

STEELCASE INC
Form DEF 14A
June 05, 2013
Table of Contents

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

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

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

Steelcase Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

Title of each class of securities to which transaction applies:

(1)

Aggregate number of securities to which transaction applies:

(2)

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

Proposed maximum aggregate value of transaction:

(4)

(5) Total fee paid:

- Fee paid previously with preliminary materials.

- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:

(1)

Form, Schedule or Registration Statement No.:

(2)

(3) Filing Party:

Date Filed:

(4)

Table of Contents

NOTICE OF ANNUAL MEETING

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

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

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

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

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

If you were a shareholder of record as of the close of business on May 20, 2013, you are eligible to vote. You may either vote at the meeting or by proxy, which allows your shares to be voted at the meeting even if you are not able to attend. If you choose to vote by proxy:

Please carefully review the enclosed proxy statement and proxy card.

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

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

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

We look forward to seeing you at the meeting.

By Order of the Board of Directors,

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

Grand Rapids, Michigan
June 5, 2013

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

	Page No.
<u>Questions and Answers</u>	<u>1</u>
<u>Proposal 1 - Election of Directors</u>	<u>4</u>
<u>Board Meetings</u>	<u>7</u>
<u>Director Independence</u>	<u>7</u>
<u>Related Person Transactions</u>	<u>10</u>
<u>Committees of the Board of Directors</u>	<u>11</u>
<u>Other Corporate Governance Matters</u>	<u>17</u>
<u>Director Compensation</u>	<u>19</u>
<u>Audit Committee Report</u>	<u>23</u>
<u>Fees Paid to Principal Independent Auditor</u>	<u>24</u>
<u>Proposal 2 - Advisory Vote to Approve Named Executive Officer Compensation</u>	<u>25</u>
<u>Compensation Committee Report</u>	<u>26</u>
<u>Compensation Discussion and Analysis</u>	<u>26</u>
<u>Executive Compensation, Retirement Programs and Other Arrangements</u>	<u>39</u>
<u>Stock Ownership of Management and Certain Beneficial Owners</u>	<u>51</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>54</u>
<u>Supplemental Information</u>	<u>55</u>

Table of Contents

QUESTIONS AND ANSWERS

On what am I voting?

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

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

Proposal 2: Advisory vote to approve named executive officer compensation

How does the Board of Directors recommend I vote?

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

Who is entitled to vote?

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

How many shares were outstanding on the Record Date?

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

How many votes do I have?

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

How do I vote?

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

To vote by telephone or Internet: Please follow the instructions on the proxy card. The deadline for voting by telephone or Internet is 11:59 p.m. Eastern Daylight Time on July 16, 2013.

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

If you hold your stock in “street name” (that is, your shares are registered in the name of a bank, broker or other nominee, which we will collectively refer to as your “broker”), you must vote your shares in the manner required by your broker.

Whether you vote by telephone, Internet or mail, you may specify whether your shares should be voted for all, some or none of the nominees for director.

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

Table of Contents

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

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

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

How will voting on any other business be conducted?

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

May I revoke my proxy?

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

Who may attend the Meeting?

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

May I listen to the Meeting if I cannot attend?

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

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

To demonstrate our commitment to sustainability by reducing the amount of paper, ink and other resources consumed in printing and mailing our annual report and proxy statement, and to reduce the cost to our company, we follow a process for the distribution of our proxy materials called “notice and access.” Notice and access allows us to send you a brief written notice, called a “Notice of Internet Availability of Proxy Materials,” which lists the address of a website where you can view, print or request printed copies of our proxy materials and an email address and toll-free telephone number that you can use to request printed copies of our proxy materials. If you wish to elect to receive printed copies of our proxy materials each year, you can make a permanent request.

What if I have the same address as another shareholder?

We send a single copy of our Notice of Internet Availability of Proxy Materials to any household at which two or more shareholders reside if they appear to be members of the same family. This practice is known as “householding” and helps reduce our printing and postage costs. Any shareholder residing at the same address as another shareholder who wishes to receive a single document or separate documents should call 1-800-542-1061 or write to Broadridge Financial Solutions, Householding

Table of Contents

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

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

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

Table of Contents

PROPOSAL 1 - ELECTION OF DIRECTORS

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

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

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

Lawrence J. Blanford Director since 2012

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

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

William P. Crawford Director since 1979

Mr. Crawford held various positions at Steelcase from 1965 until his retirement in 2000, including President and Chief Executive Officer of the Steelcase Design Partnership. Mr. Crawford is a director of Fifth Third Bank—a Michigan banking corporation. Age 70.

Mr. Crawford's experience with our company, having served as a director for more than 30 years and as an employee for 35 years, and his understanding of the long-term interests of our company and its shareholders, led the Board of Directors to recommend that he should serve as a director.

