



LA-Z-BOY INCORPORATED CORPORATE GOVERNANCE GUIDELINES

These guidelines have been approved by the La-Z-Boy Incorporated board of directors. The guidelines, in conjunction with the articles of incorporation, the bylaws, and board committee charters, form the framework for governance of the Corporation. These guidelines will be reviewed at least annually by the board, updated as needed, and maintained on the corporate website at www.la-z-boy.com.

ROLE OF THE BOARD OF DIRECTORS

The board of directors oversees and provides policy guidance on the business and affairs of the Corporation. It monitors overall corporate performance, the integrity of the Corporation's financial controls, and the effectiveness of its legal compliance programs. The board oversees management and plans for the succession of key executives. The board oversees the Corporation's strategic and business planning process. This is generally accomplished by a year round process culminating in a day-long board review of the Corporation's updated Corporate Strategic Plan and the principal issues the Corporation expects to face in the future. Subsequently, the board reviews the Corporation's business plan, the next year's capital expenditure plan, and related key financial and supplemental objectives.

BOARD MEMBERSHIP CRITERIA

Members of the board of directors should have the highest professional and personal ethical values and all times act in accordance with the La-Z-Boy Incorporated Code of Business Conduct. Candidates are selected for, among other things, their integrity, independence, diversity of experience, leadership, substantial accomplishments, prior or current association with institutions noted for their ethical standards, and their ability to exercise sound judgment and to provide counsel to management. They should be able to provide insights and practical wisdom based on their particular experience and expertise. They should be committed to enhancing shareholder value and should have sufficient time to effectively carry out their duties. Their service on other boards of public companies should be limited to a reasonable number.

The board Nominating and Corporate Governance Committee annually reviews the appropriate skills and characteristics required of board members in the context of the current composition of the board, the strategic plan, the operating requirements of the Corporation, and the long term interests of the shareholders. In conducting this assessment, the committee considers the experience, specific skills, results of the most recent board assessment, and such other factors as it deems appropriate, given the current needs of the board and the Corporation, to maintain a balance of knowledge, experience, and capability.

DIRECTOR INDEPENDENCE

It is the policy of the Corporation that a substantial majority of the board will consist of independent directors, as defined by the listing standards of the New York Stock Exchange (NYSE). To reach a determination that a director is "independent" under the NYSE listing standards, the board must affirmatively determine that the director, in addition to satisfying other requirements of the NYSE listing standards relating to independent directors, has no direct or indirect material relationship with the Corporation. In order to assist the board in making this determination, the board has adopted the following standards:

- No director who is an employee or a former employee of the Corporation can be independent until three years after termination of employment.
- No director who is, or in the past three years has been, affiliated with or employed by the Corporation's present or former independent registered public accounting firm can be independent until three years after the end of the affiliation, employment, or auditing relationship.
- No director can be independent if he or she is, or in the past three years has been, part of an interlocking directorship in which any of the Corporation's executive officers serves on the compensation committee of another company that employs the director.
- No director can be independent if he or she is receiving, or in the last three years has received, more than \$100,000 during any 12-month period in direct compensation from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided the compensation is not contingent in any way on continued service).
- Directors with immediate family members in the foregoing categories are subject to the same three-year restriction.
- The following categorical standards identify relationships that a director may have with the Corporation that will not be considered material:
 - If a director is an executive officer, director, or shareholder of another company that does business with the Corporation and the annual revenues derived from that business are less than 1% of either company's total revenues.
 - If a director is an executive officer, director, or shareholder of another company that is indebted to the Corporation, or to which the Corporation is indebted, and the total amount of either company's indebtedness to the other is less than 1% of the total consolidated assets of each company; or if the director is an executive officer, director, or shareholder of a bank or other financial institution (or its holding company) that extends credit to the Corporation on normal commercial terms and the total amount of our indebtedness to the bank or other financial institution is less than 3% of the Corporation's total consolidated assets.

