CNH Industrial N.V.
Form S-8
October 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CNH INDUSTRIAL N.V.

(formerly FI CBM Holdings N.V.)

(Name of the Issuer)

Kingdom of The Netherlands **(State or Other Jurisdiction of** **Incorporation or Organisation)**	**Not applicable** **(I.R.S. Employer** **Identification No.)**

Cranes Farm Road

Basildon

Essex SS14 3AD

United Kingdom

Tel. No.: +44 1268 533000

(Address of Principal Executive Offices)

CNH Global N.V. Equity Incentive Plan

CNH Global N.V. Directors Compensation Plan

Fiat Industrial S.p.A. Long-Term Incentive Plan

CNH Industrial N.V. Directors Compensation Plan

(Full Title of the Plan)

Scott Miller
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Tel.: 212-558-4000

Roberto Russo
CNH Industrial N.V.

Cranes Farm Road
Basildon
Essex SS14 3AD
United Kingdom
Tel. No.: +44 1268 533000

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

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered[1]	Amount to be Registered[2]	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Shares par value 0.01 per share	23,421,146[3]	Not applicable	$224,664,536[4]	$30,644.25

(1) CNH Industrial N.V. (CNH Industrial) is offering common shares pursuant to the Fiat Industrial Long-Term Incentive Plan (the Fiat Industrial Plan), the CNH Global N.V. Equity Incentive Plan (the CNH Global Plan) and the CNH Global N.V. Directors Compensation Plan (the CNH Global Directors Compensation Plan and together with Fiat Industrial Plan and the CNH Global Plan, the Rollover Plans) following the assumption by CNH Industrial of the obligations under the Rollover Plans in connection with the merger of each of Fiat Industrial S.p.A. (Fiat Industrial) and CNH Global N.V. (CNH) with and CNH Industrial, pursuant to the merger agreement by and among CNH Industrial, Fiat Industrial, CNH and Fiat Netherlands Holding N.V. dated November 25, 2012. CNH Industrial is also offering common shares pursuant to the CNH Industrial N.V. Directors Compensation Plan (the CNH Industrial Directors Compensation Plan and together with the Rollover Plans , the Plans), which was approved by the shareholder and adopted by the Board of Directors of CNH Industrial on September 9, 2013.

(2) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the Securities Act), this Registration Statement shall also cover additional common shares which may become issuable by reason of any stock split, stock dividend, recapitalization, or other similar transaction effected without consideration which results in the increase in the number of the Registrant s outstanding commons shares.

(3) Represents the number of CNH Industrial common shares available for issuance (i) in connection with obligations (a) assumed by CNH Industrial (a) under the Fiat Industrial Plan based on an exchange ratio of 1 CNH Industrial common share for each Fiat Industrial ordinary share (the FI Exchange Ratio) and (b) under the CNH Global Plan and the CNH Global Directors Compensation Plan, based on an exchange ratio of 3.828 CNH Industrial common share for each CNH ordinary share (the CNH Exchange Ratio) and (ii) in connection with CNH Industrial Directors Compensation Plan.

(4) Estimated solely for the purpose of calculating the registration fee. The offering price per share of the common shares was calculated based on the average of the high and low prices of the Fiat Industrial ordinary shares on the *Mercato Telematico Azionario* and on the euro to dollar exchange rate, as reported on Bloomberg, both as of September 25, 2013. The Fiat Industrial ordinary shares was used as a reference because the ordinary shares of Fiat Industrial have been converted into common shares of Fiat Industrial at the 1:1 FI Exchange Ratio. Pursuant to Rule 457(h) under the Securities Act, the aggregate offering price of the Common Shares to be issued in

relation to stock options under the Plans was calculated based on the weighted average price per share at which the stock options could be exercised as of September 25, 2013.

EXPLANATORY NOTE

In connection with the merger (the Merger) of Fiat Industrial S.p.A. (Fiat Industrial or FI) and CNH Global N.V. (CNH) with and into CNH Industrial N.V. (CNH Industrial , the Company or the Registrant), pursuant to the terms merger agreement entered into by and among CNH Industrial, Fiat Industrial, CNH and Fiat Netherlands Holding N.V. dated November 25, 2012 (the Merger Agreement), CNH Industrial assumed the sponsorship of the Fiat Industrial Long-Term Incentive Plan (the Fiat Industrial Plan), the CNH Global N.V. Equity Incentive Plan (the CNH Global Plan) and the CNH Global N.V. Directors Compensation Plan (the CNH Global Directors Compensation Plan and together with Fiat Industrial Plan and the CNH Global Plan, the Rollover Plans), effective as of September 29, 2013 (the Effective Date).

On the Effective Date, in accordance with the terms of the Merger Agreement: ***(a)*** each option, restricted share unit, performance unit or share appreciation right of Fiat Industrial (the FI Incentives) have been converted into an option, restricted share unit, performance unit or share appreciation right, as applicable, (i) with respect to a number of common shares of the Company, par value 0.01 per share (Common Shares) equal to the equivalent number of ordinary shares of FI, par value 1.57 per share (FI Ordinary Shares) subject to such FI Incentive prior to the Effective Date and (ii) at the exercise price per FI Ordinary Share as subject to such FI Incentive immediately prior to the Effective Date (collectively, as converted, the FI-Company Incentives) and ***(b)*** each option, restricted share unit, performance unit or share appreciation right of CNH (the CNH Incentives) have been converted into an option, restricted share unit, performance unit or share appreciation right, as applicable, (i) with respect to a number of Common Shares equal to the product (rounded down to the nearest whole number) of (x) the equivalent number of common shares of CNH, par value 2.25 per share (CNH Common Shares) subject to such CNH Incentive prior to the Effective Date and (y) the CNH Exchange Ratio (as defined in the Merger Agreement) and (ii) in the case of an option, at the exercise price per share (rounded up to the nearest whole cent) equal to the quotient of (A) the exercise price per CNH Common Share of such option immediately prior to the Effective Date, divided by (B) the CNH Exchange Ratio (as converted, the CNH-Company Incentives and, together with the FI-Company Incentives, the Equity Incentives);

Furthermore, on September 9, 2013 the CNH Industrial N.V. Directors Compensation Plan (the CNH Industrial Directors Compensation Plan and together with the Rollover Plans , the Plans) was approved by the shareholder and adopted by the Board of Directors of CNH Industrial.