Connie K. Duckworth Director since 2010

Ms. Duckworth has been Chairman and Chief Executive Officer of ARZU, Inc., a non-profit organization that helps Afghan women weavers by sourcing and selling the rugs they weave, since 2003. Ms. Duckworth is a member of the Board of Trustees of The Northwestern Mutual Life Insurance Company and the Board of Directors of Russell Investment Group. Age 58.

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

Table of Contents

James P. Hackett Director since 1994

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

Mr. Hackett's role as our CEO and his experience as an employee of our company for more than 30 years led the Board of Directors to recommend that he should serve as a director.

R. David Hoover Director since 2012

Mr. Hoover was Chairman of the Board of Directors of Ball Corporation from 2002 to April 2013. Mr. Hoover also served Ball Corporation as Chief Executive Officer from 2001 to 2011, President from 2000 to 2010 and Chief Financial Officer from 1992 to 2000. Mr. Hoover is a director of Ball Corporation, Eli Lilly and Company and Energizer Holdings, Inc., and within the past five years, he served as a director of Irwin Financial Corporation and Qwest Communications International Inc. Age 67.

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

David W. Joos Director since 2001

Mr. Joos has been Chairman of the Board of CMS Energy Corporation, an energy company, and its primary electric utility, Consumers Energy Company, since May 2010. He served as President and Chief Executive Officer of CMS Energy Corporation and Chief Executive Officer of Consumers Energy Company from 2004 to May 2010. Mr. Joos is a director of AECOM Technology Corporation. Age 60.

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

James P. Keane Director since 2013

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

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

Table of Contents

Elizabeth Valk Long Director since 2001

Ms. Long held various management positions, including Executive Vice President, at Time Inc., a magazine publisher, until her retirement in 2001. Ms. Long is a director of Belk, Inc. and The J.M. Smucker Company. Age 63.

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

Robert C. Pew III Director since 1987

Mr. Pew III has been a private investor since 2004. From 1974 to 1984 and from 1988 to 1995, Mr. Pew III held various positions at Steelcase, including President, Steelcase North America and Executive Vice President, Operations. During the period from 1984 to 1988, Mr. Pew III was a majority owner of an independent Steelcase dealership. Mr. Pew III has served as Chair of our Board of Directors since June 2003. Age 62.

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

Cathy D. Ross Director since 2006

Ms. Ross has been Executive Vice President and Chief Financial Officer of Federal Express Corporation, an express transportation company and subsidiary of FedEx Corporation, since September 2010. She served as Senior Vice President and Chief Financial Officer of Federal Express Corporation from 2004 to September 2010. Age 55.

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

P. Craig Welch, Jr. Director since 1979

Mr. Welch, Jr. has been Manager and a member of Honzo Fund LLC, an investment/venture capital firm, since 1999. From 1967 to 1987, Mr. Welch, Jr. held various positions at Steelcase, including Director of Information Services and Director of Production Inventory Control. Age 68.

Mr. Welch's experience with our company, having served as a director for more than 30 years and as an employee for 20 years, and his understanding of the long-term interests of our company and its shareholders, led the Board of Directors to recommend that he should serve as a director.

Table of Contents

Directors continuing in office for a term expiring in 2014:

Peter M. Wege II Director since 1979

Mr. Wege II has been Chairman of the Board of Directors of Contract Pharmaceuticals Ltd., a manufacturer and distributor of prescription and over-the-counter pharmaceuticals, since 2000. From 1981 to 1989, he held various positions at Steelcase, including President of Steelcase Canada Ltd. Age 64.

Mr. Wege's experience with our company, having served as a director for more than 30 years and as an employee, and his understanding of the long-term interests of our company and its shareholders, led the Board of Directors to recommend that he should serve as a director.

Kate Pew Wolters Director since 2001

Ms. Wolters has been engaged in philanthropic activities since 1996. She is President of the Kate and Richard Wolters Foundation and a community volunteer and advisor. She serves as Chair of the Board of Trustees of the Steelcase Foundation. Age 55.

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

Related Directors

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

BOARD MEETINGS

Our Board of Directors met nine times during fiscal year 2013. Each of our directors attended at least 75% of the total number of meetings of the Board and the committees on which they served during the year. Our Board's policy is that each director is expected to attend our annual meeting of shareholders, and each of our then-current directors attended our 2012 Annual Meeting.

DIRECTOR INDEPENDENCE

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

The independence of our directors is assessed using the listing standards of the NYSE, and our Board adopted categorical standards to guide the determination of each director's independence. Under these standards, none of the following is considered a material relationship impairing a director's independence:

Table of Contents

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 2013, the following relationships were considered by the Committee in assessing the independence of our directors:

Director	Relationships Considered
William P. Crawford	As described under "Related Person Transactions," Mr. Crawford's daughter is employed by Steelcase. She is not a board-elected officer.
Connie K. Duckworth	Ms. Duckworth is the pro bono Chairman and Chief Executive Officer of ARZU, Inc., a non-profit organization from which we purchased approximately \$12,000 in products. The transactions were made in the ordinary course of business on an arm's-length basis.

Table of Contents