STEELCASE INC
Form DEF 14A
May 12, 2010

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §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):

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

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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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):

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4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

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NOTICE OF ANNUAL MEETING

The Board of Directors of Steelcase Inc. cordially invites all shareholders to attend the Company s 2010 Annual Meeting of Shareholders as follows:

Date:	June 24, 2010
Time:	11:00 a.m. Eastern Daylight Time
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:

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

Connie K. Duckworth
James P. Hackett
David W. Joos
P. Craig Welch, Jr.

Proposal 2:
Approval of the Steelcase Inc. Incentive Compensation Plan

If you were a shareholder of record as of the close of business on April 26, 2010, 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 you are urged 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
Vice President, Chief Legal Officer and Secretary

Grand Rapids, Michigan
May 12, 2010

W steelcase.com **P** 616.247.2710 **HQ** 901 44th Street S.E. Grand Rapids, MI 49508

PROXY STATEMENT

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QUESTIONS AND ANSWERS

What am I voting on?

You are being asked to vote on the following matters and any other business properly coming before the 2010 Annual Meeting of Shareholders, which we refer to in this proxy statement as the Meeting :

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

Proposal 2: Approval of the Steelcase Inc. Incentive Compensation Plan

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.

Why am I being asked to approve the Steelcase Inc. Incentive Compensation Plan?

You are being asked to approve the Steelcase Inc. Incentive Compensation Plan, as amended and restated, because we are seeking to increase the maximum size of several types of individual awards that can be granted under the plan. We have recently made a shift in our compensation strategy to increase the percentage of compensation awarded to our executive officers in the form of long-term equity incentive awards and reduce the percentage of their compensation awarded in the form of cash-based incentive awards, in order to better align with the interests of our shareholders. In connection with this change in strategy, we are seeking approval to increase the maximum size of individual awards under the Incentive Compensation Plan.

Who is entitled to vote?

Shareholders of record of Class A Common Stock or Class B Common Stock at the close of business on April 26, 2010 (the Record Date) may vote at the Meeting.

How many shares were outstanding on the Record Date?

At the close of business on April 26, 2010, there were 83,899,442 shares of Class A Common Stock and 49,075,054 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 April 26, 2010.

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 June 23, 2010.

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 June 24, 2010 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.

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 either proposal. 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 April 26, 2010, we do not know of any other matter to be considered at the Meeting.

Can 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 can attend the Meeting?

Shareholders of record of Class A Common Stock or Class B Common Stock can 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*, 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 costs 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.

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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 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 2011 Annual Meeting of Shareholders by January 12, 2011. Shareholder proposals to be presented from the floor of the 2011 Annual Meeting must be received no earlier than March 26, 2011 and no later than April 15, 2011. All shareholder proposals must be sent in the manner and meet the requirements specified in our by-laws.

PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors currently has eleven members and is divided into three classes serving staggered three-year terms. There are four nominees for election this year. Each is currently a member of our Board and is nominated to serve as a Class III director for a term that will expire at the 2013 Annual Meeting. The Board of Directors recommends that you vote FOR each of the nominees.

Nominees for Election as Class III Directors for the Term Expiring in 2013:

Connie K. Duckworth **Director since 2010**

Ms. Duckworth has been President and Chief Executive Officer of ARZU, Inc., since 2003. Ms. Duckworth also serves as a member of the Board of Trustees of The Northwestern Mutual Life Insurance Company and the Board of Directors of Russell Investment Group and Smurfit-Stone Container Corporation. Age 55.

Ms. Duckworth s experience as a former 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.

James P. Hackett **Director since 1994**

Mr. Hackett has been President and Chief Executive Officer of Steelcase since 1994. Mr. Hackett also serves as a member of the Board of Trustees of The Northwestern Mutual Life Insurance Company and the Board of Directors of Fifth Third Bancorp. Age 55.

Mr. Hackett s role as our CEO and his experience as an employee of our company for 29 years led the Board of Directors to recommend that he should serve as a director.

David W. Joos **Director since 2001**

Mr. Joos has been President and Chief Executive Officer of CMS Energy Corporation, an energy company, and Chief Executive Officer of its primary electric utility, Consumers Energy Company, since 2004. Mr. Joos serves on the Board of Directors of CMS Energy Corporation and Consumers Energy Company. Age 57.

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

P. Craig Welch, Jr. **Director since 1979**

Mr. Welch, Jr. has been Manager and a member of Honzo Fund LLC, an investment/venture capital firm, since 1999. From 1967 to 1987, Mr. Welch, Jr. held various positions at Steelcase, including Director of Information Services and Director of Production Inventory Control. Age 65.

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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Class I Directors Continuing in Office for the Term Expiring in 2011:

Earl D. Holton **Director since 1998**

Mr. Holton held various management positions at Meijer, Inc., a Grand Rapids, Michigan-based operator of retail food and general merchandise stores, including Vice Chairman from 1999, until his retirement in 2004. Age 76.

Mr. Holton s experience in senior management of a large privately-held company and his leadership skills led the Board of Directors to recommend that he should serve as a director.

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 61.

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 currently President of the Kate and Richard Wolters Foundation and is a community volunteer and advisor. She also serves as Chair of the Board of Trustees of the Steelcase Foundation. Age 52.

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.

Class II Directors Continuing in office for the Term Expiring in 2012:

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 also a director of Fifth Third Bank a Michigan banking corporation. Age 67.

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.

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 also serves on the Board of Directors of Belk, Inc. and The J.M. Smucker Company. Age 60.

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 1994, Mr. Pew III held various positions at Steelcase, including President, Steelcase North America and Executive Vice President, Operations. Mr. Pew III has served as Chair of our Board of Directors since June 2003. Age 59.

Mr. Pew s experience with our company, having served as a director for more than 20 years and as an employee for more than 15 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 Senior Vice President and Chief Financial Officer of Federal Express Corporation, an express transportation company and subsidiary of FedEx Corporation, since 2004. Age 52.

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.

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.

Chairman Emeritus

Our Board has designated our former director Robert C. Pew II as Chairman Emeritus. As Chairman Emeritus, Mr. Pew II receives Board meeting materials and is invited to attend Board and committee meetings, but he does not have any right to vote as a director and does not receive any retainer or other meeting fees.

RELATED PERSON TRANSACTIONS

Fiscal Year 2010 Transactions

The following transactions occurred during fiscal year 2010 between our company and our directors, executive officers or owners of more than 5% of our voting securities:

We purchased approximately $655,000 in products and/or services from A&K Finishing, Inc. during fiscal year 2010. Robert W. Corl is a greater than 10% owner 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.

We paid approximately $411,000 in fees to Fifth Third Bancorp and its subsidiaries (Fifth Third) for cash management services, letters of credit, loan commitments under our global bank facility and investment management services related to corporate and retirement plan investments. Fifth Third is a record holder of more than 5% of our Class A Common Stock and Class B Common Stock. In addition, our President and Chief Executive Officer, 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.

We sold products and related services for approximately $1.1 million to Fifth Third. The sales 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 advanced $313,000 to Workstage LLC, a joint venture in which we had a minority ownership interest, during fiscal year 2010 which was used by Workstage LLC to repay indebtedness owed to Fifth Third. We also provided a $270,000 guaranty to Fifth Third during fiscal year 2010 with regard to a letter of credit issued by Fifth Third on behalf of Workstage LLC.

