

HNI CORP
Form 8-K
October 16, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): October 15, 2014

HNI Corporation
(Exact Name of Registrant as Specified in Charter)

Iowa	1-14225	42-0617510
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

408 East Second Street, P.O. Box 1109, Muscatine, Iowa 52761-0071
(Address of Principal Executive Offices, Including Zip Code)

Registrant's telephone number, including area code: (563) 272-7400

N/A
(Former Name or Former Address, if Changed Since Last Report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 — Financial Information

Item Results of Operations and Financial Condition.

2.02

On October 15, 2014, HNI Corporation (the "Corporation") issued a press release announcing its financial results for third quarter of fiscal 2014. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this Current Report on Form 8-K and the attached Exhibit shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

Exhibit Description

No.

99.1 Text of press release dated October 15, 2014.

SIGNATURES

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

HNI CORPORATION

Date: October 15, 2014

By

/s/ Kurt A. Tjaden
Kurt A. Tjaden
Vice President and Chief Financial
Officer

Exhibit Index

Exhibit Description

No.

99.1 Text of press release dated October 15, 2014.

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128,899

6,938

59.77

165,263

6,938

82.72

6,036

8,500

66.29

147,050

8,500

80.32

27,795

Steven C. Zola

2,313

37.76

83.59

106,005

2,313

53.34

69,968

4,625

51.17

149,943

4,625

55.72

128,899

6,938

59.77

165,263

6,938

82.72

6,036

8,500

66.29

147,050

8,500

80.32

27,795

(1) Assuming that a change in control occurred at a stock price of \$83.59 per share (the closing price of the Company's stock as of December 27, 2014), before any withholding tax liabilities.

2014 Director Compensation***Cash Compensation Paid to Board Members***

For the fiscal year ended December 27, 2014, nonemployee members of the Board of Directors were entitled to receive an annual cash retainer of \$25,000 and an attendance fee of \$1,000 for each Board or Committee meeting. The Lead Director received an additional annual retainer of \$5,000.

Stock Option Award

Pursuant to the terms of our Stock Option Plan for Nonemployee Directors, nonemployee directors are automatically granted an option to purchase 25,000 common shares upon the initial election as a director. In addition to an initial award under the Nonemployee Director Stock Option Plan, each nonemployee director is eligible to receive stock option grants as determined by the Compensation Committee. In June and December 2014, each current nonemployee director received a stock option grant of 1,000 shares pursuant to the Nonemployee Director Stock Option Plan. These options vest 25% per year for four years, beginning one year from the date of the grant, and expire at the end of 10 years. All of the outstanding and unvested stock options granted under the Nonemployee Director Stock Option Plan become immediately exercisable upon the occurrence of a change in control of the Company.

The following table sets out the fiscal 2014 compensation for each of our current nonemployee directors.

Name(1)(2)	Fees Earned or Paid in Cash (\$)	Option Awards \$(2)(3)	Total (\$)
Lawrence A. Barbetta	34,000	42,030	76,030
Jenele C. Grassle	32,000	42,030	74,030
Kirk A. MacKenzie	33,000	42,030	75,030
Paul C. Reyelts	40,000	42,030	82,030
Mark L. Wilson	36,000	42,030	78,030

(1) Our executives who also serve on the Board of Directors did not receive any compensation for their services as directors. The compensation for Mr. Morgan and Mr. Zola, whom both serve on the Board of Directors, is outlined in the Summary Compensation Table on page 13.

(2) Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for awards granted in fiscal 2014. A discussion of the assumptions made in the valuation of our stock options is located in footnote 6 Shareholders Equity in the Annual Report on Form 10-K, and is incorporated herein by reference.

(3) As of December 27, 2014, nonemployee directors hold options to purchase the following shares of our common stock pursuant to the Nonemployee Director Stock Option Plan: Mr. Barbetta, 31,000 shares; Ms. Grassle, 14,000 shares; Mr. MacKenzie, 14,000 shares; Mr. Reyelts, 10,250 shares; and Mr. Wilson, 14,000 shares.

Transactions with Related Persons, Promoters and Certain Control Persons

2014 Fiscal Year

There were no reportable related party transactions in fiscal 2014.

Review, Approval or Ratification of Transactions with Related Persons

The Board of Directors has a formal written related party transaction statement of policy, which sets forth Winmark's policies and procedures for the review, approval or ratification of any transaction with a related party required to be reported in our company's filings with the Securities and Exchange Commission. The Audit Committee of the Board of Directors must approve any related party transaction subject to this policy before commencement of the related party transaction. The audit committee may, in its sole discretion, approve or deny any related party transaction. In the event Winmark's management becomes aware of a related party transaction that has not been previously approved by the Audit Committee, such transaction will be submitted to the Audit Committee, which has the authority to ratify, amend, terminate or rescind the transaction as deemed appropriate in its discretion.