This Registration Statement on Form S-8 registers the aggregate number of Common Shares that may be issued with respect to the Equity Incentives and under the CNH Industrial Directors Compensation Plan. As of the Effective Time, CNH Industrial assumed all the obligations of Fiat Industrial and CNH, respectively, under the Rollover Plans, including the outstanding Equity Incentives granted thereunder.

The assumed Equity Incentives shall be subject to the same terms and conditions (including expiration date and exercise provisions) as were applicable to such CNH Incentives and the FI Incentives prior to the Effective Date.

As of the Effective Date, (i) the Fiat Industrial Plan has been amended such that all references to FI shall be deemed to refer to the Company; (ii) the CNH Global Plan and the CNH Global Directors Compensation Plan have been amended such that all references to CNH shall be deemed to refer to the Company; (iii) the Fiat Industrial Plan has been amended such that all references to FI Ordinary Shares shall be deemed to refer to Company Common Shares; (iv) the CNH Global Plan and the CNH Global Directors Compensation Plan have been amended such that all references to CNH Common Stock shall be deemed to refer to Company Common Shares; (v) the Fiat Industrial Plan has been amended such that all references to the Compensation Committee shall be deemed to refer to the Compensation Committee of the Board of the Company and (vi) the CNH Global Plan and the CNH Global Directors Compensation Plan have been amended such that all references to the Committee shall be deemed to refer to the Compensation Committee of the Board of the Company.

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PART I

INFORMATION REQUIRED IN THE SECTION 10(A)

PROSPECTUS

Item 1. Plan Information.

The documents containing the information specified in Part I (plan and registrant information) will be delivered in accordance with Rule 428(b)(1) under the Securities Act of 1933, as amended (the Securities Act). Such documents are not required to be, and are not, filed with the Securities and Exchange Commission (the Commission), either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act. These documents, and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II of this Form S-8, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

Item 2. Registrant Information and Employee Plan Annual Information.

CNH Industrial will provide participants of the Plans, upon written or oral request and without charge, a copy of the documents incorporated by reference in Item 3 of Part II of this Registration Statement, which are incorporated by reference in the Section 10(a) prospectus, and all documents required to be delivered to employees pursuant to Rule 428(b) under the Securities Act. Requests for such documents should be directed to CNH Industrial N.V., Cranes Farm Road, Basildon, Essex SS14 3AD, United Kingdom, Attention: Corporate Secretary, telephone number +44 1268 533000.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The Registrant incorporates herein by reference the following documents filed (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules) by the Registrant with the SEC:

(a) The prospectus dated June 6, 2013, which forms part of the Company s Registration Statement on Form F-4 (No. 333-188600);

(b) The description of the Common Shares included or incorporated by reference under Item 1 of the Company s Registration Statement on Form 8-A (No. 001-36085), as filed by the Company with the SEC on September 23, 2013 (No. 001-36085).

(c) The Company s Report of Foreign Private Issuer on Form 6-K, filed with the SEC on September 30, 2013.

All reports and other documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from their respective dates of filing (such documents, and the documents enumerated above, being hereinafter referred to as Incorporated Documents).

Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Article 17 of the Articles of Association of the Registrant provides that:

The company shall indemnify any and all of its directors, officers, former directors, former officers and any person who may have served at its request as a director or officer of another company in which it owns shares or of which it is a creditor, against any and all expenses actually and necessarily incurred by any of them in connection with the defence of any action, suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been director or officer of the company, or of such other company, except in relation to matters as to which any such person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled otherwise.

The Registrant has obtained directors and officers liability insurance, which, subject to policy terms and limitations, includes coverage to reimburse the Registrant for amounts that it may be required or permitted by law to pay its directors or officers. In addition, the Registrant expect to enter into indemnification agreements with each of its outside directors.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

See Exhibit Index

Item 9. Undertakings.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the Securities Act);

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post- effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, *however*, that paragraphs (1)(i) and (1)(ii) above do not apply if the information required to be included in a post-closing effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant s annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefits plan s annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in San Francisco, on the 30th day of September, 2013.

CNH Industrial N.V.

By:	/s/ Richard Tobin
Name:	Richard Tobin
Title:	Chief Executive Officer

POWERS OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard Tobin and Massimiliano Chiara, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities on the 30th day of September, 2013:

Statements	Title
Sergio Marchionne	Chairman
/s/ Richard Tobin Richard Tobin	Chief Executive Officer (Principal Executive Officer)
/s/ Massimiliano Chiara Massimiliano Chiara	Chief Financial Officer (Principal Financial Officer)
/s/ Monica Ciceri Monica Ciceri	Chief Accounting Officer (Principal Accounting Officer)
John Elkann	Director
/s/ Mina Gerowin Mina Gerowin	Director
/s/ Maria Patrizia Grieco Maria Patrizia Grieco	Director
/s/ Léo Houle Léo Houle	Director
/s/ Peter Kalantzis Peter Kalantzis	Director
/s/ John Lanaway John Lanaway	Director

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/s/ Guido Tabellini Guido Tabellini	Director
/s/ Jacqueline Tammenoms Bakker Jacqueline Tammenoms Bakker	Director
 Jacques Theurillat	Director

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed on by the undersigned as the duly authorized representative of CNH Industrial N.V. in the United States.

CNH Industrial N.V.