We employed Jennifer C. Niemann as a vice president of Steelcase Inc., a non-executive officer position, and paid her related compensation. For fiscal year 2010, Ms. Niemann earned $255,941 in total compensation, which included her base salary, the grant date fair value of restricted units granted during the year, earnings on prior years Management Incentive Plan awards, restricted stock and restricted unit dividends and dividend equivalents, life insurance premiums paid by us and a Christmas gift. She also received benefits available to our other North American 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.

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 our stock. A copy of our Related Person Transactions Policy is posted in the Corporate Governance section of our website, located at *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 Chair of the Committee to consider the transaction in accordance with the policy.

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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.

The Committee reviewed each of the transactions described above under Fiscal Year 2010 Transactions, and following such review, the Committee approved the purchase of products or services from A&K Finishing, Inc., the employment of Ms. Niemann and the payment of related compensation to her. Approval of the transactions with Fifth Third was not required pursuant to our Related Person Transactions Policy, because Fifth Third is an institutional shareholder holding Steelcase stock with no apparent purpose or effect of changing or influencing control of our company. In each case, the director related to the person or entity involved in the transaction did not participate in the review and approval of the transaction by the Committee or the Board of Directors.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires our directors, executive officers and those who beneficially own more than 10% of our Class A Common Stock to file reports of initial ownership and changes in their beneficial ownership of shares of Class A Common Stock with the Securities and Exchange Commission, or SEC. Based on our review of the reports filed with the SEC, and written representations that no reports were required, we believe that during fiscal year 2010, all Section 16(a) reports were filed on a timely basis, except that one Form 4 for David C. Sylvester was filed late, reporting one transaction which was completed without Mr. Sylvester s awareness.

DIRECTOR INDEPENDENCE

Our Board of Directors has determined that William P. Crawford, Connie K. Duckworth, Earl D. Holton, 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 is not considered independent because of his executive management position. All of the members of our Audit, Compensation and Nominating and Corporate Governance Committees are independent.

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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:

- 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*, 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 2010, the following relationships were considered by the Committee in assessing the independence of our directors:

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Director	Relationships Considered
William P. Crawford	Mr. Crawford s daughter is employed by Steelcase. She is not a board-elected officer.
Connie K. Duckworth	Ms. Duckworth is the President and Chief Executive Officer of a non-profit company from which we purchased products. The purchases were made in the ordinary course of business, and the amount involved was less than $1 million.
Earl D. Holton	Mr. Holton is a part owner of a company from which we purchased services. The purchases were made in the ordinary course of business, and the amount of business involved was less than $1 million.
David W. Joos	Mr. Joos is the President and Chief Executive Officer and Director of two companies which purchased products and/or services from us or our dealers or from which we purchased services. In each case, the amount involved was less than 1% of the other company s annual gross revenues, and the transactions were made in the ordinary course of business. We do not believe Mr. Joos has a material interest in the products or services purchased from us or our dealers, and the services we purchased involved the rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority.
Cathy D. Ross	Ms. Ross is the Chief Financial Officer of a company 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 the other company s 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.
Peter M. Wege II	Mr. Wege s daughter is an employee of a company which purchased products and/or services from us. The amount involved was more than $1 million, and the transactions were made in the ordinary course of business.
P. Craig Welch, Jr.	Mr. Welch, Jr. s son is an executive officer and equity owner of a company from which we purchased products and/or services. The amount involved was less than $1 million, and the transactions were made in the ordinary course of business. Mr. Welch, Jr. s brother-in-law is an equity owner of a company from which we purchased products and/or services. The amount involved was less than $1 million, and the transactions were made in the ordinary course of business.

In addition, the Committee considered that:

directors Joos, Long and Wolters serve on the boards of charitable organizations which received contributions from us or the Steelcase Foundation;

directors Crawford and Wege II serve on the boards of directors of companies which purchased products and/or services from us or our dealers and/or from which we purchased products and/or services in the ordinary course of business; and

members of the immediate family of directors Holton, Joos, Long and Pew III 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 involving less than the greater of $1 million or 1% of the other company s annual gross revenues.

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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 transaction 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 was not material.

The Steelcase Foundation

The Steelcase Foundation is included in the categorical standards for director independence described above. The Foundation was established in 1951 by our founders 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 of our directors also serve as Foundation trustees: James P. Hackett, Earl D. Holton, Robert C. Pew III and Kate Pew Wolters, who serves as Chair of the Board of Trustees of the Foundation. The other trustees of the Foundation are Mary Anne Hunting and Mary Goodwillie Nelson (sister of director Peter M. Wege II).

BOARD MEETINGS

Our Board of Directors met four times during fiscal year 2010. Each of our directors attended at least 75% of the total number of meetings of the Board and the committees on which they served during the year. Our Board s policy is that each director is expected to attend our annual meeting of shareholders, and each of our directors attended our 2009 Annual Meeting.

COMMITTEES OF THE BOARD OF DIRECTORS

Four standing committees assist our Board of Directors in fulfilling its responsibilities: the Nominating and Corporate Governance Committee, the Audit Committee, the Compensation Committee and the Executive Committee. The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Executive Committee, which was established to exercise the powers of the Board of Directors when necessary between regular Board meetings, did not meet during fiscal year 2010. 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 table below indicates the current membership of each of the Board of Directors committees and the number of times the committees met during fiscal year 2010. All of the members of these committees are independent.

Committee	Meetings in Fiscal Year 2010	Current Members
Nominating and Corporate Governance	3	Kate Pew Wolters (Chair) William P. Crawford Elizabeth Valk Long P. Craig Welch, Jr.
Audit	7	Cathy D. Ross (Chair) Robert C. Pew III Peter M. Wege II
Compensation	6	David W. Joos (Chair) Connie K. Duckworth Earl D. Holton Elizabeth Valk Long P. Craig Welch, Jr. Kate Pew Wolters

Committee Charters

Each of these committees operates under a written charter adopted by the Board of Directors that is reviewed and assessed at least annually. The current charters of our Nominating and Corporate Governance, Audit and Compensation Committees, and our Corporate Governance Principles are available in the Corporate Governance section of our website, located at *www.steelcase.com*, and found under Company, Investor Relations. The principal responsibilities of each committee are listed below.

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;

reviewing and approving any related person transactions under our Related Person Transactions Policy; and

considering any waiver request under our Code of Ethics and Code of Business Conduct.

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 long-term interests of 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 they 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 their 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 also 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 person 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.

Audit Committee

Responsibilities

The principal responsibilities of the Audit Committee are:

- appointing the independent auditor and reviewing and approving its services and fees in advance;

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- reviewing the performance of our independent auditor and, if circumstances warrant, making decisions regarding its replacement or termination;
- evaluating the independence of the independent auditor;
- reviewing and concurring with the appointment, replacement, reassignment or dismissal of the head of our internal audit group, reviewing his 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 Expert

The Board of Directors has designated Cathy D. Ross as an audit committee financial expert, as defined by the SEC s rules and regulations, based on her financial and accounting education and experience. Ms. Ross is 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.

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.

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 merit 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.

During fiscal year 2010, the Committee engaged Pearl Meyer & Partners (Pearl Meyer) to advise the Committee on various matters related to the compensation of our executive officers. See *Compensation Discussion and Analysis* for more detail regarding the nature and scope of Pearl Meyer s assignment and the material elements of the instructions or directions given to them with respect to the performance of their duties. Pearl Meyer was engaged directly by the Compensation Committee and does not perform any other services for our company.