Securities Authorized for Issuance Under Equity Compensation Plans

The following information reflects certain information about our equity compensation plans as of December 27, 2014:

Plan category	Equity Compensation Plan Information		
	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	597,700	\$ 48.50	228,001
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	597,700	\$ 48.50	228,001

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS

AND EXECUTIVE OFFICERS

The following table sets forth the number of shares of Common Stock beneficially owned by (i) each person known by us to own more than 5% of the outstanding shares of Common Stock, (ii) each Named Executive Officer in the Summary Compensation Table, (iii) each director, (iv) each director nominee and (v) all directors and executive officers as a group. All persons named in the table have sole voting and investment power with respect to all shares of Common Stock owned, unless otherwise noted. The number of shares listed is as of March 6, 2015, the Record Date, unless otherwise noted.

Name (and Address of 5% Holders) or Identity of Group	Number of Shares Beneficially Owned	Percent of Outstanding Shares
John L. Morgan	1,695,410(1)	33.9%
605 Highway 169 N, Suite 400 Minneapolis, MN 55441		
Kirk A. MacKenzie	182,000(2)	3.6%
Brett D. Heffes	159,998(3)	3.2%
Steven A. Murphy	154,050(4)	3.0%
Steven C. Zola	153,871(5)	3.0%
Anthony D. Ishaug	58,750(6)	1.2%
Mark L. Wilson	48,000(2)	*
Paul C. Reyelts	39,000(7)	*
Lawrence A. Barbetta	20,250(8)	*
Jenele C. Grassle	15,500(2)	*
Ronald G. Olson	577,857(9)	11.6%
1630 North Ridge Drive Wayzata, MN 55391		
Nine Ten Partners LP	461,975(10)	9.2%
12600 Hill Country Blvd, Suite R-230 Austin, TX 78738		
All current directors and executive officers as a group (11 persons)	2,538,727(11)	47.6%

* Less than 1%

(1) Includes 29,032 shares held by Mr. Morgan's wife, for which he disclaims beneficial ownership.

(2) Includes 9,000 shares which are not outstanding, but may be acquired within 60 days of the Record Date through the exercise of stock options.

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- (3) Includes 49,498 shares which are not outstanding, but may be acquired within 60 days of the Record Date through the exercise of stock options. Includes 1,300 shares held by Mr. Heffes for a minor child.
- (4) Includes 72,730 shares which are not outstanding, but may be acquired within 60 days of the Record Date through the exercise of stock options. Includes 700 shares held in two trust accounts on behalf of Mr. Murphy's children.
- (5) Includes 105,234 shares which are not outstanding, but may be acquired within 60 days of the Record Date through the exercise of stock options. Includes 1,500 shares held by Mr. Zola's children.
- (6) Includes 48,500 shares which are not outstanding, but may be acquired within 60 days of the Record Date through the exercise of stock options.
- (7) Includes 5,250 shares which are not outstanding, but may be acquired within 60 days of the Record Date through the exercise of stock options.

(8) Includes 20,250 shares which are not outstanding, but may be acquired within 60 days of the Record Date through the exercise of stock options.

(9) We have relied on information provided by Mr. Olson in a Form 4 filed on December 30, 2014.

Includes 1,500 shares held by Mr. Olson's wife.

(10) We have relied on information provided by Nine Ten Partners LP on Schedule 13G filed on February 17, 2015, and includes shares owned by affiliates of Nine Ten Partners, Brian Bares, James Bradshaw and Russell Mollen.

(11) Includes 334,710 shares which are not outstanding, but may be acquired within 60 days by all directors and executive officers as a group through the exercise of stock options.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the 1934 Act requires directors, executive officers, and persons who own more than ten percent of our Common Stock to file with the Securities and Exchange Commission (Commission) initial reports of beneficial ownership and reports of changes in beneficial ownership of common shares. Directors, officers and greater than ten percent shareholders are required by the regulations of the Commission to furnish us with copies of all Section 16(a) reports they file. To our knowledge, based solely on review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 27, 2014, all Form 3, Form 4 and Form 5 filing requirements of our directors, executive officers and persons who own more than ten percent of our Common Stock were met.

RATIFICATION OF INDEPENDENT AUDITORS

(Proposal #3)

General

The Audit Committee has the authority to appoint and discharge the independent registered public accounting firm and has chosen to retain GRANT THORNTON LLP to serve as independent registered public accounting firm for fiscal year 2015. The Board is submitting such appointment of GRANT THORNTON LLP to the shareholders for ratification. If the appointment of GRANT THORNTON LLP is not ratified, the Board of Directors will require the Audit Committee to reconsider its selection. Representatives from GRANT THORNTON LLP expect to be present at the meeting, will have the opportunity to make a statement if they desire and will be available to respond to appropriate questions.

Principal Accounting Fees and Services

The following is a summary of the fees billed by GRANT THORNTON LLP for professional services rendered as our independent registered public accounting firm during the 2014 and 2013 fiscal years.

