Keane are directors, but they do not receive any additional compensation for their service as directors because they are employees.

All directors (including committee chairs and the Board Chair) are reimbursed for reasonable out-of-pocket expenses incurred to attend Board and committee meetings.

## Non-Employee Director Deferred Compensation Plan

Each of our outside directors is eligible to participate in our Non-Employee Director Deferred Compensation Plan. Under this plan, directors may defer all or part of their retainers and/or committee



Table of Contents

fees until they no longer serve on our Board. A participating director may elect to have the deferred amount deemed invested in Class A Common Stock or several other investment funds.

## Director Stock Ownership Guidelines

Our non-employee directors are required to be paid at least 50% of their board annual retainers and committee chair annual retainers in the form of either Class A Common Stock issued under our Incentive Compensation Plan or elect a deemed investment in Class A Common Stock under our Non-Employee Director Deferred Compensation Plan. Our Board expects that any director compensation that is paid in Class A Common Stock or a deemed investment in Class A Common Stock under our Non-Employee Director Deferred Compensation Plan will be held by the directors while they serve on the Board.

## Director Compensation Table

The following table shows the compensation earned by each of our non-employee directors in fiscal year 2014.

## Fiscal Year 2014 Director Compensation Table

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)	Total
Lawrence J. Blanford	\$72,000	\$60,000	\$132,000
William P. Crawford	\$60,000	\$60,000	\$120,000
Connie K. Duckworth	\$72,033	\$59,967	\$132,000
R. David Hoover	\$75,800	\$63,700	\$139,500
David W. Joos	\$83,500	\$62,500	\$146,000
Elizabeth Valk Long	\$76,000	\$62,500	\$138,500
Robert C. Pew III	\$100,021	\$99,979	\$200,000
Cathy D. Ross	\$79,534	\$67,466	\$147,000
Peter M. Wege II	\$73,533	\$59,967	\$133,500
P. Craig Welch, Jr.	\$73,533	\$59,967	\$133,500
Kate Pew Wolters	\$72,033	\$59,967	\$132,000

The amounts shown in this column reflect the portion of the directors' retainers and fees payable in cash, including (1) any of such amounts which our directors elected to receive in shares of our Class A Common Stock or defer under our Non-Employee Director Deferred Compensation Plan. Shown in the following table are:

the number of shares of our Class A Common Stock issued to those directors who elected to receive all or a part of this portion of their retainers and/or fees in the form of shares; and  
the number of shares deemed credited under the Non-Employee Director Deferred Compensation Plan to those directors who elected to defer all or a part of this portion of their retainers and/or fees as a deemed investment in Class A Common Stock.

Director	Shares Issued	Deferred Stock Credited
Lawrence J. Blanford	—	4,862
David W. Joos	—	5,661
Elizabeth Valk Long	—	5,146
P. Craig Welch, Jr.	4,048	943





Table of Contents

The amounts shown in this column reflect the portion of the directors' retainers payable in shares of our Class A (2)Common Stock, including any of such amounts which our directors elected to defer under our Non-Employee Director Deferred Compensation Plan. Shown in the following table are:

the number of shares of our Class A Common Stock issued to those directors who received all or a part of this portion of their retainers in the form of shares; and

the number of shares deemed credited under the Non-Employee Director Deferred Compensation Plan to those directors who elected to defer all or a part of this portion of their retainers as a deemed investment in Class A Common Stock.

The grant date fair value of the shares of Class A Common Stock issued was calculated using the closing price of our Class A Common Stock on the payment date multiplied by the number of shares issued. The assumptions made in the valuation of such awards are disclosed in Note 16 to the consolidated financial statements included in our annual report on Form 10-K for fiscal year 2014 filed with the SEC on April 17, 2014.

Director	Shares Issued	Deferred Stock Credited
Lawrence J. Blanford	—	4,050
William P. Crawford	—	4,050
Connie K. Duckworth	4,048	—
R. David Hoover	4,297	—
David W. Joos	—	4,221
Elizabeth Valk Long	—	4,218
Robert C. Pew III	6,749	—
Cathy D. Ross	504	4,050
Peter M. Wege II	4,048	—
P. Craig Welch, Jr.	4,048	—
Kate Pew Wolters	4,048	—

## Holdings of Deferred Stock

The following table indicates the total number of shares deemed credited under our Non-Employee Director Deferred Compensation Plan as of the end of fiscal year 2014 to those directors who have deferred all or a portion of their retainer and/or fees as a deemed investment in Class A Common Stock:

Director	Deferred Stock as of FY End
Lawrence J. Blanford	14,661
William P. Crawford	41,486
David W. Joos	143,415
Elizabeth Valk Long	118,344
Cathy D. Ross	41,581
Peter M. Wege II	4,808
P. Craig Welch, Jr.	55,394
Kate Pew Wolters	1,751

## Other Benefits

During fiscal year 2014, each of our outside directors who is not a retiree of our company was eligible to receive healthcare coverage under our Benefit Plan for Outside Directors, which provides coverage



Table of Contents

comparable to the Steelcase Inc. Employee Benefit Plan generally available to U.S. employees of Steelcase Inc. The cost of participating in this plan is reported as taxable income for the director. The following table shows, for each outside director who participated in the plan during fiscal year 2014, the amount of taxable income relating to such participation.

Participating Directors	Fiscal Year 2014 Taxable Income
Lawrence J. Blanford	\$ 17,053
R. David Hoover	\$ 184
Robert C. Pew III	\$ 11,780
Peter M. Wege II	\$ 11,938
P. Craig Welch, Jr.	\$ 11,938
Kate Pew Wolters	\$ 5,686

## Other Payments Received by Directors

William P. Crawford currently receives payments under our Executive Supplemental Retirement Plan and is entitled to receive payments under a deferred compensation arrangement that was in effect when his employment with us ended. Mr. Crawford also participates in our retiree healthcare benefit plans on the same terms as other U.S. retirees. His rights to receive those payments and benefits are not conditioned on continued service on our Board.

Table of Contents

## STOCK OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The tables on the following pages show the amount of Class A Common Stock and Class B Common Stock beneficially owned by certain persons. Generally, a person “beneficially owns” shares if the person has or shares with others the right to vote or dispose of those shares, or if the person has the right to acquire voting or disposition rights within 60 days (for example, by exercising options). Except as stated in the notes following the tables, each person has the sole power to vote and dispose of the shares shown in the tables as beneficially owned.

Each share of Class B Common Stock can be converted into one share of Class A Common Stock at the option of the holder. Ownership of Class B Common Stock is, therefore, deemed to be beneficial ownership of Class A Common Stock under the SEC’s rules and regulations. However, the number of shares of Class A Common Stock and the percentages shown for Class A Common Stock in the following tables do not account for this conversion right in order to avoid duplications in the number of shares and percentages that would be shown in the tables.

## Directors and Executive Officers

This table shows the amount of common stock beneficially owned as of May 19, 2014 by (a) each director, (b) each of the executive officers named in the Summary Compensation Table and (c) all of our directors and executive officers as a group. The address of each director and executive officer is 901 44th Street SE, Grand Rapids, MI 49508.

Name	Class A Common Stock (1)		Class B Common Stock		
	Shares Beneficially Owned	Percent of Class	Shares Beneficially Owned	Percent of Class	
Sara E. Armbruster	63,565	*	—	—	
Lawrence J. Blanford	—	—	—	—	
William P. Crawford (2)	1,454,567	1.6	% 3,033,108	9.3	%
Connie K. Duckworth	22,054	*	—	—	
James P. Hackett (3)	327,958	*	81,900	*	
Nancy W. Hickey	168,811	*	—	—	
R. David Hoover	20,255	*	—	—	
David W. Joos (4)	11,400	*	—	—	
James P. Keane	289,844	*	—	—	
Elizabeth Valk Long (5)	1,575	*	—	—	
Robert C. Pew III (6)	65,423	*	6,292,423	19.3	%
Cathy D. Ross	3,611	*	—	—	
David C. Sylvester	194,195	*	—	—	
Peter M. Wege II	135,914	*	—	—	
P. Craig Welch, Jr. (7)	118,443	*	6,281,121	19.3	%
Kate Pew Wolters (8)	43,095	*	6,204,097	19.1	%
Directors and executive officers as a group (25 persons) (9)	3,130,048	3.5	% 21,892,649	67.3	%

\* Less than 1%

If the number of shares each director or executive officer could acquire upon conversion of his or her Class B Common Stock were included as shares of Class A Common Stock beneficially owned, the following directors and executive officers would be deemed to beneficially own the number of shares of Class A Common Stock and the percentage of the total shares of Class A Common Stock listed opposite their names:



Table of Contents

Name	Number of Shares	Percent of Class A	
William P. Crawford	4,487,675	4.8	%
James P. Hackett	409,858	*	
Robert C. Pew III	6,357,846	6.6	%
P. Craig Welch, Jr.	6,399,564	6.6	%
Kate Pew Wolters	6,247,192	6.4	%
Directors and executive officers as a group (25 persons)	25,022,697	22.2	%

## \* Less than 1%

Includes (a) 454,157 shares of Class A Common Stock and 51,957 shares of Class B Common Stock of which Mr. Crawford shares the power to vote and dispose and (b) 1,000,000 shares of Class A Common Stock and 1,022,915 shares of Class B Common Stock of which Mr. Crawford shares the power to dispose. Of the shares reported, (2) 350,967 shares of Class A Common Stock and 446,523 shares of Class B Common Stock are pledged as security. These shares were pledged prior to the restrictions on stock pledging adopted by the Board of Directors in January 2013.

(3) Includes 5,241 shares of Class A Common Stock and 4,660 shares of Class B Common Stock of which Mr. Hackett shares the power to vote and dispose.

(4) Includes 11,400 shares of Class A Common Stock of which Mr. Joos shares the power to vote and dispose.

(5) Includes 1,400 shares of Class A Common Stock of which Ms. Long shares the power to vote and dispose.

Includes (a) 1,166 shares of Class A Common Stock and 295,955 shares of Class B Common Stock of which Mr. Pew III shares the power to vote and dispose and (b) 3,002,851 shares of Class B Common Stock of which Mr.

(6) Pew III shares the power to dispose. Of the shares reported, 234,400 shares of Class B Common Stock are pledged as security. These shares were pledged prior to the restrictions on stock pledging adopted by the Board of Directors in January 2013.

(7) Includes (a) 3,550,501 shares of Class B Common Stock of which Mr. Welch, Jr. shares the power to dispose and (b) 1,422 shares of Class A Common Stock and 2,046,220 shares of Class B Common Stock of which Mr. Welch, Jr. shares the power to vote and dispose.

