

LEGGETT & PLATT INC  
Form DEF 14A  
March 28, 2013

**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**

Filed by the Registrant  x

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Check the appropriate box:

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Preliminary Proxy Statement

o

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x

Definitive Proxy Statement

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Definitive Additional Materials

o

Soliciting Material Pursuant to §240.14a-12

**Leggett & Platt, Incorporated**

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**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

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No fee required.

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Total fee paid:

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Amount Previously Paid:

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(2)

Form, Schedule or Registration Statement No.:

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(3)

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(4)

Date Filed:

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March 28, 2013

Dear Shareholder:

I am pleased to invite you to attend the annual meeting of shareholders of Leggett & Platt, Incorporated to be held on Thursday, May 9, 2013, at 10:00 a.m. Central Time, at the Company's Wright Conference Center. Directions are included on the back cover of this Proxy Statement.

The Proxy Statement contains three proposals from our Board of Directors: (i) the election of eleven directors, (ii) the ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013, and (iii) an advisory vote to approve named executive officer compensation. The Board encourages you to vote **FOR** each of these proposals.

The Proxy Statement also contains a shareholder proposal seeking to add sexual orientation and gender identity to the Company's written non-discrimination policy. For reasons explained in the Proxy Statement, the Board encourages you to vote **AGAINST** this proposal.

Your vote is important. Whether or not you plan to attend the meeting, please vote as soon as possible. You may vote your shares online at [www.eproxy.com/leg](http://www.eproxy.com/leg) or by returning the enclosed proxy or voting instruction card. Specific instructions for these voting alternatives are contained on the proxy or voting instruction card.

I appreciate your continued interest in Leggett & Platt.

Sincerely,

**LEGGETT & PLATT, INCORPORATED**

Richard T. Fisher  
*Board Chair*

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**Leggett & Platt, Incorporated**

No. 1 Leggett Road  
Carthage, Missouri 64836

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**NOTICE OF 2013 ANNUAL MEETING OF SHAREHOLDERS**

The annual meeting of shareholders of Leggett & Platt, Incorporated (the *Company* ) will be held at the Company s Wright Conference Center, No. 1 Leggett Road, Carthage, Missouri 64836, on Thursday, May 9, 2013, at 10:00 a.m. Central Time:

1. To elect eleven directors;
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the year ending December 31, 2013;
3. To provide an advisory vote to approve named executive officer compensation;
4. If properly presented at the meeting, to vote on a shareholder proposal requesting the addition of sexual orientation and gender identity to the Company s written non-discrimination policy; and
5. To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

You are entitled to vote only if you were a Leggett & Platt shareholder at the close of business on March 7, 2013.

An Annual Report to Shareholders outlining the Company s operations during 2012 accompanies this Notice of Annual Meeting and Proxy Statement.

By Order of the Board of Directors,

John G. Moore  
*Secretary*

Carthage, Missouri  
March 28, 2013

**Important Notice Regarding the Availability of Proxy Materials  
for the Shareholder Meeting to Be Held on May 9, 2013**

The enclosed proxy materials and access to the proxy voting site are also available to you on the Internet. You are encouraged to review all of the information contained in the proxy materials before voting.

**The Company s Proxy Statement and Annual Report to Shareholders are available at:  
[www.leggett.com/proxy/2013/default.asp](http://www.leggett.com/proxy/2013/default.asp)**

**The Company s proxy voting site can be found at:  
[www.eproxy.com/leg](http://www.eproxy.com/leg)**

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**Leggett & Platt, Incorporated**

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**PROXY STATEMENT**

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## QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

### Why did I receive these materials?

The Board of Directors (the *Board*) of Leggett & Platt, Incorporated (the *Company* or *Leggett*) is providing these materials to you in connection with its solicitation of proxies for the Company's annual meeting of shareholders on May 9, 2013. These materials were sent to shareholders on March 28, 2013. As a Leggett shareholder, you are entitled and encouraged to vote on the proposals presented in these proxy materials. We invite you to attend the annual meeting, but you do not have to attend to be able to vote.

### Where can I obtain financial information about Leggett?

Our Annual Report to Shareholders, including our Form 10-K with financial statements for 2012, is enclosed in the same mailing with this proxy statement. The Company's Proxy Statement and Annual Report to Shareholders (including Form 10-K) are also available at [www.leggett.com/proxy/2013/default.asp](http://www.leggett.com/proxy/2013/default.asp). Information on our website does not constitute part of this proxy statement.

### What business will be voted on at the annual meeting?

Shareholders will vote on the following proposals at the annual meeting:

Election of eleven directors.

Ratification of PricewaterhouseCoopers LLP ( *PwC* ) as our independent registered public accounting firm for 2013.

Advisory vote to approve named executive officer compensation.

A shareholder proposal requesting the addition of sexual orientation and gender identity to the Company's written non-discrimination policy, if properly presented at the meeting.

Any other business that is properly brought before the meeting.

The Board recommends that you vote **FOR** each of the director nominees, the ratification of PwC, and the executive compensation package, and that you vote **AGAINST** the shareholder proposal. If you return a signed proxy card without marking one or more proposals, your proxy will be voted in accordance with the Board's recommendations.

### What shares can I vote?

The only class of outstanding voting securities is the Company's \$.01 par value common stock. Each share of common stock issued and outstanding at the close of business on March 7, 2013 (the *Record Date*) is entitled to one vote on each matter submitted to a vote at the annual meeting. On the Record Date, we had 142,877,761 shares of common stock issued and outstanding.

You may vote all shares of Leggett common stock you owned on the Record Date. This includes shares held directly in your name as the *shareholder of record* and shares held for you as the *beneficial owner* through a broker, trustee or other nominee, sometimes referred to as shares held in *street name*.

*Shareholder of Record:* If your shares are registered directly in your name with our transfer agent, Wells Fargo, you are the shareholder of record, and these proxy materials were sent to you directly. As the shareholder of record, you have the right to grant your proxy vote directly or to vote in person at the annual meeting. We have enclosed a proxy card for you to use.

*Beneficial Owner:* If you hold shares in a brokerage account or through some other nominee, you are the beneficial owner of the shares, and these proxy materials were forwarded to you from the broker, trustee or nominee, together with a voting instruction card. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote your shares by proxy. Although you are invited to attend the annual meeting, you may not vote these shares in person unless you obtain a legal proxy from the broker, trustee or nominee.

### **How do I submit my vote?**

You may vote your shares (i) online at [www.eproxy.com/leg](http://www.eproxy.com/leg), (ii) by signing and returning the proxy or voting instruction card, or (iii) in person at the meeting. If you vote online, you do not need to return your proxy or voting instruction card, but you will need to have it in hand when you access the voting website. Specific voting instructions are found on the proxy card or voting instruction card included with this proxy statement.

### **Can I change my vote?**

*Shareholder of Record:* If you are a shareholder of record, you may change your vote or revoke your proxy any time before the annual meeting by (i) submitting a valid, later-dated proxy, (ii) submitting a valid, subsequent vote online, (iii) notifying the Company's Secretary that you have revoked your proxy, or (iv) completing a written ballot at the annual meeting.

*Beneficial Owner:* If you hold shares as the beneficial owner, you may change your vote by (i) submitting new voting instructions to your broker, trustee, or nominee or (ii) voting in person at the annual meeting if you have obtained a legal proxy from your broker, trustee, or nominee.

### **How many votes are needed to conduct business at the annual meeting?**

A majority of the outstanding shares of common stock entitled to vote must be present at the annual meeting, or represented by proxy, in order to meet the quorum requirement to transact business. Both abstentions and broker non-votes (described below) are counted in determining a quorum. If a quorum is not present, the annual meeting will be adjourned for no more than 90 days to reach a quorum.

### **What vote is required to elect a director?**

A director nominee must receive the affirmative vote of a majority of those shares present (either in person or by proxy) and entitled to vote.

As required by our Corporate Governance Guidelines, each nominee has submitted a contingent resignation to the Nominating & Corporate Governance Committee (the *N&CG Committee*) in order to be nominated for election as a director. If a nominee fails to receive a majority of the votes cast in the director election, the N&CG Committee will make a recommendation to the Board of Directors whether to accept or reject the director's resignation and whether any other action should be taken. If a director's resignation is not accepted, that director will continue to serve until the Company's next annual meeting and his or her successor is duly elected and qualified. If the Board accepts the director's resignation, it may, in its sole discretion, either fill the resulting vacancy or decrease the size of the Board to eliminate the vacancy.

### **What vote is required to approve the other proposals?**

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote is required for ratification of the appointment of PwC as Leggett's independent registered public accounting firm and for the shareholder proposal. Since the vote on named executive officer compensation is an advisory vote, the Board will give due consideration to the outcome; however, that proposal is not approved as such.

### **What is the effect of an abstention vote on the election of directors and other proposals?**



A share voted *abstain* with respect to any proposal is considered present and entitled to vote with respect to that proposal. For the proposals requiring a majority vote in order to pass, an abstention will have the effect of a vote against the proposal.

### **What is the effect of a *broker non-vote*?**

If you are the beneficial owner of shares held through a broker or other nominee and do not vote your shares or provide voting instructions, your broker may vote for you on *routine* proposals but not on *non-routine* proposals. Therefore, if you do not vote on the *non-routine* proposals or provide voting instructions, your broker will not be allowed to vote your shares *this will result in a *broker non-vote**. Broker non-votes are not counted as shares present and entitled to vote, so they will not affect the outcome of the vote. All proposals on the agenda are *non-routine*, other than the ratification of PwC as the Company's auditor.

### **Who pays the cost of soliciting votes at the annual meeting?**

Leggett is making this solicitation and will pay the full cost of preparing, printing, assembling, and mailing these proxy materials. Upon request, we will also reimburse brokers and other nominees for forwarding proxy and solicitation materials to shareholders.

We have hired Georgeson Inc. to assist in the solicitation of proxies by mail, telephone, in person, or otherwise. Georgeson's fees are expected to be \$10,500 plus expenses. If necessary to assure sufficient representation at the meeting, Company employees, at no additional compensation, may request the return of proxies.

### **Where can I find the voting results of the annual meeting?**

We will announce preliminary voting results at the annual meeting and plan to issue a press release immediately after the meeting. Within four business days after the annual meeting, we will file a Form 8-K reporting the vote count.

### **What should I do if I receive more than one set of proxy materials?**

You may receive multiple sets of proxy materials if you hold shares in more than one brokerage account or if you are a shareholder of record and have shares registered in more than one name. Please vote the shares on each proxy card or voting instruction card you receive.

We have adopted *householding* which allows us, unless a shareholder withholds consent, to send one proxy statement and annual report to multiple shareholders sharing the same address. Each shareholder at a given address will receive a separate proxy card. If you currently receive multiple sets of proxy materials and wish to have your accounts *household*ed, or if you no longer want to participate in *householding* and wish to revoke your consent, call Wells Fargo Shareowner Services at 877-602-7615 or send written instructions to Wells Fargo Shareowner Services, Attn: Leggett & Platt, Incorporated, P.O. Box 64854, St. Paul, MN 55164-0854. You will need to provide Leggett's company number (203) and your 10-digit Wells Fargo account number which is printed at the top of your proxy card.