The Committee also engaged Towers, Perrin, Forster & Crosby, Inc. (Towers Perrin) during fiscal year 2010 to provide the Committee with a study of the competitiveness of our executive compensation relative to market data and to provide information regarding the achievement of total shareholder return results with regard to equity awards granted to our executive officers. See *Compensation Discussion and Analysis* for more detail regarding the nature and scope of Towers Perrin s assignment and the material elements of the instructions or directions given to them with respect to the performance of their duties. Towers Perrin was engaged directly by the Compensation Committee.

Towers Perrin merged with Watson Wyatt Worldwide, Inc. (Watson Wyatt) in January 2010 to form Towers Watson & Co. (Towers Watson). In addition to the services performed for the Committee, we have purchased compensation survey data from Towers Perrin from time to time, and we have engaged Watson Wyatt to provide pension plan consulting, compensation consulting services and compensation survey data. The decision to purchase compensation survey data from Towers Perrin was made by management and was approved by the Committee. The decision to engage Watson Wyatt was made by management prior to the announcement of the merger with Towers Perrin, and such engagement was approved by the Committee after the merger. The aggregate amount of fees paid to Towers Perrin with regard to executive compensation services in fiscal year 2010 was $18,515, and the amount paid to Towers Perrin for other services in fiscal year 2010 was $19,118. The aggregate amount of fees paid to Watson Wyatt for services provided in fiscal year 2010 was $207,668.

Compensation Risk Assessment

As of the end of fiscal year 2010, 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.

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* 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 currently serves as Chair of the Board, and James P. Hackett currently serves as our President and 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. Once a quarter, the Audit Committee reviews a business risk profile prepared by management which summarizes the key risks faced by the company, 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

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

Executive Sessions of Non-Management Directors

The only member of our Board who is also a member of management is James P. Hackett, our President and CEO. Our Board meets quarterly in executive session without Mr. Hackett 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.

You may contact the Chair of the Board (or the lead non-management director, if one is subsequently appointed) by sending a certified letter to:

Chair of the Board/Lead Non-Management Director
c/o Steelcase Inc.
P.O. Box 1967
Grand Rapids, MI 49501-1967

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 or any of our directors, please send a certified 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 in the nature of advertising, promotions of a product or service or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any committee or group of directors, the corporate secretary will make sufficient copies of the contents and send them to each director who is a member of the committee or group to which the envelope is addressed.

Code of Ethics and Code of Business Conduct

Our Board adopted a Code of Ethics applicable to our chief executive and senior financial officers, as well as a Code of Business Conduct that applies to all of our employees and directors. Only our Nominating and Corporate Governance Committee may grant any waivers of either code for a director or executive officer. Each of these codes is available in the Corporate Governance section of our website, located at *www.steelcase.com*, 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*) to you upon request and without charge:

Code of Ethics,

Code of Business Conduct,

Corporate Governance Principles,

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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* or by mail at:

Steelcase Inc.
Investor Relations, GH-3C
P.O. Box 1967
Grand Rapids, MI 49501-1967

AUDIT COMMITTEE REPORT

Management is responsible for the Company s financial reporting process and its internal controls regarding financial reporting, accounting, legal compliance and ethics. Deloitte & Touche LLP, the Company s independent registered public accounting firm for the fiscal year ended February 26, 2010 (the independent auditor), is responsible for performing independent audits of the Company s consolidated financial statements and its internal control over financial reporting and issuing opinions on:

the conformity of those audited financial statements with accounting principles generally accepted in the United States of America and

the effectiveness of the Company s internal control over financial reporting.

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

In this context, we discussed with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 114, *The Auditor s Communication with Those Charged with Governance* (which superseded Statement on Auditing Standards No. 61, *Communication With Audit Committee*, as amended). In addition, we received the written disclosures and letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor s communications with the Committee concerning independence and reviewed, evaluated and discussed the written report and letter with that firm and its independence with respect to the Company.

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

Based on the review and discussions referred to above, and relying on the representations of the Company s management and the independent auditor s report, our Committee recommended to the Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended February 26, 2010 for filing with the Securities and Exchange Commission.

Audit Committee

Cathy D. Ross (Chair)
Robert C. Pew III
Peter M. Wege II

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FEES PAID TO PRINCIPAL INDEPENDENT AUDITOR

The fees billed by Deloitte & Touche LLP for fiscal year 2010 (estimated) and by BDO Seidman, LLP for fiscal year 2009 (actual) for work performed for us are as follows:

Type of Fees	Fiscal Year 2010	Fiscal Year 2009
Audit Fees (1)	$ 1,774,000	$ 1,612,000
Audit-Related Fees (2)		181,000
Tax Fees (3)	552,000	153,000
All Other Fees		
Total	$ 2,326,000	$ 1,946,000

(1) Audit fees consisted of fees related to the annual audit of our consolidated financial statements, the annual audit of our internal control over financial reporting, reviews of the financial statements included in quarterly reports on Form 10-Q, other services related to SEC reporting matters and audits of separate financial statements of subsidiaries and other consolidated entities. The amounts shown for fiscal year 2010 include fees related to audits of foreign subsidiaries which were audited by a firm other than BDO Seidman, LLP in fiscal year 2009.

(2) Audit-related fees consisted of employee benefit plan audits and related services.

(3) Tax fees in fiscal year 2010 consisted primarily of tax preparation and consultation services for expatriate employees. Tax fees in fiscal year 2009 consisted of assistance with tax compliance, preparation of certain subsidiary tax returns, tax consultation, planning and implementation services and assistance in connection with tax audits.

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

In addition, our Audit Committee has a policy under which it approves in advance recurring audit, audit-related and tax services rendered by the principal independent auditor, subject to specific fee limits. If circumstances require hiring the independent auditor for services not previously pre-approved or that would exceed the fee limits previously set, the Audit Committee must pre-approve the new services or fee limits. The Audit Committee Chair may approve specified services between regularly scheduled meetings of the Audit Committee, subject to review by the full Audit Committee at its next scheduled meeting. The fiscal year 2010 services and fees reflected in the above table were pre-approved by the Audit Committee.

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COMPENSATION COMMITTEE REPORT

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

Compensation Committee

David W. Joos (Chair)
Connie K. Duckworth
Earl D. Holton
Elizabeth Valk Long
P. Craig Welch, Jr.
Kate Pew Wolters

COMPENSATION DISCUSSION AND ANALYSIS

This section discusses our policies and practices relating to executive compensation and presents a review and analysis of the compensation earned in fiscal year 2010 by our CEO, our Chief Financial Officer, our three other most highly-paid executive officers and one other person who would have been one of our three other most highly-paid executive officers as of the end of fiscal year 2010 if he were still serving as an executive officer at the end of the year. We refer to these six individuals as the named executive officers. The amounts of compensation earned by these executives during the past three fiscal years are detailed in the Summary Compensation Table in *Executive Compensation, Retirement Programs and Other Arrangements* and the other tables which follow it.

