

KIMBALL INTERNATIONAL, INC.

BUSINESS ETHICS POLICY and GUIDING PRINCIPLES

The Guiding Principles (included as an appendix) form the core of the culture of Kimball International, and transcends decades. Kimball is committed to ethical practices in all aspects of the business. It is an expectation that all employees will conduct themselves with honesty and integrity in accordance with this long-standing commitment, starting at the top of the Company with the CEO and Board of Directors. This commitment is demonstrated in day-to-day actions and confirmed with annual training of employees.

No single statement on ethics can possibly anticipate all of the ethical situations an employee may encounter. The Company's Guiding Principles, though, provide foundational guidance. A key to successful achievement of our ethical ideals is the willingness to communicate openly with management and request guidance in situations that may be encountered, or that are unclear. Other Kimball statements of policy and procedure are valuable sources of guidance and should be referenced in addition to this Policy. These include the Environmental Policy Statement, the Environmental Management and Continuous Improvement Program, Safety and Security Standards and associated training, Information Management Responsibility and Security Policies, the Employee Handbook, Anti-Trust Policy, the Accounting Manual, among others.

Examples of certain ethical expectations include, but are not limited to:

1. **Bribery & Kickbacks**

Employees may not give anything of value to existing or potential customers as an inducement for an award of business. This prohibition includes payments in any form, favors or gifts to government officials, employees or representatives in exchange for favorable treatment. Similarly, employees may not accept anything of value in return for favorable treatment from existing or potential customers or suppliers.

2. **Meals, Gifts and Entertainment**

Meals, gifts or entertainment ("Gifts") of a nominal value may be given or received in an appropriate exchange of business courtesies so long as they are given in compliance with laws and follow reasonable local practices. Sound judgment is required, recognizing the potential for the appearance of impropriety. Any Gift which could or does create a feeling of obligation to conduct business should not be given or accepted. An employee should seek guidance from management as needed regarding the giving or receipt of a particular Gift. As always, if local laws prohibit this activity, or the recipient's company does not permit it, Kimball representatives should not engage in it. As used here, "nominal value" includes reasonable, incidental and non-cash Gifts that relate to or arise out of business activities.

No cash payments may be made to a customer or supplier except as needed for approved expenses documented in accordance with Company requirements. An employee also shall not accept cash from a customer or supplier, including any form of cash payment (such as gift cards, cash-value cards, lucky money red envelope payments, bank transfers, loans, rebates and similar forms of payment). A gift card of nominal value for a specific product or service may be acceptable, but shall be reported to the employee's manager. The offer or receipt of a cash or cash-like payment of greater than nominal value shall not be accepted and shall be reported promptly to the Company's highest-ranking local manager, the business unit HR Director, the Legal Department, or through the Ethics Point Hotline available to all employees via the Company's website. A failure to report any such cash payment may be grounds for discipline up to and including termination. Requests for clarification as to whether a gift is nominal or other concerns should be directed to the Company's highest-ranking local manager, its Legal Department, or the business unit HR Director. This policy should be communicated to suppliers and customer to assist in avoiding a conflict with these expectations.

3. **International Business Relationships**

Business with customers, suppliers, employees or government officials outside the United States must be conducted not only in accordance with all applicable laws, including of the particular foreign country as well as applicable U.S. laws (such as the Foreign Corrupt Practices Act) and Kimball's Business Ethics Policy and Guiding Principles, regardless of any local custom or practice.

The Foreign Corrupt Practices Act, other U.S., state and local laws, and similar laws of other countries prohibit Kimball employees and authorized representatives from directly or indirectly making, promising, authorizing or offering anything of value to a government official, representative or employee, political party, or any candidate for political office. A government official includes any person acting in an official capacity on behalf of a government, agency, department or institution, such as a business with government ownership or control. The officers and employees of certain foreign companies with which Kimball does business may be "foreign government officials" if the company is owned or controlled, in whole or in part, by a foreign government

Do not offer anything of value (e.g., money or monetary equivalents, gifts, travel, entertainment) directly or through third persons (including but not limited to suppliers, customers, resellers or distributors), to anyone (including governmental officials) with the intent to obtain an improper advantage in selling goods and services, conducting financial transactions, or representing the Company's interest. All countries prohibit bribery of their own public officials, and many also prohibit the bribery of officials of other countries. Kimball prohibits improper payments in all activities, both with governments and the private sector.

4. Political Contributions/Lobbying

Employee involvement in the political process as individuals on their own time and with their own funds is a matter of personal choice. Kimball's political contributions and lobbying activity are controlled corporately and should not be represented by other than authorized personnel.

5. Conflicts of Interest

Employees should avoid situations that present, or appear to present, a conflict of interest. These occur when an employee's personal interest appears to, or does, conflict with the interests of Kimball. Such conflicts could occur when an employee or a family member encounters situations which could include but are not limited to the following events:

- Gains a substantial personal financial interest in a Kimball supplier/customer /competitor.
- Engages in a significant personal business transaction directly with Kimball, or discloses Kimball business opportunities to a third party.
- Engages in significant outside employment such that it interferes with the conscientious performance of his/her duty as a company employee. This would include use of Kimball time or resources to solicit for or otherwise further another business or employment activity.
- Participates in civic, charitable, or other non-business activities at work, to the degree that they interfere with the employee's job duties.

There are many other ways that an employee could find him or herself in a situation that could become a conflict of interest. Any concerns or questions should be discussed by the employee with his or her manager or another appropriate company leader for guidance.

6. Insider Trading

Trading in Kimball stock while possessing material, non-public information is prohibited. This prohibition covers not only the employee, but family members and others living in your household as well. Disclosing such information to others is also prohibited. Please refer to Kimball's Insider Trading Policy for more detailed information.

