

STEELCASE INC  
Form DEF 14A  
June 05, 2013  
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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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Amount Previously Paid:

(1 )

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(2 )

(3 ) Filing Party:

Date Filed:

(4 )

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NOTICE OF ANNUAL MEETING

The Board of Directors of Steelcase Inc. cordially invites all shareholders to attend the Company's 2013 Annual Meeting of Shareholders as follows:

Date and Time: July 17, 2013 at 11:00 a.m. EDT

Location: Steelcase Global Headquarters  
901 44th Street SE  
Grand Rapids, Michigan 49508

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 eleven directors nominated to a one-year term on the Board of Directors
2. Advisory vote to approve named executive officer compensation

If you were a shareholder of record as of the close of business on May 20, 2013, you are eligible to vote. You may either vote 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 5, 2013

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PROXY STATEMENT

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QUESTIONS AND ANSWERS

On what am I voting?

You are being asked to vote on the following matters and any other business properly coming before the 2013 Annual Meeting of Shareholders, which we refer to in this proxy statement as the “Meeting”:

Proposal 1: Election of eleven directors nominated to a one-year term on the Board of Directors

Proposal 2: Advisory vote to approve named executive officer compensation

How does the Board of Directors recommend I vote?

The Board of Directors recommends that you vote FOR each of the nominees for director listed in Proposal 1 and FOR Proposal 2.

Who is entitled to vote?

Shareholders of record of Class A Common Stock or Class B Common Stock at the close of business on May 20, 2013 (the “Record Date”) may vote at the Meeting.

How many shares were outstanding on the Record Date?

At the close of business on May 20, 2013, there were 88,013,723 shares of Class A Common Stock and 35,845,664 shares of Class B Common Stock outstanding.

How many votes do I have?

Each shareholder has one vote per share of Class A Common Stock and ten votes per share of Class B Common Stock owned of record at the close of business on May 20, 2013.

How do 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 and voting in person.

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 16, 2013.

To vote by mail: Please complete, sign and date the accompanying proxy card and return it in the enclosed postage-paid envelope. Only cards received and processed before 11:00 a.m. Eastern Daylight Time on July 17, 2013 will be voted.

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.

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 do not specify a choice and you use the enclosed proxy card, your shares will be voted FOR the election of each of the nominees for director listed under Proposal 1 — Election of Directors and FOR Proposal 2.

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If you do not specify a choice and you use a ballot card supplied by your broker, the rules of the New York Stock Exchange, or NYSE, provide that your broker may not vote your shares on Proposals 1 or 2. For more information on the NYSE rules about broker voting, please see “Voting” under Supplemental Information.

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 sign and return all proxy cards to ensure all of your shares are voted.

How will voting on any other business be conducted?

For any other matter that properly comes before the Meeting, your shares will be voted in the discretion of the proxy holders. As of June 5, 2013, we do not know of any other matter to be considered at the Meeting.

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 and voting in person.

Who may attend the Meeting?

Shareholders of record of Class A Common Stock or Class B Common Stock may attend the Meeting.

May I listen to the Meeting if I cannot attend?

You may listen to a live webcast of the Meeting on the Internet. Instructions for listening to the webcast will be available on the “Events & Presentations” page of the Investor Relations section of our website, located under “Company” at [www.steelcase.com](http://www.steelcase.com), approximately one week before the Meeting. An audio replay of the Meeting will be available on our website shortly after the conclusion of the Meeting and for 90 days thereafter.

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

To demonstrate our commitment to sustainability by reducing the amount of paper, ink and other resources consumed in printing and mailing our annual report and proxy statement, and to reduce the cost to our company, we follow a process for the distribution of our proxy materials called “notice and access.” Notice and access allows us to send you a brief written notice, called 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 an email address and toll-free telephone number that you can use to request printed copies 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 postage 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





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Department, 51 Mercedes Way, Edgewood, New York 11717, and we will deliver the requested documents promptly.

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 2014 Annual Meeting of Shareholders by February 5, 2014. Shareholder proposals to be presented from the floor of the 2014 Annual Meeting must be received no earlier than April 18, 2014 and no later than May 8, 2014. All shareholder proposals must be sent in the manner and meet the requirements specified in our by-laws.

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PROPOSAL 1 - ELECTION OF DIRECTORS

Our Board of Directors has thirteen members. In July 2011, our Articles of Incorporation were amended to declassify the Board of Directors, and beginning in 2012, directors are elected annually, except that those directors who were in office at our 2012 annual meeting and have terms which expire in 2013 or 2014 are permitted to complete their remaining terms.