Fiscal Year 2010 Executive Summary

During fiscal year 2010, our business was significantly impacted by the global economic slowdown and turmoil in the capital markets, with our revenue declining to $2.3 billion for fiscal year 2010, compared to $3.2 billion for fiscal year 2009, and we reported a net loss for fiscal year 2010 of $(13.6) million. As a result of the downturn, we implemented a number of changes in our compensation practices, including the following changes which impacted the compensation of our executive officers:

Base salary reductions As a cost reduction measure, we implemented base salary reductions for fiscal year 2010 of 5% to 7.5% for our salaried workforce in North America generally. Our CEO s base salary was reduced by 12%, and the base salary of the other named executive officers was reduced by 10%. The prior salary levels were reinstated at the beginning of fiscal year 2011.

Suspension of contributions to retirement plans During fiscal year 2010, we suspended all company contributions to our Retirement Plan and Restoration Retirement Plan.

No awards earned under our Management Incentive Plan or prior performance shares/units Due to our financial results for fiscal year 2010, no awards were earned under our Management Incentive Plan, and no amounts were earned under the performance shares and units which vested at the end of fiscal year 2010.

In addition, we implemented several changes to the mix of incentive compensation awarded to our named executive officers in fiscal year 2010. Prior to the beginning of the fiscal year, we engaged Pearl Meyer to assist with a review of the incentive compensation programs for our executive officers. Following their review, for fiscal year 2010 for our named executive officers, we increased the percentage of total compensation awarded in the form of equity awards based on total shareholder return, did not make any long-term awards under our Management Incentive Plan and increased the size of the short-term awards under our Management Incentive Plan.

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Philosophy and Objectives

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

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

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

Annual Review

Our executive compensation programs fall within three general categories: (1) base salaries, (2) incentive compensation and (3) retirement programs and benefits. The Compensation Committee reviews and approves the base salary and incentive compensation awards for each of our executive officers each year, taking into account the recommendations of our CEO, the individual performance of each officer and our compensation philosophy and objectives described above. Following approval of the Compensation Committee, the compensation of our CEO is submitted to our Board of Directors for ratification. The amount of incentive compensation actually earned by each officer depends on the performance of our company as a whole against the targets established for the particular award. None of the named executive officers other than James G. Mitchell has an employment agreement with us. We entered into an employment agreement with Mr. Mitchell in 2003, in connection with his initial expatriate assignment, in order to clarify the terms of his expatriate assignment and his employment, including the benefits that he would receive upon termination of his employment, and to replace all prior understandings or agreements with regard to his employment and benefits.

In order to evaluate the reasonableness and competitiveness of our compensation programs and practices, the Compensation Committee engaged Towers Perrin to provide the Committee with an annual study which compares our executive compensation to that of a comparison group of companies. The survey presents information regarding base salaries, short-term bonus targets, annualized expected values of long-term incentive compensation and target total direct compensation for the comparison group. The Compensation Committee does not specifically target each element of compensation of the named executive officers against the comparison group. Instead, the Committee reviews the comparison data to assess whether or not the total compensation of the named executive officers is within a competitive range, and in making its assessment, the Committee considers (a) any difference between the role and responsibilities of each officer compared to those of his peers in the comparison group, (b) the specific contributions the officer has made to the successful achievement of our company goals and (c) the relative experience level of the officer and his tenure with our company.

The criteria established by the Compensation Committee for the composition of the comparison group for fiscal year 2010 were (1) furniture companies, including office furniture and residential furniture companies, (2) other global durable goods manufacturing companies and (3) other companies which (a) are based within the same region as our company and (b) operate globally. The comparison group consisted of the following companies:

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AMETEK, Inc.
Ball Corporation
Cooper Tire & Rubber Company
Donaldson Company, Inc.
GATX Corporation
Herman Miller, Inc.
HNI Corporation
IDEX Corporation
Kennametal Inc.
La-Z-Boy Inc.
Leggett & Platt Inc.
Navistar International Corporation
Oshkosh Corporation
Parker-Hannifin Corporation
Pitney Bowes Inc.
Rockwell Automation, Inc.
SPX Corporation
The Timken Company
The Toro Company
Thomas & Betts Corporation

As of December 2008 (the timing of the comparison data used for fiscal year 2010), the most recent fiscal year revenues for the comparison group ranged from $1.3 billion to $12.3 billion, with a median of $2.8 billion, and market capitalization of the group ranged from $449 million to $6.2 billion, with a median of $1.8 billion.

Base Salary

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

In January 2009, the Compensation Committee approved management-recommended decreases in the annual base salary of our CEO (which was ratified by our Board of Directors) and each of the other named executive officers for fiscal year 2010. Our CEO s salary was reduced by 12% and the salary of the other named executive officers was reduced by 10%. These reductions were implemented in connection with salary reductions for our salaried workforce in North America generally, which ranged from 5% to 7.5% and were implemented as part of cost reduction efforts made to respond to global economic challenges. The reductions lasted through the end of fiscal year 2010, and the prior salary levels were reinstated at the beginning of fiscal year 2011.

None of the named executive officers received a merit increase or other base salary change during fiscal year 2010, except as noted above and as follows. In September 2009, Mark A. Baker s salary was increased from $437,000 to $460,000 (but was still subjected to the 10% reduction) as a result of a change in his responsibilities. In December 2009, Michael I. Love s 10% base salary reduction was reversed prior to the termination of his employment in order to allow his severance benefits to be calculated based on his salary level prior to the temporary reduction, which is consistent with the treatment of other employees who received severance from the company during fiscal year 2010.

Incentive Compensation

Fiscal Year 2010 Changes

In recent years, the incentive compensation awarded to our executive officers has consisted primarily of two types of awards: (1) awards under our Management Incentive Plan, or MIP, which are earned based on our economic value added, or EVA, results for the fiscal year, and (2) performance shares or units, which are earned based on specified performance results for a three fiscal year period. Historically, the MIP awards included short-term awards which were paid in cash shortly after the end of the fiscal year and long-term awards which were paid out in cash over the following three years. For fiscal years 2008 and 2009, the long-term MIP awards were settled 50% in cash and 50% in restricted units vesting over the following three years.

During fiscal year 2009, the Compensation Committee engaged Pearl Meyer to assist with a review of the incentive compensation programs for our executive officers. The material elements of the instructions or directions given to Pearl Meyer by the Committee were to analyze our executive incentive compensation programs from a competitive standpoint and against our philosophies and objectives and provide alternative designs considering the results of its analyses, interviews with management and the Committee, best practices and our business strategy. The Committee directed Pearl Meyer to focus on

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methods to more closely align the relationship between pay and our company s performance and to suggest incremental changes to the existing programs rather than entirely new programs, in order to maintain continuity. The Committee also expressed its preference to continue to use EVA as a performance measure for a significant part of incentive compensation but asked Pearl Meyer to assess the effectiveness of EVA as a performance measure.

Representatives of Pearl Meyer worked with the Compensation Committee throughout fiscal year 2009 and presented its conclusions to the Committee regarding key themes from its interviews and various alternatives for compensation design. Pearl Meyer advised the Committee that, while the size of the executive officers compensation packages were within a reasonable range compared to comparable companies, the mix of compensation at the company was more heavily weighted towards annual performance and cash compensation. Pearl Meyer also agreed that EVA was a reasonably effective performance measure.

Following the presentation of Pearl Meyer s conclusions and in consultation with Pearl Meyer, the Compensation Committee made the following changes to the mix of incentive compensation awarded to the named executive officers for fiscal year 2010:

- no long-term MIP awards were granted,
- larger performance unit awards were granted and
- larger short-term MIP awards were granted.