GRANT THORNTON LLP

Fee Category	Fiscal 2014 Fees		Fiscal 2013 Fees	
Audit Fees	\$	277,270	\$	261,040
Audit-Related Fees		15,080		14,560
Tax Fees		0		0
All Other Fees		0		0
Total Fees	\$	292,350	\$	275,600

Audit Fees. Consists of fees billed for professional services rendered for the audit of our annual consolidated financial statements, the audit of our internal control over financial reporting, review of the interim consolidated financial statements included in quarterly reports, and services that are normally provided by the principal accountant in connection with statutory and regulatory filings or engagements.

Audit-Related Fees. Consists of fees billed for services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees. These services primarily consist of employee benefit plan audits.

Pursuant to its Audit Committee Charter, the Audit Committee is responsible for pre-approving all audit and permitted non-audit services to be performed for Winmark by its independent auditors or any other auditing or accounting firm.

AUDIT COMMITTEE REPORT

The Board of Directors maintains an Audit Committee comprised of four of Winmark's independent directors. The Board of Directors and the Audit Committee believe that the Audit Committee's current member composition satisfies the rule of the NASDAQ OMX Group, Inc. (NASDAQ) that governs audit committee composition, Rule IM-5605-4, including the requirement that audit committee members all be independent directors as that term is defined by NASDAQ Rule 5605(a)(2).

In accordance with its written charter adopted by the Board of Directors, the Audit Committee assists the Board of Directors with fulfilling its oversight responsibility regarding the quality and integrity of the accounting, auditing and financial reporting practices of Winmark. In discharging its oversight responsibilities regarding the audit process, the Audit Committee:

(1) reviewed and discussed with management Winmark's consolidated audited financial statements as of and for the year ended December 27, 2014; and

(2) discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, *Professional Standards*, Vol. 1 AU Section 380, as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

(3) received and reviewed the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with the independent auditors the independent auditor's independence.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in Winmark's Annual Report on Form 10-K for the fiscal year ended December 27, 2014, as filed with the Securities and Exchange Commission.

Members of the Audit Committee:

Paul C. Reyelts, Chairman

Lawrence A. Barbetta

Kirk A. MacKenzie

Mark L. Wilson

Board Recommendation

The Board of Directors recommends that the shareholders vote FOR Proposal #3 to ratify GRANT THORNTON LLP as the independent registered public accounting firm for Winmark. Under applicable Minnesota law, approval of the proposal to be voted on at the meeting requires the affirmative vote of the holders of the greater of (i) a majority of the voting power of the shares represented in person or by proxy at the Annual Meeting with authority to vote on such matter or (ii) a majority of the voting power of the minimum number of shares that would constitute a quorum for the transaction of business at the Annual Meeting.

SHAREHOLDER PROPOSALS FOR THE 2016 ANNUAL MEETING

Rule 14a-8 of the SEC permits shareholders of a company, after timely notice to the company, to present proposals for shareholder action in the company's proxy statement where such proposals are consistent with applicable law, pertain to matters appropriate for shareholder action and are not properly omitted by company action in accordance with the proxy rules.

The Winmark Corporation 2016 Annual Meeting of Shareholders is expected to be held on or about April 27, 2016. Proxy materials for that meeting are expected to be mailed on or about March 23, 2016. Under SEC Rule 14a-8, shareholder proposals to be included in the Winmark Corporation proxy statement for that meeting must be received by Winmark Corporation on or before November 24, 2015. Additionally, if Winmark Corporation receives notice of a shareholder proposal after February 7, 2016, the proposal will be considered untimely pursuant to SEC Rules 14a-4 and 14a-5(e) and the persons named in proxies solicited by the Board of Directors of Winmark Corporation, Inc. for its 2016 Annual Meeting of Shareholders may exercise discretionary voting power with respect to the proposal.

ANNUAL REPORT ON FORM 10-K

A COPY OF OUR FORM 10-K ANNUAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 27, 2014 (WITHOUT EXHIBITS) ACCOMPANIES THIS NOTICE OF MEETING AND PROXY STATEMENT. THE ANNUAL REPORT IS INCORPORATED HEREIN BY REFERENCE. WE WILL FURNISH TO ANY SHAREHOLDER, UPON WRITTEN REQUEST, ANY EXHIBIT DESCRIBED IN THE LIST ACCOMPANYING THE FORM 10-K, UPON THE PAYMENT, IN ADVANCE, OF REASONABLE FEES RELATED TO THE FURNISHING OF SUCH EXHIBIT(S). ANY REQUEST SHOULD INCLUDE A REPRESENTATION THAT THE SHAREHOLDER WAS THE BENEFICIAL OWNER OF SHARES OF OUR COMMON STOCK ON MARCH 6, 2015, THE RECORD DATE FOR THE 2015 ANNUAL MEETING, AND SHOULD BE DIRECTED TO ANTHONY D. ISHAUG, CHIEF FINANCIAL OFFICER AND TREASURER, AT OUR PRINCIPAL ADDRESS.

OTHER BUSINESS

The Board of Directors knows of no other matters to be presented at the meeting. In the event any other business is presented at the meeting, the persons named in the enclosed proxy will have authority to vote on that business in accordance with their judgment.

By the Order of the Board of Directors

John L. Morgan
Chairman and Chief Executive Officer