Many brokerage firms practice *householding* as well. If you have a *householding* request for your brokerage account, please contact your broker.

### **How may I obtain another set of proxy materials?**

If you received only one set of proxy materials for multiple shareholders of record and would like us to send you another set this year, please call 800-888-4569 or write to Leggett & Platt, Incorporated, Attn: Investor Relations, No. 1 Leggett Road, Carthage, MO 64836. You can also access a complete set of proxy materials (the Notice of Meeting, Proxy Statement, and Annual Report to Shareholders including Form 10-K) online at [www.leggett.com/proxy/2013/default.asp](http://www.leggett.com/proxy/2013/default.asp). To ensure that you receive multiple copies in the future, please contact your broker or Wells Fargo at the number or address in the preceding answer to withhold your consent for *householding*.

### **What is the deadline to propose actions for next year's annual meeting or to nominate a director?**

Shareholders may propose actions for consideration at future annual meetings either by presenting them for inclusion in the Company's proxy statement or by soliciting votes independent of our proxy statement. To be properly brought before the meeting, all shareholder actions must comply with our bylaws, as well as SEC requirements under Regulation 14A. Leggett's bylaws are posted on our website at [www.leggett-search.com/governance](http://www.leggett-search.com/governance). Notices specified for the types of shareholder actions set forth below must be addressed to Leggett & Platt, Incorporated, Attn: Corporate Secretary, No. 1 Leggett Road, Carthage, MO 64836.

*Shareholder Proposal Included in Proxy Statement:* If you intend to present a proposal at the 2014 annual meeting, the SEC requires that the Corporate Secretary receive the proposal at the address given above by November 29, 2013 for possible inclusion in the proxy statement. We will decide whether to include a proposal in the proxy statement in accordance with SEC rules governing the solicitation of proxies.

*Shareholder Proposal Not Included in Proxy Statement:* If you intend to present a proposal at the 2014 annual meeting by soliciting votes independent of the Company's proxy statement, Section 1.2 of our bylaws requires that the Company receive timely notice of the proposal no earlier than January 9, 2014 and no later than February 8, 2014. This notice must include a description of the proposed business, your name and address, the number of shares you hold, any of your material interests in the proposal, and other matters specified in the bylaws. The nature of the business also must be appropriate for shareholder action under applicable law. The bylaw requirements also apply in determining whether notice is timely under SEC rules relating to the exercise of discretionary voting authority.

*Director Nominee Included in Proxy Statement:* If you wish to recommend a director candidate to the N&CG Committee for possible inclusion in the proxy statement, please see the requirements described under Consideration of Director Nominees and Diversity on page 8.

*Director Nominee Not Included in Proxy Statement:* If you intend to nominate a director candidate for election outside of the Company's nomination process, our bylaws require that the Company receive timely notice of the nomination no earlier than January 9, 2014 and no later than February 8, 2014. This notice must include the information specified in Section 2.2 of the bylaws, including your name and address, the number of shares you hold, and the name, address and occupation of each proposed nominee.

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## CORPORATE GOVERNANCE AND BOARD MATTERS

### Corporate Governance

Leggett has a long-standing commitment to sound corporate governance principles and practices. The Board has adopted Corporate Governance Guidelines that establish the roles and responsibilities of the Board and Company management. The Board has also adopted a Code of Business Conduct and Ethics applicable to all Company employees, officers and directors, as well as a separate Financial Code of Ethics applicable to the Company's CEO, CFO, principal accounting officer and corporate controller. These documents are posted on our website at [www.leggett-search.com/governance](http://www.leggett-search.com/governance).

### Director Independence

The Board reviews director independence annually and upon learning of any change in circumstances during the year that may affect a director's independence. The Company has adopted director independence standards (the *Independence Standards*) that satisfy the NYSE listing standards. The Independence Standards are posted on our website at [www.leggett-search.com/governance](http://www.leggett-search.com/governance). A director who meets all the Independence Standards will be presumed to be independent.

While the Independence Standards help the Board to determine director independence, they are not the exclusive measure for doing so. The Board also reviews the relevant facts and circumstances of any material relationships between the Company and its directors during the independence assessment. Based on its review, the Board has determined that all of its non-management directors are independent (the director biographies accompanying Proposal 1 Election of Directors identify our independent and management directors).

All Audit Committee members meet the higher independence standard for audit committee service under NYSE and SEC rules and are financially literate, as defined by NYSE rules. In addition, all Committee members meet the SEC's definition of an audit committee financial expert. None of the members serves on the audit committee of more than three public companies.

## Independent Board Chair and Board Leadership Structure

Richard Fisher, a non-management director of the Company, was elected by the Board of Directors in 2008 to serve as the independent Board Chair. The Company has split the positions of Board Chair and Chief Executive Officer since 2006, when David Haffner was appointed as Leggett's CEO. The Board evaluates annually the responsibilities of the independent Board Chair and whether the separation of the chairmanship and CEO continues to best serve the Board and our shareholders. The Board does not have a fixed policy with respect to the separation of the Board Chair and the CEO and maintains the flexibility to make this determination on a case-by-case basis in a manner it deems in the Company's best interests.

In accordance with our Corporate Governance Guidelines, non-management directors regularly hold executive sessions without management present. At least one executive session per year is attended by only independent, non-management directors (typically, these executive sessions take place at each regularly scheduled quarterly Board meeting). Mr. Fisher presides over these meetings of the non-management directors.

## Communication with the Board

Shareholders and all other interested parties may e-mail Mr. Fisher at [boardchair@leggett.com](mailto:boardchair@leggett.com). They can also write to Leggett & Platt Board Chair, P.O. Box 637, Carthage, MO 64836. The Corporate Secretary's office reviews this correspondence and periodically sends Mr. Fisher all communications except items unrelated to Board functions (for example, advertisements and junk mail). In his discretion, Mr. Fisher may forward communications to the full Board or to any of the other independent directors for further consideration.

## Board and Committee Composition and Meetings

The Board held five meetings in 2012, and its committees met the number of times listed in the table below. All directors attended at least 75% of the Board meetings and their respective committee meetings. Directors are expected to attend the Company's annual meeting of shareholders, and all of them attended the 2012 annual meeting.

The Board has a standing Audit Committee, Compensation Committee, Nominating & Corporate Governance Committee, and Executive Committee. Except for the Executive Committee (comprised of Richard Fisher, Chair, David Haffner and Maurice Purnell), each committee consists entirely of independent directors and operates under a written charter adopted by the Board. The Audit, Compensation and Nominating & Corporate Governance Committee charters are posted on our website at [www.leggett-search.com/governance](http://www.leggett-search.com/governance).

### Audit Committee

Judy C. Odom (Chair)  
Robert E. Brunner  
Robert G. Culp, III  
Richard T. Fisher  
Joseph W. McClanathan  
Phoebe A. Wood

The Audit Committee assists the Board in the oversight of:

- Independent registered public accounting firm's qualifications, independence, appointment, compensation, retention, and performance.
- Internal controls over financial reporting.
- Guidelines and policies to govern risk assessment and management.
- Performance of the Company's internal audit function.
- Integrity of the financial statements and external financial reporting.
- Legal and regulatory compliance.
- Complaints and investigations of any questionable accounting, internal control, or auditing matters.

Meetings in 2012: 6

### Compensation Committee

R. Ted Enloe, III (Chair)  
Robert E. Brunner  
Richard T. Fisher

The Compensation Committee assists the Board in the oversight and administration of:

- Corporate goals and objectives regarding CEO compensation and evaluation of the CEO's performance in light of those goals and objectives.
- Non-CEO executive officer compensation.
- Cash and equity compensation for directors.

Joseph W. McClanathan  
Judy C. Odom  
Phoebe A. Wood

Meetings in 2012: 7

Incentive compensation and equity-based plans that are subject to Board approval.  
Grants of awards under incentive and equity plans required to comply with applicable tax laws.  
Employment agreements and severance benefit agreements with the CEO and executive officers, as applicable.  
Related person transactions of a compensatory nature.

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### **Nominating & Corporate Governance Committee**

Maurice E. Purnell, Jr. (Chair)  
Ralph W. Clark  
Robert G. Culp, III  
Richard T. Fisher  
Joseph W. McClanathan  
Judy C. Odom

Meetings in 2012: 4

The N&CG Committee assists the Board in the oversight of:  
Corporate governance principles, policies and procedures.  
Identifying qualified candidates for Board membership and recommending director nominees.  
Director independence and related person transactions.

### **Board's Oversight of Risk Management**

The Audit Committee is responsible for oversight of our guidelines and policies to assess and manage risk. The Company's CEO and other senior management are responsible for assessing and managing various risk exposures on a day-to-day basis. In 2003, we established the Enterprise Risk Management Committee (the *ERM Committee*) which is currently comprised of 14 executives and chaired by our CFO. The ERM Committee adopted guidelines by which the Company identifies, assesses, monitors and reports financial and non-financial risks material to the Company. The ERM Committee meets regularly throughout the year and provides an annual report to senior management and the Audit Committee of (i) the likelihood and significance of risks, (ii) the policies and guidelines regarding risk assessment and management, (iii) management's steps to monitor and control risks, and (iv) an evaluation of the process. The Audit Committee reviews and discusses the report with management and the independent auditor.

An overall review of risk is inherent in the Board's consideration of the Company's strategies and other matters. In furtherance of this review, our CFO updates other senior managers and the entire Board every quarter on notable activities of the ERM Committee.

The Compensation Committee's oversight of executive officer compensation, including the assessment of compensation risk for executive officers, is detailed in the Compensation Discussion & Analysis section on page 23. The Committee also assesses our compensation structure for employees generally and has concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company. The following factors contributed to this determination:

We use a common annual incentive plan across all business units.

We use a combination of short-term and long-term incentive rewards that are tied to different measures of performance.

Our annual incentive plan and our omnibus equity plan contain clawback provisions that enable the Committee to recoup incentive payments.

Our employees below key management levels have a small percentage of their total pay in variable compensation.

We promote an employee ownership culture to better align employees with shareholders, with approximately 3,700 employees contributing their own funds to purchase Company stock under various stock purchase plans.

### **Compensation Committee Interlocks and Insider Participation**

No Compensation Committee member had an interlocking relationship as described in Item 407(e)(4) of Regulation S-K.

## Consideration of Director Nominees and Diversity

The Nominating & Corporate Governance Committee is responsible for identifying and evaluating qualified candidates for election to the Board of Directors. Following its evaluation, the N&CG Committee recommends to the full Board a slate of director candidates for inclusion in the Company's proxy statement and proxy card. This procedure is posted on the Company's website at [www.leggett-search.com/governance](http://www.leggett-search.com/governance).