There are eleven nominees for election this year, each of whom is nominated to serve for a one-year term, and each of whom is currently a member of the Board. In addition, there are two other directors remaining in office with terms expiring in 2014. The Board of Directors recommends that you vote FOR each of the nominees.

Nominees for election as directors for a one-year term expiring in 2014:

Lawrence J. Blanford Director since 2012

Mr. Blanford was President and Chief Executive Officer of Green Mountain Coffee Roasters, Inc. from 2007 to December 2012. Mr. Blanford is a director of Green Mountain Coffee Roasters, Inc. Age 59.

Mr. Blanford's recent 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 70.

Mr. Crawford's experience with our company, having served as a director for more than 30 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. Age 58.

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.



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James P. Hackett Director since 1994

Mr. Hackett has been Chief Executive Officer of Steelcase Inc. since 1994 and also served as President from 1994 to April 2013. Mr. Hackett is a member of the Board of Trustees of The Northwestern Mutual Life Insurance Company and the Lead Director of Fifth Third Bancorp. Age 58.

Mr. Hackett's role as our CEO and his experience as an employee of our company for more than 30 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 from 2002 to April 2013. Mr. Hoover also served Ball Corporation as Chief Executive Officer from 2001 to 2011, President from 2000 to 2010 and Chief Financial Officer from 1992 to 2000. Mr. Hoover is a director of Ball Corporation, Eli Lilly and Company and Energizer Holdings, Inc., and within the past five years, he served as a director of Irwin Financial Corporation and Qwest Communications International Inc. Age 67.

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 60.

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.

James P. Keane Director since 2013

Mr. Keane has been President and Chief Operating Officer of Steelcase Inc. since April 2013. Mr. Keane has served as Chief Operating Officer since November 2012 and served as President, Steelcase Group from October 2006 to November 2012. Mr. Keane is a director of Rockwell Automation, Inc. Age 53.

Mr. Keane's role as our President and Chief Operating 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.



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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 63.

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 62.

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 55.

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.

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 68.

Mr. Welch's experience with our company, having served as a director for more than 30 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.

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Directors continuing in office for a term expiring in 2014:

Peter M. Wege II Director since 1979

Mr. Wege II has been Chairman of the Board of Directors of Contract Pharmaceuticals Ltd., 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 64.

Mr. Wege's experience with our company, having served as a director for more than 30 years and as an employee, 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 55.

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 first cousins to William P. Crawford and P. Craig Welch, Jr., and Mr. Crawford and Mr. Welch, Jr. are first cousins to each other.

## BOARD MEETINGS

Our Board of Directors met nine times during fiscal year 2013. 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 then-current directors attended our 2012 Annual Meeting.

## 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 of their executive management positions. 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. Under these standards, none of the following is considered a material relationship impairing a director's independence:





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the director is currently employed in any capacity by, or is an equity owner in, another company that has done or does business with us, provided that:

the amount of business with us is less than the greater of \$1 million or 1% of the other company's annual gross revenue, or

the director's ownership interest does not exceed 5% of the total equity interests in the other company;

the director is currently serving solely as a director, advisory director, consultant or in a similar non-employee position with another company that has done or does business with us, regardless of the amount;

the director is currently employed as an executive officer of a charitable institution that has received contributions from us or the Steelcase Foundation, provided that the amount of the contributions in any of the last three years is less than the greater of \$1 million or 2% of the charitable institution's annual gross revenue;

the director is currently serving solely as a director, trustee, volunteer, committee member or in a similar position (and not as an executive officer) of a charitable institution that has received contributions in any amount from us or the Steelcase Foundation during any of the past three years;

we have employed a member of the director's immediate family within the last three years, provided that such employment was not as a board-elected officer;

the director, as part of his or her service on our Board of Directors also serves as a trustee of the Steelcase Foundation and/or a director of a subsidiary or affiliate; or

we previously employed the director in any capacity, provided that the director's employment ceased more than five years ago.

As used in the above categorical standards, "business with us" includes us selling products or services to the other company, either directly or through our dealers, and us buying products or services from the other company during the last three years. Unless the context otherwise requires, "director" includes the director and his or her immediate family members as defined in the NYSE listing standards. A copy 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 2013, 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 by Steelcase. She is not a board-elected officer.
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 \$12,000 in products. The transactions were made in the ordinary course of business on an arm's-length basis.