(8) Includes 2,931,428 shares of Class B Common Stock of which Ms. Wolters shares the power to dispose.

(9) Includes all thirteen directors (one of whom is a current executive officer) and all twelve other current executive officers, only three of whom are named in the table. The numbers shown include the shares described in notes (2) through (8) above and 110 shares of Class A Common Stock of which one of the executive officers shares the power to vote and dispose.

## Beneficial Owners of More than Five Percent of Our Common Stock

This table shows the amount of common stock beneficially owned as of May 19, 2014 by each person, other than our directors and executive officers, who is known by us to beneficially own more than 5% of our Class A Common Stock or 5% of our Class B Common Stock. The information set forth in this table is based on the most recent Schedule 13D or 13G filing made by such persons with the SEC, except where we know of any changes in their beneficial ownership after the date of such filings.

The percentages listed in the Percent of Class column for Class B Common Stock add up to more than 100% because (1) as described in the notes to the table, some of the persons listed in the table share the power to vote and dispose of shares of Class B Common Stock with one or more of the other persons listed in the table and (2) for many persons listed in the table, the number of Shares Beneficially





Table of Contents

Owned is based on filings by such persons with the SEC as of December 31, 2013 or earlier but the Percent of Class is calculated based on the total number of shares of Class B Common Stock outstanding on May 19, 2014.

Name	Class A Common Stock (1)		Class B Common Stock		
	Shares Beneficially Owned	Percent of Class	Shares Beneficially Owned	Percent of Class	
Fifth Third Bancorp (2)	3,562,241	3.9	% 18,917,476	58.1	%
The Bank of New York Mellon Corporation (3)	8,605,954	9.5	%—	—	
WEDGE Capital Management L.L.P. (4)	6,314,762	7.0	%—	—	
The Vanguard Group, Inc. (5)	5,277,302	5.8	%—	—	
BlackRock, Inc. (6)	4,985,864	5.5	%—	—	
LSV Asset Management (7)	4,806,409	5.3	%—	—	
Anne Hunting (8)	117,486	*	4,476,971	13.8	%
ABJ Investments, Limited Partnership and Olive Shores Del, Inc. (9)	1,258,491	1.4	% 3,000,000	9.2	%
John R. Hunting (10)	242,877	*	2,745,688	8.4	%
Beldon II Fund (11)	—	—	2,135,221	6.6	%

\* Less than 1%

(1) If the number of shares each shareholder could acquire upon conversion of their Class B Common Stock were included as shares of Class A Common Stock beneficially owned, the following holders of Class B Common Stock would be deemed to beneficially own the number of shares of Class A Common Stock and the percentage of the total shares of Class A Common Stock listed opposite their names:

Name	Number of Shares	Percent of Class A	
Fifth Third Bancorp	22,479,717	20.5	%
Anne Hunting	4,594,457	4.8	%
ABJ Investments, Limited Partnership and Olive Shores Del, Inc.	4,258,491	4.5	%
John R. Hunting	2,988,565	3.2	%
Beldon II Fund	2,135,221	2.3	%

The address of Fifth Third Bancorp is Fifth Third Center, Cincinnati, OH 45263. Includes (a) 1,008,669 shares of Class A Common Stock and 7,041,800 shares of Class B Common Stock of which Fifth Third Bancorp shares the power to vote and (b) 2,636,028 shares of Class A Common Stock and 17,093,499 shares of Class B Common Stock of which Fifth Third Bancorp shares the power to dispose.

We believe there is substantial duplication between the shares which Fifth Third Bancorp beneficially owns and the shares which are beneficially owned by some of the other persons listed in this table and the previous table, because, among other reasons, Fifth Third Bancorp or its affiliates serves as a co-trustee of a number of trusts of which our directors and executive officers and other beneficial owners of more than 5% of our common stock serve as co-trustees; however, we are not able to determine the extent of such duplication based on the information reported by Fifth Third Bancorp.

The address of The Bank of New York Mellon Corporation is One Wall Street, 31st Floor, New York, NY 10286. The Bank of New York Mellon Corporation has the sole power to vote only 8,246,366 shares of Class A Common Stock, the sole power to dispose of only 8,071,308 shares of Class A Common Stock and the shared power to dispose of 534,012 shares of Class A Common Stock.



Table of Contents

The address of WEDGE Capital Management L.L.P. is 301 S. College Street, Suite 2920, Charlotte, NC (4)28202-6002. WEDGE Capital Management L.L.P. has the sole power to vote only 5,290,322 shares of Class A Common Stock.

The address of The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355. The Vanguard Group, Inc. (5)has the sole power to vote only 112,770 shares of Class A Common Stock and the shared power to dispose of 105,270 shares of Class A Common Stock.

The address of BlackRock, Inc. is 40 East 52nd Street, New York, NY 10022. BlackRock, Inc. has the sole power (6)to vote only 4,686,326 shares of Class A Common Stock.

The address of LSV Asset Management is 1 N. Wacker Drive, Suite 4000, Chicago, IL (7)60606.

The address of Ms. Hunting is 1421 Lake Road, Lake Forest, IL 60045. Includes 4,476,971 shares of which Ms. (8)Hunting shares the power to vote and dispose. The information reported for Ms. Hunting is based upon a Schedule 13G amendment dated December 31, 2001. No further shareholding information has been reported by Ms. Hunting after December 31, 2001.

The address of ABJ Investments, Limited Partnership, or ABJ, and Olive Shores Del, Inc., or Olive Shores, is P.O. (9)Box 295, Cimarron, CO 81220. Olive Shores is the sole general partner of ABJ. The information reported for ABJ and Olive Shores is based upon a Schedule 13G amendment dated December 31, 2007 in which those entities reported that they had ceased to be the beneficial owner of more than 5% of our Class A Common Stock and thus were no longer subject to reporting on Schedule 13G. No further shareholding information has been reported by ABJ or Olive Shores after December 31, 2007.

The address of Mr. Hunting is 2000 P. St., Washington DC 20036. Mr. Hunting has the shared power to vote and (10)dispose of 2,212,363 shares. The information reported for Mr. Hunting is based upon a Schedule 13G dated June 18, 1998 and a subsequent conversion of Class B Common Stock into Class A Common Stock. No further shareholding information has been reported by Mr. Hunting after June 18, 1998.

The address of Beldon II Fund is 2000 P. St., Washington DC 20036. The information reported for Beldon II (11)Fund is based upon a Schedule 13G dated June 18, 1998. No further shareholding information has been reported by Beldon II Fund after June 18, 1998.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act, requires our directors, executive officers and those who beneficially own more than 10% of our Class A Common Stock to file reports of initial ownership and changes in their beneficial ownership of shares of Class A Common Stock with the SEC. Based on our review of the reports filed with the SEC, and written representations that no Form 5 reports were required, we believe that for transactions during fiscal year 2014, all Section 16(a) reports were filed on a timely basis except that one transaction on one Form 4 was reported late for Mr. James P. Hackett.

Table of Contents

PROPOSAL 2 – ADVISORY VOTE  
TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 14A of the Exchange Act require that we allow our shareholders the opportunity to vote to approve the compensation of our named executive officers as set forth in this proxy statement. This vote is advisory, which means that it is not binding on our company or our Board of Directors.

The compensation of our named executive officers for the past three fiscal years is set forth in the Executive Compensation, Retirement Programs and Other Arrangements section. The Compensation Discussion and Analysis, or CD&A, section describes our executive compensation policies and practices and analyzes the compensation received by our named executive officers in fiscal year 2014. As described in the CD&A, our executive compensation philosophy is to reward performance and motivate collective achievement of strategic objectives that will contribute to our company's success. Our Board of Directors believes the compensation programs for our named executive officers effectively meet the primary objectives of attracting and retaining highly qualified executives, motivating our executives to achieve our business objectives, rewarding our executives appropriately for their individual and collective contributions and aligning our executives' interests with the long-term interests of our shareholders, and our Board believes our programs are reasonable when compared to compensation at similar companies.

At our 2011 annual meeting, a majority of the votes cast by our shareholders were cast in favor of one year as the frequency of a shareholder advisory vote on compensation of our named executive officers. Taking into account the results of such vote, the Board of Directors determined that it is in the best interests of the company and our shareholders to hold an annual advisory vote to approve named executive officer compensation until the next advisory vote on the frequency of such a vote. Thus, the next advisory vote to approve named executive officer compensation will be held at the 2015 annual meeting.

The vote on this resolution is not intended to address any specific element of executive compensation. Instead, the vote relates to the executive compensation of our named executive officers, as set forth in this proxy statement pursuant to the rules of the SEC. This vote is advisory and not binding on our company or our Board of Directors, but in the event of any significant vote against this proposal, the Compensation Committee will consider whether any actions are appropriate to respond to shareholder concerns.

The affirmative vote of a majority of the votes cast at the Meeting for this proposal is required to approve this Proposal 2.

Accordingly, our Board of Directors asks our shareholders to vote on the following resolution at the Meeting:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed in the Company's Proxy Statement for the 2014 Annual Meeting of Shareholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

Table of Contents

COMPENSATION COMMITTEE REPORT

We reviewed and discussed with management the Compensation Discussion and Analysis which follows this report. Based on such review and discussions, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement for filing with the Securities and Exchange Commission and distribution to the Company's shareholders.

Compensation Committee

R. David Hoover (Chair)  
Connie K. Duckworth  
David W. Joos  
P. Craig Welch, Jr.  
Kate Pew Wolters

COMPENSATION DISCUSSION AND ANALYSIS

This section discusses our policies and practices relating to executive compensation and presents a review and analysis of the compensation earned in fiscal year 2014 by our CEO, our Chief Financial Officer and our three other most highly paid executive officers. We refer to these five individuals as the "named executive officers." The amounts of compensation earned by these executives in fiscal year 2014 are detailed in the Summary Compensation Table in Executive Compensation, Retirement Programs and Other Arrangements and the other tables which follow it.

Executive Summary

We have designed the compensation programs for our named executive officers to provide competitive pay opportunities while aligning the incentive compensation realized by our named executive officers with the interests of our shareholders by linking pay with company and stock performance. The primary elements of our executive compensation programs are base salaries, incentive compensation (both cash and equity-based) and retirement programs and benefits.

In fiscal year 2014, we awarded four types of incentive compensation opportunities to our named executive officers:

- cash awards under our Management Incentive Plan, or MIP, based on our return on invested capital, or ROIC, for fiscal year 2014,
- performance units which will be earned based on our average ROIC for fiscal years 2014 through 2016,
- performance units which will be earned based on our total shareholder return, or TSR, relative to a peer group for fiscal years 2014 through 2016 and
- restricted units which will vest at the end of fiscal year 2016.