These changes increased the percentage of target compensation that would be earned based on long-term performance and reduced the total amount of compensation at target levels for the named executive officers by 2% to 25% for fiscal year 2010 as compared to fiscal year 2009. As an illustration, the following chart shows the change in the mix of compensation for James P. Hackett from fiscal year 2009 to fiscal year 2010, valuing the MIP and performance unit awards at the target level of performance and using the grant date market value of the units, and notes the portion of the total compensation paid in the form of cash or equity and the portion earned based on EVA or total shareholder return, or TSR, performance.

James P. Hackett Elements of Total Compensation at Target Levels

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Management Incentive Plan

Philosophy and Practice

As described above, each of our named executive officers typically receives a short-term award under our MIP each fiscal year which is paid in cash shortly after the end of the fiscal year based on the achievement of certain EVA results for the fiscal year. EVA is a profit measure that takes into account the cost of capital and is calculated by taking our net income before interest expense, deducting a capital charge representing the economic cost of an expected return (set by the Compensation Committee at 10% for fiscal year 2010) on average shareholders equity and average long-term debt, and adjusting for cash and short- term investments in excess of $100 million and related interest income, the impact of recent acquisitions and the deferral of a portion of restructuring or other charges to the extent approved by the Compensation Committee. No awards are earned to the extent that they would result in our company recording a net loss for the fiscal year unless the Committee determines otherwise.

We use EVA as the performance measure for the MIP because we believe it is an effective measure of the performance of our business, it reinforces the efficient use of capital and it fits with our compensation philosophy of sharing profits with our employees. In addition to the named executive officers, over 300 management employees participate in the MIP and a majority of our other employees in North America also receive annual incentive compensation based on EVA results. We use EVA as a measurement tool in other areas of our business, such as evaluating business acquisitions, ventures, product development and other capital expenditures.

In prior years, the named executive officers also received long-term MIP awards based on EVA performance which are paid out in equal installments after the end of the each of the following three fiscal years. Through fiscal year 2007, the long-term awards were settled in cash, but for fiscal years 2008 and 2009, the awards were settled 50% in cash and 50% in restricted units vesting over three years. We maintain the unpaid long-term cash amounts in unfunded accounts which are subject to forfeiture upon termination of employment for any reason other than death, total disability or retirement, except in the circumstances described below under Severance and Change in Control Benefits. We credit the long-term MIP account balances each year for interest at a rate which approximates our three-year incremental borrowing rate. The restricted units receive dividend equivalent payments during the vesting period.

Fiscal Year 2010 Awards

The EVA performance levels established by the Compensation Committee and actual EVA performance for fiscal year 2010 are set forth below. The amount of EVA performance above or below the target that would have resulted in the awards being earned at the maximum level (if positive) or at the minimum level (if negative) was set at 8% of EVA capital for the fiscal year. The Equivalent Level of Net Income column indicates the approximate amount of net income for fiscal year 2010 which would have resulted in the minimum, target or maximum awards being earned, assuming that all other actual financial results and EVA capital for fiscal year 2010 were unchanged.

Performance Level	EVA Performance	Amount Earned	Equivalent Level of Net Income
Minimum	$ (77.8) million	0% of target	$ 20.0 million
Target	$ 0.0 million	100% of target	$ 100.0 million
Maximum	$ 77.8 million	200% of target	$ 180.0 million
Actual	$ (111.3) million	0% of target	$ (13.6) million

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The named executive officers MIP awards for fiscal year 2010 were as follows:

Name	Target Award	Amount Earned
James P. Hackett	100% of base salary	0% of base salary
David C. Sylvester	80% of base salary	0% of base salary
James G. Mitchell	60% of base salary	0% of base salary
Mark A. Baker	80% of base salary	0% of base salary
James P. Keane	80% of base salary	0% of base salary
Michael I. Love	60% of base salary	0% of base salary

In determining the size of MIP awards to be granted, our CEO presented to the Compensation Committee his recommendations for the size of award for each named executive officer other than himself, taking into consideration the factors described above under the heading Annual Review and the changes in the officers long-term incentive compensation being implemented as described above under the heading Fiscal Year 2010 Changes. The Committee reviewed the value of the target awards as a percentage of the officer s base salary relative to the median level of short-term incentive compensation shown in the Towers Perrin comparison study.

Link Between MIP Payouts and Company Performance

The following chart depicts the relationship between our EVA, as calculated under the MIP, and net income (loss), on the one hand, and the percentage of target earned under the MIP, on the other hand, for each of the past five fiscal years.

Equity Awards

Philosophy and Practice

Each of our named executive officers typically receives a long-term equity-based incentive award under our Incentive Compensation Plan each year, in accordance with our philosophies of paying for performance and aligning the interests of our executives with those of our shareholders. The awards are approved by the Compensation Committee and, in the case of our CEO, ratified by our Board of

Directors typically at a regularly scheduled meeting at the beginning of each fiscal year, but awards also may be approved at a special meeting.

In addition to granting annual equity-based incentive awards, from time to time at the request of our CEO, the Compensation Committee considers granting special awards of restricted units to named executive officers in connection with promotions or other changes in responsibilities or in recognition of particular contributions to our company s performance. No such awards were granted to the named executive officers during fiscal year 2010.

All grants of equity-based incentive awards to named executive officers require the advance approval of the Compensation Committee (and, for equity awards to our CEO, ratification by the Board), and we do not have any program or practice to time the grant of equity-based awards relative to the release of any material non-public information.

Fiscal Year 2010 Awards

As described above, each of the named executive officers was granted a performance unit award in fiscal year 2010. The number of shares earned will be based on our TSR performance for fiscal years 2010 through 2012 relative to the industrial subset of companies within the S&P MidCap 400 Index. TSR includes the change in trading price and dividends paid during the performance period and is stated as a percentage relative to the trading price just prior to the beginning of the performance period. During the performance period, the named executive officers receive dividend equivalent payments on the target number of units awarded.

A number of shares of Class A Common Stock equal to 25% of the target award will be earned if the officer remains employed by us through the end of fiscal year 2012 whether or not the minimum performance level is achieved. The levels of relative TSR performance that would result in the award of the threshold, target or maximum number of shares are as follows:

Performance Level	Relative TSR Performance	Number of Shares Earned
Minimum	30th percentile	50% of target
Target	50th percentile	100% of target
Maximum	90th percentile	200% of target

The Compensation Committee selected TSR as the performance measure for these awards to better align the compensation of the executive officers with the interests of our shareholders. It chose the industrial subset of the S&P MidCap 400 index for the measurement of relative TSR because the Committee desired a large enough group to mitigate the impact of any one-time events that may be experienced by a company within the group, and the group includes companies with reasonably similar market capitalization to our company.

In determining the number of performance units to be granted, our CEO presented to the Compensation Committee his recommendations for the size of award for each named executive officer other than himself, taking into account the factors described above under the heading Annual Review and the changes in the officers long-term incentive compensation being implemented as described above under the heading Fiscal Year 2010 Changes. The Committee reviewed the estimated value of the target level of the recommended awards as a percentage of the officer s base salary relative to the median level of long-term incentive compensation shown in the Towers Perrin comparison study and determined that the awards should be adjusted downward in recognition of the recent decline in the trading price of our Class A Common Stock. In doing so, the Committee consulted with representatives of Pearl Meyer, who advised that the value of shares awarded at peer companies was trending roughly 20% lower due to share price declines. The

Committee approved a pool of performance units consistent with the downward market shift, including the size of an award to be granted to our CEO, and requested that our CEO propose an allocation of the pool among the other executive officers for approval by the Committee, which allocation could include the redistribution of a portion of his proposed award to the

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other officers. The final distribution of the performance units, including the award to our CEO, was approved by the Committee, and the award to our CEO was ratified by the Board of Directors.

