

LA-Z-BOY INC  
Form DEF 14A  
July 08, 2015

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 [X]  
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
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**La-Z-Boy Incorporated**  
(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):

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Monroe, Michigan  
July 8, 2015

To our shareholders:

We invite you to attend our 2015 annual meeting of shareholders to be held Wednesday, August 19, 2015, in the Wright Room of The Westin Detroit Metropolitan Airport, located at 2501 Worldgateway Place, Romulus, Michigan (see the map on the back cover). Only shareholders of record at the close of business on June 30, 2015, will be entitled to vote at the meeting. At the meeting, we intend to:

Elect nine directors for one-year terms expiring in 2016;

Hold a non-binding advisory vote on a proposal to approve the compensation of our named executive officers;

Ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2016; and

Transact any other business that properly comes before the meeting.

The Board of Directors recommends a vote "FOR" each proposal. The proxy holders will use their discretion to vote on any other matters that come before the shareholders at the annual meeting.

We encourage you to exercise your right as a shareholder and cast your vote promptly. If you received a paper copy of the proxy materials, you may vote by mail by signing, dating, and returning the enclosed proxy card in the accompanying envelope. You may also vote by telephone or on the Internet (see the instructions attached to the proxy card or on the Notice of Internet Availability of Proxy Materials). Even if you vote by one of these methods prior to the meeting, you may still vote your shares in person at the meeting, and doing so will revoke your previous vote.

BY ORDER OF THE BOARD OF DIRECTORS

James P. Klarr,  
Secretary

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Proxy Summary

We are furnishing this proxy statement, form of proxy and accompanying materials to our shareholders on or about July 8, 2015.

Our board nominees

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\* Independent directors

Operations highlights

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Shareholder Return  
Returned to our shareholders in fiscal 2015:

5-Year Sales and Operating Margin

Executive Compensation Highlights

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Ways you can vote

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2015 Proxy Statement

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Corporate Governance

Board of Directors

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Our board of directors is committed to good governance practices that further the company's strategic growth plans and enhance shareholder value over the long term, while also considering the interests of other stakeholders, including our employees, customers, vendors, and the communities we impact. The board oversees the company's performance, including its strategic direction and critical corporate policies that have the largest impact on our operations. In exercising its oversight responsibility, the board evaluates the performance of our president and chief executive officer and directs succession planning for the president, directors, and, to the degree appropriate, other leadership positions. The board monitors our strategic plan, our performance against the plan, and management's assessment and remediation of the company's risks. The board regularly reviews our governance practices and compares them to evolving best practice, making changes when appropriate. It also monitors the company's culture to ensure we maintain the highest levels of ethics and integrity, especially with respect to our financial statements and disclosures.

In the following section, we describe our governance policies and practices. Our governance guidelines can be found on our website at <http://investors.la-z-boy.com>, under "Corporate Governance," and they address our policies related to director selection, membership criteria, independence, orientation, and assessment of board performance. At the same site, we post our other key governance documents, such as the lead director charter, the charters for each of the board's key committees, and our Code of Business Conduct.

Leadership Structure

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Our current leadership structure incorporates a combined position of chairman and chief executive officer reporting to a board of otherwise independent directors, with a strong independent lead director. At the time we combined the roles of chairman and CEO, we felt it was imperative that the leadership of the company be focused in one position to ensure effective leadership to implement our strategic plan and initiatives. Our results since then confirm that we were correct, and we believe this remains the appropriate structure for our company.

Our Corporate Governance Guidelines require that when the roles of our chairman and CEO are combined, we elect an independent lead director. Our lead director serves as the principal liaison between our independent directors and our chairman, facilitating a steady stream of communications between management and our independent directors. Among other duties, the lead director:

collaborates on the board and committee meeting agendas;

solicits and recommends matters for the board and committees to consider;

advises the chairman as to the quality, quantity, and timeliness of the information submitted to the directors;

calls meetings of the independent directors or calls for executive sessions during board meetings;

serves as chairman of the meetings of the independent directors or executive sessions of the board;

collaborates with committee chairs to ensure board work is conducted at the appropriate level, coordinating on issues involving multiple committees;

meets with our CEO to discuss his performance;

communicates directly with shareholders when appropriate; and

presides at board meetings when the chairman is absent.

Our strong independent lead director structure, in combination with a board composed solely of independent directors other than the chairman and regular executive session meetings without management, ensures that our board exercises effective oversight of our executive chairman and the interests of our shareholders.

#### Board Risk Oversight

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While management is responsible for the day-to-day assessment, monitoring and remediation of the company's risks, our board of directors is responsible for oversight of these risk activities. To ensure vigilant monitoring of the risks, the board has delegated risk oversight to various committees while maintaining certain key risks at the full board level. The board has directed the nominating and governance committee to assign oversight of the various risk categories, including strategic, operational, IT, and financial risk, to the various committees or the full board,



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### Corporate Governance

while ensuring that all risks, including any emerging risks, are monitored. The nominating and governance committee regularly reviews management's enterprise risk management process, which is incorporated in the company's strategic planning process, to identify new and emerging risks.

Each committee regularly reviews and reports to the board on its respective risk categories. Throughout the year, our board and board committees review and discuss the various risks confronting the company, paying special attention to new operating and strategic initiatives. Our nominating and governance committee and our board as a whole encourage open communication and appropriate escalation of reporting of risk throughout the enterprise, striving to ensure that enterprise risk management is part of our corporate culture.

### Succession Planning

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Our board of directors engages in an effective planning process to identify, evaluate and select potential successors to the CEO and other members of executive management. The CEO provides quarterly updates to the directors of the significant changes in key personal and annually reviews with the board executive management succession planning. Each board member has complete and open access to any member of management. The senior members of management are invited regularly to make presentations at board and committee meetings and meet with directors in informal settings to allow the directors to form a more complete understanding of the executive's skill and character. The board periodically reviews and revises as necessary the company's emergency management succession plan, which details the actions to be taken by specific individuals in the event the CEO suddenly dies or becomes incapacitated.

### Director Selection

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Our nominating and governance committee is responsible for recommending director candidates to fill current and anticipated board vacancies. The committee identifies and evaluates potential candidates from recommendations from the committee's own members, referrals from other board members, management, shareholders, or other outside sources, including professional recruiting firms. (For information on how to propose a candidate to the committee or nominate a director, see "Next Annual Meeting Shareholder Proposals for the 2016 Annual Meeting," page 51.) In evaluating proposed candidates, the committee may review their résumés, obtain references, and conduct personal interviews. The committee considers, among other factors, the board's current and future need for specific skills and the candidate's experience, leadership qualities, integrity, diversity, ability to exercise mature judgment, independence, and ability to make the appropriate time commitment to the board.

In anticipation of future retirements of current directors, the committee has begun a review of the skills desired to complement the skills of remaining directors. After determining the desired skill set, the committee will begin a focused search for qualified candidates.

### Director Independence

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Our board of directors strongly supports the concept of director independence, and only our chairman is an insider. Consistent with the NYSE rules, our Corporate Governance Guidelines require that a majority of our directors be independent, and we limit membership on each of our committees to independent directors.

Our board annually reviews and determines if any director has any material relationship with our company, our management, or our other directors that would impede the director's autonomy. As reflected in our Corporate Governance Guidelines, a director cannot be deemed independent if, in the previous three years, either the director or

an immediate family member:

was employed by our company or our independent registered public accounting firm;

was employed by a company with a compensation committee that included one of our executive officers;

received more than \$120,000 during any 12-month period in direct compensation from La-Z-Boy, other than director compensation or pension or other forms of deferred compensation for prior service (provided such compensation was not contingent in any way on continued service); and

was an executive officer or employee of an entity that made payments to or received payments (other than contributions to a tax-exempt organization or charity) from us for property or services that, in any single

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Corporate Governance

fiscal year, exceeded the greater of \$1 million or 2% of the other entity's consolidated gross revenues.

In addition, our board has adopted the following categorical standards to clarify if a relationship is material. We will not treat a relationship as material if:

A director is an executive officer, director, or shareholder of a company that does business with us and the annual revenues derived from that business are less than 1% of each company's total revenues;

A director is an executive officer, director, or shareholder of a company that is indebted to us, or to which we are indebted, and the total amount of each company's indebtedness to the other is less than 1% of the total consolidated assets of each company; or a director is an executive officer, director, or shareholder of a bank or other financial institution (or its holding company) that extends credit to us on normal commercial terms and the total amount of our indebtedness to the bank or other financial institution is less than 3% of our total consolidated assets;

A director is an executive officer or director of a company in which we own common stock but our interest is less than 5% of that company's total shareholders' equity;

A director's family member is or was employed by us in a non-executive capacity with compensation that has not exceeded \$120,000 in any fiscal year;

A director is a director, officer, or trustee of a charitable organization to which we contribute, but our annual contributions (exclusive of gift-match payments) are less than 1% of the organization's total annual charitable receipts, all of our contributions were approved through our normal approval process, and no contribution was made "on behalf of" any of our officers or directors; or a director is a director of the LaZBoy Foundation; or

A director is a member of, employed by, or of counsel to a law firm or investment banking firm that performs services for us, our payments to the firm during a fiscal year do not exceed 1% of the firm's gross revenues, and the director's relationship with the firm is such that the director's compensation is not linked directly or indirectly to our payments to the firm.

Following the NYSE listing standards and our Corporate Governance Guidelines described above, our board of directors has determined that each of our directors other than our CEO is an "independent" director.