The incentive compensation realized by our named executive officers for fiscal year 2014 consisted of:

- the MIP awards earned based on fiscal year 2014 ROIC performance,
- performance units granted in fiscal year 2012 and earned based on our relative TSR performance for fiscal years 2012 through 2014 and
- restricted units granted in fiscal year 2012 which vested at the end of fiscal year 2014.



## Table of Contents

In fiscal year 2014, we recorded \$3.0 billion of revenue and \$87.7 million of net income or diluted earnings per share of \$0.69. This represented year-over-year revenue growth of 4.2% and a 126.0% increase in net income. The fiscal year 2014 results were negatively impacted by goodwill impairment charges of \$12.9 million, which under our MIP will be amortized over a three-year period beginning with fiscal year 2014. As calculated under our MIP, ROIC for fiscal year 2014 was 12.1%, which was above our fiscal year 2014 MIP target of 10%. As a result, the MIP awards for our named executive officers were earned at 121% of target.

Our TSR expressed as a compound annual rate for the three fiscal years ended in 2014 was 15.1%, ranking at the 52<sup>nd</sup> percentile of the relative TSR peer group. As a result, the performance units granted to our named executive officers in fiscal year 2012 were earned at 106.6% of target.

Additional executive compensation highlights are:

Our say-on-pay advisory vote was approved at our 2013 annual shareholders' meeting, with 98.5% of the votes cast in favor.

James P. Hackett retired from the position of CEO at the end of fiscal year 2014. He will continue to be an employee and is serving as Vice Chair, a non-executive officer role, for fiscal year 2015.

James P. Keane became our CEO at the beginning of fiscal year 2015. Details regarding the changes in his compensation related to his promotion are described later in this section under the heading "CEO Transition."

## Philosophy and Objectives

Our philosophy for the compensation of all of our employees, including the named executive officers, is to value the contribution of our employees and share profits through broad-based incentive arrangements designed to reward performance and motivate collective achievement of strategic objectives that will contribute to our company's success.

The primary objectives of the compensation programs for our named executive officers are to:

- attract and retain highly qualified executives,
- motivate our executives to achieve our business objectives,
- reward our executives appropriately for their individual and collective contributions,
- align our executives' interests with the long-term interests of our shareholders,
- ensure that executive compensation opportunities are reasonable when compared to compensation at similar companies and
- achieve internal pay equity.

## Compensation Consultant

The Compensation Committee has engaged Exequity to serve as an independent compensation consultant reporting directly to the Committee. Exequity is responsible for providing information, insight and perspective for the Committee's consideration in making decisions on all elements of executive compensation. Exequity also works cooperatively with management on behalf of the Compensation Committee. Exequity does not provide any services to our company other than executive compensation consulting to the Committee.

Table of Contents

## Annual Review

Our executive compensation programs fall within three general categories: (1) base salaries, (2) incentive compensation and (3) retirement programs and benefits. The Compensation Committee reviews and approves the base salary and incentive compensation awards for each of our executive officers each year, taking into account the recommendations of our CEO, the individual performance of each officer and our compensation philosophy and objectives described above. Following approval by the Compensation Committee, the compensation of our CEO is submitted to our Board of Directors for ratification. The amount of incentive compensation actually earned by each officer depends on the performance of our company as a whole against the targets established for the particular award. None of the named executive officers has an employment agreement with us; however, we have an agreement with Sara E. Armbruster which details the terms relating to her temporary relocation assignment, which took place during fiscal years 2013 and 2014.

In order to evaluate the reasonableness and competitiveness of our compensation programs and practices, the Compensation Committee directed management to obtain a third party survey to compare our executive compensation to that of a comparison group of companies. The survey presents information regarding base salaries, annual bonus targets, annualized expected values of long-term incentive compensation and target total direct compensation for the comparison group. General industry data is used if insufficient comparator group data is available. The Compensation Committee does not specifically target each element of compensation of the named executive officers against the comparison group. Instead, the Committee reviews the comparison data to assess whether or not each of these components of compensation and total compensation of the named executive officers is within a competitive range, and in making its assessment, the Committee considers (a) any difference between the role and responsibilities of each officer compared to those of his or her peers in the comparison group, (b) the specific contributions the officer has made to the successful achievement of our company goals, (c) the relative experience level of the officer and his or her tenure with our company and (d) the performance of the company, including stock price performance.

The comparison group for the survey used by the Compensation Committee in making fiscal year 2014 compensation decisions was comprised of (1) furniture companies and (2) other global durable goods manufacturing companies of comparable size. The comparison group consisted of the following companies:

AMTEK, Inc.	Herman Miller, Inc.	Snap-On Inc.
AO Smith Corp.	HNI Corporation	SPX Corporation
Armstrong World Industries Inc.	Leggett & Platt, Inc.	Timken Co.
Ball Corporation	Lincoln Electrical Holdings Inc.	Toro Company
Brunswick Corporation	Owens Corning	Trinity Industries Inc.
Donaldson Company, Inc.	Pitney Bowes Inc.	Tupperware Brands Corp.
Fortune Brands Home & Security Inc.	Rockwell Automation, Inc.	USG Corporation
GATX Corporation		

At the time the survey was conducted, the median trailing twelve-month revenue for the comparison group was \$3.3 billion and the group's median market cap was \$3.1 billion, and the trailing twelve-month revenue for Steelcase was \$2.8 billion and our market cap was \$1.2 billion.

Our say-on-pay shareholder advisory vote received 98.5% approval at our 2013 annual shareholders meeting. No changes were made in fiscal year 2014 in response to our 2013 say-on-pay shareholder advisory vote.





## Table of Contents

### Base Salary

The base salary of each of our named executive officers is reviewed and approved by the Compensation Committee as part of its overall review of executive compensation, and our Board of Directors ratifies any changes to our CEO's base salary. As a general rule, base salaries for the named executive officers are set at levels which will allow us to attract and retain highly qualified executives. In addition to the annual reviews, the base salary of a particular executive may be adjusted during the course of a fiscal year in connection with a promotion or other material change in the executive's role or responsibilities.

During fiscal year 2014, each of the named executive officers received a merit increase to his or her base salary within a historically normal range, and David C. Sylvester and Sara E. Armbruster received small additional increases in connection with expanded responsibilities and based upon assessments of their individual performance and their salary level relative to the market ranges for their respective roles in the comparison survey. Effective at the beginning of fiscal year 2015, James P. Keane's base salary was increased by 32.5%, from \$603,750 to \$800,000, in connection with his promotion to CEO.

### Incentive Compensation

In fiscal year 2014, we awarded four types of incentive compensation opportunities to our named executive officers: (1) cash awards under our MIP, which were earned based on our ROIC results for the fiscal year, (2) restricted units which will vest at the end of three fiscal years, (3) performance units which will be earned based on our relative TSR performance over three fiscal years and (4) performance units which will be earned based on our average ROIC over three fiscal years. The restricted units and performance units will be settled in shares of Class A Common Stock at the end of the applicable vesting or performance period. These four types of awards in combination with other equity-based awards granted in prior fiscal years create overlapping award cycles that are designed to encourage retention, provide a mix of cash and equity-based incentives and balance short-term and long-term performance.

As an illustration, the following chart shows the mix of compensation for fiscal year 2014 for our CEO compared to the average of the four other named executive officers, valuing the MIP awards at the target level of performance and the restricted unit and performance unit awards at the grant date market price per share of shares of Class A Common Stock (valuing the performance units at the target level of performance). The chart also notes the portion of the target total compensation denominated in the form of cash or equity and the portion based on ROIC or TSR performance. The mix of compensation for the CEO was more heavily weighted to performance and equity, particularly performance unit awards, although performance-based equity was also a significant component for the other named executive officers.

Table of Contents

## Short-Term Cash Incentive Awards

## Philosophy and Practice

As described above, in fiscal year 2014, each of our named executive officers received a cash award under our MIP which may be earned based on the achievement of certain ROIC results. ROIC equals our net operating profit after tax, or NOPAT, divided by average invested capital. NOPAT is calculated by taking net income and adding back after-tax interest expense, and adjusting for after-tax interest income related to cash and short-term investments in excess of \$100 million, investment gains and losses related to variable life company-owned life insurance policies and the deferral of a portion of restructuring or other charges to the extent approved by the Compensation Committee. Average invested capital is calculated by adding average shareholders' equity and average long-term debt and adjusting for average cash and short-term investments (including the cash surrender value of variable life company-owned life insurance policies) in excess of \$100 million and the impact of recent acquisitions or other adjustments to the extent approved by the Compensation Committee. No awards can be earned to the extent they would result in our company recording a net loss for the fiscal year unless the Committee determines otherwise.

Prior to fiscal year 2014, economic value added, or EVA, had been used as the performance measure for MIP awards. In fiscal year 2014, the Compensation Committee selected ROIC, which uses the same financial components as EVA and is expressed as a percentage of capital instead of a dollar amount, as the performance measure for MIP awards because it is a common business metric, it reinforces the efficient use of capital, and it is often used to evaluate company performance. In addition to the named executive officers, approximately 320 management employees received annual awards under the MIP for fiscal year 2014, and the majority of our other employees also received annual incentive compensation based on our ROIC results for fiscal year 2014.

## Fiscal Year 2014 Awards

The ROIC performance required to earn the minimum, target and maximum level of the fiscal year 2014 MIP awards are set forth in the following chart. In setting the ROIC target for fiscal year 2014, the Compensation Committee considered our compensation philosophy and objectives, our annual financial plan, industry conditions, the overall economic environment and the need to motivate our employees to achieve our business objectives. Target performance was set at ROIC of 10.0%. Consistent with all employees who receive annual incentive compensation based on ROIC results, the ROIC performance that would have resulted in no awards being earned was set at 0%, and the performance that would have resulted in the maximum awards being earned was set at 20.0%, or two times the target performance level. Interpolation is used in the event that the actual results do not fall directly on one of the performance levels listed below.

Performance Level	ROIC Performance	Amount Earned
Threshold	0.0%	0% of target
Target	10.0%	100% of target
Maximum	20.0%	200% of target

Table of Contents

MIP target awards for the named executive officers are reviewed and approved each year by the Compensation Committee and, in the case of our CEO, ratified by the Board. The named executive officers' target MIP awards for fiscal year 2014 were as follows:

Name	Target Award
James P. Hackett	100% of base salary
David C. Sylvester	80% of base salary
James P. Keane	90% of base salary
Nancy W. Hickey	80% of base salary
Sara E. Armbruster	60% of base salary

In determining the size of target MIP awards to be granted, our CEO presented to the Compensation Committee his recommendations for the size of award for each named executive officer other than himself, taking into consideration the factors described above under the heading "Annual Review" and the officer's long-term incentive compensation. The Committee reviewed the value of the target awards as a percentage of the officer's base salary relative to the 25th percentile, median and 75th percentile levels of annual incentive compensation shown in the market comparison study and relative to each officer.