By: /s/ Richard Tobin
Name: Richard Tobin
Title: Chief Executive Officer

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INDEX TO EXHIBITS

Exhibit No.	Description
4.1	Articles of Association (incorporated herein by reference to Appendix D to the Registration Statement on Form F-4 Filed by FI CBM Holdings N.V. on May 14, 2013)
4.2	CNH Global N.V. Equity Incentive Plan
4.3	Fiat Industrial S.p.A. Long-Term Incentive Plan
4.4.	CNH Global N.V. Directors Compensation Plan
4.5	CNH Industrial N.V. Directors Compensation Plan
5.1	Opinion of Freshfields Bruckhaus Deringer LLP as to the legality of the securities being registered
23.1	Consent of Reconta Ernst & Young S.p.A.
23.2	Consent of Ernst & Young LLP
23.3	Consent of Deloitte & Touche S.p.A.
23.4	Consent of Deloitte & Touche LLP
23.5	Consent of Freshfields Bruckhaus Deringer LLP (included in Exhibit 5.1)
24.1	Power of Attorney (see page II-2 to this registration statement)

d forward contracts with expiration dates ranging up to twelve months. The contracts have been designated as cash flow hedges of future diesel purchases, and as such, the net amount paid or received upon monthly settlements is recorded as an adjustment to freight expense, while the effective change in fair value is recorded as a component of accumulated other comprehensive income in the equity section of the Corporation's Consolidated Balance Sheets.

As of December 28, 2013, $0.1 million of deferred net gains, net of tax, included in equity ("Accumulated other comprehensive income (loss)" in the Corporation's Consolidated Balance Sheets) related to the diesel hedge agreements, are expected to be reclassified to current earnings ("Selling and administrative expense" in the Corporation's Consolidated Statements of Income) over the next twelve months.

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The location and fair value of derivative instruments reported in the Corporation's Consolidated Balance Sheets are as follows (in thousands):

		Asset (Liability) Fair Value		
	Balance Sheet Location	2013	2012	2011
Diesel fuel swap	Prepaid expenses and other current assets	176	123	165
Diesel fuel swap	Accounts payable and accrued expenses	—	(242)	(256)
		$176	$(119)	$(91)

The effect of derivative instruments on the Corporation's Consolidated Statements of Income for the year ended December 28, 2013 was as follows (in thousands):

Derivatives in Cash Flow Hedge Relationship	Before-tax Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	Locations of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Before-Tax Gain (Loss) Reclassified from AOCI Into Income (Effective Portion)	Locations of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)
Diesel fuel swap	538	Selling and administrative expense	243	Selling and administrative expense	(2)
Total	$538		$243		$(2)

The effect of derivative instruments on the Corporation's Consolidated Statements of Income for the year ended December 29, 2012 was as follows (in thousands):

Derivatives in Cash Flow Hedge Relationship	Before-tax Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	Locations of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Before-Tax Gain (Loss) Reclassified from AOCI Into Income (Effective Portion)	Locations of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)
Diesel fuel swap	213	Selling and administrative expense	243	Selling and administrative expense	—
Total	$213		$243		$—

The effect of derivative instruments on the Corporation's Consolidated Statements of Income for the year ended December 31, 2011 was as follows (in thousands):

Derivatives in Cash Flow Hedge Relationship	Before-tax Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	Locations of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Before-Tax Gain (Loss) Reclassified from AOCI Into Income (Effective Portion)	Locations of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)

Interest rate swap	$10	Interest expense	$(898)	None	$—
Diesel fuel swap	747	Selling and administrative expense	1,112	Selling and administrative expense	—
Total	$757		$214		$—

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Fair Value Measurements of Financial Instruments

For recognition purposes, on a recurring basis, the Corporation is required to measure at fair value its marketable securities and its investment in target funds. The marketable securities were comprised of investments in government securities, corporate bonds and money market funds. The target funds are reported as both current and noncurrent assets based on the portion anticipated to be used for current operations. When available, the Corporation uses quoted market prices to determine fair value and classifies such measurements within Level 1. In some cases where market prices are not available, the Corporation makes use of observable market based inputs (prices or quotes from published exchanges/indexes) to calculate fair value using the market approach, in which case the measurements are classified within Level 2.

Assets measured at fair value for the year ended December 28, 2013 were as follows:

(in thousands)	Fair value as of measurement date	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Government securities	$11,254	$—	$11,254	$—
Corporate bonds	$4,859	$—	$4,859	$—
Derivative financial instrument	$176	$—	$176	$—

Assets measured at fair value for the year ended December 29, 2012 were as follows:

(in thousands)	Fair value as of measurement date	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Government securities	$15,295	$—	$15,295	$—
Corporate bonds	$5,061	$—	$5,061	$—
Derivative financial instrument	$(119)	$—	$(119)	$—

Assets measured at fair value for the Corporation’s fiscal year ended December 31, 2011 were as follows:

(in thousands)	Fair value as of measurement date	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Government securities	$15,863	$—	$15,863	$—
Corporate bonds	$3,751	$—	$3,751	$—
Derivative financial instrument	$(91)	$—	$(91)	$—

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Shareholders' Equity

	2013	2012	2011
Common Stock, $1 Par Value			
Authorized	200,000,000	200,000,000	200,000,000
Issued and outstanding	44,981,865	44,950,703	44,855,207
Preferred Stock, $1 Par Value			
Authorized	2,000,000	2,000,000	2,000,000
Issued and outstanding	—	—	—

The Corporation purchased 740,000; 800,000; and 323,965 shares of its common stock during 2013, 2012 and 2011, respectively. The par value method of accounting is used for common stock repurchases.

The following table summarizes the components of accumulated other comprehensive income (loss) and the changes in accumulated other comprehensive income loss:

(in thousands)	Foreign Currency Translation Adjustment	Unrealized Gains Losses) on Marketable Securities	Pension Postretirement Liability	Derivative Financial Instruments	Accumulated Other Comprehensive Loss
Balance at January 1, 2011	$4,415	$(48)	$(2,313)	$(395)	$1,659
Change during year	796	294	(2,035)	543	(402)
Less: Taxes	—	103	(765)	204	(458)
Balance at December 31, 2011	5,211	143	(3,583)	(56)	1,715
Change during year	264	95	(1,132)	(30)	(803)
Less: Taxes	—	33	(424)	(10)	(401)
Balance at December 29, 2012	5,475	205	(4,291)	(76)	1,313
Other comprehensive income before reclassifications	(2,562)	(191)	3,389	538	1,174
Less: Taxes	—	(67)	1,312	197	1,442
Amounts reclassified from accumulated other comprehensive income, net of tax	—	—	74	(154)	(80)
Balance at December 28, 2013	$2,913	$81	$(2,140)	$111	$965

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The following table details the reclassifications from accumulated other comprehensive income (loss) for the year ended December 28, 2013 (in thousands):