In the case of incumbent directors, the N&CG Committee reviews each director's overall service during his or her current term, including the number of meetings attended, level of participation, quality of performance, and any transactions between the director and the Company. The Company's Bylaws and Corporate Governance Guidelines set the director retirement age at 72; however, the Board Chair, CEO or President may request a waiver for any director. At the request of Leggett's CEO, the N&CG Committee recommended, and the full Board granted, retirement age waivers for Mr. Clark, Mr. Enloe and Mr. Fisher so they may stand for re-election at the 2013 annual meeting.

In the case of new director candidates, the N&CG Committee first determines whether the nominee must be independent under NYSE rules, then identifies any special needs of the Board. The N&CG Committee will consider individuals recommended by Board members, Company management, shareholders and, if it deems appropriate, a professional search firm. Mr. Culp, who was added to the Board in early 2013, was recommended to the N&CG Committee by Mr. Haffner.

The Board of Directors may also consider candidates to fill a vacancy in the Board outside of the annual shareholder meeting process. The N&CG Committee will use the same criteria as are used to evaluate a director nominee to be elected by shareholders. In the event of a vacancy to be filled by the Board, the N&CG Committee will recommend one or more candidates for election and proxies will not be solicited.

The N&CG Committee seeks to identify and recruit the best available candidates. Qualified candidates will be considered without regard to race, color, religion, sex, ancestry, national origin or disability. The N&CG Committee believes director candidates should have the following minimum qualifications:

Character and integrity.

A commitment to the long-term growth and profitability of the Company.

A willingness and ability to make a sufficient time commitment to the affairs of the Company in order to effectively perform the duties of a director, including regular attendance at Board and committee meetings.

Significant business or public experience relevant and beneficial to the Board and the Company.

In addition to the minimum qualifications described above, the N&CG Committee may also consider the following factors in evaluating candidates for recommendation to the Board:

Present and anticipated needs of the Board for particular experience or expertise and whether the candidate would satisfy those needs.

Requirement for the Board to have a majority of independent directors and whether the candidate would be considered independent.

Whether the candidate would be considered an audit committee financial expert or financially literate as described in NYSE listing standards, SEC rules and the Audit Committee charter.

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Accomplishments of each candidate in his or her field.

Outstanding professional and personal reputation.

Relevant experience, including experience at the strategy/policy setting level, high level managerial experience in a complex organization, industry experience, and familiarity with the products and processes used by the Company.

Ability to exercise sound business judgment.

Breadth of knowledge about issues affecting the Company.

Ability and willingness to contribute special competencies to Board activities.

A willingness to assume broad fiduciary responsibility.

Fit with the Company's culture.

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Following the N&CG Committee's initial review of a candidate's qualifications, one or more N&CG Committee members will interview the candidate. The N&CG Committee may arrange subsequent interviews with the Board Chair and/or members of the Company's management. The N&CG Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, for candidates recommended by a shareholder.

Shareholders who wish to recommend candidates for the N&CG Committee's consideration must submit a written recommendation to the Secretary of the Company at No. 1 Leggett Road, Carthage, MO 64836. Recommendations must be sent by certified or registered mail and received by December 15<sup>th</sup> for the N&CG Committee's consideration for the following year's annual meeting of shareholders. Recommendations must include the following:

Shareholder's name, number of shares owned, length of period held, and proof of ownership.

Candidate's name, address, phone number and age.

A resume describing, at a minimum, the candidate's educational background, occupation, employment history, and material outside commitments (memberships on other boards and committees, charitable foundations, etc.).

A supporting statement which describes the shareholder's and candidate's reasons for nomination to the Board of Directors and documents the candidate's ability to satisfy the director qualifications described above.

The candidate's consent to a background investigation.

The candidate's written consent to stand for election if nominated by the Board and to serve if elected by the shareholders.

Any other information that will assist the N&CG Committee in evaluating the candidate in accordance with this procedure.

The Corporate Secretary will promptly forward these materials to the N&CG Committee Chair and the Board Chair. The N&CG Committee may contact recommended candidates to request additional information necessary for its evaluation or for disclosure under applicable SEC rules.

Separate procedures apply if a shareholder wishes to nominate a director candidate for election at a meeting of shareholders. Those procedures, contained in our bylaws, are discussed on page 4.

Although the N&CG Committee does not have a formal policy concerning its consideration of diversity in identifying director nominees, as the foregoing description of the N&CG Committee's procedure for identifying and evaluating director candidates shows, the N&CG Committee develops the Board's diversity by seeking candidates with business and public experience relevant to the Board's current and anticipated needs as well as Leggett's businesses. The N&CG Committee seeks to identify and recruit the best available candidates, without regard to race, color, religion, sex, ancestry, national origin or disability.

## Transactions with Related Persons

According to the Corporate Governance Guidelines, the N&CG Committee reviews and approves or ratifies transactions in which the Company or a subsidiary is a participant, the amount involved exceeds \$120,000, and a related person has a direct or indirect material interest. If the transaction with a related person concerns compensation, the review of the transaction falls to the Compensation Committee.

The Company's executive officers and directors are expected to notify the Company's Corporate Secretary of any current or proposed transaction that may be a related person transaction. The Corporate Secretary will determine if it is a related person transaction and, if so, will include it for consideration at the next meeting of the appropriate Committee. Approval should be obtained in advance of a related person transaction whenever practicable. If it becomes necessary to approve a related person transaction between meetings, the Chair of the appropriate Committee is authorized to act on behalf of the Committee. The Chair will provide a report on the matter to the full Committee at its next meeting.

The full policy for reviewing transactions with related persons, including categories of pre-approved transactions, is found in our Corporate Governance Guidelines (available on Leggett's website at [www.leggett-search.com/governance/corporate-governance-guidelines.asp](http://www.leggett-search.com/governance/corporate-governance-guidelines.asp)).

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Each of the following transactions was approved in accordance with our Corporate Governance Guidelines:

We buy shares of our common stock from our employees from time to time. In 2012 and early 2013, we purchased shares from six of our executive officers: 110,983 shares from David Haffner for a total of \$3,090,852; 130,035 shares from Karl Glassman for \$3,523,688; 40,000 shares from Matthew Flanigan for \$1,057,350; 5,000 shares from Jack Crusa for \$135,925; 57,000 shares from Joseph Downes for \$1,555,090; and 9,167 shares from John Moore for \$209,844. All employees, including executive officers, pay a \$25 administrative fee for each transaction. If the Company agrees to purchase stock before noon, the purchase price is the closing stock price on the prior business day; if the agreement is made after noon, the purchase price is the closing stock price on the day of purchase.

The Company employs certain relatives of its directors and executive officers, but only two had total compensation in excess of the \$120,000 related person transaction threshold: Jason Higdon, Assistant General Counsel, the stepson of Industrial Materials Segment President, Joe Downes, was hired in November 2012 and has an annual salary of \$125,000 with a 20% annual incentive target; and Bren Flanigan, Director of Business Development Industrial Materials, the brother of CFO Matt Flanigan, had total compensation of \$230,249 in 2012 (consisting of salary and annual incentive earned in 2012 and the grant date fair value of equity awards issued in 2012).

## Director Compensation

Our non-employee directors receive an annual retainer, consisting of a mix of cash and restricted stock as set forth below. Our employee directors (Mr. Haffner, Mr. Glassman and Mr. Flanigan) do not receive additional compensation for their Board service. Directors may elect to receive restricted stock units ( *RSUs* ) instead of restricted stock. Electing RSUs enables directors to defer receipt of the shares for 2 to 10 years while accruing dividend equivalents at a 20% discount to market price over the deferral period. The restricted stock and RSUs vest one year after the grant date.

Item

Amount

<b>Cash Compensation</b>	
Director Retainer ( <i>Non-Employee</i> )	\$ 50,000
Audit Committee Retainer	
Chair	18,000
Member	8,000
Compensation Committee Retainer	
Chair	15,000
Member	6,000
N&CG Committee Retainer	
Chair	10,000
Member	5,000
<b>Equity Compensation Restricted Stock or RSUs</b>	
Independent Chair Retainer (including director retainer)	290,000
Director Retainer	125,000

The Compensation Committee reviews director compensation every year and recommends any changes to the full Board for consideration at its May meeting. The Committee considers national survey data and trends but does not target director compensation to any specific percentage of the median. No change was made to the Director's compensation package in 2012.

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Our non-employee directors' 2012 compensation is set forth in the following table. Directors may elect to defer their cash compensation into a cash deferral arrangement, stock options or stock units under the Company's Deferred Compensation Program, described on page 31. We also pay for all travel expenses the directors incur to attend Board meetings.

**Director Compensation in 2012<sup>(1)</sup>**

Director	Fees Earned or Paid in Cash (2)	Stock Awards (3)	Non-Qualified Deferred Compensation Earnings (4)	All Other Compensation (5)	Total
Robert E. Brunner	\$64,000	\$125,000		\$ 7,846	\$196,846
Ralph W. Clark	55,000	125,000	\$6,073	24,094	210,167
R. Ted Enloe, III	65,000	125,000	3,597	20,945	214,542
Richard T. Fisher	69,000	290,000	500	25,044	384,544
Ray A. Griffith <sup>6</sup>	43,500	125,000	3,980	26,797	199,277
Joseph W. McClanathan	69,000	125,000		7,846	201,846
Judy C. Odom	79,000	125,000	4,089	26,233	234,322
Maurice E. Purnell, Jr.	60,000	125,000	1,106	12,269	198,375
Phoebe A. Wood	64,000	125,000	9,137	54,056	252,193

(1) Mr. Culp was elected as a director in January 2013 and received no compensation in 2012.

(2) These amounts include cash compensation deferred into a cash deferral or stock units under our Deferred Compensation Program. Mr. Clark deferred 100% of his cash compensation (\$55,000) into a cash deferral. The following directors



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deferred cash compensation into stock units: Mr. Fisher deferred 20% (\$13,800); Mr. Griffith deferred 100% (\$43,500); Ms. Odom deferred 50% (\$39,500); and Ms. Wood deferred 100% (\$64,000).

- (3) These amounts reflect the grant date fair value of the annual restricted stock or RSU awards, which was \$125,000 for each director except Mr. Fisher, who received a restricted stock award of \$290,000 for his service as the Board Chair. For a description of the assumptions used in calculating the grant date fair value, see Note L of the Company's Annual Report on Form 10-K for the year ending December 31, 2012.
- (4) These amounts include above-market interest accrued on cash deferrals and the 20% discount on dividends paid on stock units acquired under our Deferred Compensation Program and RSUs.
- (5) Items in excess of \$10,000 that are included in the total reported in this column consist of (i) dividends paid on the annual restricted stock or RSU awards and dividends paid on stock units acquired under our Deferred Compensation Program: Mr. Clark \$24,094, Mr. Enloe \$19,554, Mr. Fisher \$20,203, Mr. Griffith \$15,922, Ms. Odom \$16,358, Mr. Purnell \$12,269, and Ms. Wood \$38,056; and (ii) the discount on stock units purchased with deferred cash compensation: Mr. Griffith \$10,875 and Ms. Wood \$16,000.
- (6) Compensation reported for Mr. Griffith reflects a partial year of service, since the Board accepted his resignation as a director on September 25, 2012, at which time the 2012 restricted stock award and accrued dividends were forfeited (\$127,102).