- o If a director is an executive officer or director of another company in which the Corporation owns common stock, and the amount of the Corporation's common stock interest is less than 5% of the total shareholders' equity of the other company.
- o If any family member of a director is or was employed by the Corporation in a non-executive capacity and the family member's compensation has not exceeded \$100,000 in any one fiscal year.
- o If a director is a director, officer, or trustee of a charitable organization, the Corporation's annual charitable contributions to the organization (exclusive of gift-match payments) are less than 1% of the organization's total annual charitable receipts, all of the Corporation's contributions to the organization were approved through the Corporation's normal approval process, and no contribution was made "on behalf of" any of the Corporation's officers or directors; or if a director is a director of the La-Z-Boy Foundation.
- o If a director is a member of, employed by, or of counsel to a law firm or investment banking firm that performs services for the Corporation, payments made by the Corporation to the firm during a fiscal year do not exceed 1% of the firm's gross revenues for the fiscal year, and the director's relationship with the firm is such that his or her compensation is not linked directly or indirectly to the amount of payments the firm receives from the Corporation.

In addition, when making independence determinations with respect to audit committee members, the board adheres to the specific tests established by the Securities and Exchange Commission (SEC.)

SELECTION AND SERVICE OF DIRECTORS

The board consists of three classes of directors elected for three-year terms. The classes are structured to make them as equal as possible in size. One class is elected at each annual meeting of shareholders. Between annual meetings, the board may elect directors to serve until the next annual meeting. The Nominating and Corporate Governance Committee identifies, investigates, and recommends prospective directors to the board with the goal of creating a balance of knowledge, experience, and specific skills pertinent to the needs of the Corporation and the board. Shareholders may recommend a nominee by following the procedures set forth in the bylaws. All recommendations are brought to the attention of the Nominating and Corporate Governance Committee.

BOARD SIZE

The bylaws fix the number of directors at eleven. The board's size is assessed at least annually by the Nominating and Corporate Governance Committee as part of its board assessment and evaluation, and changes are recommended to the board when appropriate. The board has the power to amend the bylaws, including to increase or decrease the size of the board.

BOARD MEMBERSHIPS

Directors limit their other board memberships to a number which permits them, given their individual circumstances, to responsibly perform all of their director duties. The Nominating and Corporate Governance Committee reviews and concurs in the nomination of any employee director or key officer to outside, for profit, board positions.

DIRECTOR RETIREMENT POLICY

Directors will not normally stand for re-election for a full three-year term after reaching age 70. The board has granted an exception to this policy for Chairman Norton.

NUMBER AND COMPOSITION OF BOARD COMMITTEES

The board has four standing committees: Audit, Nominating and Corporate Governance, Compensation, and Investment Performance Review. All committees other than the Investment Performance Review Committee are comprised solely of independent directors as defined by the NYSE. All Audit Committee members must meet the additional requirement that they be independent within the meaning of the Securities Exchange Act of 1934 and the applicable SEC rules.

Each committee is chaired by an independent director who determines the agenda, frequency, and length of the meetings and who has unlimited access to management, information, and independent advisors, as necessary and appropriate to fulfill the committee's responsibilities. Each non-employee director generally serves on one or two committees.

EXECUTIVE SESSIONS

Non-employee directors meet in executive session at most regularly scheduled board meetings, and no less than four times annually. The sessions are chaired by the Chairman of the Nominating and Corporate Governance Committee. Any non-employee director can request that an executive session be scheduled or place an item on the agenda.

BUSINESS CONDUCT AND ETHICS CODE

The board expects all directors and officers of the Corporation to comply with the highest standard of ethics in all matters respecting company affairs. To further this compliance, the board has adopted the La-Z-Boy Incorporated Code of Business Conduct, which is available in written form and also on the Corporation's website at www.la-z-boy.com. All directors, officers, and employees are expected to annually acknowledge their understanding of and adherence to this code. The Audit Committee periodically reviews the system for assuring compliance with this code. A toll free number connected with an impartial third party is available to all employees to report, in confidence, any suspected financial irregularity or violation of this code. The Audit Committee receives regular reports on the nature and disposition of such reported instances of suspected violations. The organization operating the call-in service has the authority to directly contact the Audit Committee upon receiving a report of a potentially serious violation.

SUCCESSION PLANNING

Annually, the full board receives and reviews a report on the planning for succession in all senior management positions, to ensure that qualified candidates are available for all positions and that development plans are being utilized to strengthen the skills and qualifications of the candidates.

BOARD COMPENSATION

Non-employee directors receive compensation that is competitive and includes options for stock which they are required to hold as long as they serve as directors, thus linking their rewards to long term shareholder returns and facilitating director stock ownership requirements. The Corporation does not have a retirement plan for non-employee directors. Employee directors are not paid additional compensation for their services as directors. The Compensation Committee periodically reviews director compensation and recommends changes as appropriate to the full board for action to ensure that the total director compensation remains competitive and appropriate.