Related Party Transactions

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Our Code of Business Conduct, which applies to all of our employees and directors, requires that any potential conflict of interest be either avoided or fully disclosed to our president, secretary, or audit committee chairman. Each year, we require our directors and executive officers to disclose any transactions between them or their immediate

family members and the company. The audit committee reviews any transactions related to directors or executive officers reported and takes appropriate action. We will disclose on our website any waivers of the Code of Business Conduct granted to our directors or executive officers. We granted no waivers in fiscal 2015.

#### Stock Ownership Requirements

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We encourage significant stock ownership by our directors and executive management to align the interests of our leadership with those of our shareholders. We have established stock ownership guidelines that require each non-employee director to own La-Z-Boy equity (including deferred or restricted stock units) at least equal in value to a multiple of the director's annual cash retainer or salary:

As of April 25, 2015, each director other than Mr. Lawton, who is in his second year as a director, had met the ownership requirements. Under our guidelines, Mr. Lawton has until May 1, 2019, to meet the requirement. We prohibit directors, officers, or employees from engaging in short-term speculative trading in our shares, including short sales, trading in puts and calls, or buying on margin.

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Corporate Governance  
Majority Vote Standard for Director Elections

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Our Corporate Governance Guidelines require that any director who fails to receive a majority of votes cast in an uncontested election must submit his or her resignation at the board meeting that immediately follows the annual shareholders' meeting. The other directors must then act on the resignation at or before the next regularly scheduled meeting and publicly report the board's decision. An election is treated as contested for purposes of this rule if there are more nominees for board seats than there are positions to be filled by election at the meeting.

Communication with the Company or the Directors

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Interested parties may communicate their comments, concerns or questions about La-Z-Boy to the company, or specifically to our chairman, lead director, or any or all of our other directors, by letter addressed to them and sent by U.S. mail to the attention of the Corporate Secretary at:

The corporate secretary reviews and compiles any communications received, provides a summary of any lengthy or repetitive communications, and forwards them to the appropriate director or directors. The complete communication is provided when requested by the appropriate director or directors.

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## Board and Committee Operations

Our board met seven times during fiscal 2015. At most meetings, the non-employee directors met in executive session, chaired by our lead director, without management present. During fiscal 2015, each director attended at least 75 percent of the meetings of the board and committees on which the director served. All of the directors attended the 2014 shareholders' meeting, and we expect all the nominated directors to attend the 2015 shareholders' meeting.

We currently have three standing committees of the board: the audit, compensation, and nominating and governance committees. Each committee is composed of only independent directors. Each committee operates under its own charter (which can be found at <http://investors.la-z-boy.com>, under "Corporate Governance") and has the ability to engage independent consultants and advisors at the company's expense to assist the committee in fulfilling its duties. While our chairman is not a member of any of the board committees, he coordinates the agendas and activities of the committees with the lead director and each committee chair. Our lead director serves on our audit and compensation committees and generally attends the nominating and governance committee meetings. The current membership of each of the committees is shown in the following table:

### Current Committee Membership

#### Audit Committee

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Board and Committee Operations  
Compensation Committee

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Nominating and Governance Committee

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Share Ownership

Directors and Executive Officers

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The following table shows the beneficial ownership of our common stock by each director, each executive officer named in the Summary Compensation Table, and all directors and current executive officers as a group as of the record date for the annual meeting. The table and footnotes also contain information about restricted stock units credited to the non-employee directors that derive their value based on the market value of our shares. None of the shares shown in the table are pledged as security.

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Share Ownership

Significant Shareholders

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The tables below provide information about beneficial owners of our common shares. Under applicable SEC rules, anyone who has or shares the right to vote any of our common shares, or has or shares dispositive power over any of them, is a "beneficial owner" of those shares. The settlor of a trust with a right to revoke the trust and regain the shares, or a person who can acquire shares by exercising an option or a conversion right, may also be considered a beneficial owner under these rules. Consequently, more than one person can be considered the beneficial owner of the same common shares. Unless otherwise indicated below, each owner named in a table has sole voting and sole dispositive power over the shares reported for that person.

**Security Ownership of Known Over 5% Beneficial Owners**

(as of December 31, 2014, except as otherwise indicated)

Information about Franklin Resources, Inc., Charles B. Johnson and Rupert H. Johnson, Jr., principal shareholders of Franklin Resources, Inc., and Franklin Advisory Services, LLC is based on an amended Schedule 13G they filed jointly after December 31, 2014, in which they reported that as of that date, they had sole voting power over 5,129,000 common shares and sole dispositive power over 5,579,800 common shares through their control of Franklin Advisory Services, LLC, a wholly owned subsidiary of Franklin Resources, Inc., that acts as investment manager to various investment companies that hold our shares.

Information about BlackRock, Inc. and its subsidiaries is based on an amended Schedule 13G BlackRock, Inc. filed after December 31, 2014, in which it reported that as of that date, it and its subsidiaries had sole voting power over 4,412,703 common shares and sole dispositive power over 4,534,361 common shares. The other companies reported as beneficial owners of our common shares were BlackRock Advisors (UK) Limited, BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Limited, BlackRock Investment Management, LLC.

Information about The Vanguard Group is based on an amended Schedule 13G it filed after December 31, 2014, in which it reported that as of that date, it had sole voting power over 70,260 common shares, sole dispositive power over 3,495,596 common shares and shared dispositive power over 65,860 common shares.

Information about Victory Capital Management, Inc. is based on a Schedule 13G it filed after December 31, 2014, in which it reported that as of that date, it had sole voting power over 2,594,384 common shares and sole dispositive power over 2,788,253 common shares.



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Share Ownership  
Section 16(a) Beneficial Ownership Reporting Compliance

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Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, some over 10% owners of our common shares, and some persons who formerly were directors, executive officers, or over 10% owners to file reports of ownership and changes in ownership with the SEC and the NYSE and to furnish us with a copy of each report filed. Based solely on our review of copies of the reports filed by some of those persons and written representations from others that no reports were required, we believe that during fiscal 2015, all Section 16(a) filing requirements were complied with in a timely fashion.

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## Director Compensation

Working with an independent compensation consultant, we designed our annual pay package for directors to attract and retain highly qualified professionals to represent our shareholders. Directors who are also our employees receive no additional compensation for serving on the board. Non-employee directors receive a combination of cash and restricted stock units as compensation for their service. We reimburse our directors for their costs of travel, lodging, and related expenses while on company-related business. We provide membership in the National Association of Corporate Directors (NACD) for each director and reimburse directors for fees and expenses for participation in NACD and other programs on corporate governance and other issues related to their duties as directors. We encourage our directors to enhance their understanding of our operations and business by visiting our facilities, retail outlets, and competing retailers.

Effective May 1, 2015, we increased our directors' annual retainers by \$5,000 (approximately 3.4%), split evenly between cash and equity compensation. For fiscal 2015, we paid each director cash and equity compensation in the following amounts:

### Cash Compensation

We paid each non-employee director an annual cash retainer of \$72,500. We paid our lead director an additional cash retainer of \$20,000 for serving in that capacity, and we paid the chairs of our audit, compensation, and nominating and governance committees additional cash retainers of \$15,000, \$12,000, and \$8,500, respectively. The board held fewer than 25 meetings in fiscal 2015, so we did not pay additional meeting fees.

### Equity Compensation

On September 2, 2014, we issued each non-employee director a grant of 3,325 restricted stock units with a grant date value of \$72,518. Each restricted stock unit is equivalent in value to a share of La-Z-Boy common stock. Dividend equivalents are awarded on restricted stock units at the same time and in the same amount as dividends declared on our common shares. The restricted stock units do not include voting rights. The units vest and are settled, in shares only, when the director leaves the board.

The following table provides details of each non-employee director's compensation for fiscal 2015. Compensation varied between directors based on lead director status, committee membership, and committee chairs held. Stock awards reflect the grant date fair value.

### Fiscal 2015 Non-employee Director Compensation

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Director Compensation

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Proposal No. 1: Election of Directors

Shareholders will elect nine directors to serve a one-year term until our 2016 annual meeting of shareholders when their successors are elected and qualified. Our board currently has eleven directors, but two directors have, because of personal and business constraints, requested not to be nominated for re-election for the 2016 term, and the board has therefore reduced the board's size to nine seats effective immediately upon the expiration of the terms of those two directors at the annual meeting. In addition, Richard Gabrys has reached our retirement age for directors and normally would not be nominated for the 2016 term. To minimize the disruption from losing multiple seasoned directors in the same year, the board has waived Mr. Gabrys' normal retirement date and asked him to serve for an additional term. Upon the recommendation of the board's nominating and corporate governance committee, the board has nominated for re-election:

Each nominee has consented to being named in this proxy statement and has agreed to serve if elected. If a nominee is unable to stand for election, the board may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders may vote your shares for the substitute nominee.

In accordance with Michigan law, directors will be elected at the meeting by a plurality of votes cast from among those persons duly nominated, with separate balloting for each of the nine positions. The nominees who receive the highest through the ninth highest number of votes will be elected, regardless of any votes that are not cast for the election of those nominees, including abstentions, broker non-votes, and withholding of authority. Under our corporate governance guidelines, however, any director who does not receive a majority of the votes cast must tender his or her resignation at the board meeting that immediately follows the shareholders' meeting. The board must act on the offer of resignation at or before its next meeting, which is currently planned for mid-November, and publicly disclose its decision. Any vacancy created by such a resignation could then be filled by the board of directors pursuant to our bylaws. For more information, please see "Corporate Governance Matters – Majority-Voting Standard for Director Elections."