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Seven of our non-employee directors held outstanding stock options as of December 31, 2012 as described in the following table. Options that were granted in lieu of cash compensation under our Deferred Compensation Program are listed separately in the "DC Options" column.

Director	Options	DC Options	Total
Ralph W. Clark	7,110	4,338	11,448
R. Ted Enloe, III	15,218	21,168	36,386
Richard T. Fisher	6,007		6,007
Joseph W. McClanathan	1,454		1,454
Judy C. Odom	6,007	5,076	11,083
Maurice E. Purnell, Jr.	6,007		6,007
Phoebe A. Wood	976		976

Eight of our non-employee directors held unvested stock or stock units as of December 31, 2012 as set forth below. These restricted stock shares and RSUs will vest on May 10, 2013.

Director	Restricted Stock	Restricted Stock Units
Robert E. Brunner	6,007	
Ralph W. Clark		6,277
R. Ted Enloe, III	6,007	
Richard T. Fisher	13,936	
Joseph W. McClanathan	6,007	
Judy C. Odom		6,277

Director	Restricted Stock	Restricted Stock Units
Maurice E. Purnell, Jr.	6,007	
Phoebe A. Wood	6,007	

## 1 PROPOSAL ONE: Election of Directors

At the annual meeting, eleven directors are nominated to hold office until the next annual meeting of shareholders or until their successors are elected and qualified. All the director nominees have been previously elected by our shareholders, except for Robert Culp whom the Board appointed in January 2013. If any nominee named below is unable to serve as a director (an event the Board does not anticipate), the proxy will be voted for a substitute nominee, if any, designated by the Board.

In recommending the slate of director nominees, our Board has chosen individuals of character and integrity, with a commitment to the long-term growth and profitability of the Company. We believe each of the nominees brings significant business or public experience relevant and beneficial to the Board and the Company, as well as a work ethic and disposition that foster the collegiality necessary for the Board and its committees to function efficiently and best represent the interests of our shareholders.

### Robert E. Brunner

Independent Director since 2009

#### Committees:

Audit  
Compensation

Age: 55

#### *Professional Experience:*

Mr. Brunner was the Executive Vice President of Illinois Tool Works (ITW), a diversified manufacturer of advanced industrial technology, from 2006 until his retirement in 2012. He previously served ITW as President Global Auto beginning in 2005 and President North American Auto from 2003.

#### *Education:*

Mr. Brunner holds a degree in finance from the University of Illinois and an MBA from Baldwin-Wallace College.

#### *Public Company Boards:*

Mr. Brunner currently serves as a director of NN, Inc., a global manufacturer of precision bearings and plastic, rubber and metal components.

#### *Director Qualifications:*

Mr. Brunner's experience and leadership with ITW, a diversified manufacturer with a global footprint, provides valuable insight to our Board on operational and international issues.

### Ralph W. Clark

Independent Director since 2000

#### Committees:

Nominating & Corporate Governance

Age: 72

#### *Professional Experience:*

Mr. Clark has held various executive positions at International Business Machines Corporation (IBM) from 1988 until 1994, including Division President General and Public Sector. He also served as Chairman of Frontec AMT Inc., a software company, from 1994 until his retirement in 1998 when the company was sold.

#### *Education:*

Mr. Clark holds a master's degree in economics from the University of Missouri.

*Director Qualifications:*

Through Mr. Clark's career with IBM and Frontec and his current board service with privately-held companies, he has valuable experience in general management, marketing, information technology, finance and strategic planning.

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**Robert G. Culp, III**

Independent Director since 2013

**Committees:**

Audit  
Nominating & Corporate Governance

Age: 66

*Professional Experience:*

Mr. Culp is the co-founder of Culp, Inc., an upholstery and bedding fabrics designer and manufacturer, where he has been the Chairman since 1990 and served as CEO from 1988 to 2007.

*Education:*

Mr. Culp holds a degree in economics from the University of North Carolina - Chapel Hill and an MBA from the Wharton School of the University of Pennsylvania.

*Public Company Boards:*

Mr. Culp is the lead independent director of Old Dominion Freight Line, Inc., a national motor transportation and logistics company, and served as a director of Stanley Furniture Company, Inc., a manufacturer and importer of wooden residential furniture, until 2011.

*Director Qualifications:*

Mr. Culp's experience in the bedding and furniture industries provides valuable insight into a number of the Company's key markets. Through his leadership of Culp, Inc., a publicly-traded company with an international scope, he understands the complexities of the financial and regulatory requirements facing US companies, as well as the challenges and opportunities of developing global operations.

*Professional Experience:*

Mr. Enloe has been Managing General Partner of Balquita Partners, Ltd., a family securities and real estate investment partnership, since 1996. Previously, he served as President and Chief Executive Officer of Optisoft, Inc., a manufacturer of intelligent traffic systems, from 2003 to 2005. His former positions include Vice Chairman of the Board and member of the Office of the Chief Executive for Compaq Computer Corporation and President of Lomas Financial Corporation and Liberte Investors.

*Education:*

Mr. Enloe holds a degree in petroleum engineering from Louisiana Polytechnic University and a law degree from Southern Methodist University.

*Public Company Boards:*

**R. Ted Enloe, III**

Independent Director since 1969

**Committees:**

Compensation, Chair

Age: 74

Mr. Enloe currently serves as a director of Silicon Laboratories Inc., a designer of mixed-signal integrated circuits, and Live Nation, Inc., a venue operator, promoter and producer of live entertainment events.

*Director Qualifications:*

Mr. Enloe's professional background and experience, previously held senior-executive level positions, financial expertise and service on other company boards, qualifies him to serve as a member of our Board of Directors. Further, his wide-ranging experience combined with his intimate knowledge of the Company from over 40 years on the Board provides an exceptional mix of familiarity and objectivity.

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**Richard T. Fisher**

Independent Director since 1972

**Committees:**

Audit  
Compensation  
Executive, Chair  
Nominating & Corporate Governance

Age: 74

*Professional Experience:*

Mr. Fisher has been Managing Director of Oppenheimer & Co., an investment banking firm, since 2002. He served as Managing Director of CIBC World Markets Corp., an investment banking firm, from 1990 to 2002.

*Education:*

Mr. Fisher holds a degree in economics from the Wharton School of the University of Pennsylvania.

*Director Qualifications:*

Mr. Fisher's career in investment banking provides the Board with a unique perspective on the Company's strategic initiatives, financial outlook and investor markets. His valuable business skills and long-term perspective of the Company bolster his leadership as the Company's independent Board Chair. He has served as the independent Board Chair since 2008.

*Professional Experience:*

**Matthew C. Flanigan**

Management Director since 2010

**Committees:**

None

Age: 51

Mr. Flanigan was appointed Executive Vice President and Chief Financial Officer in March 2013. He previously served the Company as Senior Vice President Chief Financial Officer from 2005 to 2013, as Vice President Chief Financial Officer from 2003 to 2005, President of the Office Furniture Components Group from 1999 to 2003, and in various capacities since 1997.

*Education:*

Mr. Flanigan holds a degree in finance and business administration from the University of Missouri.

*Public Company Boards:*

Mr. Flanigan serves as the lead director of Jack Henry & Associates, Inc., a provider of core information processing solutions for financial institutions.

*Director Qualifications:*

As the Company's CFO, Mr. Flanigan adds valuable knowledge of the Company's

finance, risk and compliance functions to the Board. In addition, his prior experience as one of the Company's group presidents provides valuable operations insight.

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**Karl G. Glassman**

Management Director since 2002

**Committees:**

None

Age: 54

*Professional Experience:*

Mr. Glassman was appointed President of the Company in March 2013 and continues to serve as Chief Operating Officer since his appointment in 2006. He previously served the Company as Executive Vice President from 2002 to 2013, President of the Residential Furnishings Segment from 1999 to 2006, Senior Vice President from 1999 to 2002, and in various capacities since 1982.

*Education:*

Mr. Glassman holds a degree in business management and finance from California State University Long Beach.

*Director Qualifications:*

With over two decades experience leading the Company's largest segment and serving as its Chief Operating Officer, Mr. Glassman provides in-depth operational knowledge to the Board and is a key interface between the Board's oversight and strategic planning and its implementation at all levels of the Company around the world. Mr. Glassman also serves on the Board of Directors of the National Association of Manufacturers.

**David S. Haffner**

Management Director since 1995

**Committees:**

Executive

Age: 60

*Professional Experience:*

Mr. Haffner was appointed Chief Executive Officer of the Company in 2006. He previously served the Company as President from 2002 to 2013, Chief Operating Officer from 1999 to 2006, Executive Vice President from 1995 to 2002, and in various capacities since 1983.

*Education:*

Mr. Haffner holds a degree in engineering from the University of Missouri and an MBA from the University of Wisconsin Oshkosh.

*Public Company Boards:*

Mr. Haffner serves as a director of Bemis Company, Inc., a manufacturer of flexible packaging and pressure sensitive materials.

*Director Qualifications:*

As the Company's CEO, Mr. Haffner provides comprehensive insight to the Board across the spectrum from strategic planning to implementation to execution and reporting, as well as its relationships with investors, the finance community and other key stakeholders.

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**Joseph W. McClanathan**

Independent Director since 2005

**Committees:**

Audit  
Compensation  
Nominating & Corporate Governance

Age: 60

*Professional Experience:*

Mr. McClanathan served as President and Chief Executive Officer of the Energizer Household Products Division of Energizer Holdings, Inc., a manufacturer of portable power solutions, from 2007 through his retirement in 2012. Previously, he served Energizer as President and Chief Executive Officer of the Energizer Battery Division from 2004 to 2007, as President North America from 2002 to 2004, and as Vice President North America from 2000 to 2002.

*Education:*

Mr. McClanathan holds a degree in management from Arizona State University.

*Director Qualifications:*

Through his leadership experience at Energizer and as a director of the Retail Industry Leaders Association, Mr. McClanathan offers an exceptional perspective to the Board on manufacturing operations, marketing and development of international capabilities.

**Judy C. Odom**

Independent Director since 2002

**Committees:**

Audit, Chair  
Compensation  
Nominating & Corporate Governance

Age: 60

*Professional Experience:*

Until her retirement in 2002, Ms. Odom was Chief Executive Officer and Chairman of the Board at Software Spectrum, Inc., a global business to business software services company, which she co-founded in 1983. Prior to founding Software Spectrum, she was a partner with the international accounting firm, Grant Thornton.