#### Awards Earned and Link to Company Performance

Our actual ROIC performance for fiscal year 2014 was 12.1%, resulting in the MIP awards being earned at 121% of target. The following chart depicts the performance scale for these awards and our actual fiscal year 2014 ROIC performance and MIP payout level.

#### Long-Term Equity Incentive Awards

##### Philosophy and Practice

Each of our named executive officers typically receives long-term equity incentive awards under our Incentive Compensation Plan each year, in accordance with our compensation philosophies of linking pay to performance, encouraging retention and aligning the interests of our executives with those of our shareholders. All awards are approved by the Compensation Committee, and in the case of our CEO, ratified by our Board of Directors, typically at a regularly scheduled meeting at the beginning of each fiscal year, but awards also may be approved at a special meeting. We do not have any program or practice to time the grant of equity-based awards relative to the release of any material non-public information.

Table of Contents

In addition to granting annual equity incentive awards, from time to time at the request of our CEO, the Compensation Committee considers granting special awards to named executive officers in connection with promotions or other changes in responsibilities or in recognition of particular contributions to our company's performance. In fiscal year 2014, in connection with the announcement of his promotion to CEO, the Compensation Committee approved and the Board of Directors ratified an award to James P. Keane of 150,000 restricted units which will vest in equal thirds on the first, second and third anniversaries of the grant date.

## Fiscal Year 2014 Awards

In fiscal year 2014, each of the named executive officers was granted a restricted unit award and two performance unit awards. The restricted units will vest at the end of three fiscal years, and the performance units will be earned over three fiscal years. All three awards will be settled in shares of our Class A Common Stock at the end of the applicable vesting or performance period. Dividend equivalents on the restricted units will be based on dividends declared and paid on our Class A Common Stock during the vesting period and paid during the vesting period. Dividend equivalents on the performance units will be based on dividends declared and paid on our Class A Common Stock during the performance period and paid only on the number of shares actually earned at the end of the performance period.

In prior fiscal years, the named executive officers received performance unit awards which were earned based on relative TSR performance only. In fiscal year 2014, the Compensation Committee decided to grant two sets of performance unit awards, one set earned based on relative TSR performance and the other set earned based on ROIC performance. The purpose of the two performance unit awards was to include an internal performance measure and reduce the weighting on relative TSR performance to achieve a balance between long-term internal performance and stock performance, as well as to create alignment with the long-term performance goals for management employees under the MIP.

The first set of performance unit awards will be earned based upon our TSR performance relative to the industrial subset of companies within the S&P MidCap 400 Index over fiscal years 2014 through 2016. No units will be earned if relative TSR performance falls below the 30<sup>th</sup> percentile. The levels of relative TSR performance that will result in an award of the threshold, target or maximum number of shares under these performance units are as shown in the following table, with interpolation used in the event that the actual results do not fall directly on one of the percentile ranks. If relative TSR performance falls below the threshold, no shares would be earned.

Performance Level	Relative TSR Performance	Number of Shares Earned
Threshold	30 <sup>th</sup> percentile	50% of target
Target	50 <sup>th</sup> percentile	100% of target
Maximum	80 <sup>th</sup> percentile	200% of target

The Compensation Committee selected TSR as the performance measure for the first set of performance unit awards to align the compensation of the executive officers with the interests of our shareholders. It chose the industrial subset of the S&P MidCap 400 index for the measurement of relative TSR because the Committee desired a large enough group to mitigate the impact of any one-time events that may be experienced by a company within the group, and the group includes companies with reasonably similar market capitalization to our company. In developing the performance scale for the performance units, the Compensation Committee utilized the same scale that was used in fiscal year 2013, which was reviewed based on survey data and market prevalence of TSR scales used by other companies. The awards will be settled in shares of our Class A common stock to further align the compensation of the named executive officers with the interests of our shareholders.



Table of Contents

The second set of performance unit awards will be earned based upon our average ROIC over fiscal years 2014 through 2016. Target performance was set at average ROIC of 11.0%. The levels of average ROIC performance that will result in an award of the threshold, target or maximum number of shares under these performance units are as shown in the following table, with interpolation used in the event that the actual results do not fall directly on one of the performance levels.

Performance Level	Three-Year Average ROIC Performance	Number of Shares Earned
Threshold	6.0%	0% of target
Target	11.0%	100% of target
Maximum	16.0%	200% of target

The Compensation Committee selected three-year average ROIC as the performance measure for the second set of performance unit awards in order to provide an element of incentive compensation based on a company performance metric focused on profitability and the efficient use of capital.

The restricted units were awarded in conjunction with the two performance unit awards to encourage retention while aligning the compensation of the named executive officers with the interests of our shareholders.

In determining the number of performance units and restricted units to be granted, our CEO presented to the Compensation Committee his recommendations for the awards for each named executive officer other than himself, taking into account the factors described above under the heading "Annual Review." The Committee reviewed the estimated value of the recommended total target level of performance units and the restricted units (using a recent average closing price for shares of our Class A Common Stock) as a percentage of the officer's base salary relative to the median level of long-term incentive compensation shown in the market comparison study and the estimated expense of the awards. For each of the named executive officers other than the CEO, the equity awards were allocated as follows: 67% in performance units (one half in TSR-based performance units and the other half in ROIC-based performance units) and 33% in restricted units. The awards granted to the CEO were allocated 75% in performance units (one half in TSR-based performance units and the other half in ROIC-based performance units) and 25% in restricted units, to provide greater emphasis on alignment with the long-term interests of our shareholders and to link pay to TSR and company performance. Over the last several years, it has been the Compensation Committee's practice to provide the CEO with long-term incentive equity awards that are more heavily weighted on performance conditions than those granted to the other named executive officers.

#### Awards Earned in Fiscal Year 2014 and Link to Company Performance

The performance period for the performance units granted to the named executive officers in fiscal year 2012 ran from the beginning of fiscal year 2012 through the end of fiscal year 2014, and the awards were earned based on our TSR performance relative to the industrial subset of the S&P MidCap 400 index.

Our actual TSR performance for fiscal years 2012 through 2014 resulted in shares being earned at 106.6% of target. The following chart depicts the performance scale for these awards and our actual fiscal year 2012 to 2014 relative TSR performance and performance unit payout level.

Table of Contents

CEO Transition

James P. Hackett retired from his position as CEO at the end of fiscal year 2014. For fiscal year 2015, he remains an employee, serving as Vice Chair, which is not an executive officer position and reports directly to the Board Chair. As Vice Chair, Mr. Hackett is earning an annual base salary of \$1,000,000 and has been awarded a short-term cash award under the MIP for fiscal year 2015 with a target equal to 60% of his base salary. He has not received any equity-based incentive compensation awards for fiscal year 2015. In addition, Mr. Hackett is no longer subject to stock ownership guidelines or a participant in the Steelcase Inc. Executive Severance Plan.

James P. Keane became our CEO at the beginning of fiscal year 2015. In connection with the October 2013 announcement of his appointment as CEO, Mr. Keane received an award of 150,000 restricted units which will vest in equal thirds on the first, second and third anniversaries of the grant date. Mr. Keane's base salary for fiscal year 2015 was increased to \$800,000, and he received a short-term cash award under the MIP for fiscal year 2015 with a target equal to 90% of his base salary, which was unchanged from his fiscal year 2014 MIP award. For fiscal year 2015, he also received two performance unit awards, one based on average ROIC performance and another based on relative TSR performance, each of which will be earned based on performance over fiscal years 2015 through 2017, and a restricted unit award which will vest at the end of three fiscal years.

Retirement Plans and Benefits

Each of the named executive officers is eligible to participate in the following retirement benefit plans:

- Retirement Plan,
- Restoration Retirement Plan,
- Executive Supplemental Retirement Plan and
- Deferred Compensation Plan.

Our Retirement Plan is a tax-qualified defined contribution plan, open to all U.S.-based employees of Steelcase Inc. and certain of its subsidiaries and affiliates. Participants may elect to contribute a portion of their earnings to the 401(k) component of the Retirement Plan each year, and we made a non-discretionary contribution of 4% of each participant's eligible pay for fiscal year 2014. In addition, we matched 50% of the first 6% of eligible pay each participant contributed to the plan during the fiscal year.



## Table of Contents

Our Restoration Retirement Plan is a non-qualified defined contribution plan which is unfunded. Participants in our MIP for whom contributions to our Retirement Plan are limited by Section 401(a)(17) of the Internal Revenue Code may participate in the Restoration Retirement Plan. In fiscal year 2014, we made an annual contribution to participants' bookkeeping accounts under the Restoration Retirement Plan at the same rate of contribution as our Retirement Plan up to a combined maximum of two times the limit under Section 401(a)(17).

The Executive Supplemental Retirement Plan, which was originally adopted in 1981, is intended to assist us with attracting and retaining highly qualified executives and to enable them to devote their full-time best efforts to our company. We do not have a policy or practice of granting our executive officers extra years of service credit under this or any other plan.

Our Deferred Compensation Plan is a non-qualified defined contribution plan which is unfunded. Participants may elect to defer up to 25% of their base salary and/or up to 50% of their short-term award under the MIP into an unfunded account with our company on a tax-deferred basis. Our company does not make any contributions to the Deferred Compensation Plan.

James P. Hackett also has an individual deferred compensation agreement with us that was entered into more than fifteen years ago. Under this agreement, he deferred a portion of his compensation and is entitled to receive fixed payments beginning at age 70. This agreement was intended to allow him to build additional retirement income on a tax-deferred basis. At the time we entered into this agreement, we entered into similar agreements with other senior management employees, and we purchased company-owned life insurance policies that, although they were not pledged sources of funding for these agreements, were expected to generate returns that would approximate the company's obligations under the agreements.

Each of these plans, other than our Retirement Plan, is discussed in Executive Compensation, Retirement Programs and Other Arrangements under the headings "Pension Benefits" and "Deferred Compensation."