Director Qualifications

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The board, acting through its nominating and governance committee, seeks directors who collectively possess the experience, skills, backgrounds, and qualifications necessary to effectively oversee our company in our current and evolving business circumstances. The committee seeks directors with established records of significant accomplishments in business and areas relevant to our strategies. In determining the slate of nominees and whether to seek one or more new candidates, the committee reviews the board's size and our current directors' qualifications. All of our current directors bring to our board a wealth of executive leadership experience derived from their service as executives and entrepreneurs, as well as valuable board experience. The following chart summarizes the director nominees' key qualifications, experience, and skills.

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Proposal No. 1: Election of Directors

We provide information below about each person nominated for election at the meeting. Unless otherwise indicated, the principal occupation of each nominee has been the same for at least five years.

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Proposal No. 1: Election of Directors

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Proposal No. 1: Election of Directors

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Proposal No. 1: Election of Directors

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Proposal No. 1: Election of Directors

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Proposal No. 1: Election of Directors

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## Compensation Discussion and Analysis

In this section we summarize the compensation programs for our named executive officers (the individuals named in the "Summary Compensation Table" that follows this Compensation Discussion and Analysis). We discuss our compensation objectives and describe each pay element, the role it plays in the overall compensation program, and whether it pertains only to the named executive officers or to a broader group of employees. You should review this section with the pay disclosure tables that begin with the Summary Compensation Table on page [36](#).

### Executive Summary

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#### 2015 Operating Performance

Our strategic initiatives have been focused on top line growth, improving our operating income and margin, and operating a profitable and growing retail segment. During fiscal 2015, we continued to progress against our strategic initiatives, which translated into improvements in our operating results. We increased sales by \$68.1 million, or 5.0%, increased operating income by \$13.9 million, or 15.5%, and generated \$86.8 million in cash from operating activities. We returned value to shareholders during the year through \$51.9 million of share purchases and \$14.5 million of dividend payments, and we continued to invest in our business, including technology improvements to our ERP system and our website and e-commerce platform. In addition, we invested \$70.3 million in capital spending, which included spending to complete construction of our new world headquarters, and paid down debt of \$7.6 million during the year. As part of our 4-4-5 store growth initiative, during fiscal 2015 we opened eight stores and closed four stores in our company-owned retail segment. We also acquired five stores from independent La-Z-Boy Furniture Galleries® dealers during the year, bringing our total company-owned La-Z-Boy Furniture Galleries® store count to 110 at the end of fiscal 2015. Our 4-4-5 strategy is to penetrate the North American market with 400 La-Z-Boy Furniture Galleries® stores, averaging \$4 million in revenue over a 5-year time period that began with fiscal 2014. For a more complete and detailed explanation of our financial results, please review our fiscal 2015 Form 10-K, which can be found on our website at under "SEC Filings."

#### Fiscal 2015 Compensation Actions

We continue to monitor all of our compensation program elements and practices to determine how they compare with current market practices and align with our overall compensation philosophy. Our compensation committee worked with Hay Group, the committee's independent executive compensation consultant, to evaluate our programs during fiscal 2015, and we made no significant changes to existing programs during the year.

At our annual meeting of shareholders in August 2011, we began providing our shareholders with the opportunity to cast an annual advisory vote on our executive compensation (a "say-on-pay proposal"). Approximately 97% of the votes cast annually by our shareholders beginning in 2011 have been to approve the compensation we paid to our named executive officers. In determining executive compensation for fiscal 2015, the Committee took into account the results of the advisory votes, which reflected shareholder approval of our compensation philosophy, and considered many other factors. We believe our executive compensation programs continue to provide a competitive pay-for-performance package that helps us attract, retain, and motivate our executives.

The Compensation Committee took the following actions during the year:

Reviewed and approved increases to base salaries for the named executive officers (see pg. [28](#))

Reviewed and approved FY15 Management Incentive Program (MIP) performance levels (sales growth and margin improvement) and FY14 payouts, which were above target levels (see pg. [29](#))

Approved FY15 long-term incentive awards composed of stock options (50%) and performance-based shares (50%) and payouts and contingently earned awards for prior performance-based equity grants (see pg. [30](#))

Approved the FY15 Performance Compensation Retirement Plan performance goals and contribution percentages and FY14 company contribution (see pg. [33](#))

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Compensation Discussion and Analysis  
Summary of Executive Compensation Practices

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Compensation Discussion and Analysis  
Executive Compensation Approach

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Our executive pay programs are designed to reflect the following objectives:

**Total shareholder return.** Align practices with shareholder interests.

**Robust stock ownership requirement.** The named executive officers are required to own company stock over a sustained period to ensure they have the perspective of long-term shareholders.

**Pay for performance.** The majority of target pay opportunity for the named executive officers' is provided through annual and long-term incentive award opportunities, which are earned, or increase in value, based on company and stock performance. In addition, long-term incentive opportunities include a portion that is earned based on our relative TSR performance.

**Program effectiveness.** We have clearly defined programs that provide meaningful award opportunities aligned to the achievement of our business strategy.

**Market competitive.** Pay packages, including base salaries and incentive opportunities, are designed to be market competitive with business models at U.S. manufacturers, U.S. retailers, and U.S. manufacturers with a retail focus.

**Cost efficient.** In designing our executive pay programs, we take into account the cost of various possible elements (share usage, cash flow, and accounting and tax impacts).

Our compensation philosophy is to provide a base salary targeted to the median of the competitive market, with the opportunity to earn a significantly higher level of compensation under incentive programs that link executive pay to company performance factors. All named executive officers participate in the same compensation programs and are subject to the same pay policies. The majority of each executive's target compensation is at risk with the amount realized, if any, based on company performance. The pay level and at-risk portion increases as an executive assumes greater levels of responsibility with greater impact on the company. Accordingly, the chief executive officer's pay level and at-risk pay portion are higher than those of other officers due to the greater level of responsibility.

#### Compensation Committee's Role

Each year, the compensation committee reviews and approves the overall design of our executive pay program and all pay elements for the named executive officers. Three senior executives (chief executive officer, chief financial officer, and chief human resources officer) provide input on program design (including goals and weighting) and information on the company's and the furniture industry's performance. Management is responsible for implementing the executive pay program that the committee approves.



The compensation committee has retained Hay Group as its independent executive compensation consultant to advise the committee on matters related to executive compensation. Hay Group does not provide any services to the company other than its work for the board of directors. Under the committee's direction, Hay Group does interact with members of the senior executive team to provide insight into company and industry practices and ensure that executives are informed with regard to emerging best practices and market trends. The committee has sole authority to retain and terminate consultants used to assist in the evaluation of executive compensation.

The committee reviews Hay Group's report on the consulting firm's independence on an annual basis. The report includes the following factors: (1) other services the consultant provided to us; (2) the fees we paid as a percentage of the consultant's total revenue; (3) the consultant's policies and procedures designed to prevent a conflict of interest; (4) any business or personal relationship of the consultant with a member of the committee; (5) any company stock owned by the consultant; and (6) any business or personal relationships between our executive officers and the consultant. The committee discussed the report and concluded that the consultant's work did not present any conflict of interest. In reaching that conclusion, the committee considered all factors specified in the NYSE's rules related to compensation advisor independence.

#### Pay-Setting Process Methodology

We assign executives to pay grades based on their duties and responsibilities. For each position, we establish a salary range and the target annual and long-term incentive award opportunities based on market median pay levels. In setting individual pay levels, we consider market pay data, company performance, and the executive's competencies, skills, experience, and performance, as well as our business needs, cost, and internal pay equity relationships.

In setting the named executive officers' pay levels (salary, annual and long-term incentive awards), the committee annually reviews pay data for the chief executive officer and other named executive officers of peer group companies. The peer group is composed of publicly-traded U.S. companies that generate annual revenues between 50% and 200% of our annual revenue and are either our direct competitors or manufacturing companies with a retail

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Compensation Discussion and Analysis

focus. In setting fiscal 2015 pay levels, the committee considered the following 16 peer companies:

To maximize year-over-year comparability, the committee prefers that the peer group remain consistent from year to year. The committee evaluates each member annually to ensure that its inclusion remains appropriate. The committee worked with Hay Group to review the peer group of companies for fiscal 2016. Based on the current peer companies' size and performance, industry, and business model, the committee did not recommend any changes to the current peer group for fiscal 2016.

In addition, we review target total direct compensation for comparable jobs generally in retail and general industry companies based on compensation surveys conducted annually by Hay Group. We use both peer group comparator data and market survey data to benchmark pay. We believe this dual benchmarking provides a more rigorous process to validate pay decisions. Based on our fiscal 2015 compensation, the target total direct compensation of our named executive officers as a group was 100% of the median total direct compensation for comparable general industry companies and 91% of the median total direct compensation for retail companies.

Periodically, we also review market practices for executive retirement benefits, deferred compensation plans, and severance and change in control agreements.

To aid in its oversight of our executive compensation program, the committee requested that Hay Group conduct a total compensation review for each of the named executive officer positions. The analysis included base salary, short-term incentives, and long-term incentives and compared the compensation of the named executive officers with median levels for general industry, retail industry, and the company's peer group. The committee believes its use of data supplied by the independent consultant along with a review of current and historical compensation for the named executive officers provides the committee with a more complete picture of the named executive officers' compensation. In addition, the committee annually reviews estimated amounts to be paid to the named executive officers under various employment termination situations, including severance and a change in control of the company.