Retirement Plans and Benefits

Each of the named executive officers other than James G. Mitchell is eligible to participate in the following retirement benefit plans:

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

Because he is not a U.S.-based employee, James G. Mitchell is not currently eligible to participate in the Retirement Plan, the Restoration Retirement Plan or the Deferred Compensation Plan, but he does have a balance from prior years in the Retirement Plan and the Restoration Retirement Plan. Mr. Mitchell is a participant in the Executive Supplemental Retirement Plan.

The Retirement Plan and Deferred Compensation Plan are intended to allow the officers to contribute portions of their current compensation on a tax-deferred basis and to be competitive with benefits that are offered by similar companies. We also make profit-sharing, matching or other contributions to the Retirement Plan from time to time in our discretion. We ceased making contributions to the Retirement Plan during fiscal year 2010. The Restoration Retirement Plan is intended to provide benefits to participants for whom contributions to the Retirement Plan are limited under the Internal Revenue Code. Amounts contributed to or deferred under these plans earn a return based on the elections made by the individual officer from a number of investment options. The Executive Supplemental Retirement Plan, which was originally adopted in 1981, is intended to assist us with attracting and retaining highly-qualified executives and to enable them to devote their full-time best efforts to our company. We do not have a policy or practice of granting our executive officers extra years of service credit under any of these plans.

Each of these plans, other than our Retirement Plan, is discussed below in *Executive Compensation, Retirement Programs and Other Arrangements* under the headings Pension Benefits and Deferred Compensation. Our Retirement Plan is a tax-qualified defined contribution plan which is open to all U.S.-based employees of Steelcase Inc. and certain of its subsidiaries and affiliates. Participants may elect to contribute a portion of their earnings to the 401(k) component of the Retirement Plan each year. James G. Mitchell participates in the Steelcase Canada Revised Pension Plan, which is a tax-qualified defined contribution plan open to all employees of Steelcase Canada Limited. During fiscal year 2010, we made contributions of 1% to 3% of the employees eligible pay to the Canadian plan.

Certain senior management employees, including our CEO and James G. Mitchell, also have individual deferred compensation agreements with us that were entered into more than ten years ago. Under these agreements, the employees deferred a portion of their compensation and are entitled to receive fixed payments beginning at age 70. These agreements were intended to allow participants to build additional retirement income on a tax-deferred basis. At the time we entered into the agreements, we purchased company-owned life insurance policies that, although they were not pledged sources of funding for these agreements, were expected to generate returns that would approximate our obligations under the agreements.

In addition to these retirement and deferred compensation plans, upon a qualifying retirement (generally when the age at retirement and number of years of continuous service with our company equals 80 or more), each of the named executive officers other than James G. Mitchell is eligible to continue to receive healthcare benefits, including medical, dental and vision insurance programs, in the same manner as all other U.S. employees of Steelcase Inc. hired before July 22, 2002. We currently allow eligible U.S. retirees to continue to receive healthcare benefits for life, but we reserve the right to change or eliminate this benefit at any time. Participating retirees are required to pay a portion of the cost of coverage, and the cost sharing percentage varies depending on the date the participant became eligible to retire, age and years of service with our company.

Upon a qualifying retirement (when the age at retirement and number of years of service with our company equals 80 or more), James G. Mitchell is eligible to receive healthcare benefits, including medical, dental and vision insurance, in the same manner as all other employees of Steelcase Canada Limited hired before October 1, 2002. Eligible Canadian retirees, their spouses and eligible dependents at the time of retirement, upon payment of an annual administrative fee, are entitled to $15,000 per person to be applied to the cost of allowable post-retirement healthcare benefits.

Severance and Change in Control Benefits

Each of the named executive officers other than James G. Mitchell participates in our Executive Severance Plan, which provides for certain benefits in the event of certain terminations of employment with our company. This plan is intended to provide clarity to shareholders and executive management in the event of a severance and/or change in control, align the interests of executive management with the long-term interests of our shareholders, reinforce behavior that promotes maximum value in the event of any merger or acquisition activity and attract and retain executive management by maintaining competitive compensation programs. Under the terms of his employment agreement, James G. Mitchell is entitled to certain benefits in the event of certain terminations of employment with our company. The value of the potential benefits under the Executive Severance Plan for each of the named executive officers other than James G. Mitchell, and the value of the potential benefits for Mr. Mitchell under his employment agreement, as of the end of fiscal year 2010 are detailed below in *Executive Compensation, Retirement Programs and Other Arrangements* under the heading Termination or Change in Control Payments.

Other Programs and Practices

Perquisites and Other Benefits

Our company provides very limited perquisites or other personal benefits to our named executive officers in the United States. The only perquisite received in fiscal year 2010 by the named executive officers in the United States was an optional annual physical examination and, in the case of our CEO only, home security costs. In addition, the family members of some of our named executive officers travelled on our corporate aircraft on occasion during fiscal year 2010, but the incremental cost to our company of such travel was negligible as they were passengers on flights that were otherwise scheduled for business purposes. Any other use of our corporate aircraft by our CEO for personal travel is governed by written aircraft time-sharing agreements under which he reimburses us for all operating expenses associated with the flight, multiplied by 200%. The aggregate incremental cost to our company of the perquisites or other personal benefits received by the named executive officers in the United States in fiscal year 2010 was less than $10,000 for each officer.

We have one named executive officer who lives outside of the United States, James G. Mitchell, who serves as President, Steelcase International and lives in France, where our international headquarters is located. Mr. Mitchell is on an expatriate assignment and therefore receives benefits similar to other employees on expatriate assignments, including relocation assistance, a foreign housing allowance, a company-leased vehicle, tax equalization payments, tax preparation and consultation services, a cost of living allowance, home leave benefits, property management services, access to emergency medical services, visa and immigration services and banking services.

The named executive officers also may elect to participate in other benefit programs on the same terms as other employees of our company. These programs include medical, dental, vision, life and disability insurance, charitable gift matching and discounts on company products. Other than James G. Mitchell, none of the named executive officers has a company car or company-provided housing, and

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we do not pay any country club memberships or financial planning for any of the named executive officers.

Stock Ownership Guidelines

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

In addition to shares owned by our executives, holdings which count toward satisfaction of stock ownership guidelines include restricted stock, restricted units, performance shares and performance units at target award levels during the vesting period, as does the value of in-the-money stock options held by the executives. The Compensation Committee reviews compliance with the stock ownership guidelines annually. Persons who were executive officers when the guidelines were adopted in fiscal year 2007 are expected to meet the guidelines by the end of fiscal year 2011, and persons who became executive officers after the adoption of the guidelines have a period of five fiscal years to meet the guidelines to allow them an appropriate period of time to build their holdings through annual equity awards.