BOARD ACCESS TO SENIOR MANAGEMENT

Directors are encouraged and provided opportunities to talk directly to any member of management regarding any questions or concerns the director may have. In addition, senior managers are called upon to report to the board and participate in board discussions on matters within their spheres of responsibility.

DIRECTOR ORIENTATION AND EDUCATION

The Corporation provides new directors with orientation to the Corporation, its history, products, and organization. Periodically, outside company counsel meets with the board to discuss matters of regulation and board responsibility. The company provides membership in the National Association of Corporate Directors (NACD) for all directors and encourages them to participate in NACD's director education programs, for which expenses are reimbursed. Furniture industry trade publications are provided to directors. Normally, at least one board meeting per year will be held at a company location away from the headquarters. Directors are encouraged to occasionally visit either the spring or fall International Home Furnishing Market in High Point North Carolina, where virtually all of the Corporation's product units maintain showrooms and introduce new product to their customers. Random visits to the Corporation's sales locations by directors are also encouraged.

EVALUATION OF BOARD PERFORMANCE

The board and each board committee conduct a self-evaluation annually. The Nominating and Governance Committee oversees this self-evaluation process and assesses the full board's performance. The committee has in the past, and may in the future, retain consultants to assist in this process. The committee recommends changes to improve the board, the board committees, and individual director effectiveness as well as changes to director selection criteria.

CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW

The board annually reviews the CEO performance. To conduct this review, the Compensation Committee prepares a written evaluation, seeking input from other directors as appropriate. The consolidated input is reviewed at a meeting in executive session with all non-employee directors, after which the chairperson reviews and discusses the results with the CEO.

DIRECTOR AND OFFICER STOCK OWNERSHIP GUIDELINES

The Compensation Committee enforces its guidelines requiring a minimum level of share ownership by the directors, executive officers and specified levels of senior management.

ACCESS TO INDEPENDENT ADVISORS

The board and each board committee have the right at any time to retain independent outside financial, legal, or other advisors

BOARD AGENDA AND MEETINGS

The Chairman, in coordination with the CEO and the chairpersons of the standing committees, sets the schedule, time, principal subject matters to be addressed, and length for board meetings. The regular schedule is circulated to the directors at least a full year in advance of meetings to facilitate their scheduling and to work around any pending schedule conflicts. Committee chairpersons schedule their meetings in coordination with the Chairman. Any director can request that a subject be added to a meeting agenda. In addition to the eight or more regularly scheduled meetings, non-scheduled meetings can be called upon proper notice in accordance with the bylaws at any time to address specific subjects. The annual meeting of shareholders is scheduled in conjunction with one of the regularly scheduled board meetings.

The Chairman, in consultation with the CEO and committee chairpersons, establishes the agenda for each board meeting, taking into account input and suggestions from other members of the board and management. The directors also provide input for additional pre-meeting materials. They may make suggestions for the agenda to the Chairman or any committee chairperson at any time. The agendas for board meetings provide opportunities for the operating heads of the major businesses of the Corporation and other senior executives to make presentations to the board.

COMMUNICATION WITH THE BOARD OF DIRECTORS

Interested parties wishing to communicate their concerns or questions about La-Z-Boy to the Chairman or to non-employee directors may do so by U.S. mail addressed to the Chairman or to the non-employee directors at the Office of the Corporate Secretary, La-Z-Boy Incorporated, 1284 North Telegraph Road, Monroe, Michigan 48162.

The Corporate Secretary will compile the communications, summarize lengthy or repetitive communications, and forward them to the appropriate director or directors. Upon request, he will furnish complete copies of such communications to the directors.

REPORTING OF CONCERNS REGARDING ACCOUNTING, INTERNAL ACCOUNTING CONTROLS, OR AUDITING MATTERS

The Audit Committee has procedures in place to receive, retain, and treat complaints received regarding accounting, internal accounting controls, or auditing matters and to allow for the confidential and anonymous submission by anyone of concerns regarding questionable accounting or auditing matters. These procedures can be found on the La-Z-Boy website at www.la-z-boy.com.

These guidelines were last amended by the board effective on June 29, 2004.