In addition to these retirement and deferred compensation plans, upon a qualifying retirement (generally when the age at retirement and number of years of continuous service with our company equals 80 or more), each of the named executive officers hired before July 22, 2002 is eligible to receive retiree healthcare benefits, including medical, dental and vision insurance programs, in the same manner as all other U.S. employees of Steelcase Inc. who are qualified retirees. We currently allow eligible U.S. retirees to continue to receive healthcare benefits for life, but we reserve the right to change or eliminate this benefit at any time. Retirees under age 65 are required to pay a portion of the cost of the medical coverage based on the participant's retirement date, age and years of service. All retirees pay the full cost of dental and vision. Retirees age 65 or older and eligible for Medicare receive a fixed amount that can be used for reimbursement of any healthcare premiums and other eligible out-of-pocket expenses.

## Severance and Change in Control Benefits

Each of the named executive officers participates in our Executive Severance Plan, which provides for certain benefits in the event of certain terminations of employment with our company. This plan is intended to provide clarity to shareholders and executive management in the event of a severance and/or change in control, align the interests of executive management with the long-term interests of our shareholders, reinforce behavior that promotes maximum value in the event of any merger or acquisition activity and attract and retain executive management by maintaining competitive compensation programs. The value of the potential benefits under the Executive Severance Plan for each of the named executive officers as of the end of fiscal year 2014 is detailed in Executive Compensation, Retirement Programs and Other Arrangements under the heading "Termination or Change in Control Payments."



## Table of Contents

Effective with his retirement as CEO at the end of fiscal year 2014, James P. Hackett no longer participates in our Executive Severance Plan.

### Other Programs and Practices

#### Perquisites and Other Benefits

Our company provides very limited perquisites or other personal benefits to our named executive officers. The only perquisites received in fiscal year 2014 by the named executive officers were (1) an optional annual physical examination (2) in the case of James P. Hackett and James P. Keane only, home security costs and (3) in the case of Sara E. Armbruster only, certain benefits related to her temporary relocation assignment, as further described in the following paragraph. In addition, James P. Hackett's wife traveled on our corporate aircraft on occasion during fiscal year 2014, but the incremental cost to our company of such travel was negligible as she was a passenger on flights that were otherwise scheduled for business purposes. Use of our corporate aircraft by James P. Hackett for personal travel was governed by written aircraft time-sharing agreements under which he reimbursed us for all incremental operating expenses associated with the flight, multiplied by 200%. The aggregate incremental cost to our company of the perquisites or other personal benefits received by the named executive officers, other than James P. Keane and Sara E. Armbruster, in fiscal year 2014 was less than \$10,000 per officer.

In fiscal year 2013, Sara E. Armbruster temporarily relocated for a job assignment, and we entered into an agreement with Ms. Armbruster detailing the benefits she would receive in connection with the assignment, which was completed during fiscal year 2014. Those benefits consisted of home-finding travel, temporary housing, use of furniture, utilities, property management services, family travel to and from her temporary location, a relocation allowance, shipment of personal goods and vehicles, tax return preparation and tax equalization and gross-up payments.

The named executive officers also may elect to participate in other benefit programs on the same terms as other U.S. employees of our company. These programs include medical, dental, vision, life and disability insurance, charitable gift matching and discounts on company products. None of the named executive officers has a company car or company-provided housing (other than Sara E. Armbruster, as discussed above), and we do not pay any country club memberships or financial planning for any of the named executive officers.

#### Stock Ownership Guidelines

The Compensation Committee established stock ownership guidelines to encourage stock ownership among our executives to further the objective of aligning our executives' interests with those of our shareholders. Under these guidelines, our CEO is expected to own shares of our common stock having a current market value of not less than five times his base salary, and the other named executive officers are expected to own shares having a current market value of not less than two or three times their respective base salaries, depending on their position. The amount of holdings required by the guidelines was developed based on market comparisons and the premise that an executive should be able to satisfy the guidelines by retaining shares awarded to the executive as compensation and without purchasing additional shares, assuming the applicable performance criteria for the share awards are satisfied. New executive officers are given a period of five fiscal years from their first annual award to meet the guidelines in order to allow them an appropriate period of time to build their holdings through annual equity awards.

In addition to shares owned by our executives, holdings which count toward satisfaction of stock ownership guidelines include restricted units and performance units at target award levels during the performance period held by the executives. The Compensation Committee reviews compliance with the stock ownership guidelines annually. All of the named executive officers are in compliance with their



## Table of Contents

stock ownership guidelines. Effective with his retirement as CEO at the end of fiscal year 2014, James P. Hackett is no longer subject to stock ownership guidelines.

### Speculative Transactions and Stock Pledging

We prohibit our directors and executive officers from engaging in speculative transactions involving our stock, including excessive trading, short sales or buying or selling puts or calls. In addition, our executive officers are prohibited from purchasing Company securities on margin, borrowing against Company securities in a margin account or otherwise pledging Company securities as collateral for a loan. Directors are also prohibited from engaging in such transactions unless (1) the applicable lender has agreed in writing that the securities will not be sold during any trading blackout period applicable to the director and (2) the specific transaction has been approved by the Nominating and Corporate Governance Committee or the Chair of that committee. Any pledge arrangements by directors which were in place prior to the adoption of this prohibition in fiscal year 2013 may be continued in accordance with their terms; however, any renewals, extensions or modifications thereof will be subject to the requirements set forth in our Corporate Governance Principles.

### Non-compete and Other Forfeiture Provisions

One of the basic principles of the various compensation plans and programs which provide benefits to our named executive officers during or after their employment with us is that certain compensation or benefits will be forfeited or returned if the participant competes with us during a specified period after they leave our employment.

In addition, our Executive Severance Plan provides that in the event our financial results are materially restated, the Compensation Committee may review the circumstances surrounding the restatement and determine whether and which participants will forfeit the right to receive any future benefits and/or repay any prior benefits received under the plan. In the event of a material restatement due to fraud, if the Committee determines that a participant was responsible for or participated in the fraud, that participant will be required to forfeit any future benefits and repay any prior benefits paid in excess of the amounts that would have been paid based on our restated financial results. These are called “clawback” provisions, and the MIP and the Incentive Compensation Plan have similar clawback provisions which apply only to those participants who also participate in the Executive Severance Plan.

### Tax Considerations

In making decisions regarding executive compensation, the Compensation Committee considers the tax deductibility of the amounts payable. Section 162(m) of the Internal Revenue Code generally limits the tax deductibility of annual compensation paid to certain officers to \$1 million unless certain conditions are satisfied. The Committee’s goal is to structure the compensation paid to these individuals to maximize deductibility for federal income tax purposes; however, when deemed necessary, the Committee may authorize compensation that may not be deductible under Section 162(m) to promote incentive and retention goals.

Table of Contents

## EXECUTIVE COMPENSATION, RETIREMENT PROGRAMS AND OTHER ARRANGEMENTS

This section and the tables in this section should be read in conjunction with the more detailed description of our executive compensation plans and arrangements included in the Compensation Discussion and Analysis.

## Summary Compensation Table

The following table shows compensation information for the fiscal years indicated for (1) James P. Hackett, our CEO during fiscal year 2014, (2) David C. Sylvester, our Chief Financial Officer, and (3) our three other most highly paid executive officers as of the end of fiscal year 2014. In this proxy statement, we refer to these five executive officers collectively as the “named executive officers.”

## Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary (1)	Stock Awards (2)	Non-Equity Incentive Plan Compensation (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (4)	All Other Compensation (5)	Total
James P. Hackett Vice Chair (6)	2014	\$1,009,615	\$3,423,216	\$1,198,259	\$123,553	\$28,198	\$5,782,841
	2013	\$945,000	\$3,544,863	\$1,001,549	\$270,381	\$25,074	\$5,786,867
	2012	\$973,154	\$4,004,150	\$701,291	\$114,177	\$19,674	\$5,812,446
David C. Sylvester Senior Vice President, Chief Financial Officer	2014	\$479,134	\$891,034	\$454,711	\$52,675	\$28,198	\$1,905,752
	2013	\$430,927	\$1,018,666	\$365,330	\$236,425	\$25,074	\$2,076,422
	2012	\$424,212	\$1,190,520	\$248,880	\$187,456	\$19,674	\$2,070,742
James P. Keane President and Chief Executive Officer (7)	2014	\$609,832	\$3,346,656	\$651,408	\$94,016	\$39,943	\$4,741,855
	2013	\$548,625	\$2,082,280	\$484,196	\$279,551	\$25,074	\$3,419,726
	2012	\$544,500	\$1,472,355	\$319,641	\$219,680	\$19,699	\$2,575,875
Nancy W. Hickey Senior Vice President, Chief Administrative Officer	2014	\$415,535	\$685,411	\$394,607	\$856	\$28,198	\$1,524,607
	2013	\$398,938	\$857,824	\$338,245	\$100,388	\$25,074	\$1,720,469
	2012	\$410,327	\$944,976	\$236,546	\$45,246	\$19,674	\$1,656,769
Sara E. Armbruster Vice President, Strategy, Research and New Business Innovation	2014	\$401,301	\$630,577	\$285,679	\$12,873	\$71,019	\$1,401,449
	2013	\$357,648	\$536,140	\$227,297	\$967,747	\$172,460	\$2,261,292

Fiscal year 2014 included 53 weeks and fiscal years 2013 and 2012 included 52 weeks. For fiscal year 2012, the (1) amounts reported in the Salary column include a one-time payment for accrued vacation due to a change in our U.S. vacation policy.

(2) The amounts shown in this column are the aggregate grant date fair values computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 for performance units and restricted

units granted during the applicable fiscal year.

The grant date fair value of the performance units to be earned based on three-year relative TSR performance was calculated using a Monte Carlo simulation fair value on the date of grant multiplied by the target number of shares that may be earned.

The grant date fair value of the performance units to be earned based on three-year average ROIC performance was calculated using the closing price of our Class A Common Stock on the grant date multiplied by the target number of shares that may be earned.

Assuming that the highest level of performance conditions will be achieved, the value of the performance units granted in fiscal year 2014 which are to be earned based on three-year average ROIC performance, using the grant date market price per share of our Class A

Table of Contents

Common Stock, would be as follows: James P. Hackett, \$2,372,890; David C. Sylvester, \$554,392; James P. Keane, \$682,328; Nancy W. Hickey, \$426,455; and Sara E. Armbruster, \$392,339.

The grant date fair value of the restricted units was calculated using the closing price of our Class A Common Stock on the grant date multiplied by the number of shares underlying the restricted units.

The assumptions made in the valuation of such awards are disclosed in Note 16 to the consolidated financial statements included in our annual report on Form 10-K for fiscal year 2014 filed with the SEC on April 17, 2014.

(3) The amounts shown in this column represent the sum of:

(a) short-term MIP awards earned in the applicable fiscal year and

(b) for fiscal year 2012 only, earnings for the applicable fiscal year on long-term MIP awards earned in prior fiscal years.