Non-compete and Other Forfeiture Provisions

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

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

Tax Considerations

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

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EXECUTIVE COMPENSATION, RETIREMENT PROGRAMS AND OTHER ARRANGEMENTS

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

Summary Compensation Table

The following table shows compensation information for fiscal years 2010, 2009 and 2008 for (1) James P. Hackett, our President and CEO, (2) David C. Sylvester, our Chief Financial Officer, (3) our three other most highly-paid executive officers as of the end of fiscal year 2010 and (4) one other person who would have been one of our three other most highly-paid executive officers as of the end of fiscal year 2010 if he were still serving as an executive officer at the end of fiscal year 2010. In this proxy statement, we refer to these six executive officers collectively as the named executive officers.

Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary (1)	Stock Awards (2)	Non-Equity Incentive Plan Compensation (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (4)	All Other Compensation (5)	Total
James P. Hackett	2010	$ 792,000	$ 1,069,250	$ 101,988	$ 225,305	$ 51,828	$ 2,240,371
President and Chief	2009	$ 896,538	$ 365,016	$ 512,568	$ 247,212	$ 94,481	$ 2,115,815
Executive Officer	2008	$ 869,885	$ 1,321,644	$ 1,856,451	$ 213,196	$ 264,864	$ 4,526,040
David C. Sylvester	2010	$ 342,000	$ 576,000	$ 24,687	$ 391,463	$ 21,266	$ 1,355,416
Vice President,	2009	$ 377,115	$ 125,021	$ 157,434	$ 914	$ 43,869	$ 704,353
Chief Financial Officer	2008	$ 354,711	$ 382,386	$ 532,293	$ 598,873	$ 60,676	$ 1,928,939
James G. Mitchell (6)	2010	$ 345,047	$ 522,240	$ 33,290	$ 138,125	$ 460,211	$ 1,498,913
President, Steelcase	2009	$ 382,332	$ 108,662	$ 131,943	$ 39,653	$ 520,581	$ 1,183,171
International	2008	$ 400,192	$ 279,091	$ 585,464	$ 172,092	$ 598,743	$ 2,035,582
Mark A. Baker	2010	$ 403,570	$ 629,760	$ 37,938	$ 385,616	$ 23,351	$ 1,480,235
Senior Vice	2009	$ 433,731	$ 155,458	$ 207,206		$ 49,522	$ 845,917
President, Global Operations Officer	2008	$ 414,231	$ 504,359	$ 716,496	$ 39,542	$ 65,558	$ 1,740,186
James P. Keane	2010	$ 431,100	$ 537,600	$ 48,213	$ 396,959	$ 22,157	$ 1,436,029
President,	2009	$ 477,269	$ 165,057	$ 245,370		$ 53,991	$ 941,687
Steelcase Group	2008	$ 479,038	$ 579,991	$ 914,059	$ 19,961	$ 56,853	$ 2,049,902
Michael I. Love (7)	2010	$ 326,688	$ 384,000	$ 32,140	$ 119,116	$ 421,185	$ 1,283,129
Former President,	2009	$ 355,038	$ 84,003	$ 153,222	$ 66,934	$ 42,107	$ 701,304

Nurture by Steelcase	2008	$ 348,761	$ 271,094	$ 560,410	$ 71,981	$ 56,874	$ 1,309,120

(1) Fiscal years 2010 and 2009 included 52 weeks, and fiscal year 2008 included 53 weeks.

(2) The amounts shown in this column are the aggregate grant date fair values computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718) for performance units and restricted units granted during the applicable fiscal year. The assumptions made in the valuation of such awards are disclosed in Note 15 to the consolidated financial statements included in our annual report on Form 10-K for fiscal year 2010 filed with the SEC on April 26, 2010. For the performance units, the grant date fair value is based upon the probable outcome of the performance conditions and the floor amount. Assuming that the highest level of performance conditions will be achieved, the value of the performance units granted in fiscal year 2010, based on the grant date market price per share, would be $1,407,500 for James P. Hackett, $844,500 for David C. Sylvester, $765,680 for James G. Mitchell, $923,320 for Mark A. Baker, $788,200 for James P. Keane and $563,000 for Michael I. Love.

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

(a) short-term MIP awards earned in fiscal years 2009 and 2008,

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(b) the cash portion of long-term MIP awards earned in fiscal years 2009 and 2008 and

(c) earnings for the applicable fiscal year on long-term MIP awards earned in prior fiscal years.

The short-term awards were paid in cash shortly after the end of the applicable fiscal year. The cash portion of the long-term awards are payable in three equal annual installments after the end of the three following fiscal years. No short-term MIP awards were earned, and no long-term awards were made, in fiscal year 2010.

The long-term awards are credited with an annual rate of return which is paid at the time the related portion of the award is paid. For fiscal years 2010 and 2009, the rates of return were 7.92% and 4.02%, respectively, and were based on an estimate of our three-year incremental borrowing rate at the beginning of the fiscal year. For fiscal year 2008, the rate of return was equal to the percentage change in our shareholders equity for the year (before the payment of dividends and the impact of share issuances and repurchases). The amounts included in this column for fiscal year 2010 for earnings on long-term MIP awards made in prior years are as follows:

Name	**Earnings paid after end of fiscal year 2010**	**Earnings payable after end of fiscal years 2011 and 2012**
James P. Hackett	$ 72,382	$ 29,606
David C. Sylvester	$ 15,251	$ 9,436
James G. Mitchell	$ 23,718	$ 9,572
Mark A. Baker	$ 26,503	$ 11,435
James P. Keane	$ 34,194	$ 14,019
Michael I. Love	$ 22,888	$ 9,252

The amounts shown for James G. Mitchell and David C. Sylvester for fiscal year 2008 include earnings on long-term awards made in prior fiscal years under our International Management Incentive Plan, which operated similarly to the MIP.

(4) The amounts shown in this column represent the net increase in actuarial present value of the applicable officer s accumulated benefit under (a) our Executive Supplemental Retirement Plan and (b) in the case of James P. Hackett and James G. Mitchell, a deferred compensation agreement. For fiscal year 2010, the change in the actuarial present value of the accumulated benefit under the Executive Supplemental Retirement Plan for each participant was predominantly the result of a decrease in the discount rate from 8.0% to 5.3%, which had a greater impact on participants who have not met retirement eligibility. For fiscal year 2009, the change in the actuarial present value of the accumulated benefit under the Executive Supplemental Retirement Plan for Mark A. Baker and James P. Keane were reductions of $42,019 and $79,796, respectively, so the amounts are reflected as zero in accordance with the SEC s rules and regulations. For David C. Sylvester, the change in fiscal year 2008 reflects the fact that he became a participant in the plan during fiscal year 2008. Earnings under our Deferred Compensation Plan are not included because they are not earned at a preferential rate.

(5) The amounts shown in this column for fiscal year 2010 include the following:

	Dividends/ Dividend	**Company**

Name	Equivalents on Unvested Stock Awards	Contributions under Retirement or Pension Plans	Other	All Other Compensation Total
James P. Hackett	$ 51,754		$ 74	$ 51,828
David C. Sylvester	$ 21,167		$ 99	$ 21,266
James G. Mitchell	$ 18,555	$ 15,579	$ 426,077	$ 460,211
Mark A. Baker	$ 23,252		$ 99	$ 23,351
James P. Keane	$ 22,083		$ 74	$ 22,157
Michael I. Love	$ 15,005		$ 406,180	$ 421,185

For James G. Mitchell, the amount shown in the Other column includes (a) tax reimbursements, gross ups and amounts paid by the company on his behalf of $269,232, (b) perquisites received in

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connection with his expatriate assignment, consisting of housing costs of $75,972, a cost of living adjustment, tax preparation and consultation costs, auto expenses, home leave travel costs, property management costs and home security expenses, and (c) a physical examination. For Michael I. Love, the amount shown in the Other column includes amounts paid to Mr. Love in connection with the termination of his employment of $406,106.