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income		Affected Line Item in the Statement Where Net Income Is Presented
Pension postretirement liability			
Transition obligation	$(117	)	Selling and administrative expenses
	43		Tax (expense) or benefit
	$(74	)	Net of tax
Derivative financial instruments			
Diesel hedge	$243		Selling and administrative expenses
	(89	)	Tax (expense) or benefit
	$154		Net of tax
Total reclassifications for the period	$80		Net of tax

In May 2007, the Corporation registered 300,000 shares of its common stock under its 2007 Equity Plan for Non-Employee Directors of HNI Corporation, as amended (the “Director Plan”). The Director Plan permits the Corporation to issue to its non-employee directors options to purchase shares of Corporation common stock, restricted stock or restricted stock units of the Corporation and awards of Corporation common stock. The Director Plan also permits non-employee directors to elect to receive all or a portion of their annual retainers and other compensation in the form of shares of Corporation common stock. During 2013, 2012, and 2011, 26,520; 42,620; and 32,487 shares, respectively, of Corporation common stock were issued under the Director Plan.

Cash dividends declared and paid per share for each year are:

(In dollars)	2013	2012	2011
Common shares	0.96	0.95	0.92

During 2007, shareholders approved the 2002 Members’ Stock Purchase Plan (the "Purchase Plan"), as amended January 1, 2007. Under the plan, 800,000 shares of common stock were initially registered for issuance to participating members. On June 12, 2009, an additional 1,000,000 shares of common stock were registered for issuance to participating members. Beginning on June 30, 2002, rights to purchase stock are granted on a quarterly basis to all participating members who customarily work 20 hours or more per week and for five months or more in any calendar year. The price of the stock purchased under the Purchase Plan is 85% of the closing price on the exercise date. No member may purchase stock under the Purchase Plan in an amount which exceeds a maximum fair value of $25,000 in any calendar year. During 2013, 86,291 shares of common stock were issued under the Purchase Plan at an average price of $25.63. During 2012, 106,592 shares of common stock were issued under the plan at an average price of $18.86. During 2011, 104,379 shares of common stock were issued under the Purchase Plan at an average price of $17.39. An additional 531,207 shares were available for issuance under the Purchase Plan at December 28, 2013.

The Corporation has entered into change in control employment agreements with certain officers. According to the agreements, a change in control occurs when a third person or entity becomes the beneficial owner of 20% or more of the Corporation’s common stock, when more than one-third of the Board is composed of persons not recommended by at least three-fourths of the incumbent Board, upon certain business combinations involving the Corporation or, upon approval by the Corporation’s shareholders of a complete liquidation or dissolution. Upon a change in control, a key member is deemed to have a two-year employment agreement with the Corporation, and all of his or her benefits vest under the Corporation's compensation plans. If, at any time within two years of the change in control, his or her employment is terminated by the Corporation for any reason other than cause or disability, or by the key member for good reason, as such terms are defined in the agreement, then the key member is entitled to receive, among other benefits, a severance payment equal to two times (three times for the Corporation's Chairman, President and CEO) annual salary and the average of the prior two years' bonuses.

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Stock-Based Compensation

Under the Corporation's 2007 Stock-Based Compensation Plan (the "Plan"), effective May 8, 2007, as amended, the Corporation may award options to purchase shares of the Corporation's common stock and grant other stock awards to executives, managers and key personnel. Upon shareholder approval of the Plan in May 2007, no future awards were granted under the Corporation's 1995 Stock-Based Compensation Plan, but all outstanding awards previously granted under that plan shall remain outstanding in accordance with their terms. As of December 28, 2013, there were approximately 4.6 million shares available for future issuance under the Plan. The Plan is administered by the Human Resources and Compensation Committee of the Board. Restricted stock units awarded under the Plan are expensed ratably over the vesting period of the awards. Stock options awarded to members under the Plan must be at exercise prices equal to or exceeding the fair market value of the Corporation's common stock on the date of grant. Stock options are generally subject to four-year cliff vesting and must be exercised within 10 years from the date of grant.

As discussed above, the Corporation also has the shareholder approved Purchase Plan. The price of the stock purchased under the Purchase Plan is 85% of the closing price on the applicable purchase date. During 2013, 86,291 shares of the Corporation's common stock were issued under the Purchase Plan at an average price of $25.63.

The Corporation measures the cost of employee services in exchange for an award of equity instruments based on the grant-date fair value of the award and recognizes cost over the requisite service period.

Compensation cost charged against operations for the Plan and Purchase Plan described above was $7.5 million, $6.4 million and $7.2 million for the years ended December 28, 2013, December 29, 2012 and December 31, 2011, respectively. The total income tax benefit recognized in the income statement for share-based compensation arrangements was $2.6 million, $2.3 million and $2.5 million for the years ended December 28, 2013, December 29, 2012 and December 31, 2011, respectively.

The stock compensation expense for the years ended December 28, 2013, December 29, 2012 and December 31, 2011, was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions by grant year:

	Year Ended Dec. 28, 2013		Year Ended Dec. 29, 2012		Year Ended Dec. 31, 2011	
Expected term	5 years		6 years		6 years	
Expected volatility:						
Range used	50.39	%	48.25%-48.34%		45.22	%
Weighted-average	50.39	%	48.25	%	45.22	%
Expected dividend yield:						
Range used	3.02	%	2.90%-3.61%		2.88%-3.42%	
Weighted-average	3.02	%	3.60	%	2.90	%
Risk-free interest rate:						
Range used	0.93	%	0.90%-1.17%		1.99%-3.70%	

Expected volatilities are based on historical volatility as the Corporation does not feel that future volatility over the expected term of the options is likely to differ from the past. The Corporation used a simple-average calculation method based on monthly frequency points for the prior seven years. The Corporation normally uses the current dividend yield as there are no plans to substantially increase or decrease its dividends. The Corporation uses historical exercise experience to determine the expected term. The risk-free interest rate was selected based on yields from U.S. Treasury zero-coupon issues with a remaining term equal to the expected term of the options being valued.

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The following table summarizes the changes in outstanding stock options since the beginning of fiscal 2011.