7. Role Conflicts

Conflicts of interest may also be created by relationships with coworkers, suppliers, or customers. These conflicts should be avoided. Such conflicts could include:

- Romantic, family, business or other relationships – see Kimball's Harassment Policy.
- Hiring related persons - Kimball does not discourage the tradition of family service and we may

employ persons related to current Kimball employees, but careful consideration in this area must be given to fairness, avoidance of direct or indirect reporting relationships, and any perception of favoritism. Such relationships must be disclosed so they may be addressed appropriately in a hiring, transfer, or promotion situation.

8. **Government Contracting**

Kimball does business with the Federal Government and many state governments, and complies with all applicable regulations regarding government contracting. Ethical conduct in compliance with government regulations is paramount, and each employee involved in this area is expected to be knowledgeable regarding the specific ethical and regulatory requirements for government contracting.

9. **Personal Use of Company Property**

All Kimball resources, including the time of our employees, material, equipment, and proprietary information should be used for Kimball business purposes only. Occasional use of Company property, such as telephone or computer, for personal communication needs is permitted, but Company property shall not be used for personal gain, profit, or to conduct business on behalf of the employee's own or a third party's business. All Company sensitive or confidential information must be protected.

10. **Fraud**

Kimball prohibits all acts of fraud, including but not limited to dishonesty, embezzlement, forgery, theft, falsification of company financial statements or records and the like, and behavior that violates applicable laws.

11. **Espionage**

Kimball will acquire its competitive intelligence information through legitimate and ethical means. Any attempt to gain competitive information through improper sources or by giving something of value is strictly prohibited. Likewise, Kimball expects all employees to safeguard Company sensitive and confidential information and to take proactive steps to prevent disclosure to unauthorized parties.

12. **Financial Matters**

Kimball will have the utmost integrity in its financial reports. Kimball has established accounting procedures and internal accounting controls, and undergoes regular internal and external audits to ensure full, fair and accurate disclosure in its financial statements and reports filed with the United States Securities and Exchange Commission. Kimball will comply with all applicable governmental laws, rules and regulations.

Acceptance of Personal Responsibility

Ultimately, all employees must be guided by a desire to do what is right and consistent with Kimball International values and Guiding Principles and a strong personal sense of right and wrong. In this way, we will be the high-integrity company described in our Guiding Principles.

Reporting Violations

If you have any questions or wish to report a violation of this policy (including regarding an accounting, internal control, or auditing matter), you may notify any supervisor or manager with whom you feel comfortable discussing the problem, Human Resources, or Kimball's General Counsel, who is the responsible compliance officer (phone 812-482-8409). In addition, an anonymous, confidential, third-party "hotline" reporting system has been established with a company called Ethics Point. You may access Ethics Point (24 hours and 7 days/week) to make a report by:

1. The Kimball Intranet – Ethics Point link on the goKimball corporate home page Click on the "EP" button at the top right side of the page.
2. The Internet – go to www.ethicspoint.com and enter "Kimball International" in the Organization Name search box.

3. Telephone – U.S. toll-free 1-866-384-4277
4. Telephone - International phone numbers are listed on the Kimball Ethics Point site for each location.

All reports will be promptly investigated and there will be no retaliation for making a report or cooperating with an investigation. Failure regarding ethical behavior is subject to disciplinary action up to and including separation.

Waivers of the Business Ethics Policy

Any waiver of this Business Ethics Policy for executive officers or directors may be made only by the Board of Directors and will be promptly disclosed to Kimball's shareholders, as may be required by law or stock exchange regulation.

Guiding Principles

Customers

Our customer is our business. We must provide innovative products and services that excite our customers and exceed their expectations of quality, features and enduring value. We also must recognize and respond quickly and creatively to ideas of others, both internally and externally.

Long term customers are more important than short-term results. We will promise only what we know can be delivered; we will strive to deliver more than was promised.

We seek to consistently demonstrate a sense of warmth, humor and mutual respect in our relationships with our customers, to be the company with which they most enjoy working.

People

Our people are the company. Kimball has been built upon the tradition of pride in craftsmanship, mutual trust, personal integrity, respect for dignity of the individual, a spirit of cooperation, and a sense of family and good humor. We seek to enhance this culture as we grow.

We cultivate a leadership style that embraces the attitudes of personal autonomy and empowerment; individual initiative and teamwork; employee involvement and continuous improvement; and open, non-defensive communication. We shall foster an organizational structure, information systems and development of personal skills that maximize our peoples' flexibility to respond to our customers on their own terms.

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We want employees to share in their company's success, both financially and through personal growth and fulfillment.

The most unfair system of all is one that blindly treats all situations the same. Therefore, we discourage rigid rules and policies in favor of a philosophy of individual responsibility and flexibility, so that real needs, rather than the rules, are met.

Offering ideas for improvements and new products is an opportunity we all share, a responsibility we must all accept. We seek to promote and reinforce an entrepreneurial spirit -- a conviction that growth and continuous improvement is everyone's job.

We seek a diversified group of employees who can be committed to preserving and enhancing these values.

Suppliers are our partners, an extension of our company. They must share our commitment to total quality that exceeds our customers' expectations.

Citizenship

The environment is our home. We will be leaders in not only protecting but enhancing our world.

Recognizing that an attitude of pride in the company and the community are intertwined, we seek to share but not impose, our values within the communities in which we live. We also strive to help our communities be great places to live.

We believe the greatest contribution we can make to the prosperity and quality of life of the communities in which we operate lies in being a dynamic, growing company.

Profits

Profits are the ultimate measure of how efficiently and effectively we serve our customers and are the only true source of long-term job security.

Profitability and financial resources give us the freedom to shape our future and achieve our vision.