The short-term MIP awards were paid in cash shortly after the end of the applicable fiscal year.

Prior to fiscal year 2010, the named executive officers received annual long-term MIP awards based on EVA performance, and the earned cash portion of those awards was payable in three equal annual installments after the end of the three following fiscal years. We maintained the unpaid amounts in unfunded accounts which were credited with an annual rate of return (based on an estimate of our three-year incremental borrowing rate).

The amounts shown in this column represent the net increase in actuarial present value of the applicable officer's accumulated benefit under (a) our Executive Supplemental Retirement Plan and (b) in the case of James P.

Hackett, a deferred compensation agreement. The changes in the actuarial present value of the accumulated benefit under the Executive Supplemental Retirement Plan are primarily affected by changes in compensation and the (4) discount rate and attributable to the following: (a) in fiscal year 2014, an increase in the discount rate from 3.1% to 3.6%, (b) in fiscal year 2013, a decrease in the discount rate from 3.9% to 3.1%, and (c) in fiscal year 2012, a decrease in the discount rate from 4.8% to 3.9%. For Sara E. Armbruster, the change in fiscal year 2013 reflects the fact that she became a participant in the plan during fiscal year 2013. Earnings under our Deferred Compensation Plan are not included because they are not earned at a preferential rate.

(5) The amounts shown in this column for fiscal year 2014 include the following:

Name	Company Contributions under Retirement or Pension Plans	Life Insurance Premiums	Other	Total All Other Compensation
James P. Hackett	\$28,050	\$148	\$—	\$28,198
David C. Sylvester	\$28,050	\$148	\$—	\$28,198
James P. Keane	\$28,050	\$148	\$11,745	\$39,943
Nancy W. Hickey	\$28,050	\$148	\$—	\$28,198
Sara E. Armbruster	\$28,050	\$148	\$42,821	\$71,019

For James P. Keane, the amount shown in the "Other" column represents: (a) \$11,145 for home security and (b) a physical examination. For Sara E. Armbruster, the amount shown in the "Other" column represents: (a) perquisites totaling \$40,706 received in connection with her temporary assignment, consisting of housing costs of \$22,884, shipment and storage of household goods, relocation management services, and family travel, (b) tax equalization and gross-up payments of \$1,215 and (c) a physical examination.



Table of Contents

(6) James P. Hackett served as our CEO from 1994 to February 28, 2014. Beginning March 1, 2014, he serves as Vice Chair, a non-executive employee role.

(7) James P. Keane was appointed President and CEO effective March 1, 2014. During fiscal year 2014, Mr. Keane served as President and Chief Operating Officer.

## Incentive Compensation Awards

The following table shows the awards granted to the named executive officers during fiscal year 2014 under our incentive compensation plans.

## Fiscal Year 2014 Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards	Grant Date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum	Threshold	Target		
James P. Hackett	4/17/2013 (1)	\$—	\$990,297	\$1,980,593				
	4/17/2013 (2)				47,156	94,312	188,624	\$1,445,803
	4/17/2013 (3)				—	94,312	188,624	\$1,186,445
	4/17/2013 (4)						62,875	\$790,968
David C. Sylvester	4/15/2013 (1)	\$—	\$375,794	\$751,589				
	4/15/2013 (2)				10,888	21,775	43,550	\$340,779
	4/15/2013 (3)				—	21,775	43,550	\$277,196
	4/15/2013 (4)						21,450	\$273,059
James P. Keane	4/15/2013 (1)	\$—	\$538,353	\$1,076,707				
	4/15/2013 (2)				13,400	26,800	53,600	\$419,420
	4/15/2013 (3)				—	26,800	53,600	\$341,164
	4/15/2013 (4)						26,400	\$336,072
	10/9/2013 (4)						150,000	\$2,250,000
Nancy W. Hickey	4/15/2013 (1)	\$—	\$326,121	\$652,243				
	4/15/2013 (2)				8,375	16,750	33,500	\$262,138
	4/15/2013 (3)				—	16,750	33,500	\$213,228
	4/15/2013 (4)						16,500	\$210,045
Sara E. Armbruster	4/15/2013 (1)	\$—	\$236,098	\$472,196				
	4/15/2013 (2)				7,705	15,410	30,820	\$241,167
	4/15/2013 (3)				—	15,410	30,820	\$196,169
	4/15/2013 (4)						15,180	\$193,241

(1) These lines show the potential payout opportunity for short-term MIP awards for fiscal year 2014. Following the end of fiscal year 2014, actual performance resulted in these awards being earned at 121% of target and paid in cash. The actual amounts earned were: James P. Hackett, \$1,198,259; David C. Sylvester, \$454,711; James P. Keane, \$651,408; Nancy W. Hickey, \$394,607; and Sara E. Armbruster, \$285,679.

(2) These lines show performance unit awards made under our Incentive Compensation Plan which are to be earned based on three-year relative TSR performance. The grant date fair value was calculated using a Monte Carlo

simulation fair value on the date of grant multiplied by the target number of shares that may be earned.

These lines show performance unit awards made under our Incentive Compensation Plan which are to be earned (3) based on three-year average ROIC performance. The grant date fair value was calculated using the closing price of our Class A Common Stock on the grant date multiplied by the target number of shares that may be earned.

These lines show restricted unit awards, made under our Incentive Compensation Plan. The grant date fair value (4) was calculated using the closing price of our Class A Common Stock on the grant date multiplied by the number of shares underlying the restricted units.

Table of Contents

## MIP awards

The short-term MIP awards granted for fiscal year 2014 were based on ROIC achievement compared to a target of 10%. In March 2014, the Compensation Committee certified the performance results, and the awards were earned at 121% of target.

## Performance unit awards

In fiscal year 2014, each of the named executive officers was granted two performance unit awards as described below.

The first set of performance unit awards granted in fiscal year 2014 can be earned based on the achievement of certain TSR levels for fiscal years 2014 through 2016 relative to the industrial subset of companies within the S&P MidCap 400 index. TSR includes the change in trading price of our Class A Common Stock and dividends paid during the performance period and is stated as a compound annual rate relative to the trading price just prior to the beginning of the performance period. The levels of relative TSR performance that would result in the award of the threshold, target or maximum number of shares are as shown in the following table, with interpolation used in the event that the actual percentile does not fall directly on a percentile listed in the table. If relative TSR performance falls below the threshold, no shares would be earned.

Performance Measure	Threshold	Target	Maximum
Relative TSR	30 <sup>th</sup> percentile	50 <sup>th</sup> percentile	80 <sup>th</sup> percentile

The second set of performance unit awards granted in fiscal year 2014 can be earned based on the achievement of our average ROIC over fiscal years 2014 through 2016. ROIC equals our net operating profit after tax divided by average invested capital. The levels of average ROIC performance that would result in the award of threshold, target or maximum number of shares are as shown in the following table, with interpolation used in the event that the actual result does not fall directly on a percentage listed in the table. If average ROIC performance falls below the threshold, no shares would be earned.

Performance Measure	Threshold	Target	Maximum
Three-Year Average ROIC	6.0%	11.0%	16.0%

At the end of fiscal year 2016, the number of performance units, if any, earned under each set of performance units will be settled in shares of our Class A Common Stock. Dividend equivalents will be paid on the number of shares actually earned at the end of the performance period.

## Restricted unit awards

Each of the named executive officers received a restricted unit award in fiscal year 2014 which will vest in full and be settled in shares of our Class A Common Stock at the end of fiscal year 2016. Mr. Keane received an additional restricted unit award in connection with his promotion to President and Chief Executive Officer which will vest in equal thirds on the first, second and third anniversaries of the grant date. Dividend equivalents will be paid on the restricted units during the vesting period.

## Outstanding Equity Awards

The following table shows the equity awards granted to the named executive officers under our Incentive Compensation Plan which remained outstanding at the end of fiscal year 2014, consisting of unvested restricted units

and unearned performance units. The market values shown in the table are based on the closing price of our Class A Common Stock at the end of fiscal year 2014 of \$14.87 per share.

Table of Contents

## Fiscal Year 2014 Outstanding Equity Awards at Fiscal Year-End

Name	Stock Awards		Equity Incentive	Equity Incentive
	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
James P. Hackett:				
Restricted units	76,250 (1)	\$1,133,838		
Restricted units	62,875 (2)	\$934,951		
Performance units			457,500 (3)	\$6,803,025
Performance units			94,312 (4)	\$1,402,419
Performance units			188,624 (5)	\$2,804,839
David C. Sylvester:				
Restricted units	31,350 (1)	\$466,175		
Restricted units	21,450 (2)	\$318,962		
Performance units			127,300 (3)	\$1,892,951
Performance units			21,775 (4)	\$323,794
Performance units			43,550 (5)	\$647,589
James P. Keane:				
Restricted units	33,000 (1)	\$490,710		
Restricted units	26,400 (2)	\$392,568		
Restricted units	100,000 (6)	\$1,487,000		
Restricted units	150,000 (7)	\$2,230,500		
Performance units			134,000 (3)	\$1,992,580
Performance units			26,800 (4)	\$398,516
Performance units			53,600 (5)	\$797,032
Nancy W. Hickey:				
Restricted units	26,400 (1)	\$392,568		
Restricted units	16,500 (2)	\$245,355		
Performance units			107,200 (3)	\$1,594,064
Performance units			16,750 (4)	\$249,073
Performance units			33,500 (5)	\$498,145
Sara E. Armbruster:				
Restricted units	16,500 (1)	\$245,355		
Restricted units	15,180 (2)	\$225,727		
Performance units			67,000 (3)	\$996,290
Performance units			15,410 (4)	\$229,147
Performance units			30,820 (5)	\$458,293

(1) These restricted units will vest at the end of fiscal year 2015.

(2) These restricted units will vest at the end of fiscal year 2016.

These performance units can be earned based on our relative TSR performance over fiscal years 2013 through 2015 and, if earned, will vest in full at the end of fiscal year 2015. Because the performance as of the end of fiscal year 2014 was above the target performance goal for these awards, the number of shares and market values shown in the Equity Incentive Plan Awards columns

42

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Table of Contents

are based upon the maximum number of shares under the award in accordance with the SEC's rules and regulations. The maximum number of shares will only be earned if our TSR performance equals or exceeds the 80th percentile of the peer group.

These performance units can be earned based on our relative TSR performance over fiscal years 2014 through 2016 and, if earned, will vest in full at the end of fiscal year 2016. Because the performance as of the end of fiscal year 2014 was below the target performance goal for these awards, the number of shares and market values shown (4) in the Equity Incentive Plan Awards columns are based upon the target number of shares under the award in accordance with the SEC's rules and regulations. The target and maximum number of shares will only be earned if our TSR performance over the performance period equals or exceeds the 50th and 80th percentiles, respectively, of the peer group.