(6) Amounts paid in Canadian dollars and Euros are converted to U.S. dollars using the exchange rate on the date the amount was paid.

(7) Michael I. Love s employment with us ended on December 31, 2009.

Incentive Compensation Awards

The following table shows the awards granted to the named executive officers during fiscal year 2010 under our incentive compensation plans.

Fiscal Year 2010 Grants of Plan-Based Awards

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock	Gra Fair Sto O
ame	Grant Date	Threshold	Target	Maximum	Threshold	Target	Maximum	Awards	A
Hackett	3/26/09 (1)	$ 0	$ 792,000	$ 1,584,000					
	3/27/09 (2)				43,750	131,250	206,250	43,750	$ 1,(
Sylvester	3/26/09 (1)	$ 0	$ 273,600	$ 547,200					
	3/27/09 (2)				18,750	56,250	131,250	18,750	$ 5
Mitchell	3/26/09 (1)	$ 0	$ 185,178	$ 370,356					
	3/27/09 (2)				17,000	51,000	119,000	17,000	$ 5
Baker	3/26/09 (1)	$ 0	$ 322,784	$ 645,568					
	3/27/09 (2)				20,500	61,500	143,500	20,500	$ 6
Keane	3/26/09 (1)	$ 0	$ 344,880	$ 689,760					
	3/27/09 (2)				17,500	52,500	122,500	17,500	$ 5
I. Love	3/26/09 (1)	$ 0	$ 160,650	$ 321,300					
	3/27/09 (2)				12,500	37,500	87,500	12,500	$ 3

(1) These lines show the potential payout opportunity for short-term MIP awards for fiscal year 2010, as described below. Following the end of fiscal year 2010, actual performance resulted in these awards being earned at 0% of target, and no amounts were paid out.

(2) These lines show performance unit awards made under our Incentive Compensation Plan, as described below. The number of shares shown in the All Other Stock Awards column represents the floor amount, as described below. The grant date fair value is based upon the probable outcome of the performance conditions and the floor amount.

MIP awards

The short-term MIP awards granted for fiscal year 2010 were based on EVA achievement compared to a target of $0.0 million. In March 2010, the Compensation Committee confirmed the performance results, and the awards were earned at 0% of target.

Performance unit awards

The performance unit awards granted in fiscal year 2010 can be earned based on the achievement of certain TSR levels for fiscal years 2010 through 2012 relative to the industrial subset of companies within the S&P MidCap 400 index. TSR includes the change in trading price and dividends paid on our Class A Common Stock during the performance period and is stated as a percentage relative to the trading price just prior to the beginning of the performance period.

A floor amount equal to 25% of the target number of shares will be earned regardless of the level of relative TSR achieved, and the levels of relative TSR performance that would result in the award of the threshold, target or maximum number of shares are as follows:

Performance Measure	Threshold	Target	Maximum
Relative TSR	30^{th} percentile	50^{th} percentile	90^{th} percentile

During the performance period, dividend equivalent payments are made based on the target number of shares for each award, and at the end of fiscal year 2012, the number of performance units earned will be issued as Class A Common Stock.

Employment Agreement

None of the named executive officers other than James G. Mitchell has an employment agreement with us. Mr. Mitchell s employment agreement was entered into in January 2003 and was amended in June 2004 and December 2009.

Mr. Mitchell s employment agreement defines the terms of his expatriate assignment and the benefits which will be provided in the event of the termination of his employment (1) by Mr. Mitchell or by us for cause, (2) by us without cause or (3) by retirement. The agreement provides that Mr. Mitchell will be entitled to receive certain expatriate benefits, as described in *Compensation Discussion and Analysis* under the heading Other Programs and Practices Perquisites and Other Benefits and that Mr. Mitchell is eligible for early retirement under our Executive Supplement Retirement Plan at an earlier point than other participants, as described below under the heading Pension Benefits Executive Supplemental Retirement Plan. The benefits that Mr. Mitchell is entitled to receive upon a termination of his employment are detailed below under the heading Termination or Change in Control Payments, and these benefits are contingent on the execution of a release. The employment agreement also contains a commitment by Mr. Mitchell not to compete with us for a period of one year from the date of his termination.

Outstanding Equity Awards

The following table shows the equity awards granted to the named executive officers under our Incentive Compensation Plan which remained outstanding at the end of fiscal year 2010, including (1) unexercised stock options, (2) unvested restricted units and (3) unearned or unvested performance shares and performance units. The market values shown in the table are based on the closing price of our Class A Common Stock at the end of fiscal year 2010 of $6.57 per share.

Fiscal Year 2010 Outstanding Equity Awards at Fiscal Year-End

Option Awards		Stock Awards		
Equity Incentive Plan Awards:		Market	Equity Incentive Plan Awards: Number of	Equit Incenti Plan Award Market Payou Value

Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Number of Shares Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Value of Shares or Units of Stock That Have Not Vested	Unearned Shares, Units or Other Rights That Have Not Vested	Unearn Share Units o Other Ri That Ha Not Ves
es P. Hackett:									
k option	408,099			$ 14.81	3/20/12				
ricted units						20,716 (1)	$ 136,104		
ricted units						21,734 (2)	$ 142,792		
ormance shares								21,000 (3)	$ 137,9
rmance units						43,750 (4)	$ 287,438	206,250 (4)	$ 1,355,0

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	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Shares Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equit Incenti Plan Award Market Payou Value Unearn Share Units Other Right That Ha Not Ves
vid C. Sylvester:									
ck option	27,777			$ 14.81	3/20/12				
tricted units						6,652 (1)	$ 43,704		
tricted units						7,154 (2)	$ 47,002		
formance shares								7,500 (3)	$ 49,2
formance units						18,750 (4)	$ 123,188	131,250 (4)	$ 862,3
nes G. Mitchell:									
ck option	33,333			$ 14.81	3/20/12				
tricted units						6,901 (1)	$ 45,340		
tricted units						5,762 (2)	$ 37,856		
formance units								7,000 (3)	$ 45,9
formance units						17,000 (4)	$ 111,690	119,000 (4)	$ 781,8
rk A. Baker:									
ck option	14,953			$ 9.46	3/21/10				
ck option	26,074			$ 11.62	3/20/11				
ck option	77,777			$ 14.81	3/20/12				
tricted units						7,912 (1)	$ 51,982		
tricted units						8,967 (2)	$ 58,913		
formance shares								9,250 (3)	$ 60,7
formance units						20,500 (4)	$ 134,685	143,500 (4)	$ 942,7
nes P. Keane:									
ck option	33,228			$ 9.46	3/21/10				
ck option	61,628			$ 11.62	3/20/11				
ck option	111,111			$ 14.81	3/20/12				
tricted units						10,169 (1)	$ 66,810		
tricted units						10,161 (2)	$ 66,101		
formance shares								9,250 (3)	$ 60,7
formance units						17,500 (4)	$ 114,975	122,500 (4)	$ 804,8

chael I. Love:			
ck option	59,258	$ 11.62	3/20/11
ck option	44,444	$ 14.81	3/20/12