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Director Relationships Considered

Cathy D. Ross	<p>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. We do not believe Ms. Ross has a material interest in these transactions.</p>
Peter M. Wege II	<p>Mr. Wege II's daughter is an employee of an independently owned dealer which purchases products and/or services from us. The transactions with the dealer were made in the ordinary course of business, and we do not believe Mr. Wege II or his daughter has a material interest in these transactions.</p>
P. Craig Welch, Jr.	<p>As described under "Related Person Transactions," Mr. Welch, Jr.'s brother-in-law is a 25% owner of the parent company of a supplier from which we purchased approximately \$213,000 in products and/or services. The transactions were made in the ordinary course of business on an arm's-length basis.</p> <p>Mr. Welch, Jr.'s son is a 50% owner and Chief Executive Officer of a supplier from which we purchased approximately \$100,000 in products and/or services. The transactions were made in the ordinary course of business on an arm's-length basis.</p>

In addition, the Committee considered that immediate family members of Directors Blanford, Duckworth, Hoover, 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. 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, with the exception of the relationship between us and Mr. Wege II's daughter, each of the relationships it considered fell within the categorical standards adopted by the Board and, as a result, the relationships were not material. Following a review of the relevant facts and circumstances relating to the transactions involving Mr. Wege II's daughter and assessing the materiality of the relationship from the standpoint of Mr. Wege II and Mr. Wege II's daughter, the Committee determined that the relationship is not material and does not impair Mr. Wege II's independence.

The Steelcase Foundation

The Steelcase Foundation is included in the categorical standards for director independence described above. The 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 Foundation trustees: James P. Hackett, 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.

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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 referred to the Committee for approval, ratification or other action. If management becomes aware of an existing related person transaction which has not been approved by the Committee, the transaction is referred to the Committee for appropriate action. In those instances where it is not practicable or desirable to wait until the next Committee meeting to consider the transaction, the Committee has delegated authority to the Committee Chair to consider the transaction in accordance with the policy.

The Committee is authorized to approve those 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.

Fiscal Year 2013 Transactions

The following transactions occurred during fiscal year 2013 between our company and our directors, executive officers or owners of more than 5% of our voting securities:

We purchased approximately \$213,000 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 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.

We employed Jennifer C. Niemann as Chief Executive Officer of Red Thread Spaces LLC, a subsidiary of Steelcase Inc., a non-executive officer position, and paid her related compensation.



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For fiscal year 2013, Ms. Niemann earned \$612,647 in total compensation, which included her base salary, annual and long-term awards under our Management Incentive Plan, earnings on prior years' Management Incentive Plan awards, 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. 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.

We paid approximately \$606,000 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, our CEO, James P. Hackett, is a director 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 sold products and related services for approximately \$2.1 million to Fifth Third. The sales represent less than 5% of Fifth Third's annual revenues and our annual revenues and were made in the ordinary course of business at prevailing prices not more favorable to Fifth Third than those available to other customers for similar purchases.

We sold products and related services for approximately \$2.0 million to The Bank of New York Mellon Corporation, or BONY Mellon, and its affiliates. As of December 31, 2012, BONY Mellon was a beneficial owner of more than 5% of our Class A Common Stock. The sales represent less than 5% of BONY Mellon's annual revenues and our annual revenues and were made in the ordinary course of business at prevailing prices not more favorable to BONY Mellon than those available to other customers for similar purchases.

We sold products and related services for approximately \$454,000 to The Vanguard Group, Inc., or Vanguard, and its affiliates. As of December 31, 2012, Vanguard was a beneficial owner of more than 5% of our Class A Common Stock. The sales represent less than 5% of Vanguard's annual revenues and our annual revenues and were made in the ordinary course of business at prevailing prices not more favorable to Vanguard than those available to other customers for similar purchases.

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., the employment of Ms. Niemann and the payment of related compensation to her. In each case, the director related to the person or entity involved in the transaction did not participate in the approval of the transaction by the Committee or the Board of Directors. Approval of the transactions with Fifth Third, BONY Mellon and Vanguard was not required pursuant to our Related Person Transactions Policy, because Fifth Third, BONY Mellon and Vanguard are institutional shareholders holding Steelcase stock with no apparent purpose or effect of changing or influencing control of our company.

## COMMITTEES OF THE BOARD OF DIRECTORS

Four standing committees assist our Board of Directors in fulfilling its responsibilities: the Audit Committee, the Compensation Committee, the Executive Committee and the Nominating and Corporate Governance Committee. Each committee has the power to conduct or authorize investigations or studies of matters within the scope of its responsibilities and may, at our expense, retain independent counsel or other consultants or advisors as deemed necessary. Each committee also has the sole authority to retain or terminate its consultants and approve the payment of fees.