*Education:*

Ms. Odom is a licensed Certified Public Accountant and holds a degree in business administration from Texas Tech University.

*Public Company Boards:*

Ms. Odom is a director of Harte-Hanks, a direct marketing service company.

*Director Qualifications:*

Ms. Odom's director experience with several companies offers a broad leadership perspective on strategic and operating issues. Her experience co-founding Software Spectrum and growing it to a global Fortune 1000 enterprise before selling it to another public company provides the insight of a long-serving CEO with international operating experience.

**Phoebe A. Wood**

Independent Director since 2005

**Committees:**

Audit

*Professional Experience:*

Ms. Wood has been a principal in CompaniesWood, a consulting firm specializing in early stage investments, since her 2008 retirement as Vice Chairman and

Compensation  
Age: 59

Chief Financial Officer of Brown-Forman Corporation, a diversified consumer products manufacturer, where she had served since 2001. Ms. Wood previously held various positions at Atlantic Richfield Company, an oil and gas company, from 1976 to 2000.

*Education:*

Ms. Wood holds a degree in psychology from Smith College and an MBA from UCLA.

*Public Company Boards:*

Ms. Wood is a director of Invesco, Ltd., an independent global investment manager, and Coca-Cola Enterprises, Inc., a major bottler and distributor of Coca-Cola products.

*Director Qualifications:*

From her career in business and various directorships, Ms. Wood provides the Board with a wealth of understanding of the strategic, financial and accounting issues the Board faces in its oversight role.

**2 PROPOSAL TWO: Ratification of Selection of Independent Registered Public Accounting Firm**

The Audit Committee has selected PricewaterhouseCoopers LLP ( *PwC* ) as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2013. PwC (or its predecessor firm) has been our independent registered public accounting firm since 1991.

We are asking our shareholders to ratify the Audit Committee s selection of PwC as our independent registered public accounting firm. Although ratification is not required by the Company s bylaws or otherwise, the Board is submitting the selection of PwC to our shareholders for ratification as a matter of good corporate practice. If our shareholders fail to ratify the selection, it will be considered a direction to the Audit Committee to consider a different firm. Even if this selection is ratified, 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 is in the best interest of the Company and our shareholders.

PwC representatives are expected to be present at the annual meeting. They will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate shareholder questions.

**The Board recommends that you vote *FOR* the ratification of PwC as independent registered public accounting firm.**

**Audit and Non-Audit Fees**

The fees billed or expected to be billed by PwC for professional services rendered in fiscal years 2012 and 2011 are shown below.

Type of Service	2012	2011
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Type of Service	2012	2011
Audit Fees <sup>(1)</sup>	\$ 1,896,283	\$ 1,615,898
Audit-Related Fees <sup>(2)</sup>	23,963	0
Tax Fees <sup>(3)</sup>	395,173	574,114
All Other Fees <sup>(4)</sup>	2,600	0
<b>Total</b>	<b>\$ 2,318,019</b>	<b>\$ 2,190,012</b>

- (1) Includes rendering an opinion on the Company's consolidated financial statements and the effectiveness of internal control over financial reporting; quarterly reviews of our financial statements; statutory audits as required; comfort and debt covenant letters; and services in connection with securities regulatory filings.
- (2) Includes consulting on accounting and financial reporting issues; limited procedures reports related to agreements or arbitrations; continuing professional education; audits of employee benefit plans and subsidiaries; and due diligence and audit procedures related to acquisitions and joint ventures.
- (3) Includes preparation and review of tax returns and tax filings; tax consulting and advice related to compliance with tax laws; tax planning strategies; and tax due diligence related to acquisitions and joint ventures. Of the tax fees listed above in 2012, \$174,868 relate to compliance services and \$220,305 relate to consulting and planning services.
- (4) Includes use of an internet-based accounting research tool provided by PwC.

The Audit Committee has determined that the provision of these approved non-audit services by PwC is compatible with maintaining PwC's independence.

### Pre-Approval Procedures for Audit and Non-Audit Services

The Audit Committee is responsible for the appointment and compensation of the Company's independent registered public accounting firm. To fulfill this responsibility, the Audit Committee has established a procedure for pre-approving the services performed by the Company's auditors. All services provided by PwC in 2012 were approved in accordance with the adopted procedures. There were no services provided or fees paid in 2012 for which the pre-approval requirement was waived.

The procedure provides standing pre-approval for:

**Audit Services:** rendering an opinion on the Company's financial statements and the effectiveness of internal control over financial reporting; quarterly reviews of the Company's financial statements; statutory audits as required; comfort and debt covenant letters; and services in connection with regulatory filings.

**Audit-Related Services:** consultation on new or proposed transactions, statutory requirements, or accounting principles; reports related to contracts, agreements, arbitration, or government filings; continuing professional education; audits of employee benefit plans and subsidiaries; and due diligence and audits related to acquisitions and joint ventures.

**Tax Services:** preparation and review of Company and related entity income, sales, payroll, property, and other tax returns and tax filings and permissible tax audit assistance; preparation or review of expatriate and similar employee tax returns and tax filings; tax consulting and advice related to compliance with applicable tax laws; tax planning strategies and implementation; and tax due diligence related to acquisitions and joint ventures.



Any other audit, audit-related, or tax services provided by the Company's auditors require specific Audit Committee pre-approval. The Audit Committee must also specifically approve in advance all permissible non-audit internal control related services to be performed by the Company's auditors. Management provides quarterly reports to the Audit Committee concerning any fees paid to the auditors for their services.

## Audit Committee Report

The Audit Committee is composed of six non-management directors who are independent as required by SEC and NYSE rules. The Audit Committee operates under a written charter adopted by the Board which is posted on the Company's website at [www.leggett-search.com/governance](http://www.leggett-search.com/governance).

Management is responsible for the Company's financial statements and financial reporting process, including the system of internal controls. PwC, our independent registered public accounting firm is responsible for expressing an opinion on the conformity of the audited consolidated financial statements with generally accepted accounting principles. The Audit Committee is responsible for monitoring, overseeing and evaluating these processes, providing recommendations to the Board regarding the independence of and risk assessment procedures used by our independent registered public accounting firm, selecting and retaining our independent registered public accounting firm, and overseeing compliance with various laws and regulations.

At its meetings, the Audit Committee reviewed and discussed the Company's audited financial statements with management and PwC. The Audit Committee also discussed with PwC all items required by AICPA Professional Auditing Standards Section 380 The Auditor's Communication with Those Charged with Governance.

The Audit Committee received the written disclosures and letter from PwC required by applicable requirements of the Public Company Accounting Oversight Board regarding PwC's communications with the Audit Committee concerning independence and has discussed PwC's independence with them.

The Audit Committee has relied on management's representation that the financial statements have been prepared in conformity with generally accepted accounting principles and on the opinion of PwC included in their report on the Company's financial statements.

Based on the review and discussions with management and PwC referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's 2012 Annual Report on Form 10-K.

Judy C. Odom (Chair)  
Robert E. Brunner  
Robert G. Culp, III  
Richard T. Fisher  
Joseph W. McClanathan  
Phoebe A. Wood

### **3 PROPOSAL THREE: Advisory Vote to Approve Named Executive Officer Compensation**

Leggett's shareholders have the opportunity at the annual meeting to vote on an advisory resolution on our executive compensation package, commonly known as "Say-on-Pay," to approve the compensation of Leggett's named executive officers, as described in the "Executive Compensation" section beginning on page 23.

Because your vote is advisory, it will not be binding upon the Board; however, the Compensation Committee and the Board has considered and will continue to consider the outcome of the vote when making decisions for future executive compensation arrangements. At our 2011 and 2012 annual meetings, over 90% of the shareholders who voted on the Say-on-Pay proposal approved the compensation of our named executive officers.

Our Compensation Committee is committed to creating an executive compensation program that enables us to attract and retain a superior management team that has targeted incentives to build long-term value for our shareholders. The Company's compensation package utilizes a mixture of cash and equity awards to align executive compensation with our annual and long-term performance. These programs reflect the Committee's philosophy that executive compensation should provide greater rewards for superior performance, as well as accountability for underperformance. At the same time, we believe our programs do not encourage excessive risk-taking by management. The Board believes that our philosophy and practices have resulted in executive compensation decisions that are appropriate and that have benefited the Company over time.

For these reasons, the Board requests our shareholders approve the compensation paid to the Company's named executive officers as described in this proxy statement pursuant to SEC disclosure rules, including the Compensation Discussion and Analysis, the executive compensation tables and the related footnotes and narrative accompanying the tables.

**The Board recommends that you vote *FOR* the Company's executive compensation package.**

**4 PROPOSAL FOUR: Shareholder Proposal Requesting the Addition of Sexual Orientation and Gender Identity to the Company's Written Non-Discrimination Policy**

The Office of the Comptroller of New York City, as custodian and a trustee of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund and the New York City Fire Department Pension Fund, and as custodian of the New York City Board of Education Retirement System, has notified us of its intent to present the following proposal for consideration at the annual meeting. The addresses and number of shares held by such shareholders are available from the Company upon request to its Secretary.

The proposed resolution and supporting shareholder statement are followed by a statement of opposition and a recommendation from the Company's Board. The Company accepts no responsibility for the proposed shareholder resolution and supporting statement.

**Proposed Shareholder Resolution and Statement**

Whereas: Leggett & Platt, Incorporated does not explicitly prohibit discrimination based on sexual orientation and gender identity in its written employment policy;

Over 88% of the Fortune 500 companies have adopted written nondiscrimination policies prohibiting harassment and discrimination on the basis of sexual orientation, as have more than 98% of Fortune 100 companies, according to the Human Rights Campaign; over 30% now prohibit discrimination based on gender identity;

We believe that corporations that prohibit discrimination on the basis of sexual orientation and gender identity have a competitive advantage in recruiting and retaining employees from the widest talent pool;

According to a June, 2008 survey by Harris Interactive and Witeck-Combs, 65% of gay and lesbian workers in the United States reported facing some form of job discrimination related to sexual orientation; an earlier survey found that almost one out of every 10 gay or lesbian adults also reported that they had been fired or dismissed unfairly from a previous job, or pressured to quit a job because of their sexual orientation;

Twenty states, the District of Columbia and more than 160 cities and counties, have laws prohibiting employment discrimination based on sexual orientation; 12 states and the District of Columbia have laws prohibiting employment discrimination based on sexual orientation and gender identity;

Minneapolis, San Francisco, Seattle and Los Angeles have adopted legislation restricting business with companies that do not guarantee equal treatment for gay and lesbian employees;

Our company has operations in, and makes sales to institutions in states and cities that prohibit discrimination on the basis of sexual orientation;

National public opinion polls consistently find more than three quarters of the American people support equal rights in the workplace for gay men, lesbians and bisexuals; for example, in a Gallup poll conducted in May, 2007, 89% of respondents favored equal opportunity in employment for gays and lesbians;

Resolved: The Shareholders request that Leggett & Platt, Incorporated amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity or expression and to substantially implement the policy.