Our process for setting compensation for our named executive officers includes a formal, individual performance evaluation each year for each executive. The independent members of our board of directors assess our chief executive officer's performance each year. This assessment includes an evaluation of critical areas, including customer relations, human capital, shareholder value, operating results, and strategic goals. Every third year, the committee's independent compensation consultant coordinates the committee's evaluation of the CEO's performance focusing on the same criteria. The consultant compiles the evaluations provided by each board member and prepares a detailed report for the board. The chief executive officer assesses the individual performance of the other named executive officers each year based on their overall performance throughout the year, accomplishment of specific goals, and their future potential within the organization. This assessment is used in determining base salary as noted below.

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Compensation Discussion and Analysis  
Executive Compensation Program Elements

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To best achieve our objectives for the executive pay program, we provide a compensation package composed of the following primary elements:

The mechanics of these pay elements and our pay decisions are detailed below. In addition, we have change-in-control agreements with our named executive officers, and they participate in a severance plan. Additional information regarding the change-in-control agreements and executive severance plan can be found on page [34](#). We believe these elements assist us in attracting and retaining quality executive talent and ensure continuity of our leadership.

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Compensation Discussion and Analysis

### **Total Direct Compensation Mix - Pay-for-Performance**

In line with our pay-for-performance philosophy, the majority of each executive's total target direct compensation is performance-based and therefore "at risk." Target total direct compensation is composed of base salary, target bonus, and target value of long-term equity incentives. The chart below shows the percentage of each element in the target direct compensation for our CEO and the average for our other Named Executive Officers.

Target Pay Mix of CEO and Other Named Executive Officers

(as a % of Total Direct Compensation)

#### Base Salary

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We set base salaries for our named executive officers based on their duties, competencies, experience, and performance. We consider market competitiveness, specific job responsibilities, internal pay relationships, and total cost. Consistent with our practices for all management employees, named executive officers are eligible for annual merit salary increases based on individual performance, comparison with market levels, and the total salary budget.

#### Salary Changes in Fiscal 2015

In April 2014, the committee reviewed the salary levels for each of the then named executive officers. As part of the salary review process, the committee reviewed and considered the performance of each named executive officer, relevant market data provided by Hay Group, the comparison of compensation among various levels of management, and the company's overall performance. The committee approved salary increases for four of the named executive officers, rounded to the nearest thousand dollars.

#### Salary Changes for Fiscal 2016

In May 2015, the committee reviewed salary levels for each of our named executive officers. In determining the appropriate salary changes, the committee considered a combination of performance, current level of responsibility, and current salary relative to market data provided by Hay Group. Salaries were rounded to the nearest thousand dollars.

The named executive officers' fiscal 2015 and 2016 salaries are presented in the table below.

(1) Fiscal 2015 salary increases became effective on July 1, two months after the start of the fiscal year for Messrs. Darrow, Riccio and Bacon and May 1 for Messrs. Collier and

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Compensation Discussion and Analysis

Edwards. As a result, the amounts shown here for Messrs. Darrow, Riccio and Bacon are higher than those shown in the 2015 Summary Compensation Table on page [36](#) below.

(2) Fiscal 2016 salary increases became effective on July 1 for all of the named executive officers.

Incentive Compensation

We designed the La-Z-Boy Incorporated 2010 Omnibus Incentive Plan to reward executives for achievement of both short-term and long-term corporate performance goals and enhance our ability to retain employees. The committee believes that designing the incentive compensation program with multiple objectives and performance periods promotes behavior consistent with creating shareholder value and reduces any incentive to pursue risky or unsustainable results.

Short Term Incentive Awards (Management Incentive Program)

Our annual cash bonus program, which we refer to as the Management Incentive Program, or MIP, is a short term incentive award plan that we designed to motivate and reward executives for achieving annual goals. Target awards, specified as a percentage of base salary, vary by pay grade. The named executive officers have the opportunity to earn awards between 50% of their target awards if we meet minimum performance requirements to a maximum of 200% of their target incentive opportunity, based on performance. For the named executive officers, we base the financial goals on the company's overall consolidated financial performance.

Fiscal 2015 financial measures were:

The committee approved these financial measures because they drive shareholder value and reflect our emphasis on profitability (operating margin) and sales growth. For these purposes, we calculated operating margin without taking into account the impact of restructuring, goodwill and other intangible impairments. After defining required performance, the committee has discretion, in extraordinary circumstances, to modify incentive awards for the named executive officers, either up or down, to ensure a linkage between incentive plan payouts and the quality of performance. The committee did not exercise such discretion in awarding MIP payments for fiscal 2015.

The committee set the target financial performance goals to be challenging but achievable. Over the prior five years (fiscal years 2010 to 2014), our payouts under the MIP for overall company financial performance averaged approximately 96% of target.

Analysis 2015 MIP Awards Were Above Threshold But Below Target, Reflecting Our Financial Performance

Our 2015 company financial performance results, on a combined basis, exceeded the established threshold levels but reflected operating results that were below our target expectations. In line with our compensation philosophy and in accordance with standards we set at the outset of the year, MIP payments to our named executive officers for 2015 were above threshold levels but below target.

Fiscal 2015 MIP Goals and Results

Our named executive officers' fiscal 2015 target, achieved performance level, and actual MIP awards, expressed as a

percentage of base salary, were as follows:

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Compensation Discussion and Analysis

Fiscal 2016 MIP Awards

The committee approved the following target incentives percentage of base salary for fiscal 2016: Mr. Darrow, 100%; Messrs. Riccio and Bacon, 75%; and Messrs. Collier and Edwards, 60%. The committee established operating margin (60% weight) and net sales (40% weight) as the financial measures for fiscal 2016.

Long-term Equity Incentive Awards

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The long-term incentive award provisions of our 2010 Omnibus Incentive Plan provide for equity-based compensation (restricted stock, restricted stock units, options, or other forms of equity based compensation) that we designed to align executive pay with long-term shareholder returns, motivate our executive officers to focus on long-term business objectives, and encourage long-term strategic thinking. The value our executives receive from these awards varies based on the company's performance and the future price appreciation of our common stock.

We establish award levels for each eligible pay grade after considering market median practices and total cost (share usage, accounting, and tax impacts). The committee approves annual equity-based awards that we grant in the first quarter of the new fiscal year. Our chief executive officer has discretion during the year to approve additional limited grants of restricted stock or units to employees other than the named executive officers.

Each year the committee determines the appropriate long-term incentive award types and mix based on our objectives for the grants, as well as market practices, share usage, accounting and tax impacts, and past practices. We review the accounting treatment of the relevant incentive award types, including stock options and performance-based stock awards. We generally design our stock options and performance-based stock awards to enable the company to deduct their cost for tax purposes, while executives who exercise options or receive performance-based shares are taxed at ordinary income rates. However, we may not be able to deduct the cost of restricted stock awards to certain named executive officers for federal income tax purposes in a given year. For more discussion of the tax treatment, see [Deductibility of Executive Compensation on page 34](#).

Fiscal 2015 Grants

Early in fiscal 2015, pursuant to the La-Z-Boy Incorporated 2010 Omnibus Incentive Plan, we granted to our named executive officers two types of stock-based awards, stock options and performance-based shares, which we summarize below.

Stock Options (50% of total fiscal 2015 long-term incentive opportunity)

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Stock options entitle executives to purchase stock at the exercise price (closing price on date of grant) for up to ten years. Options expire at the end of ten years if they have not been exercised by that time. Stock options deliver value to executives if the company's stock price rises, directly aligning executive compensation with the value created for shareholders as reflected in stock price appreciation from the date of grant. The stock options we granted in fiscal 2015 vest in equal installments over four years (25% per year) and have a ten-year term.

Once a stock option vests, an executive may purchase stock at the exercise price. The executive realizes value equal to the difference between the exercise price and the price at which our stock is trading on the New York Stock Exchange at the time of exercise.





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Compensation Discussion and Analysis

Performance-Based Stock Awards (50% of total fiscal 2015 long-term incentive opportunity)

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Performance-based stock gives our executives the opportunity to earn a defined number of shares of our common stock if we achieve pre-set performance goals. Through performance-based stock awards granted in fiscal 2015, executives will earn stock if the company achieves specified financial goals. The value of any earned shares depends on La-Z-Boy's future stock price. An executive's award opportunity ranges from 50% of the executive's target award if we meet minimum performance requirements to a maximum of 200% of the target award. Following the conclusion of the three-year performance period, we will pay out the shares that our executives have earned.

The number of shares our executives receive, if any, will depend on how the company performs against sales growth and operating margin targets in fiscal years 2015, 2016, and 2017, and against the total shareholder return goal over the three-year performance period. Targets for the awards are based 40% on the growth in sales, 40% on operating margin, and 20% on total shareholder return. Payouts for sales growth and operating margin results are weighted 50% on fiscal 2015 results, 30% on fiscal 2016 results, and 20% on fiscal 2017 results. Total shareholder return is measured over the entire three-year performance period relative to the performance of the S&P 600 small cap index.