These performance units can be earned based on our three-year average ROIC performance over fiscal years 2014 through 2016 and, if earned, will vest in full at the end of fiscal year 2016. Because the performance as of the end of fiscal year 2014 was above target performance goals for these awards, the number of shares and market values shown in the Equity Incentive Plan Awards columns are based upon the maximum number of shares under the award in accordance with the SEC's rules and regulations. The maximum number of shares will only be earned if our three-year average ROIC performance over the performance period equals or exceeds 16%.

(6) These restricted units will vest on October 29, 2015.

(7) These restricted units will vest in equal thirds on October 9, 2014, October 9, 2015 and October 9, 2016.

## Stock Award Vesting

The following table shows the stock awards (consisting of restricted units and performance units) previously granted to the named executive officers which vested during fiscal year 2014. The named executive officers did not exercise any stock options during fiscal year 2014.

## Fiscal Year 2014 Stock Vested

Name	Stock Awards	
	Number of Shares Acquired on Vesting	Value Realized on Vesting (1)
James P. Hackett	278,117	\$4,091,108
David C. Sylvester	83,537	\$1,230,196
James P. Keane	88,095	\$1,299,474
Nancy W. Hickey	66,307	\$976,461
Sara E. Armbruster	36,547	\$538,205

The amounts shown in this column are calculated by multiplying (a) the closing market price of our Class A (1) Common Stock on the date of vesting by (b) the number of shares vested. These values do not reflect any deduction for shares forfeited to cover applicable tax withholding.

## Pension Benefits

The following table shows information regarding each plan that provides for payments or other benefits to the named executive officers at, following or in connection with retirement.





Table of Contents

## Fiscal Year 2014 Pension Benefits

Name	Plan Name	Number of Years Credited Service (1)	Present Value of Accumulated Benefit (2)
James P. Hackett	Executive Supplemental Retirement Plan	23	\$3,678,044
	Deferred Compensation Agreement	Not applicable	\$587,388
David C. Sylvester	Executive Supplemental Retirement Plan	6	\$1,613,104
James P. Keane	Executive Supplemental Retirement Plan	12	\$1,998,788
Nancy W. Hickey	Executive Supplemental Retirement Plan	17	\$1,881,385
Sara E. Armbruster	Executive Supplemental Retirement Plan	1	\$980,620

The numbers shown in this column for the Executive Supplemental Retirement Plan represent the number of full years the executive officer has participated in the plan as of the end of fiscal year 2014. Eligibility and benefits under this plan are based on age and years of service with our company, as well as a vesting schedule, as described in the narrative following this table.

The amounts shown in this column represent the actuarial present value of the executive officer's accumulated benefits under the applicable plan or agreement as of the end of fiscal year 2014. These amounts were calculated using the same assumptions used for financial reporting purposes under generally accepted accounting principles, which are disclosed in Note 13 to the consolidated financial statements included in our annual report on Form 10-K for fiscal year 2014 filed with the SEC on April 17, 2014.

## Executive Supplemental Retirement Plan

Our Executive Supplemental Retirement Plan, or SERP, is an unfunded plan that provides certain defined benefits to participants who are approved by the Compensation Committee. Participants do not make contributions to the SERP, which pays the following benefits following a qualifying retirement, death or total disability:

five annual payments equal to the sum of (1) 70% of the participant's average base salary for the three consecutive calendar years prior to retirement, death or total disability plus (2) \$50,000, followed by ten annual payments of \$50,000.

A participant is eligible for normal retirement under the SERP at age 65. A participant is eligible for early retirement under the SERP when the participant's age plus years of service with our company equals or exceeds 80. None of the named executive officers is age 65 or older, but James P. Hackett and Nancy W. Hickey meet the requirements for early retirement.

Participants are fully vested in the SERP after seven years of participation in the plan, with partial vesting beginning at 20% after three years of participation and increasing 20% per year thereafter. For example, after five years of participation in the SERP, a participant is 60% vested and would receive payments equal to 60% of the amounts described above if he or she died, became totally disabled or qualified for retirement and retired at that point.

## Deferred Compensation Agreement

We have an individual deferred compensation agreement with James P. Hackett under which he deferred a portion of his compensation from March 1996 to February 2001. This is an unfunded



Table of Contents

arrangement and is similar to other arrangements we entered into around the same time with other senior management employees.

Under his agreement, Mr. Hackett deferred an aggregate of \$250,000, and after he reaches age 70 in 2025, he will receive a payment of \$300,000 per year for a period of 15 years. This payment stream reflects an implied annual rate of return of approximately 8.55%. If Mr. Hackett dies before age 70, his heirs would be entitled to receive reduced payments under his agreement, and in the event his employment is terminated for cause, we would pay him only the original amount he deferred.

## Deferred Compensation

The following table shows information for fiscal year 2014 regarding each plan under which compensation may be deferred on a basis that is not tax-qualified.

## Fiscal Year 2014 Nonqualified Deferred Compensation

Name	Executive Contributions in Last FY (1)	Registrant Contributions in Last FY (2)	Aggregate Earnings in Last FY (3)	Aggregate Withdrawals/Distributions	Aggregate Balance at Last FYE (4)
James P. Hackett	\$—	\$10,200	\$60,642	\$ —	\$362,190
David C. Sylvester	\$—	\$10,200	\$13,167	\$ —	\$93,226
James P. Keane	\$—	\$10,200	\$19,361	\$ —	\$268,993
Nancy W. Hickey	\$74,477	\$10,200	\$57,435	\$ —	\$1,090,867
Sara E. Armbruster	\$11,806	\$10,200	\$19,263	\$ —	\$137,893

The amounts shown in this column are the amounts deferred by the officers under our Deferred Compensation (1) Plan. Of the total amounts shown, \$39,980 for Ms. Hickey and \$11,566 for Ms. Armbruster are reported as compensation in fiscal year 2014 in the Summary Compensation Table.

The amounts shown in this column are the amounts we contributed to the officers' accounts under our Restoration (2) Retirement Plan for fiscal year 2014. All of such amounts are reported as compensation for the officers in fiscal year 2014 in the All Other Compensation Column of the Summary Compensation Table.

The amounts shown in this column are the earnings in the officers' accounts under both our Deferred Compensation (3) Plan and our Restoration Retirement Plan. These amounts are not reported in the Summary Compensation Table because the earnings are not preferential.

The amounts shown in this column are the combined balance of the applicable executive officer's accounts under our Deferred Compensation Plan and our Restoration Retirement Plan. Of the amounts contributed to these plans, (4) \$152,679 for James P. Hackett, \$43,990 for David C. Sylvester, \$123,289 for James P. Keane, \$534,356 for Nancy W. Hickey, and \$22,486 for Sara E. Armbruster were reported as compensation in Summary Compensation Tables in our proxy statements for previous fiscal years.

## Deferred Compensation Plan

Under our Deferred Compensation Plan, participants may elect to defer up to 25% of their base salary and/or up to 50% of their short-term award under our MIP into an unfunded account with our company on a tax-deferred basis. Our company does not make any contributions to the Deferred Compensation Plan. Funds deferred under the Deferred Compensation Plan are deemed invested in one or more investment funds selected by the participant and are payable to the participant after termination of employment in either a lump sum or installments, at the election of the participant.



Table of Contents

Restoration Retirement Plan

Our Restoration Retirement Plan is a non-qualified defined contribution plan which is unfunded. Participants in our MIP for whom contributions to our Retirement Plan are limited by Section 401(a)(17) of the Internal Revenue Code may participate in the Restoration Retirement Plan. In fiscal year 2014, we made an annual contribution to participants bookkeeping accounts under the Restoration Retirement Plan at the same rate of contribution as our Retirement Plan up to a combined maximum of two times the limit under Section 401(a)(17).

The vesting period for our contributions to the Restoration Retirement Plan is two years. Participants select from several investment fund options for their accounts under the plan, and the rate of return is based on those selections. Following termination of employment, a participant's account balance in the Restoration Retirement Plan, to the extent vested, is paid out to the participant either in a lump sum or installments, at the election of the participant.

Termination or Change in Control Payments

The following table shows the estimated payments that would have been made to the named executive officers if a termination of employment and/or change in control had happened on February 28, 2014, the last day of our fiscal year 2014.

The various circumstances under which payments would have been made are categorized as follows:

Retirement – meaning the officer voluntarily terminated his or her employment and was eligible for retirement or early retirement benefits under the applicable plan, which generally occurs when the officer's age plus continuous years of service equals or exceeds 80. James P. Hackett and Nancy W. Hickey were the only named executive officers who were eligible to receive certain retirement or early retirement benefits as of February 28, 2014, so we do not present any information about payments that would be made upon retirement to any of the other named executive officers.

Death or disability – meaning the officer died or the officer's employment terminated due to a "disability," as defined in the applicable plans.

Termination without cause – meaning we terminated the officer's employment without "cause," as defined in the applicable plans.

Change in control – meaning a "change in control" of our company, as defined in the applicable plans, had taken place, regardless of whether or not the officer's employment terminated.

Termination after change in control – meaning the officer's employment terminated within two years after a change in control either (a) by us or our successor without cause or (b) by the officer for "good reason," as defined in the applicable plans. The amounts reflected in the following table for a termination after change in control would be reduced by those amounts which had been paid to the officer upon the change in control which preceded his or her termination.