	Number of Shares	Weighted-Average Exercise Price
Outstanding at January 1, 2011	2,564,799	$ 27.65
Granted	499,735	31.82
Exercised	(34,000)	26.45
Forfeited or Expired	(33,783)	30.84
Outstanding at December 31, 2011	2,996,751	$ 28.33
Granted	727,381	25.51
Exercised	(149,000)	25.80
Forfeited or Expired	(118,618)	24.99
Outstanding at December 29, 2012	3,456,514	$ 27.96
Granted	611,599	31.79
Exercised	(394,476)	14.86
Forfeited or Expired	(43,070)	35.05
Outstanding at December 28, 2013	3,630,567	$ 29.94

A summary of the Corporation's nonvested shares as of December 28, 2013 and changes during the year are presented below:

Nonvested Shares	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at December 29, 2012	2,372,450	$ 7.75
Granted	611,599	10.85
Vested	(445,398)	7.47
Forfeited	(23,053)	10.52
Nonvested at December 28, 2013	2,515,598	$ 8.53

At December 28, 2013, there was $7.5 million of unrecognized compensation cost related to nonvested stock option awards, which the Corporation expects to recognize over a weighted-average period of 1.1 years. Information about stock options vested or expected to vest and are exercisable at December 28, 2013, is as follows:

Options	Number	Weighted-Average Exercise Price	Weighted-Average Remaining Life in Years	Aggregate Intrinsic Value ($000s)
Vested or expected to vest	3,536,230	$ 29.94	6.1	$33,382
Exercisable	1,114,969	$ 34.85	2.8	5,051

The weighted-average grant-date fair value of options granted was $10.85, $8.32 and $11.58, for 2013, 2012 and 2011, respectively. Other information for the last three years is as follows:

(In thousands)	Dec. 28, 2013	Dec. 29, 2012	Dec. 31, 2011
Total fair value of shares vested	$1,127	$3,005	$2,150
Total intrinsic value of options exercised	6,445	388	178
Cash received from exercise of stock options	5,862	3,845	232
Tax benefit realized from exercise of stock options	2,291	138	63

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In 2012, 2011, 2010 and 2009, the Corporation issued restricted stock units ("RSUs") to executives, managers and key personnel. The RSUs vest at the end of three years after the grant date. No dividends are accrued on the RSUs. The share-based compensation expense associated with the RSUs is based on the quoted market price of HNI Corporation shares on the date of grant less the discounted present value of dividends not received on the shares and is amortized using the straight-line method from the grant date through the earlier of the vesting date or the estimated retirement eligibility date.

The following table summarizes the changes in outstanding RSUs since the beginning of fiscal 2011:

	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2011	802,797	$ 10.37
Granted	14,000	24.37
Vested	(16,048)	7.84
Forfeited	(13,944)	13.94
Outstanding at December 31, 2011	786,805	$ 10.61
Granted	10,526	21.19
Vested	(631,759)	7.87
Forfeited	(8,352)	22.02
Outstanding at December 29, 2012	157,220	$ 21.71
Granted	—	—
Vested	(132,693)	21.47
Forfeited	—	—
Outstanding at December 28, 2013	24,527	$ 23.01

At December 28, 2013, there was $0.2 million of unrecognized compensation cost related to RSUs which the Corporation expects to recognize over a weighted-average period of 0.7 year. The total value of shares vested in 2013, 2012 and 2011 was $2.8 million, $5.0 million and $0.1 million, respectively.

Retirement Benefits

The Corporation has defined contribution profit-sharing plans covering substantially all employees who are not participants in certain defined benefit plans. The Corporation's annual contribution to the defined contribution plans is based on employee eligible earnings and results of operations and amounted to $23.3 million, $20.8 million, and $19.6 million, in 2013, 2012, and 2011, respectively. A portion of the annual contribution is in the form of common stock of the Corporation. The amount of the stock contribution was $6.1 million, $5.4 million, and $4.9 million in 2013, 2012, and 2011, respectively.

The Corporation sponsors a defined benefit plan which covers a limited number of former salaried and hourly members. The Corporation's funding policy is generally to contribute annually the minimum actuarially computed amount. Net pension costs relating to these plans were $185,000, $281,000 and $196,000, in 2013, 2012 and 2011, respectively. The actuarial present value of obligations, less related plan assets at fair value, is not significant.

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Postretirement Health Care

Guidance on employers' accounting for other postretirement plans requires recognition of the overfunded or underfunded status on the balance sheet. Under this guidance, gains and losses, prior services costs and credits and any remaining transition amounts under previous guidance not yet recognized through net periodic benefit cost are recognized in accumulated other comprehensive income (loss), net of tax effects, until they are amortized as a component of net periodic benefit cost. Also, the measurement date – the date at which the benefit obligation and plan assets are measured – is required to be the Corporation's fiscal year-end.

(In thousands)	2013	2012	2011
Change in benefit obligation			
Benefit obligation at beginning of year	$18,547	$16,872	$15,411
Service cost	525	450	364
Interest cost	668	721	804
Benefits paid	(1,263)	(1,131)	(909)
Actuarial (gain)/loss	(2,029)	1,635	1,202
Benefit obligation at end of year	$16,448	$18,547	$16,872
Change in plan assets			
Fair value at beginning of year	$—	$—	$—
Actual return on assets	—	—	—
Employer contribution	1,263	1,131	909
Transferred out	—	—	—
Benefits paid	(1,263)	(1,131)	(909)
Fair value at end of year	$—	$—	$—
Funded Status of Plan	$(16,448)	$(18,547)	$(16,872)
Amounts recognized in the Statement of Financial Position consist of:			
Current liabilities	$924	$994	$988
Noncurrent liabilities	$15,524	$17,554	$15,884
Amounts recognized in Accumulated Other Comprehensive Income (before tax) consist of:			
Actuarial (gain)/loss	$(900)	$1,129	$(506)
Transition (asset)/obligation	—	117	624
Prior service cost	—	—	—
	$(900)	$1,246	$118
Change in Accumulated Other Comprehensive Income (before tax):			
Amount disclosed at beginning of year	$1,246	$118	$(593)
Actuarial (gain)/loss	(2,029)	1,635	1,202
Amortization of actuarial gain or loss	—	—	17
Amortization of transition amount	(117)	(507)	(508)
Amortization of prior service cost	—	—	—
Amount disclosed at end of year	$(900)	$1,246	$118

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Estimated Future Benefit Payments (In thousands)	
Fiscal 2014	924
Fiscal 2015	928
Fiscal 2016	943
Fiscal 2017	971
Fiscal 2018	995
Fiscal 2019 – 2023	5,773
Expected Contributions During Fiscal 2014	
Total	$924

The discount rates at fiscal year-end 2013, 2012 and 2011, were 4.6%, 3.7% and 4.4%, respectively. The Corporation payment for these benefits has reached the maximum amounts per the plan; therefore, healthcare trend rates have no impact on the Corporation's cost. There were no funds designated as plan assets.