Executives may earn shares based on each factor independent of our performance on the other factors. Each factor includes a minimum performance level that must be achieved before any shares are earned based on that factor. No shares are earned if the company performs below the threshold performance level of all three factors. Executives earn the target number of shares if the company performs at the designated target level of all three factors. The actual number of shares executives earn can be more or less than target level depending on the company's performance.

Earnings and Payouts for Prior Equity Grants

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Messrs. Darrow, Riccio and Bacon realized value in fiscal 2015 when the restrictions lapsed on a portion of the restricted grant we made in fiscal 2010.

All of our named executive officers earned payouts on the performance-based equity grants we made in fiscal 2013 for the three-year performance period that ended with our fiscal 2015 year end. The following table shows the three one-year performance periods and how the company performed against the sales growth, operating margin, and TSR goals. For these purposes, we calculated operating margins without the impact of restructuring, goodwill and other intangible impairments. Following the end of the three-year performance period we paid out earned shares for those who received performance-based stock awards and cash for those who received performance-based unit awards. The number and value of those shares or units are shown on the Option Exercises and Stock Vested table on page 41.

Performance Period Fiscal 2013-2015

The performance-based equity grants we made in fiscal 2014 and fiscal 2015 (which are more fully described above) provide executives with the opportunity to earn a portion of the awards based on sales and operating margin targets established for each of the three years covered by the grant and against the total shareholder return goal over the three-year performance period. Fiscal 2015 goals and results are shown in the following table.

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Compensation Discussion and Analysis  
Performance Period Fiscal 2014-2016

Performance Period Fiscal 2015-2017

These awards for the grants made in fiscal 2014 and fiscal 2015 are earned contingent on the executive's remaining with the company through the end of the three-year performance period, when they will be paid. For information on the treatment of these awards at retirement, see Payments Made Upon Disability or Retirement on page [43](#).

Mr. Bacon also exercised stock options during fiscal 2015. The pre-tax amount he realized from these exercises is shown in the fiscal 2015 Option Exercises and Stock Vested table (on page [41](#)).

Fiscal 2016 Grants

The awards we made to our executive officers in the past five fiscal years have included a mix of stock options or stock appreciation rights and performance-based shares or units. The committee determined that equity grants we made on June 15, 2015 (for fiscal 2016) would be composed of stock options and performance-based shares of equal value. We intend this mix to provide a balanced focus on stock-price appreciation and multi-year goal achievement.

The financial measures and related weightings for the performance-based shares will be sales growth (40%), operating margin (40%), and total shareholder return (20%) relative to the performance of the S&P 600 small cap index. The size of each equity award will be based on a percentage of the recipient's base salary, and the percentage will vary by grade. In fiscal 2016, the committee granted our named executive officers stock options totaling 224,999 shares and performance-based equity awards covering 81,687 shares (at target).

Other Executive Compensation Program Elements

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Executive Management Stock Ownership Guidelines

The committee annually monitors compliance by our executive management with stock ownership guidelines. We establish a minimum fixed number of shares of company stock that we expect each executive to own based on a multiple of the executive's annual base salary at the time we set the guideline. Executives are expected to achieve compliance with the initial guideline within five years. We reset the stock ownership requirement every three years and did so in June 2013 based on each executive's salary and a representative share price at the end of fiscal year 2013. The committee will reassess the share requirement again in 2016, and, subject to variation in our stock price, executives can expect their requirements to increase as their compensation increases. In November 2014, based on market and peer company analysis, the committee increased the multiple of salary used to establish the guideline for the CEO and other named executive officers. Current stock ownership guideline values and approximate share requirements for the named executive officers are as follows:

In determining compliance with the guidelines, we include shares owned directly, shares held in a family trust or qualified retirement program, service-based restricted stock, and performance-based shares or units contingently earned in completed performance periods but not yet paid out. As of April 25, 2015, Messrs. Darrow, Riccio, Bacon and Collier were in compliance with their guidelines. Mr. Edwards became an executive officer during fiscal 2015 and

has until May 1, 2020 to meet his required ownership level.

#### Retirement Benefits

We provide retirement benefit plans as an incentive for employees to remain with the company long-term and to

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assist with retirement planning. Our named executive officers are eligible to participate in the same retirement benefit programs that we offer to salaried employees at the corporate level, but employees who are eligible for the MIP, including our named executive officers, are not eligible to participate in the supplemental match that, beginning with fiscal 2013, we have contributed to 401(k) accounts based on our operating income.

Our named executive officers are eligible to participate in our 401(k) and profit-sharing plans, to which the company may contribute. Company matching contributions to our 401(k) plan vary by operating unit and range from 0% to a maximum of 50% of the first 4% contributed by the employee. Company contributions to our profit-sharing plan can range from 0% to 10% of each participant's salary and bonus based on the company's annual profitability. We suspended making contributions to our profit-sharing plan for fiscal 2009 and have not reinstated them.

#### Performance Compensation Retirement Plan

All of our executive officers and executive management employees participate in the La-Z-Boy Incorporated Performance Compensation Retirement Plan, as do certain other key management employees designated from time to time by our compensation committee. Pursuant to the plan, the compensation committee establishes company performance criteria and minimum threshold performance levels shortly after a fiscal year begins. If the company performs at or above the threshold level for the year, we issue credits to each plan participant's account, and those credits later convert to cash when a retired vested participant receives a distribution. The credits represent a percentage of the base salary and bonus a participant earned during the fiscal year, and the percentages come from a sliding scale that produces a larger contribution for better performance. Contribution credits created in prior years increase each year based on an interest rate that corresponds to yields on 20-year AA corporate bonds. We will delete any contribution credits that we later determine resulted from financial errors or omissions.

At its June 2014 meeting, the compensation committee set total operating income as the sole performance criterion for fiscal 2015. Named executive officers received contribution credits based on operating income performance relative to threshold and target performance levels and individual percentage factors as follows:

\* The Contribution percentage increases proportionately for performance between threshold and target levels.

Actual operating income performance of \$102,794,000 (adjusted for restructuring income) exceeded the threshold performance level of \$97,743,184 but was below the target performance level of \$116,331,662. As a result, Mr. Darrow and the other named executive officers received contributions equal to 22.3% and 15.9%, respectively, of the sum of their base salary and bonus earned for fiscal 2015.

At its June 2015 meeting, the compensation committee again set total operating income as the sole performance criteria for fiscal 2016, and the above table showing the relationship between the performance level and contribution percentage will again apply.

#### Executive Deferred Compensation Plan

Our 2005 Executive Deferred Compensation Plan allows executives to defer pay they have earned. Participants may elect to defer up to 100% of their salaries and annual cash incentive awards made under the MIP. In addition, the company may contribute to this plan any company 401(k) match and profit sharing contributions that cannot be credited to executives' accounts due to the Internal Revenue Code compensation limitations that apply to the tax-qualified retirement plans. Such limits may apply because the executive's contributions and the company's matching contributions were limited by either the annual contribution limit \$18,000 for 2015 or the annual

compensation limit \$265,000 for 2015, or a contribution to the executive's account in the profit-sharing plan would have caused the plan to fail discrimination testing. Named executive officers' salary and bonus deferrals are detailed in the Fiscal 2015 Non-Qualified Deferred Compensation table on page 41. Executives may not defer into this plan any 401(k) plan contributions they made that were returned to them following discrimination testing for highly compensated personnel.

#### Named Executive Officer Change in Control Agreements

We have change in control agreements with our named executive officers to ensure continuity of our leadership in the event the company's ownership changes. The agreements define a change in control as any event that must be reported in Item 6(e) of Schedule 14A of Regulation 14A issued under the Securities Exchange Act of 1934 that qualifies as a change of control event pursuant to Internal Revenue Code Section 409A. This generally occurs when a person, entity or group acquires ownership of 30% of a company's stock, increases its holding to more than 50% of the value or voting power of a company's stock, or acquires 40% or more of a company's assets, or if a majority of a company's board of directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the directors who were serving before the date of the appointment or election.

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### Compensation Discussion and Analysis

Our agreements provide that a named executive officer will receive severance in cash if we have a change in control and in the succeeding two years (or three years for our CEO), the executive's employment terminates under certain conditions. In that event, we would pay an executive other than our CEO two times the executive's base salary at the time of termination plus two times the average of the annual bonuses the executive received over the previous three years. We would pay our CEO three times base salary and three times average bonus. The executive is responsible for any excise tax, and the company does not pay any gross-up. We utilize a "best-net" approach where we reduce payments to the safe harbor limit to avoid excise tax only if doing so results in a greater after-tax benefit to the executive. During the period that we pay severance, we also continue to provide medical and life insurance benefits. Similar to this severance arrangement, our executives receive accelerated vesting in outstanding stock options or stock appreciation rights issued under the La-Z-Boy Incorporated 2010 Omnibus Incentive Plan following a change in control only if their employment is terminated. Additional information regarding the change in control agreements and estimated termination payments to executives is presented on page [42](#).

### Named Executive Officer Severance Plan

The severance plan for the named executive officers is designed to assist the company in attracting and retaining quality executive talent while providing the company some protection against competition and solicitation by former executives.