Table of Contents

## Potential Payments upon Termination or Change in Control

Name and Triggering Event	Severance Payment (1)	Stock Awards (2)	SERP (3)	Other Benefits (4)	Excise Tax Gross Up (5)	Total
<b>James P. Hackett</b>						
Retirement	\$—	\$9,893,537	\$3,678,044	\$—	\$—	\$13,571,581
Death or disability	\$—	\$8,347,850	\$3,678,044	\$—	\$—	\$12,025,894
Termination without cause	\$4,000,000	\$9,893,537	\$3,678,044	\$38,262	\$—	\$17,609,843
Change in control	\$—	\$5,271,400	\$—	\$—	\$—	\$5,271,400
Termination after change in control	\$6,000,000	\$5,271,400	\$3,681,047	\$38,262	\$—	\$14,990,709
<b>David C. Sylvester:</b>						
Death or disability	\$—	\$2,461,785	\$1,596,147	\$—	\$—	\$4,057,932
Termination without cause	\$900,000	\$785,136	\$—	\$28,563	\$—	\$1,713,699
Change in control	\$—	\$1,631,968	\$—	\$—	\$—	\$1,631,968
Termination after change in control	\$1,800,000	\$1,631,968	\$1,810,741	\$28,563	\$—	\$5,271,272
<b>James P. Keane:</b>						
Death or disability	\$—	\$6,263,318	\$2,386,623	\$—	\$—	\$8,649,941
Termination without cause	\$1,147,125	\$4,600,778	\$—	\$46,087	\$—	\$5,793,990
Change in control	\$—	\$5,530,629	\$—	\$—	\$—	\$5,530,629
Termination after change in control	\$2,294,250	\$5,530,629	\$2,258,277	\$46,087	\$—	\$10,129,243
<b>Nancy W. Hickey</b>						
Retirement	\$—	\$2,326,635	\$1,881,385			\$4,208,020
Death or disability	\$—	\$1,995,246	\$1,881,385	\$—	\$—	\$3,876,631
Termination without cause	\$736,576	\$2,326,635	\$1,881,385	\$46,087	\$—	\$4,990,683
Change in control	\$—	\$1,335,311	\$—	\$—	\$—	\$1,335,311
Termination after change in control	\$1,473,152	\$1,335,311	\$1,886,874	\$46,087		\$4,741,424
<b>Sara E. Armbruster</b>						
Death or disability	\$—	\$1,322,679	\$—	\$—	\$—	\$1,322,679
Termination without cause	\$656,000	\$471,082	\$—	\$45,849	\$—	\$1,172,931
Change in control	\$—	\$955,933	\$—	\$—	\$—	\$955,933
Termination after change in control	\$1,312,000	\$955,933	\$1,169,333	\$45,849	\$—	\$3,483,115

(1) Severance Payment: The amounts shown in this column reflect the severance payments that would be made pursuant to our Executive Severance Plan:

•For our CEO:

in the event of a termination without cause, two times the sum of (a) his base salary on the date of termination plus (b) his target short-term award under our MIP for the year; and

in the event of a termination after change in control, three times the sum of (a) and (b).

•For each of the other named executive officers:

in the event of a termination without cause, one times the sum of (a) his or her base salary on the date of termination plus (b) his or her target short-term award under our MIP for the year; and  
in the event of a termination after change in control, two times the sum of (a) and (b).

Stock Awards: The amounts shown in this column are the value of the officers' unvested restricted units and (2) unearned performance units that would vest under certain circumstances pursuant to the Incentive Compensation Plan.

In the case of retirement, an officer's unvested restricted units and unearned performance units continue to vest and be earned in accordance with their terms following retirement. For James P. Hackett and Nancy W. Hickey, the amount shown in the "Retirement" row represents the number of restricted units he or she held as of February 28, 2014, multiplied by the market price of our Class A Common Stock on that date, and the value reflected for Mr. Hackett's and Ms. Hickey's performance

Table of Contents

units is based on the level of performance through February 28, 2014 against performance goals for those awards and using the market price of our stock on that date.

SERP: The amounts shown in this column in the "Retirement" and "Termination without cause" rows for James P. (3)Hackett and Nancy W. Hickey, represent the present value of the benefits each would receive under our Executive Supplemental Retirement Plan in such events, as shown in the Fiscal Year 2014 Pension Benefits Table.

The amounts shown in this column in the "Death or disability" row for each officer represent the present value of the benefits each would receive under the Executive Supplemental Retirement Plan in the event of total disability. In the event of death, the present values of the benefits that would be received are slightly lower and are as follows: James P. Hackett \$3,625,448; David C. Sylvester \$1,585,382; James P. Keane \$2,366,854; Nancy W. Hickey \$1,812,575; and Sara E. Armbruster \$0.

The amounts shown in this column in the "Termination after change in control" row for each officer are the payments that would be made to the officer pursuant to our Executive Severance Plan with regard to our Executive Supplemental Retirement Plan in the event of a termination after change in control. These payments represent the present value of the benefits the officer would receive under our Executive Supplemental Retirement Plan following retirement, prorated to the extent the officer does not qualify for normal or early retirement at the time of the change in control, but with an additional three years of service and age credited in the case of our CEO or two years of service and age credited in the case of our other named executive officers.

(4)Other Benefits: The amounts shown in this column for each officer are the sum of: the estimated cost to our company of outplacement services that would be provided to the officer for up to 18 months following termination pursuant to the Executive Severance Plan and a lump sum payment that would be made under the Executive Severance Plan equal to the premiums that the officer would need to pay to continue health plan coverage for himself or herself and his or her eligible dependents under our benefit plans for a period of 18 months and are as follows: James P. Hackett \$18,262; David C. Sylvester \$8,563; James P. Keane \$26,087; Nancy W. Hickey \$26,087; and Sara E. Armbruster \$25,849.

Excise Tax Gross-Up: The amounts shown in this column are the amounts that would be paid under the Executive (5)Severance Plan to cover any excise taxes due by the officers for the payments and benefits received in connection with a termination after change in control.

In addition to the amounts shown in the Potential Payments upon Termination or Change in Control table, the named executive officers would receive:

- any base salary and vacation pay which had been earned through the end of the fiscal year but not yet paid or used;
- their short-term MIP awards for fiscal year 2014, not as severance or an acceleration of benefits but because they were employees for the full fiscal year;
- the vested balance of their accounts under our Retirement Plan, which is available generally to all U.S. employees and does not discriminate in favor of the executive officers;
- the vested balance of their accounts under the Restoration Retirement Plan and the balance of their accounts under the Deferred Compensation Plan, both of which are shown in the Fiscal Year 2014 Nonqualified Deferred Compensation table;
- in the event of retirement only, the right to receive certain healthcare benefits, as described above in Compensation Discussion and Analysis under the heading "Retirement Plans and Practices;" and
- other welfare benefits, such as a family death benefit in the event of death of the employee, which are available generally to all U.S. employees of Steelcase Inc.



Table of Contents

The Potential Payments upon Termination or Change in Control table does not include any payments that would be made to James P. Hackett pursuant to his individual deferred compensation agreement with us, as payments under that agreement are not triggered by termination of employment or a change in control, other than the return of the amounts he deferred in the case of a termination for cause.

Generally, the amounts reflected in the Potential Payments upon Termination or Change in Control table would be paid to the applicable officer in a lump sum following termination of employment or change in control, pursuant to the terms of the applicable plans; however, portions of such amounts would be paid six months after the applicable triggering date and two years after the applicable triggering date. In addition, certain of the amounts reflected in the table are subject to forfeiture in the event the officer competes with us or in the event of certain restatements of our financial statements. See the Compensation Discussion and Analysis under the heading “Other Programs and Practices - Non-compete and Other Forfeiture Provisions” for a discussion of these conditions.

Table of ContentsPROPOSAL 3 – RATIFICATION OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee appoints an independent registered public accounting firm each fiscal year to audit our financial statements and internal control over financial reporting. The Committee has appointed Deloitte & Touche LLP to serve as our independent auditor for fiscal year 2015, and as a matter of good corporate governance, our Board of Directors is asking our shareholders to ratify that appointment. If our shareholders do not ratify the appointment of Deloitte & Touche LLP, the Audit Committee will reconsider such appointment.

Deloitte & Touche LLP served as our independent auditor for fiscal year 2014 and has been our independent auditor since fiscal year 2010. Representatives of Deloitte & Touche LLP will attend the Meeting, have an opportunity to make a statement if they desire to do so and respond to appropriate questions.

The affirmative vote of a majority of the votes cast at the Meeting for this proposal is required to approve this Proposal 3.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2015.

## FEES PAID TO PRINCIPAL INDEPENDENT AUDITOR

The fees billed by Deloitte & Touche LLP for fiscal year 2014 (estimated) and fiscal year 2013 (actual) for work performed for us are as follows:

Type of Fees	Fiscal Year 2014 (estimated)	Fiscal Year 2013 (actual)
Audit Fees	\$2,037,000	\$2,150,000
Audit-Related Fees	\$—	\$—
Tax Fees	\$691,000	\$724,000
All Other Fees	\$—	\$—
Total	\$2,728,000	\$2,874,000

Audit fees consisted of fees related to the annual audit of our consolidated financial statements, annual audit of our internal control over financial reporting, reviews of the financial statements included in quarterly reports on Form 10-Q, other services related to SEC reporting matters and audits of separate financial statements of subsidiaries and other consolidated entities.

Tax fees consisted primarily of fees related to consultation services for expatriate employees and corporate tax compliance services, primarily related to our international subsidiaries.

Our Audit Committee determined that providing the services reflected in the above table was compatible with the maintenance of the independence of Deloitte & Touche LLP.

Our Audit Committee has a policy under which it approves in advance audit, audit-related, tax and other services rendered by the principal independent auditor, subject to specific fee limits. If circumstances require hiring the independent auditor for services not previously pre-approved or that would exceed the fee limits previously set, the Audit Committee must pre-approve the new services or fee limits. The Audit Committee Chair may pre-approve specified services between regularly scheduled meetings of the Audit Committee, subject to review by the full Audit Committee at its next scheduled meeting. All of the fiscal year 2014 services and fees reflected in the above table

were pre-approved by the Audit Committee.

50

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Table of Contents

AUDIT COMMITTEE REPORT

Management is responsible for the Company's financial reporting process and its internal controls regarding financial reporting, accounting, legal compliance and ethics. Deloitte & Touche LLP, the Company's independent registered public accounting firm for the fiscal year ended February 28, 2014 (the "independent auditor"), is responsible for performing independent audits of the Company's consolidated financial statements and its internal control over financial reporting and issuing opinions on:

the conformity of those audited financial statements with accounting principles generally accepted in the United States of America and  
the effectiveness of the Company's internal control over financial reporting.

Our Committee's role is to serve as an independent and objective party to monitor these processes on behalf of the Board of Directors and to review the audit efforts of the Company's internal and independent auditors.

In this context, we discussed with the independent auditor the matters required to be discussed by the applicable standards of the Public Company Accounting Oversight Board. In addition, we received the written disclosures and letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Committee concerning independence, and we reviewed, evaluated and discussed the written report and letter with that firm, as well as its independence with respect to the Company.

We discussed with the Company's internal and independent auditors the overall scope and plans for their respective audits. We also reviewed and discussed with management the Company's audited financial statements. We met with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal control and the overall quality of the Company's financial reporting.

Based on the review and discussions referred to above, and relying on the representations of the Company's management and the independent auditor's report, our Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2014 for filing with the Securities and Exchange Commission.

Audit Committee

Cathy D. Ross (Chair)  
Lawrence J. Blanford  
David W. Joos  
Elizabeth Valk Long  
Peter M. Wege II

Table of Contents

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Table of Contents