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## Committee Membership and Meetings

The following table indicates the current membership of each of the Board of Directors' committees and the number of times the committees met during fiscal year 2013. All of the members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are independent.

Committee	Meetings in Fiscal Year 2013	Current Members
Audit	9	Cathy D. Ross (Chair) Lawrence J. Blanford R. David Hoover David W. Joos Peter M. Wege II David W. Joos (Chair)
Compensation	7	Connie K. Duckworth Elizabeth Valk Long P. Craig Welch, Jr. Kate Pew Wolters Robert C. Pew III (Chair)
Executive	1	James P. Hackett David W. Joos Elizabeth Valk Long Cathy D. Ross Elizabeth Valk Long (Chair)
Nominating and Corporate Governance	5	R. David Hoover P. Craig Welch, Jr. Kate Pew Wolters

## Committee Charters

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." The principal responsibilities of each committee are detailed below and in the following pages.

## 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").

## Responsibilities

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;





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- reviewing and concurring with the appointment, replacement, reassignment or dismissal of the head of our internal audit group, reviewing his 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 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.

### Audit Committee Financial Experts

The Board of Directors has designated each of Cathy D. Ross, R. David Hoover 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. Hoover, 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

#### Responsibilities

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.

#### Authority of the Compensation Committee

Pursuant to its charter, the Compensation Committee is authorized by our Board of Directors to oversee our compensation and employee benefit practices and plans generally, including our executive compensation, incentive compensation and equity-based plans. The Committee may delegate its authority to subcommittees, provided that any such subcommittee must consist of at least two members, and the Committee may also delegate appropriate responsibilities associated with our benefit and compensation plans to members of management. The Compensation Committee must submit any changes to our CEO's compensation to our Board of Directors for ratification.

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Delegation of Authority

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 and 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 submits the compensation for 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.



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### Compensation Risk Assessment

During fiscal year 2013, 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, our CEO and the Chairs of each of the Audit, Compensation and Nominating and Corporate Governance Committees.

### Nominating and Corporate Governance Committee

#### Responsibilities

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 of Directors 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 the governance procedures of our Board of Directors;
- 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 of Directors;
- overseeing the annual self-evaluation of our Board of Directors and annual evaluation of our Chief Executive Officer, or CEO;
- reviewing director compensation and recommending appropriate changes to our Board of Directors;
- administering our Related Person Transactions Policy and the Board's policy on disclosing and managing conflicts of interest;

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• 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.

### Qualifications for Nominees

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.

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

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.

### Engagement of External Search Firm

The Nominating and Corporate Governance Committee retained Korn/Ferry International, or Korn/Ferry, to assist the Committee in identifying and evaluating potential director nominees during fiscal year 2013. Korn/Ferry reported directly to the Committee, and Lawrence J. Blanford and R. David Hoover were recommended as nominees by Korn/Ferry.



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### 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. Hackett 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. Hackett to focus on the day-to-day leadership of our business, while Mr. Pew is able to focus on the leadership of the 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. On a quarterly basis, the Audit Committee reviews a business risk profile prepared by management 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. 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

The only members of our Board who are also members of management are James P. Hackett, our CEO, and James P. Keane, our President and Chief Operating Officer. 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.

#### 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



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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.

Materials Available upon Request

We will provide a printed copy of any of the following materials (each of which is also available on our website at [www.steelcase.com](http://www.steelcase.com)) to you upon request and without charge:

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

Please send any such requests to us 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

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## DIRECTOR COMPENSATION

## Standard Arrangements

Our standard compensation arrangements for our non-employee directors as of the end of fiscal year 2013 were as follows:

Type of Compensation	Director	Board Chair
Board Annual Retainer	\$ 110,000	\$ 190,000
Committee Chair Annual Retainers:		
Audit Committee	\$ 10,000	
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 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.

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## Director Compensation Table

The following table shows the compensation earned by each of our non-employee directors in fiscal year 2013.

## Fiscal Year 2013 Director Compensation Table

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)	Total
Lawrence J. Blanford	\$32,000	\$27,500	\$59,500
William P. Crawford	\$58,000	\$55,000	\$113,000
Connie K. Duckworth	\$67,025	\$54,975	\$122,000
R. David Hoover	\$50,273	\$41,227	\$91,500
David W. Joos	\$78,000	\$60,000	\$138,000
Elizabeth Valk Long	\$77,000		