The severance plan requires the company to pay a named executive officer severance if the company discharges the executive other than "for cause" or if the executive leaves the company with "good reason." Following a qualifying termination of employment, the company would pay the CEO severance for 24 months and pay the other named executive officers severance for 12 months at the level of their base salary when their employment ended. Discharge "for cause" includes employee acts of fraud, reckless misconduct, substandard performance that is not corrected, and similar acts or failures to act. Resignation for "good reason" includes a resignation triggered by a reduction in the executive's pay unless similarly situated employees are similarly affected or a requirement that the executive relocate. Executives will receive medical and dental benefits during the time they receive severance. If a named executive officer's employment terminates following a change of control of the company, the executive receives benefits under the severance plan only to the extent they exceed benefits the executive receives pursuant to the executive's change in control agreement with the company. Information regarding the change in control agreements and estimated termination payments to executives is presented on page [42](#).

We established the severance periods of 24 and 12 months based on the market and peer company analysis. To receive severance, executives must comply with non-competition and non-solicitation covenants for the duration of the severance term. Executives are entitled to receive and retain only that portion of the severance pay that is in excess of compensation they receive from other employment during the severance period.

### Other Considerations

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#### Deductibility of Executive Compensation

We monitor our executive pay programs with respect to current federal tax law to maximize the deductibility of the compensation we pay to named executive officers. Section 162(m) of the Internal Revenue Code generally precludes public companies from taking a tax deduction for compensation over \$1 million paid to a named executive officer unless the compensation is performance-based. We intend that the performance-based stock awards, stock option/stock appreciation rights grants, and the short-term cash incentives, we make under the La-Z-Boy Incorporated 2010 Omnibus Incentive Plan qualify as performance-based compensation exempt from the tax deduction limit.

Restricted stock awards generally do not qualify as performance-based compensation.

#### Recoupment of Incentive Payments

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In accordance with our policy, we will require a management employee to reimburse us for annual or long-term incentive payments we made to the employee, and we will eliminate any contribution credits we made for the employee under the Performance Compensation Retirement Plan, to the extent our board of directors determines that the employee engaged in misconduct that resulted in a material inaccuracy in our financial statements or the performance metrics we used to make incentive payments or awards, and the employee received a higher payment as a result of the inaccuracies. If we determine that any contribution credits we made to the La-Z-Boy Incorporated Performance Compensation Retirement Plan were based on erroneous financial statements or other

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Compensation Committee Report  
financial errors or misstatements, we will adjust all participant accounts to reflect contribution credits calculated based on complete and accurate financial information.

Compensation Committee Report

The compensation committee reviewed and discussed with management the Compensation Discussion and Analysis. Based on this review and discussion, the compensation committee recommended to the board of directors that the Compensation Discussion and Analysis be included in the company's Annual Report on Form 10-K and this proxy statement.

W. Alan McCollough, Chairman  
Richard M. Gabrys  
Janet L. Gurwitch  
H. George Levy, MD  
Dr. Nido R. Qubein  
Michael T. Lawton

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Executive Compensation

The Summary Compensation Table and other tables present pay for our named executive officers received for fiscal 2015.

*Named Executive Officers as of April 25, 2015*

Kurt L. Darrow (age 60), Chairman, President, and Chief Executive Officer

Louis M. Riccio Jr. (age 52), Senior Vice President and Chief Financial Officer

Mark S. Bacon, Sr. (age 52), Senior Vice President and President La-Z-Boy Branded Business

J. Douglas Collier (age 48), Senior Vice President, Chief Marketing Officer and President, International

Darrell D. Edwards (age 51), Senior Vice President and Chief Supply Chain Officer

Summary Compensation Table

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The Summary Compensation Table presents fiscal year 2013, 2014, and 2015 "total compensation" (see footnotes for the included pay elements) for the named executive officers, except fiscal 2013 and 2014 information for Messrs. Collier and Edwards is not provided because they were not executive officers in either of those years.

Actual value realized in fiscal 2015 for previously granted long-term incentives is presented in the Option Exercises and Stock Vested table on page [41](#).

Target annual and long-term incentive opportunities for fiscal 2015 are presented in the Grants of Plan-Based Awards table on page [38](#).

**2015 Summary Compensation Table**

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Executive Compensation

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Executive Compensation

Grants of Plan-Based Awards

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The following table provides details of all incentive plan-based awards granted to the named executive officers during fiscal 2015. Specifically, the table presents the following fiscal 2015 incentive awards:

Annual management incentive award (MIP) potential award range (see "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" columns). The actual awards are shown in the Summary Compensation Table (see page [36](#)).

Performance-based shares

Stock options

### **Fiscal 2015 Grants of Plan-Based Awards**

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Executive Compensation

Outstanding Equity Awards at 2015 Fiscal Year-End

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The following table presents all outstanding stock options/stock appreciation rights and unvested stock awards (performance-based stock) held by the named executive officers at the end of the fiscal year. Market values for the unvested stock awards are presented based on the closing price of the company's stock on April 24, 2015, of \$27.49.

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Executive Compensation

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Executive Compensation  
Option Exercises and Stock Vested

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The following table provides details for each of the named executive officers regarding stock options exercised and stock awards vested during fiscal 2015.

**Option Exercises and Stock Vested in Fiscal 2015**

Non-Qualified Deferred Compensation Plans

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As described in the Compensation Discussion and Analysis above, our named executive officers are eligible to receive contribution credits under our Performance Compensation Retirement Plan, and they are eligible to participate in our Executive Deferred Compensation Plan. The following table provides details for the named executive officers regarding the performance compensation retirement plan. Contributions are made in the first quarter following the completion of the fiscal year.

**Fiscal 2015 - Non-Qualified Deferred Compensation**  
Pursuant to Performance Compensation Retirement Plan

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#### Executive Compensation

The following table provides details of the named executive officers' non-qualified deferred compensation accounts as of April 25, 2015. Company contribution amounts reflect contributions to the 401(k) plan that could not be made under the qualified plan due to IRS rules. Aggregate balances include deferred salary and MIP awards earned in prior years but voluntarily deferred by the officers. Additional discussion of our non-qualified deferred compensation program is presented below the table.

#### **Fiscal 2015 Non-Qualified Deferred Compensation**

Pursuant to Executive Deferred Compensation Plan

All of the executives' deferrals and any company match or profit sharing amounts are added to a recordkeeping account. The account is credited with earnings or losses, depending upon actual performance of the investment options (mutual funds and similar vehicles) the participant has chosen. These are the same investment options available to non-executive participants.

Payment of a participant's account balance is deferred until a date designated by the participant upon making the deferral election. The deferral amounts are paid either in one lump sum or in annual installments for up to 15 years. Upon a participant's death, any remaining balance in the participant's account is paid to the participant's designated beneficiary

#### Estimated Payments Upon Termination or Change in Control

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This section presents the estimated incremental payments that would be made to the named executive officers upon termination of their employment. Estimated payouts are provided for the following termination events:

Amounts payable upon termination, regardless of manner.

Amounts potentially payable upon disability, retirement or death.

Amounts potentially payable upon a change in control and a subsequent termination of employment.

Amounts potentially payable upon involuntary termination without cause or termination by the named executive officer with "good reason" under the terms of the severance plan.

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Executive Compensation  
Payments Made Upon Termination

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When an executive's employment terminates, the executive is entitled to receive amounts the executive earned while employed. These amounts, which are not included in the table below, consist of:

Accrued salary and unused vacation.

Amounts contributed and vested under retirement and non-qualified deferred compensation plans.

An executive receives no other payments except when the termination is due to the executive's disability, retirement, or death, change in control of the company, or involuntary termination without cause or termination by the named executive officer with "good reason." Payments upon disability, retirement, or death are based on plan provisions that apply to all participants in the pertinent plans. Payments made to named executive officers upon a termination of employment due to the executive's disability, retirement, or death, or change in control of the company are described below. Payments made upon involuntary termination without cause or termination by the named executive officer with "good reason" are described in Named Executive Officer Severance Plan on page 34. We have change in control agreements only with executive officers. The Table of Estimated Payments details each type of payment.

Payments Made Upon Disability or Retirement

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In the event of disability or retirement, the executive will receive the following incremental benefits:

*Stock options/stock appreciation rights*: Accelerated vesting of unvested options or stock appreciation rights.

*Performance-based shares*: Awards granted prior to fiscal year 2015 will remain outstanding until the end of the three-year performance period. (The requirement that the executive be employed by the company for at least one year after the award's grant date has already been satisfied.) If recipients receive payment from the awards following conclusion of the performance period, the executive will receive a partial payment based on the company's performance up to the executive's termination of active employment. For awards granted in fiscal years 2015 and 2016, the executive is eligible to receive a partial payout following the end of the three-year performance period based on the company's performance in any fiscal years that had been completed at the time the executive retires or becomes disabled.

*MIP awards*: Payment of a MIP award following conclusion of the fiscal year, determined by applying the bonus percentage the executive would have been entitled to based on the company's performance to the executive's actual earnings during the year. The MIP awards earned and paid for fiscal 2015 performance, which are reported in the Summary Compensation Table on page 36, are not included in the table below.

Payments Made Upon Death

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In the event of death, the executive's beneficiary will receive the following incremental benefits:

Stock options/stock appreciation rights: Accelerated vesting of unvested options or stock appreciation rights.

Performance-based shares: For awards granted before fiscal year 2015, the committee may, in its discretion, provide for payment of awards, in whole or in part. Where the committee provides for payment, the company may, in its discretion and at the request of a deceased employee's personal representative, provide for payment prior to the conclusion of the performance period as follows:

Pay 35% of the maximum award if the officer's last day of active employment was during the first half of the performance period; or

Pay 50% of the maximum award if the officer's last day of active employment was during the second half of the period.