Supporting Statement: Employment discrimination on the basis of sexual orientation and gender identity diminishes employee morale and productivity. Because state and local laws are inconsistent with respect to employment discrimination, our company would benefit from a consistent, corporate wide policy to enhance efforts to prevent discrimination, resolve complaints internally, and ensure a respectful and supportive atmosphere for all employees. Leggett & Platt, Inc. will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees.

### **Company s Statement in Opposition:**

We believe the proposed resolution is unnecessary because Leggett is already an equal opportunity employer with a firm and long-standing commitment to preventing discrimination in the workplace. Leggett s existing anti-discrimination policy states, Leggett & Platt, Incorporated is committed to equal opportunity and bases workplace decisions solely on the skills and abilities of our applicants and employees. These principles of equal opportunity should be applied in all aspects of employment including: recruiting, hiring, promotion, training, compensation, termination, layoff, transfer, disciplinary actions, and other terms, conditions or privileges of employment.

We are committed to the highest ethical standards, which include assuring equal employment and promotion opportunities *free of discrimination on any basis* other than merit and performance-related qualifications. Our policies reflect our high standards, and we implement these policies in our business operations through ongoing training.

We believe our written policies should specifically list only those types of discrimination prohibited by federal law. Singling out employees by sexual orientation or gender identity (or any other classification not mandated by federal law) would, in our view, dilute our policy of prohibiting discrimination in any form and divert attention from our primary goal of a completely non-discriminatory workplace. We also believe the addition of sexual orientation and gender identity to the list would result in increased costs by encouraging frivolous lawsuits.

Leggett s shareholders defeated similar proposals at the Company s last seven annual meetings. We believe this consistent rejection by shareholders sends a clear message to our Board that Leggett should oppose this unnecessary addition to our nondiscrimination policy.

**The Board of Directors recommends that you vote *AGAINST* this shareholder proposal.**

### **Discretionary Vote on Other Matters**

We are not aware of any business to be acted upon at the annual meeting other than the four items described in this proxy statement. Your signed proxy, however, will entitle the persons named as proxy holders to vote in their discretion if another matter is properly presented at the meeting. If one of the director nominees is not available as a candidate for director, the proxy holders will vote your proxy for such other candidate as the Board may nominate.

## Compensation Discussion & Analysis

Our Compensation Committee, consisting of six independent directors, is committed to creating and overseeing an executive compensation program that enables us to attract and retain a superior management team that has targeted incentives to build long-term value for our shareholders. To meet these objectives, the Committee has implemented a compensation package that:

Emphasizes performance-based equity over cash compensation.

Sets incentive compensation targets intended to drive performance and shareholder value.

Balances rewards between short-term and long-term performance to help foster sustained excellence.

Motivates our executive officers to take appropriate business risks.

This Compensation Discussion and Analysis describes our executive compensation program and the decisions affecting the compensation of our Named Executive Officers (the *NEOs*):

David S. Haffner	Chief Executive Officer (CEO)
Karl G. Glassman	President and Chief Operating Officer (COO)
Matthew C. Flanigan	Executive VP and Chief Financial Officer (CFO)
Joseph D. Downes, Jr.	Senior VP, President Industrial Materials Segment
Dennis S. Park	Senior VP, President Commercial Fixturing & Components Segment

### Executive Summary

2012 was the fifth consecutive year Leggett stock provided a better return to investors (24% Total Shareholder Return or *TSR*) than the S&P 500 Index (16%). Leggett's cumulative TSR over the 5-year period (2008-2012) was 104%, compared to 9% for the S&P 500 Index. These results align with the largest component of our executive compensation package, performance stock units (*PSUs*), which pay out based upon our TSR relative to certain peer companies over rolling 3-year periods. Our executives' annual incentive payouts also tracked the Company's success in 2012, based upon the financial metrics of \$348 million cash flow (versus a target of \$252 million) and 33% return on capital employed (versus a target of 29%).<sup>3</sup>

This section provides an overview of the Committee's key actions in 2012, the size and structure of our NEOs' total direct compensation for the year, and the Committee's pay practices and compensation risk management. Additional details regarding the NEOs' pay packages, the Committee's annual review of the executive officers' compensation, and our equity pay practices are covered in the sections that follow.

- (1)  $TSR = (\text{Change in Stock Price} + \text{Dividends}) \div \text{Beginning Stock Price}$ ; assumes dividends are reinvested.
- (2) The peer group for our PSUs consists of those companies in the industrial, materials and consumer discretionary sectors of the S&P 500 and S&P Midcap 400 (about 320 companies).
- (3) The calculations for cash flow and return on capital employed (ROCE) are described on page 27.

**Significant Developments.** In 2012 and early 2013, the Compensation Committee:

Renewed the employment agreements with our senior leadership team (CEO, COO and CFO) to ensure continuity in executing Leggett's strategy through 2017.

Eliminated the excise tax gross-up from executive severance arrangements.

Adopted a nineteen-company peer group to supplement survey data used for benchmarking executive compensation.

Approved the Profitable Growth Incentive ( PGI ) plan that will replace annual option grants for our executives and senior managers in 2013. The PGI is a performance-based equity program with payouts based on revenue growth and EBITDA margin over a 2-year performance period.

**Total Direct Compensation.** The Committee approved the following compensation for the NEOs in 2012:

Name, Title	Cash		Equity		Total Direct Compensation
	Base Salary	Annual Incentive	PSUs	Options	
David S. Haffner, CEO	\$995,000	\$1,385,339	\$2,869,074	\$588,430	\$5,837,843
Karl G. Glassman, COO	745,000	807,394	1,564,787	441,294	3,558,475
Mathew C. Flanigan, CFO	441,000	415,069	798,749	214,554	1,869,372
Joseph D. Downes, Jr., SVP	329,000	171,245	521,596	163,459	1,185,300
Dennis S. Park, SVP	328,000	241,736	417,515	163,459	1,150,710

This table is not a substitute for the Summary Compensation Table (see page 37), but we believe it provides a relevant picture of the Committee's actions. The Annual Incentive amounts report the award actually earned, based on 2012 performance against the targets established by the Committee. Amounts reported for PSUs and stock options are valued at the grant date fair value of the award, although the ultimate value received by the NEOs could be significantly lower or higher depending upon the Company's performance.

**Structuring the Mix of Compensation.** The Committee uses its discretion to determine the appropriate percentage of variable to fixed compensation, as well as the split between cash and equity compensation. The ultimate payment and value of the variable elements of their compensation depends on actual performance and could result in no payout if those conditions are not met. The following table shows the key attributes of the 2012 compensation programs used to drive performance and build long-term shareholder value:

Compensation Type	Fixed/Variable	Cash/Equity	Term	Basis for Payment
Base Salary	Fixed	Cash	1 year	Individual responsibilities, performance and experience
Annual Incentive	Variable	Cash	1 year	Return on capital employed, cash flow, individual performance goals
Performance Stock Units	Variable	Combination	3 years	TSR relative to peer group
Stock Options	Variable	Equity	3-10 years	Stock price appreciation

**2012 Compensation Components**  
(Average of all NEOs)

**2012 Cash-to-Equity Ratio**  
(Average of all NEOs)

**2012 Variable-to-Fixed Ratio**  
(Average of all NEOs)

**Sound Pay Practices.** Shaping the NEOs' 2012 compensation packages were the Company's existing compensation practices, including:

Strong emphasis on equity-based compensation to align executive and shareholder interests.

Internal pay relationships that reflect our executives' differences in responsibilities, contributions and market conditions.

Stock ownership requirements at five times, three times or two times base salary, depending upon the executive's title and responsibilities.

Use of tally sheets to gauge the total compensation package and potential severance payouts, as well as wealth accumulation analysis to monitor long-term alignment with shareholders.

Comparison of base salary and total compensation to market survey data and customized peer group for benchmarking.

Regular analysis of the full compensation program and its components to ensure they do not create an incentive for excessive risk-taking.

Clawback policies to recover cash and equity-based incentive compensation in the event of a financial restatement or if the executive engages in activities adverse to the interests of the Company.

Double-trigger vesting of all incentive awards (other than stock options) following a change-in-control.

No re-pricing or cash buyouts of options or equity awards without shareholder approval.

Minimal perquisite compensation and no tax gross-ups.

**Additional Investment in Leggett Stock.** In addition to having pay packages that are heavily weighted to Leggett equity, for many years our NEOs have voluntarily deferred substantial portions of their cash compensation into Company stock through the Executive Stock Unit Program (the *ESU Program*) and the Deferred Compensation Program. Through participation in these programs, particularly the ESU Program in which company equity is held until the executive leaves the Company, our NEOs are further invested in the long-term success of the Company.

**Managing Compensation Risk.** The Committee annually reviews whether our executive compensation policies and practices (as well as those that apply to our employees generally) are reasonable and appropriate and/or create risks that are reasonably likely to have a material adverse effect on the Company.

We believe that our compensation programs align our employees' incentives for risk taking with the long-term best interests of our shareholders. We mitigate risk by allocating incentive compensation across multiple components. This structure reduces the incentive to take excessive risk because it:

Rewards achievement on a balanced array of performance measures, minimizing undue focus on any single target.

Stresses long-term performance, discouraging short-term actions that might endanger long-term value.

Combines absolute and relative performance measures.

Additional safeguards, such as stock ownership guidelines, caps on incentive payouts and clawback policies, further balance risk and reward.

**Impact of 2012 Say-on-Pay Vote.** At our annual meeting of shareholders held on May 10, 2012, 91% of the shareholders who voted on the Say-on-Pay proposal approved the compensation of our NEOs. The Committee believes that this shareholder vote strongly endorses the Company's compensation philosophy and programs. The Committee took this support into account as one of many factors it considered in connection with the discharge of its responsibilities (as described in this Compensation Discussion and Analysis) in exercising its judgment in establishing and overseeing our executive compensation arrangements throughout the year.

## Our Compensation Components and Programs

**Base Salary.** Base salary is the only fixed portion of our NEOs' compensation package. Salary levels are intended to reflect specific responsibilities, performance, and experience, while taking into account market compensation levels for comparable positions. Although base salary makes up less than one-fourth of our NEOs' total direct compensation, it's the foundation for the total package, since the variable compensation components are set as percentages or multiples of base salary:

Name	Base Salary	Annual Incentive: Target Percentage of Base Salary	PSU Awards: Multiple of Base Salary (1)	Option Awards: Multiple of Base Salary (1)
David S. Haffner	\$995,000	100%	2.75X	3.0X
Karl G. Glassman	745,000	75%	2.0X	3.0X
Matthew C. Flanigan	441,000	65%	1.75X	2.5X
Joseph D. Downes, Jr.	329,000	50%	1.5X	2.5X
Dennis S. Park	328,000	50%	1.2X	2.5X

(1) The methods for valuing and calculating the PSU and option awards are described in the Equity Awards section on page 30.