Components of Net Periodic Postretirement Benefit Cost (in thousands)	2014
Service cost	$504
Interest cost	735
Amortization of net (gain)/loss	—
Amortization of unrecognized transition (asset)/obligation	—
Net periodic postretirement benefit cost/(income)	$1,239

A discount rate of 4.6% was used to determine net periodic benefit cost for 2014. The discount rate is set at the measurement date to reflect the yield of a portfolio of high quality, fixed income debt instruments. There are no plan assets invested.

Leases

The Corporation leases certain warehouse and plant facilities and equipment. Commitments for minimum rentals under non-cancelable leases at the end of 2013 are as follows:

(In thousands)	Capitalized Leases	Operating Leases
2014	$129	$28,754
2015	108	24,457
2016	—	20,394
2017	—	8,725
2018	—	5,662
Thereafter	—	14,067
Total minimum lease payments	237	$102,059
Less: amount representing interest	11	
Present value of net minimum lease payments, including current maturities of $	$226	

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Property, plant and equipment at year-end include the following amounts for capitalized leases:

(In thousands)	2013	2012	2011
Office equipment	$570	$570	$570
Less: allowances for depreciation	346	232	118
	$224	$338	$452

Rent expense for the years 2013, 2012 and 2011, amounted to approximately $41.5 million, $37.6 million and $29.1 million, respectively. There was no contingent rent expense under either capitalized and operating leases (generally based on mileage of transportation equipment) for the years 2013, 2012, and 2011.

Guarantees, Commitments and Contingencies
The Corporation utilizes letters of credit in the amount of $11 million to back certain financing instruments, insurance policies and payment obligations. The letters of credit reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined.

The Corporation is involved in various kinds of disputes and legal proceedings that have arisen in the course of its business, including pending litigation, environmental remediation, taxes and other claims. It is the Corporation's opinion, after consultation with legal counsel, that additional liabilities, if any, resulting from these matters are not expected to have a material adverse effect on the Corporation's quarterly or annual operating results and cash flows when resolved in a future period.

Reportable Segment Information
Management views the Corporation as being in two reportable segments based on industries: office furniture and hearth products, with the former being the principal segment. The aggregated office furniture segment manufactures and markets a broad line of metal and wood commercial and home office furniture which includes storage products, desks, credenzas, chairs, tables, bookcases, freestanding office partitions and panel systems and other related products. The hearth products segment manufactures and markets a broad line of gas, electric, wood and biomass burning fireplaces, inserts, stoves, facings and accessories, principally for the home.

For purposes of segment reporting, intercompany sales transfers between segments are not material, and operating profit is income before income taxes exclusive of certain unallocated corporate expenses. These unallocated corporate expenses include the net costs of the Corporation's corporate operations, interest income and interest expense. Management views interest income and expense as corporate financing costs and not as a reportable segment cost. In addition, management applies an effective income tax rate to its consolidated income before income taxes so income taxes are not reported or viewed internally on a segment basis. Identifiable assets by segment are those assets applicable to the respective industry segments. Corporate assets consist principally of cash and cash equivalents, short-term investments, long-term investments and corporate office real estate and related equipment.

No geographic information for revenues from external customers or for long-lived assets is disclosed since the Corporation's primary market and capital investments are concentrated in the United States.

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Reportable segment data reconciled to the consolidated financial statements for the years ended 2013, 2012, and 2011, is as follows for continuing operations:

(In thousands)	2013	2012	2011
Net sales:			
Office furniture	$1,685,205	$1,687,302	$1,528,050
Hearth products	374,759	316,701	305,400
	$2,059,964	$2,004,003	$1,833,450
Operating profit:			
Office furniture (a)	$97,339	$91,849	$99,626
Hearth products (b)	46,662	26,477	14,752
Total operating profit	144,001	118,326	114,378
Unallocated corporate expenses	(47,294)	(40,722)	(44,219)
Income (loss) before income taxes	$96,707	$77,604	$70,159
Depreciation and amortization expense:			
Office furniture	$36,992	$34,491	$36,109
Hearth products	5,288	5,958	7,574
General corporate	4,341	2,911	2,604
	$46,621	$43,360	$46,287
Capital expenditures (including capitalized software):			
Office furniture	$51,954	$36,080	$24,061
Hearth products	4,220	2,008	2,179
General corporate	22,721	22,182	4,903
	$78,895	$60,270	$31,143
Identifiable assets:			
Office furniture	$722,697	$700,665	$671,334
Hearth products	255,978	254,835	259,142
General corporate	156,030	121,566	121,246
	$1,134,705	$1,077,066	$1,051,722

(a) Included in operating profit for the office furniture segment are pretax charges of $0.3 million, $1.9 million and $2.8 million, for closing of facilities and impairment charges in 2013, 2012 and 2011, respectively.

(b) Included in operating profit for the hearth products segment are pretax charges of $0.4 million for closing facilities in 2011.

The Corporation's net sales by product category were as follows for the years ended 2013, 2012 and 2011:

(in thousands)	2013	2012	2011
Systems and storage	1,132,885	1,126,272	1,072,629
Seating	469,220	452,923	399,264
Other	83,100	108,107	56,157
Hearth products	374,759	316,701	305,400
	2,059,964	2,004,003	1,833,450

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Summary of Quarterly Results of Operations (Unaudited)

The following table presents certain unaudited quarterly financial information for each of the past 12 quarters. In the opinion of the Corporation's management, this information has been prepared on the same basis as the consolidated financial statements appearing elsewhere in this report and includes all adjustments (consisting only of normal recurring accruals) necessary to state fairly the financial results set forth herein. Results of operations for any previous quarter are not necessarily indicative of results for any future period.