For awards granted in fiscal years 2015 and 2016, unless the committee in its discretion determines otherwise, we will make a partial payout at the end of the performance period based on the company's performance in any fiscal years that had been completed at the time of the executive's death.

MIP awards: Payment of a MIP award following conclusion of the fiscal year, determined by applying the bonus percentage the executive would have been entitled to based on the company's performance to the executive's actual earnings during the year. The

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Executive Compensation

MIP awards earned and paid for fiscal 2015 performance, which are reported in the Summary Compensation Table on page 36, are not included in the following table.

Additionally, the executive will receive benefits under disability or life insurance plans available generally to all salaried employees. These potential payments are not reflected in the table.

Change in Control

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We have change in control agreements with our executive officers to ensure continued management in the event of an actual or threatened change in control of the company. The agreements provide that if a named executive officer's employment is terminated other than upon death, disability or for cause within two years (three years for the CEO) after a change in control, the executive will be entitled to the following:

For executives other than our CEO, two times the executive's base salary at the time of termination plus two times the average of the annual bonuses the executive received over the previous three years. Our CEO would be entitled to three times base salary and three times average bonus.

Continuation of medical and dental benefits and life insurance for three years for the CEO and two years for the other named executive officers.

Reimbursement of certain legal fees and expenses incurred by the executive in enforcing the agreement.

The agreements automatically renew for an additional one-year period unless either party gives the other 90 days' prior notice of non-extension. If a change in control occurs, the agreements automatically extend for 36 months.

The executive is responsible for any excise tax, and the company does not pay any gross-up. We utilize a "best-net" approach where we reduce payments to the safe harbor limit to avoid excise tax only if doing so results in a greater after-tax benefit to the executive.

Performance based shares and performance-based units granted under the 2010 Omnibus Incentive Plan will be paid as if their terms were complete, based on the best financial information available about the company's performance as of the close of business on the day immediately before a change in control or "corporate transaction" (as defined in the plan). In determining the extent to which performance criteria have been satisfied, where the performance criteria are based on results that accumulate over the term of the award or over one year of the term, the performance requirement will be prorated in accordance with the portion of the term or year that was completed before the change in control or corporate transaction.

Executives receive accelerated vesting in outstanding stock options or stock appreciation rights issued under the La-Z-Boy Incorporated 2010 Omnibus Incentive Plan following a change in control only if their employment is terminated.

Table of Estimated Payments

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In the following table, we estimate incremental payments (payable as the result of the specified termination event) that would have been payable to named executive officers in the event of change in control, disability, retirement, death, or involuntary termination under the terms of the severance plan. The value of equity awards is based on the closing price of \$27.49 of the company's stock on April 24, 2015 (the last business day of the fiscal year). The amounts provided below are estimates of amounts that would have been payable. The actual amounts paid in future years, if any, will depend on the executive's pay, terms of separation, severance and change in control policy in place, and the company's stock price at the time of termination.

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Executive Compensation

**Fiscal 2015 Estimated Payments Upon Termination or Change in Control**

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Executive Compensation

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Proposal No. 2:

**ADVISORY VOTE ON THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS**

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Section 14A of the Securities Exchange Act of 1934 requires that we provide you the opportunity to vote to approve, on a non-binding advisory basis, the compensation of our named executive officers (those executive officers named in the Summary Compensation Table above), as disclosed in this proxy statement in accordance with the compensation disclosure rules of the SEC, including Item 402 of the SEC's Regulation S-K.

As described in detail in the "Compensation Discussion and Analysis," we seek to closely align the interests of our executive officers with those of our shareholders. We have endeavored to design our compensation programs to reward our named executive officers and other executive employees for individual and company-wide achievements without encouraging them to subject our company to excessive risks. Before voting on this proposal, please read the "Compensation Discussion and Analysis" and review the compensation disclosure tables and related narrative discussion above. Those materials provide a detailed explanation of our executive compensation philosophy and practices.

The vote on this resolution is not intended to address any specific element of compensation but is instead a vote on approving the overall compensation of our named executive officers as described in this proxy statement. The vote is advisory, which means that the vote is not binding on La-Z-Boy, our board of directors, or our compensation committee.

Our management will present the following resolution to the meeting:

*RESOLVED, that the compensation paid to the company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion, is hereby approved.*

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Audit Committee Report

The audit committee assists the board in overseeing our financial reporting process, internal controls and procedures, and compliance with legal and regulatory requirements. The committee and its members do not replace or duplicate the activities of management or the independent registered public accounting firm. Management is responsible for the company's financial reporting process and related internal controls, while the independent registered public accounting firm is responsible for independently auditing the company's financial statements and internal controls in accordance with the auditing standards of the Public Company Accounting Oversight Board. The current audit committee charter, which provides more information regarding the committee's responsibilities and processes, is available on the La-Z-Boy website at [http://www.la-z-boy.com/about/corp\\_governance.aspx](http://www.la-z-boy.com/about/corp_governance.aspx).

The audit committee selects the company's independent registered public accounting firm and manages all aspects of the relationship, including the firm's compensation, retention, replacement and the scope of any additional work. The committee reviews and approves the firm's non-audit services work and fees before the firm performs any such work. In selecting PricewaterhouseCoopers as the company's independent registered public accounting firm for fiscal 2016, the committee evaluated the firm's independence, including receiving and discussing the written disclosures and letter from PricewaterhouseCoopers required by the Public Company Accounting Oversight Board. The committee also discussed with PricewaterhouseCoopers matters that Auditing Standards No. 61, as adopted by the Public Company Accounting Oversight Board, requires be discussed. The committee determined that PricewaterhouseCoopers is independent of the company and management.

In fulfilling its oversight duties, the audit committee met nine times during fiscal 2015. The committee regularly meets with the senior members of the company's financial management team and the company's independent registered public accounting firm. The committee selectively met with key managers of the company to review or discuss potential financial risks related to the company. The committee also regularly met in executive sessions, in separate private sessions with PricewaterhouseCoopers, and in separate private sessions with each of the chairman and chief executive officer, chief financial officer, head of internal audit services, and other members of senior management. At these meetings, the committee discussed the company's financial estimates and judgments, internal controls over financial reporting, accounting principles, and regulatory compliance. To assist the committee in performing its duties, the committee utilizes, at the company's expense, outside accounting, legal and other advisors as appropriate.

Based on the reviews and discussions described above, the committee recommended to the board of directors, and the board of directors approved, including the audited financial statements in La-Z-Boy's Annual Report on Form 10-K for the fiscal year ended April 25, 2015, for filing with the Securities and Exchange Commission.

The Audit Committee

Michael T. Lawton, Chairman

John H. Foss

Richard M. Gabrys

David K. Hehl

Edwin J. Holman

Audit Fees

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For professional services rendered to us for fiscal years 2015 and 2014, PricewaterhouseCoopers LLP has billed us as follows:

Audit fees are for the audit work performed on our annual financial statements, our internal controls over financial reporting, management's assessment of our internal controls over financial reporting, and reviews of the quarterly financial statements included in our quarterly reports on Form 10-Q, as well as audit services that are normally provided in connection with our statutory and regulatory filings.

Tax fees include fees for tax compliance and advisory services in foreign jurisdictions. All other fees represent accounting research software subscription fees.

The audit committee's current policy requires approval of all audit and non-audit services provided by the independent auditors before the auditors are engaged to perform them.

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PROPOSAL NO. 3:

**TO RATIFY THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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The audit committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2016. PricewaterhouseCoopers LLP acted as our independent registered public accounting firm for fiscal 2015, and we believe it is well qualified to act in that capacity again this year. Representatives of PricewaterhouseCoopers LLP will be present at the meeting with the opportunity to make a statement and answer questions.

We ask you to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm. Although ratification is not required by our bylaws or otherwise, the board is submitting the selection of PricewaterhouseCoopers LLP to you for ratification as a matter of good corporate practice. The audit committee will reconsider the selection if it is not ratified. In addition, the audit committee, in its discretion, may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of La-Z-Boy and our shareholders.

Our management will present the following resolution to the meeting:

*RESOLVED, that the audit committee's selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for La-Z-Boy Incorporated for fiscal 2016 is ratified.*

Other Matters

General Information about the Annual Meeting and Voting

The 2015 annual meeting of the shareholders of La-Z-Boy Incorporated will be held in the Wright Room of the Westin Detroit Metropolitan Airport on August 19, 2015, beginning at 9:30 A.M. (Eastern Daylight Time). La-Z-Boy's board of directors is soliciting your proxy. We are furnishing this proxy statement and the accompanying form of proxy to our shareholders beginning on July 8, 2015.

**Meeting Purposes.** At the meeting, shareholders will elect nine directors for one-year terms expiring at the shareholders' meeting in 2016. We are also asking shareholders to approve, by advisory vote, the compensation of our named executive officers and to ratify the selection of our independent registered public accounting firm for fiscal year 2016. We do not expect any other business, except for routine or procedural matters, to be conducted at the meeting. If any other business is properly brought up, the persons named in the enclosed proxy will have authority to vote on it in their discretion.