The Committee reviews and determines the NEOs' base salaries (along with the rest of their compensation package) during the annual review, which is discussed on page 33.

**Annual Incentive.** Our NEOs earn their annual incentive, a cash bonus paid under our Key Officers Incentive Plan (the *Incentive Plan*), based on achieving certain performance targets for the year.

Our executive officers are divided into two groups under the Incentive Plan depending upon their areas of responsibility: (i) corporate participants (Mr. Haffner, Mr. Glassman and Mr. Flanigan), whose performance criteria and payouts are based on the Company's overall results, and (ii) profit center participants (Mr. Downes and Mr. Park) whose performance targets are set for the operating locations under their control. The NEOs also have individual performance goals (*IPGs*) as part of their annual incentive.

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Each executive officer has a target incentive amount the amount received if he achieved exactly 100% of all performance goals. The target incentive amount is the officer's base salary multiplied by his target incentive percentage. At the end of the year, the target incentive amount is multiplied by the payout percentages for the various performance metrics (each with its own weighting) to determine the annual incentive payout. The annual incentive payout is calculated as follows and more fully described below:

*Performance Metrics.* For the 2012 annual incentive, the Committee selected two performance metrics for corporate participants and two for profit center participants, in addition to the IPGs:

Performance Measures	Relative Weight
Return on Capital Employed <sup>(1)</sup>	60%
Cash Flow <sup>(2)</sup>	20%
Individual Performance Goals	20%

(1) Return on Capital Employed (ROCE) = Earnings Before Interest and Taxes (EBIT) ÷ quarterly average of Net Plant Property and Equipment (PP&E) and Working Capital (excluding cash and current maturities of long-term debt)

(2) For corporate participants (Haffner, Glassman and Flanigan): Cash Flow = Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) - Capital Expenditures +/- Change in Working Capital (excluding cash and current maturities of long-term debt) +/- Gain or Loss from Non-Cash Impairments

For profit center participants (Downes and Park): Free Cash Flow = EBITDA (adjusted for currency effects) - Capital Expenditures +/- Change in Working Capital (excluding cash, current maturities of long-term debt, and balance sheet items not directly related to on-going activities) +/- Gain or Loss from Non-Cash Impairments

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The Committee chose ROCE as the primary incentive target to improve earnings and maximize returns on key assets while reducing inventory, increasing production and managing working capital. In addition, studies have shown a high correlation between return on capital metrics and TSR, a key feature of the Company's strategic plan. The annual incentive is also based upon cash flow, which is critical to fund the Company's dividend, capital expenditures and ongoing operations. Profit center participants are also subject to an adjustment ranging from a potential 5% increase for exceptional safety performance to a 20% deduction for their operations' failure to achieve safety, audit and environmental standards.

*Individual Performance Goals.* In addition to the financial metrics described above, the annual incentive includes IPGs that are tailored to each executive's responsibilities and aligned with the Company's strategic goals.

The executive officers proposed goals for their respective operations, which were reviewed by Mr. Haffner. The Committee then evaluated the proposals and worked with Mr. Haffner to develop his IPGs. The 2012 IPGs covered the following areas of responsibility:

Name	Individual Performance Goals
David S. Haffner	Margin enhancement, strategic direction for profitable growth, profitability of targeted business groups, succession planning
Karl G. Glassman	Margin enhancement, revenue growth, increase on-site reviews of operations, remediation of internal audit findings



Name	Individual Performance Goals
Matthew C. Flanigan	Working capital management, upgrade of financial systems, cash repatriation, succession planning, continuous improvement projects
Joseph D. Downes, Jr.	Segment revenue growth, profitability of targeted businesses, utilization and efficiency
Dennis S. Park	Growth of targeted businesses, product development, sales and operations planning initiatives

The Committee evaluated the executives' achievement of the 2012 IPGs at its February 2013 meeting, using the 1 to 5 performance scale detailed in the tables below. The IPGs' subjective nature causes them not to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code. The Committee believes the relatively small cost to the Company of any lost tax deduction under 162(m) is outweighed by the strategic and long-term impact of this portion of the annual incentive. Mr. Haffner and Mr. Glassman were the only executive officers with any non-deductible incentive compensation in 2012.

*Targets and Payout Schedules.* Upon selecting the metrics and IPGs, the Committee established performance achievement targets and payout schedules. In setting the payout schedules, the Committee evaluated various payout scenarios before selecting one that strikes an appropriate balance between accountability to shareholders and motivation for participants. The payouts for each portion of the annual incentive are capped at 150%. The NEOs' receipt of their annual incentive ultimately depends upon how well they perform against the targets.

**2012 Corporate Payout Schedule**

ROCE (1)		Cash Flow (1) (millions)		Individual Performance Goals (1-5 scale)
Achievement	Payout	Achievement	Payout	Achievement
<25%	0%	<\$226	0%	1 Did not achieve goal
25%	50%	226	50%	2 Partially achieved goal
27%	75%	238.5	75%	3 Substantially achieved goal
29%	100%	251	100%	4 Fully achieved goal
31%	125%	263.5	125%	5 Significantly exceeded goal
33%	150%	276	150%	

**2012 Profit Center Payout Schedule**

Free Cash Flow & ROCE (Relative to Target)		Individual Performance Goals (1-5 scale)	
Achievement (2)	Payout	Achievement	Payout
<80%	0%	1 Did not achieve goal	0%
80%	60%	2 Partially achieved goal	50%
90%	80%	3 Substantially achieved goal	75%
100%	100%	4 Fully achieved goal	100%
110%	120%	5 Significantly exceeded goal	up to 150%
120%	140%		
125%	150%		

- (1) The 2012 results for corporate participants (Mr. Haffner, Mr. Glassman and Mr. Flanigan) were 33.2% ROCE (resulting in a 150% payout) and \$348 million of cash flow (resulting in a 150% payout).
- (2) As a profit center participant, Mr. Downes' target for a 100% payout on the free cash flow for his segment was \$59.0 million (\$66.2 million actual in 2012), and the target for a 100% payout on ROCE achievement was 30.6% (31.4% actual). Mr. Park's free cash flow target was \$53.8 million (\$75.7 million actual), and his ROCE target was 19.2% (25.4% actual).

The following table provides the details of the 2012 annual incentive payouts for our NEOs:

Name	Target Incentive Amount		Weighted Payout Percentage		Annual Incentive Payout
<b>David S. Haffner</b>	<b>\$970,125</b>	<b>x</b>	<b>142.8%</b>	<b>=</b>	<b>\$ 1,385,339</b>
	<i>Target Salary%</i>		<i>Payout Metric</i>	<i>x Weight</i>	
	\$995,000	70.5% <sup>(1)</sup>	ROCE	60%	
			Cash Flow	20%	
			IPG	20%	
<b>Karl G. Glassman</b>	<b>\$558,750</b>	<b>x</b>	<b>144.5%</b>	<b>=</b>	<b>\$ 807,394</b>
	<i>Target Salary%</i>		<i>Payout Metric</i>	<i>x Weight</i>	
	\$745,000	75%	ROCE	60%	
			Cash Flow	20%	
			IPG	20%	
<b>Matthew C. Flanigan</b>	<b>\$286,650</b>	<b>x</b>	<b>144.8%</b>	<b>=</b>	<b>\$ 415,069</b>
	<i>Target Salary%</i>		<i>Payout Metric</i>	<i>x Weight</i>	

Name	Target Incentive Amount	Weighted Payout Percentage	Annual Incentive Payout
	\$441,000	ROCE 60%	
		Cash Flow 20%	
		IPG 20%	
<b>Joseph D. Downes, Jr.</b>	<b>\$164,500</b> x	<b>104.1%</b>	<b>= \$ 171,245</b>
	<i>Target Salary%</i>	<i>Payout Metric</i> x <i>Weight</i>	
	\$329,000	ROCE 60%	
		FCF 24%	
		IPG 20%	
		-2% Compliance Adjustment	
<b>Dennis S. Park</b>	<b>\$164,000</b> x	<b>147.4%</b>	<b>= \$ 241,736</b>
	<i>Target Salary%</i>	<i>Payout Metric</i> x <i>Weight</i>	
	\$328,000	ROCE 60%	
		FCF 50%	
		IPG 20%	
		1% Compliance Adjustment	

- (1) Target percentages are prorated to reflect increases approved by the Compensation Committee at the annual executive compensation review in March. Mr. Haffner's target percentage was increased from 90% to 100%.

**Equity Awards.** In 2012, we granted performance stock units ( *PSUs* ) to our senior managers and stock options to a broad group of employees, including senior managers. The PSUs and stock options tie our executive officers' pay to the Company's performance and shareholder returns. The payouts from these equity grants reflect our philosophy that executive compensation should provide greater rewards for superior performance, as well as accountability for underperformance. The application of our PSU and stock option multiples of salary resulted in a target long-term incentive opportunity weighted 83% on PSUs and 17% on stock options for Mr. Haffner and an average of 77% PSUs and 23% stock options for the remaining NEOs.

**Performance Stock Units.** Leggett's long-term strategic plan emphasizes the Company's Total Shareholder Return ( *TSR* ) performance versus peer companies. The Committee grants PSUs to a small group of senior management, including the NEOs, to drive and reward those results. The PSU grants are set by multiplying the executive's base salary by the PSU award multiple (see table on page 26). The PSU award multiples are set by the Committee with the intent to place our long-term incentive compensation near the market median.

The PSUs have a three-year performance period, and the payout is based on Leggett's three-year TSR relative to the TSR of all the companies in the industrial, materials and consumer discretionary sectors of the S&P 500 and S&P Midcap 400 (about 320 companies). Although Leggett is a member of the S&P 500, our market capitalization is significantly below that group's median, so the Committee included the S&P Midcap 400 in the group as well. In addition, nearly all of our business units fall into these industry sectors. At the end of the three-year performance period, a percentage of each officer's PSU base award is payable depending on Leggett's TSR rank within the group.

**PSU Payout Schedule  
(based on Peer Group TSR)**

Performance Level	Percentile Payout	
	Rank	%
Threshold	25th	25%
Target	50th	75%
Maximum	>75th	175%

The PSU awards granted in January 2010 vested on December 31, 2012. Leggett's TSR for that three-year period was in the 54th percentile of the peer group, resulting in a payout of 91% of the base award. Our TSR ranks in the 64th percentile for the 2011 PSU awards with one year remaining in the performance period, and our TSR for the 2012 PSU awards ranks in the 62nd percentile with two years remaining. The PSUs are paid out 35% in cash and 65% in Company stock.

**Stock Options.** In 2012 and prior years, the Committee used options to align shareholder and executive wealth, since an option's value is contingent on and directly proportional to increases in the Company's stock price over an extended vesting period and option term. Option grants will be replaced in 2013 with the Profitable Growth Incentive mentioned above, as the Committee aims to strengthen the link between the executives' pay and achieving the Company's revenue and profitability goals.