Year-End 2013: (In thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$442,297	$510,698	$565,706	$541,263
Cost of products sold	294,515	336,040	365,835	348,282
Gross profit	147,782	174,658	199,871	192,981
Selling and administrative expenses	144,556	154,538	154,641	155,237
Restructuring related charges (income)	156	(35)	115	97
Operating income (loss)	3,070	20,155	45,115	37,647
Interest income (expense) – net	(2,516)	(2,567)	(2,668)	(1,529)
Income (loss) before income taxes	554	17,588	42,447	36,118
Income taxes	(625)	6,189	14,398	13,376
Net income (loss)	1,179	11,399	28,049	22,742
Less: net income attributable to the noncontrolling interest	(229)	(22)	(45)	(18)
Net income (loss) attributable to HNI Corporation	$1,408	$11,421	$28,094	$22,760
Net income (loss) attributable to HNI Corporation per common share – basic	$0.03	$0.25	$0.62	$0.50
Weighted-average common shares outstanding – basic	45,154,764	45,412,668	45,317,912	45,117,315
Net income (loss) attributable to HNI Corporation per common share – diluted	$0.03	$0.25	$0.61	$0.50
Weighted-average common shares outstanding – diluted	45,719,878	46,109,563	46,089,580	45,964,128
As a Percentage of Net Sales				
Net sales	100.0%	100.0%	100.0%	100.0%
Gross profit	33.4	34.2	35.3	35.7
Selling and administrative expenses	32.7	30.3	27.3	28.7
Restructuring related charges	—	—	—	—
Operating income (loss)	0.7	3.9	8.0	7.0
Income taxes	(0.1)	1.2	2.5	2.5
Net income (loss) attributable to HNI Corporation	0.3	2.2	5.0	4.2

Year-End 2012: (In thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$445,212	$480,400	$550,855	$527,536
Cost of products sold	298,385	315,287	359,519	341,585
Gross profit	146,827	165,113	191,336	185,951
Selling and administrative expenses	143,734	151,455	149,421	155,046
Restructuring related charges	897	292	172	583
Operating income (loss)	2,196	13,366	41,743	30,322
Interest income (expense) – net	(2,435)	(2,633)	(2,503)	(2,452)
Income (loss) before income taxes	(239)	10,733	39,240	27,870
Income taxes	(86)	3,835	15,036	10,493
Net income (loss)	(153)	6,898	24,204	17,377
Less: net income attributable to the noncontrolling interest	(12)	(127)	(286)	(216)
Net income (loss) attributable to HNI Corporation	$(141)	$7,025	$24,490	$17,593
Net income (loss) per common share – basic	$—	$0.15	$0.54	$0.39
Weighted-average common shares outstanding – basic	45,152	45,420	45,224	45,050
Net income (loss) per common share – diluted	$—	$0.15	$0.53	$0.39
Weighted-average common shares outstanding – diluted	45,152	45,945	45,820	45,692
As a Percentage of Net Sales				
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Gross profit	33.0	34.4	34.7	35.2
Selling and administrative expenses	32.3	31.5	27.1	29.4
Restructuring related charges	0.2	0.1	—	0.1
Operating income (loss)	0.5	2.8	7.6	5.7
Income taxes	—	0.8	2.7	2.0
Net income (loss) attributable to HNI Corporation	—	1.5	4.4	3.3

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Year-End 2011: (In thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$396,151	$432,810	$504,220	$500,269
Cost of products sold	261,427	285,880	324,825	322,255
Gross profit	134,724	146,930	179,395	178,014
Selling and administrative expenses	132,413	136,197	138,671	147,034
Restructuring related charges	1,390	463	277	1,131
Operating income (loss)	921	10,270	40,447	29,849
Interest income (expense) – net	(3,456)	(2,923)	(2,345)	(2,604)
Income (loss) before income taxes	(2,535)	7,347	38,102	27,245
Income taxes	(738)	2,744	13,186	9,219
Net income (loss)	(1,797)	4,603	24,916	18,026
Less: Net income attributable to the noncontrolling interest	(42)	(54)	(31)	(111)
Net income (loss) attributable to HNI Corporation	$(1,755)	$4,657	$24,947	$18,137
Net income (loss) attributable to HNI Corporation per common share – basic	$(0.04)	$0.10	$0.56	$0.40
Weighted-average common shares outstanding – basic	44,853	44,745	44,787	44,828
Net income (loss) attributable to HNI Corporation per common share – diluted	$(0.04)	$0.10	$0.55	$0.40
Weighted-average common shares outstanding – diluted	44,853	45,667	45,637	45,759
As a Percentage of Net Sales				
Net sales	100.0%	100.0%	100.0%	100.0%
Gross profit	34.0	33.9	35.6	35.6
Selling and administrative expenses	33.4	31.5	27.5	29.4
Restructuring related charges	0.4	0.1	0.1	0.2
Operating income (loss)	0.2	2.4	8.0	6.0
Income taxes	(0.2)	0.6	2.6	1.8
Net income (loss) attributable to HNI Corporation	(0.4)	1.1	4.9	3.6

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INVESTOR INFORMATION

Common Stock Market Prices and Dividends (Unaudited)

Quarterly 2013 – 2011

2013 by Quarter	High	Low	Dividends per Share
1st	$35.74	$28.28	0.24
2nd	38.53	31.45	0.24
3rd	40.73	32.38	0.24
4th	40.10	32.83	0.24
Total Dividends Paid			0.96
2012 by Quarter	High	Low	Dividends per Share
1st	$32.01	$24.97	0.23
2nd	27.95	21.57	0.24
3rd	32.02	25.39	0.24
4th	30.24	25.08	0.24
Total Dividends Paid			0.95
2011 by Quarter	High	Low	Dividends per Share
1st	$36.48	$28.42	0.23
2nd	32.78	22.04	0.23
3rd	26.40	15.78	0.23
4th	27.75	17.14	0.23
Total Dividends Paid			0.92