**Proxy Materials Available on Internet.** We are making our proxy materials available to our shareholders on the Internet. On July 8, 2015, we sent shareholders a one-page "Notice of Internet Availability of Proxy Materials," which included instructions on how to access our proxy materials. The materials, consisting of this proxy statement and our fiscal 2015 annual report to shareholders, are available at [www.proxyvote.com](http://www.proxyvote.com). The Notice of Internet Availability of Proxy Materials also provides instructions on how to vote shares. By making the materials available through the Internet, we expect to reduce our costs, conserve natural resources, and expedite delivery of the proxy materials. If, however, you prefer to receive paper copies of the proxy materials, please follow the instructions included on the

Notice of Internet Availability of Proxy Materials. If you previously elected to receive our proxy materials electronically, you will continue to receive them by e-mail until you elect otherwise.

**Voting.** Only shareholders of record at the close of business on June 30, 2015, the record date, will be eligible to vote. There is only one class of stock entitled to vote at the meeting, our common stock, \$1.00 par value, of which there were 50,808,256 shares outstanding on the record date. A quorum, which is a majority of the outstanding shares, is needed to conduct a meeting. Each share is entitled to one vote for each director position and one vote for each issue; cumulative voting is not available. If you received a paper copy of the proxy materials, you may vote your shares by signing and dating each proxy card you received and returning the cards in the enclosed envelope. The proxies will be voted according to your directions on the

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Other Matters

proxy card. If you return a signed card without specifying your vote, your shares will be voted:

**FOR** the election of each of the director nominees named in this proxy statement,

**FOR** approval of the compensation of our named executive officers, and

**FOR** ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016.

If you sign and return your proxy card, your shares will be voted on any other business that properly comes before the meeting as determined by the persons named in the proxy. We urge you to sign, date, and return your proxy card promptly, or vote by telephone or on the Internet (see below), even if you plan to attend the meeting in person. If you do attend in person, you will be able to vote your shares at the meeting even if you previously signed a proxy card or voted by telephone or on the Internet.

**Telephone and Internet Voting.** We encourage you to vote by telephone or on the Internet. If your shares are held in your name, you can vote by telephone or on the Internet by following the instructions on the proxy card or as explained in the Notice of Internet Availability of Proxy Materials. If you are a beneficial holder with your shares held in the name of your broker, bank, or other financial institution, you will receive telephone or Internet voting instructions from your institution.

**Shares Held by Broker.** If you hold your shares through a broker, bank, or other financial institution, you will receive your proxy materials and voting instructions from the institution. Under New York Stock Exchange rules, your broker, bank, or financial institution will not vote your shares in director elections without your specific instructions. To ensure your vote is counted, you must provide directions to your broker, bank, or financial institution by following its instructions.

**Changing Your Vote.** You may change your vote by submitting a new vote by proxy, telephone, Internet, or in person at the meeting. A later vote will cancel an earlier vote. For example, if you vote by Internet and later vote by telephone, the telephone vote will count, and the Internet vote will be canceled. If you wish to change your vote by mail, you should request a new proxy card from our Secretary at One La-Z-Boy Drive, Monroe, Michigan, 48162. Your last vote received before the meeting will be the only one counted. You may also change your vote by voting in person at the meeting. In that event, your vote at the meeting will count and cancel any previous vote.

**Vote Required.** Under applicable Michigan law, directors are elected by plurality vote. Provided there is a quorum at the meeting, the nominees who receive the highest through the ninth highest numbers of votes will be elected, regardless of the number of votes cast. So long as each candidate receives at least one vote, withheld votes and broker non-votes have no effect on the election results. However, our corporate governance guidelines require that any director who fails to receive a majority of the votes cast must, at the board meeting immediately following the shareholders' meeting, offer to resign as director. Our board must act on such an offer of resignation at or before its next meeting, which is currently planned for mid-November, and publicly disclose its decision. For purposes of this provision of our corporate governance guidelines, only votes FOR or WITHHELD from a given candidate will be counted as votes cast. Broker non-votes will not count.

To pass, the non-binding advisory proposal to approve the compensation of our named executive officers must receive a majority of the votes cast on the proposal. Abstentions and broker non-votes have no effect as they are considered votes not cast.

Ratification of our selection of our independent registered public accounting firm requires a majority of votes cast on

the proposal. Abstentions and broker non-votes have no effect as they are considered as votes not cast.

**Number of Copies Sent to Household.** If there are two or more shareholders at your address, we have sent your household only one copy of our annual report and proxy statement unless you previously withheld your consent to "householding" or you instruct us otherwise. Householding saves us the expense of mailing duplicate documents to your home and conserves our natural resources, and we hope that receiving one copy rather than multiple copies is more convenient for you. Nonetheless, we will promptly provide additional copies of our 2015 annual report or this proxy statement to the other shareholders in your household if you send a written request to: Office of the Secretary, La-Z-Boy Incorporated, One La-Z-Boy Drive, Monroe, Michigan 48162, or you may call us at 734-242-1444 to request additional copies. Copies of the annual report, proxy statement, and other reports we file with the SEC are also available on our website at <http://investors.la-z-boy.com> or through the SEC's website at [www.sec.gov](http://www.sec.gov).

You may, at any time, revoke your consent to householding by contacting Broadridge Financial Solutions, Inc., either by calling toll-free 800-542-1061, or by writing to Broadridge Financial Solutions, Inc., Householding Department, 51 Mercedes Way, Edgewood, New York 11717. If you revoke your consent, you will be removed from the householding program within 30 days of receipt of your revocation, and each shareholder at your address will then begin receiving individual copies of our disclosure documents.

**More Information about Voting Your Shares.** Information regarding the proxy process is available from the SEC on its website at: <http://www.sec.gov/spotlight/proxymatters.shtml>.

**Principal Executive Office.** Our principal executive office is located at One La-Z-Boy Drive, Monroe, Michigan, 48162. Any communication for the company's secretary or directors may be directed to the corporate secretary at that address.

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Other Matters  
Costs of Proxy Solicitation

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Costs of Proxy Solicitation We will pay the expense of soliciting proxies pursuant to this proxy statement.

Next Annual Meeting

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*Shareholder Proposals for the 2016 Annual Meeting*

Pursuant to the rules of the Securities and Exchange Commission, if a shareholder wishes to submit a proposal for possible inclusion in La-Z-Boy Incorporated's 2016 proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, we must receive it on or before March 10, 2016.

Our bylaws provide that a shareholder may nominate a candidate for election as a director at an annual meeting of shareholders, or propose business for consideration at such meeting outside of Rule 14a-8, only by written notice containing the information required by the bylaws delivered to the Secretary at our principal executive offices not later than the 90th day, and not earlier than the 120th day, prior to the first anniversary of the preceding year's annual meeting. Accordingly, a shareholder nomination or proposal intended to be considered at the 2016 annual meeting must be received by the Secretary on or after April 21, 2016, and no later than May 21, 2016. Proxies for next year's annual meeting may confer discretionary authority to vote on any shareholder proposal for which we do not receive a timely notice.

All proposals must be in writing and should be mailed to La-Z-Boy Incorporated, to the attention of the Corporate Secretary, One La-Z-Boy Drive, Monroe, MI 48162. A copy of the bylaws may be obtained by written request to the same address.

You may vote by mail, by telephone, or on the Internet. Your vote is important. Even if you plan to attend the meeting, please vote by proxy card, telephone, or computer as soon as possible.

BY ORDER OF THE BOARD OF DIRECTORS

James P. Klarr, Secretary

Monroe, Michigan  
July 8, 2015

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MEETING INFORMATION

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**LA-Z-BOY INCORPORATED**  
**ONE LA-Z-BOY DRIVE**  
**MONROE, MI 48162-5138**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M94943-P68162-Z66097

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**  
**LA-Z-BOY INCORPORATED**

**The Board of Directors recommends you vote FOR  
the following:**

- 1. Election of Directors

**Nominees:**

01)	Kurt L. Darrow	06)	Michael T. Lawton
02)	Richard M. Gabrys	07)	H. George Levy, MD
03)	David K. Hehl	08)	W. Alan McCollough
04)	Edwin J. Holman	09)	Dr. Nido R. Qubein
05)	Janet E. Kerr		

**For Withhold For All** To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the number(s) of the  
**All All Except** nominee(s) on the line below.

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**The Board of Directors recommends you vote FOR proposals 2 and 3.**

**For                      Against                      Abstain**

- |    |   |
|----|---|
| 2. | To approve, on an advisory basis, the compensation of the Company's named executive officers as set forth in the Proxy Statement. |
| 3. | Board's proposal to ratify PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016.  |

**NOTE:** In their discretion the Proxies are authorized to act upon such other business as may properly come before the meeting or any adjournment thereof.

When shares are held by joint tenants both should sign. When signing as attorney, as executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature  
[PLEASE SIGN      Date  
WITHIN BOX]

Signature (Joint      Date  
Owners)

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**  
The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M94944-P68162-Z66097

**LA-Z-BOY INCORPORATED**  
**Annual Meeting of Shareholders**  
**August 19, 2015 9:30 AM**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints Kurt L. Darrow and Richard M. Gabrys, and both of them, Proxies with power of substitution to attend the Annual Meeting of the shareholders of La-Z-Boy Incorporated to be held at the Wright Room of the Westin Detroit Metropolitan Airport, 2501 Worldgateway Place, Romulus, Michigan, August 19, 2015 at 9:30 A.M., Eastern Daylight Time, and any adjournment thereof, and thereat to vote all shares now or hereafter standing in the name of the undersigned.

This proxy, when properly executed, will be voted in the manner directed by the undersigned shareholder. If no direction is made, this proxy will be voted FOR all the director nominees listed in Proposal 1, and FOR Proposals 2 and 3.

Continued and to be signed on reverse side