Common Stock Market Price and Price/Earnings Ratio (Unaudited)

Fiscal Years 2013 – 2009

	Market Price		Diluted Earnings per Share	Price/Earnings Ratio	
Year	High	Low		High	Low
2013	$40.73	$28.28	$1.39	29	20
2012	32.02	21.57	1.07	30	20
2011	36.48	15.78	1.01	36	16
2010	35.29	22.80	0.59	60	39
2009	29.40	7.70	(0.14)	(210)	(55)
Five-Year Average				(11)	8

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SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

HNI CORPORATION AND SUBSIDIARIES

December 28, 2013

COL. A	COL. B	COL. C		COL. D		COL. E
		ADDITIONS				
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	(1) CHARGED TO COSTS AND EXPENSES	(2) CHARGED TO OTHER ACCOUNTS (DESCRIBE)	DEDUCTIONS (DESCRIBE)		BALANCE AT END OF PERIOD
(In thousands)						
Year ended December 28, 2013:						
Allowance for doubtful accounts	$5,151	$2,590	—	$1,533	(A)	$6,208
Valuation allowance for deferred tax asset	$1,580	$—	—	1	(A)	$1,579
Year ended December 29, 2012:						
Allowance for doubtful accounts	$4,838	$870	—	$557	(A)	$5,151
Valuation allowance for deferred tax asset	$1,616	$—	—	36	(A)	$1,580
Year ended December 31, 2011:						
Allowance for doubtful accounts	$5,479	$1,889	—	$2,530	(A)	$4,838
Valuation allowance for deferred tax asset	$1,630	$2	—	16		1,616

Note A: Represents amounts written off, net of recoveries and other adjustments.

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ITEM 15(c) - INDEX OF EXHIBITS

Exhibit Number	Description of Document
(3.1)	Articles of Incorporation of HNI Corporation, as amended, incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the year ended January 2, 2010
(3.2)	By-laws of HNI Corporation, as amended, incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012
(10.1)	HNI Corporation 2007 Stock-Based Compensation Plan, as amended and restated, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed May 9, 2013*
(10.2)	2007 Equity Plan for Non-Employee Directors of HNI Corporation, as amended and restated, incorporated by reference to Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the year ended January 2, 2010*
(10.3)	Form of HNI Corporation Change In Control Employment Agreement, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed November 16, 2006*
(10.4)	HNI Corporation Supplemental Income Plan (f/k/a HNI Corporation ERISA Supplemental Retirement Plan), as amended and restated, incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed February 22, 2010*
(10.5)	Form of HNI Corporation Amended and Restated Indemnity Agreement, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed November 14, 2007*
(10.6)	Form of 2007 Equity Plan For Non-Employee Directors of HNI Corporation Participation Agreement, incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the year ended January 2, 2010*
(10.7)	Form of HNI Corporation 2007 Stock-Based Compensation Plan Stock Option Award Agreement, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 4, 2009*
(10.8)	Amended and Restated Credit Agreement, including all schedules and exhibits, dated as of September 28, 2011, by and among HNI Corporation, as Borrower, certain domestic subsidiaries of HNI Corporation, as Guarantors, certain lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed October 3, 2011
(10.09)	HNI Corporation Long-Term Performance Plan, as amended and restated, incorporated by reference to Appendix C to the Registrant's Proxy Statement on Schedule 14A dated March 26, 2010, for the Registrant's Annual Meeting of Shareholders held on May 11, 2010*
(10.10)	HNI Corporation Executive Deferred Compensation Plan, as amended and restated, incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the year ended January 2, 2010*
(10.11)	Note Purchase Agreement dated as of April 6, 2006, by and among HNI Corporation and the Purchasers named therein, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed April 10, 2006
(10.12)	HNI Corporation Directors Deferred Compensation Plan, as amended and restated, incorporated by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K for the year ended January 2, 2010*
(10.13)	HNI Corporation Annual Incentive Plan (f/k/a HNI Corporation Executive Bonus Plan), as amended and restated, incorporated by reference to Appendix B to the Registrant's Proxy Statement on Schedule 14A dated March 26, 2010, for the Registrant's Annual Meeting of Shareholders held on May 11, 2010*

(10.14)	Form of HNI Corporation Amendment No. 1 to Change in Control Employment Agreement incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed August 10, 2007*
(10.15)	Form of HNI Corporation 2007 Stock-Based Compensation Plan Restricted Stock Unit Award Agreement, incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 4, 2009 (for restricted stock unit awards granted in 2009)*
(10.16)	HNI Corporation Stock-Based Compensation Plan, as amended, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006*

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Exhibit Number	Description of Document
(10.17)	Form of Exercise of Stock Option granted under the HNI Corporation Stock-Based Compensation Plan, incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 27, 2008*
(10.18)	Form of HNI Corporation Stock-Based Compensation Plan Stock Option Award Agreement, incorporated by reference to Exhibit 99D to the Registrant’s Current Report on Form 8-K filed February 22, 2005*
(10.19)	Form of HNI Corporation 2007 Stock-Based Compensation Plan Restricted Stock Unit Award Agreement, incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended April 3, 2010 (for restricted stock unit awards granted in 2010)*
(10.20)	Form of HNI Corporation Executive Deferred Compensation Plan Deferral Election Agreement, incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended January 2, 2010*
(10.21)	Form of HNI Corporation Directors Deferred Compensation Plan Deferral Election Agreement, incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended January 2, 2010*
(21)	Subsidiaries of the Registrant+
(23)	Consent of Independent Registered Public Accounting Firm+
(31.1)	Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002+
(31.2)	Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002+
(32.1)	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002+
101	The following materials from HNI Corporation's Annual Report on Form 10-K for the fiscal year ended December 28, 2013 formatted in XBRL (eXtensible Business Reporting Language) and furnished electronically herewith: (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Comprehensive Income; (iii) Consolidated Statements of Equity; (iv) Consolidated Statements of Cash Flows; and (v) Notes to Consolidated Financial Statements[a]

* Indicates management contract or compensatory plan.
\+ Filed herewith.

(a) Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files in Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.