In 2012, the number of options granted to each executive was determined based on an award value as a multiple of base salary (3X for our CEO and COO; 2.5X for the other NEOs). The option multiple for each executive position has remained constant for several years and reflects the levels of management responsibility. Our options have a 10-year term and vest in three annual installments beginning 18 months after the grant date.

**Other Compensation Programs.** The NEOs have voluntarily deferred substantial portions of their cash compensation into Company equity through the ESU Program and the Deferred Compensation Program for many years, building an additional long-term stake in the Company. The Company also provides a 401(k) and non-qualified excess plan in which some of our executives choose to participate.

**Executive Stock Unit Program.** All our NEOs have significant holdings in the ESU Program, our primary executive retirement plan. These accounts are held until the executives terminate employment.

The ESU Program is a non-qualified retirement program that allows executives to make pre-tax deferrals of up to 10% of their compensation into diversified investments. We match 50% of the executive's contribution in Company stock units and may match up to an additional 50% if the Company meets annual ROCE targets linked to the Incentive Plan. The Company makes an additional 17.6% contribution to the diversified investments acquired with executive contributions and to Leggett stock units acquired with Company matching funds. Matching contributions vest once employees have participated in the ESU Program for five years. Leggett stock units held in the ESU Program accrue dividends, which are used to acquire additional stock units at a 15% discount.

**Deferred Compensation Program.** The Deferred Compensation Program allows key managers to defer salary, incentive awards and other cash compensation in exchange for any combination of the following:

Stock units with dividend equivalents, acquired at a 20% discount to the fair market value of our common stock on the dates the compensation or dividends otherwise would have been paid.

At-market stock options with the underlying shares of common stock having an initial market value five times the amount of compensation forgone, with an exercise price equal to the closing market price of our common stock on the last business day of the prior year.

Cash deferrals with an interest rate intended to be slightly higher than otherwise available for comparable investments.

Participants who elect a cash or stock unit deferral may elect to receive distributions in a lump sum or in annual installments. Distribution payouts must begin no more than 10 years from the effective date of the deferral and all amounts subject to the deferral must be distributed within 10 years of the first distribution payout. Participants who elect at-market stock options, which have a 10 year term, may exercise them approximately 15 months after the start of the year in which the deferral was made.

*Retirement K and Excess Plan.* The Company's defined benefit Retirement Plan was frozen in 2006 (see description on page 44). Employees who had previously participated in the Retirement Plan were offered a replacement benefit: a tax-qualified defined contribution Section 401(k) Plan (the *Retirement K*). The Retirement K includes an age-weighted Company matching contribution designed to replicate the benefits lost by the Retirement Plan freeze.

Many of our officers cannot fully participate in the Retirement K due to limitations imposed by the Internal Revenue Code or the Employee Retirement Income Security Act, or as a result of their participation in the Deferred Compensation Program. Consequently, we maintain a non-qualified Retirement K Excess Plan which permits affected executives to receive the full matching benefit they would otherwise have been entitled to under the Retirement K. Amounts earned in the Retirement K Excess Plan are paid out in cash no later than March 15 of the following year and are eligible for the Deferred Compensation Program.

*Perquisites and Personal Benefits.* The Committee believes perquisites should not be a significant part of our executive compensation program. In 2012, perquisites were less than 1% of each NEO's total compensation. Accordingly, we believe these benefits are appropriate when viewed in the overall context of our executive compensation program.

## How Compensation Decisions Are Made

The Committee uses its informed judgment to determine the type and appropriate mix of compensation elements; to select performance measures, target levels and payout schedules for incentive compensation; and to determine the level of salary and incentive awards for each executive officer. The Committee may delegate its duties and responsibilities to one or more Committee members or Company officers, as it deems appropriate, but may not delegate authority to non-members for any action involving executive officers. The Committee reports its actions to the Board at each Board meeting; the full Board must review and approve certain actions, including employment and severance benefit agreements and amendments to stock plans.

The Committee has the authority to engage its own external compensation consultant as needed and engaged Meridian Compensation Partners, LLC as its independent consultant beginning in 2012. The Company conducted a conflict of interest assessment prior to the Committee engaging Meridian (and plans to continue this assessment on an annual basis thereafter), which verified Meridian's independence and that no conflicts of interest existed. Meridian does not provide any other services to the Company and works with the Company's management only on matters for which the Compensation Committee is responsible.

The Committee engaged Meridian to perform a competitive review of the Company's executive pay programs in comparison to market levels. Meridian also advised on selecting a peer group of companies for executive compensation benchmarking, provided comparative data for the annual executive compensation review described below, and assisted with other compensation matters throughout the year. Representatives from Meridian also attend Committee meetings on request.

John Moore, Senior VP Chief Legal & HR Officer, also provides compensation data, research and analysis that the Committee may request. In addition to Mr. Moore, the Committee invites Mr. Haffner, our CEO, to attend Committee meetings; however, the Committee meets in executive session without management present to discuss Mr. Haffner's performance and set his compensation.

Mr. Haffner recommends to the Committee compensation levels for the other executive officers, including salary increases, annual incentive targets and equity award values, based on his assessment of each executive's performance and level of responsibility. The Committee evaluates Mr. Haffner's recommendations and accepts or makes adjustments as it deems appropriate.

## The Annual Review and Use of Compensation Data

The Committee performs the executive compensation annual review in March of each year. During the annual review, the Committee evaluates the four primary elements of the annual compensation package for executive officers: base salary, annual incentive, PSUs and other equity and incentive awards. Based on this review, the Committee approves any base salary increases

and sets the annual incentive target percentage for each executive officer. As discussed above, increases to base salary affect all four elements of the compensation package, because the variable compensation elements (annual incentive, PSUs and stock options) are each set as a multiple of base salary. Equity award sizes are reviewed again in November, prior to the grant of PSUs and stock options on the first business day of each year.

Prior to the annual review, the Committee reviews the total compensation package for the preceding year as described in the proxy statement. This review includes secondary compensation elements, such as voluntary equity plans and retirement plans, as well as potential payments upon termination or change in control. Decisions about secondary and post-termination compensation elements are made at various times throughout the year as the plans or agreements giving rise to the compensation are reviewed.

In connection with the 2012 annual review, the Committee evaluated the following data presented by Mr. Moore and Meridian to consider each executive's compensation package in the context of past decisions, internal pay relationships and the external market:

Compensation data from the executive compensation peer group proxy filings and two general industry surveys published by national consulting firms (described more fully below).

Current annual compensation for each executive officer.

The potential value of each executive officer's compensation package under three Company performance scenarios (threshold, target and outstanding performance).

The cash-to-equity ratio and fixed-to-variable pay ratio of each executive officer's compensation package.

Compliance with our stock ownership requirements.

A summary of each executive's accumulated wealth from outstanding equity awards, including a sensitivity analysis of the impact of changes in our stock price.

Among the factors the Committee considers when making compensation decisions is the compensation of our NEOs relative to the compensation paid to similarly-situated executives in our markets. We believe, however, that a benchmark should be just that a point of reference for measurement, not the determinative factor for our executives' compensation. Because the comparative compensation information is just one of several analytic tools that are used in setting executive compensation, the Committee has discretion in determining the nature and extent of its use.

**Benchmarking Against Peer Companies.** For 2012, the Committee approved the use of a peer group to supplement the compensation survey data used historically and described below. The Committee developed the peer group to provide additional insight into company-specific pay levels and practices. The Committee continues to evaluate market data provided by compensation surveys, and views the use of a peer group as an additional reference point when reviewing the competitiveness of NEO pay levels.

In developing the peer group, the Committee directed Meridian to focus on companies in comparable industries with a similar size and scope of business operations as Leggett. Additionally, the Committee considered companies that would be likely sources for executive talent and business customers. The Committee approved a final group comprised of 19 U.S.-based diversified manufacturing companies that generally ranged between .5x and 2x Leggett's revenue and market value. At the time of approval, Leggett was at the 55<sup>th</sup> percentile of the peer group revenue size and 42<sup>nd</sup> percentile of peer group market value.

The 2012 peer group consisted of the following companies:

American Axle & Manufacturing Holdings	Mohawk Industries, Inc.
Armstrong World Industries	Mueller Industries

BorgWarner, Inc.	Owens Corning
Carlisle Companies, Inc.	Pall Corp.
Cooper Tire & Rubber Co.	Pentair, Inc.
Donaldson Companies, Inc.	Tempur-Pedic International, Inc.
Gardner Denver, Inc.	Tenneco, Inc.
Harman International Industries	Terex Corp.
Kennametal, Inc.	Timken Co.
Lennox International, Inc.	

The Committee plans to review the composition of the peer group annually to ensure these companies remain relevant for comparative purposes.

**Compensation Survey Data.** As in previous years, we also used broad-based compensation surveys to develop a balanced picture of the compensation market. These surveys were published by Towers Watson ( U.S. Compensation Data Bank General Industry ) and Aon Hewitt ( TCM Total Compensation by Industry Executive, United States ) (collectively, the 2012 Survey Data ).

We sought the largest sample size possible from each survey, given that the validity of data increases with sample size. The Committee uses data from a broad base of companies that most closely match the NEOs' job descriptions. The industry groups and sample sizes of the surveys with respect to the NEO positions were as follows:

	Towers Watson	Aon Hewitt
<b>Survey Group</b>	All industries, \$3-6 billion in revenue	Manufacturing only, \$3.5 billion median revenue
<b>Companies in Survey Group by Position</b>		
CEO	101	41
COO	33	N/A
CFO	101	40
SVP, Segment Head	96*	56*
	* Business units across all revenue levels	* Business units with \$800 million median revenue

The Committee used the peer group and compensation surveys to get a general sense of the competitive market. These sources generally showed our executive officers' compensation was in line with the Committee's philosophy of paying somewhat below market median for base salaries with the potential to move above the median with outstanding results under variable compensation programs (annual incentive, PSUs and stock options).

**Additional Considerations.** Although the Committee views benchmarking data as a useful guide, it gives significant weight to (i) the mix of fixed to variable pay, (ii) the ratio of cash to equity compensation, (iii) internal pay equity, and (iv) individual responsibilities and merit when establishing base salaries, annual incentive percentages, and equity award multiples. While the Committee monitors these pay relationships, it does not target any specific pay ratios.

The Committee also considers the Company's merit increase budget for all salaried U.S. employees in determining salary increases for executive officers. The 2012 merit increase budget of 2.5% was based on the Consumer Price Index, other national economic data and our own business climate.

In connection with the 2012 annual review, the Committee took the following actions:

Raised NEO base salaries by a range of 2.5 to 5%, generally in line with the Company's merit budget for salaried personnel and to reflect performance.

Increased Mr. Haffner's annual incentive target from 90% to 100% of his base salary, while the other NEOs' target incentive percentages remained unchanged.

Established the award formula for the Incentive Plan's corporate and profit center participants, upon determining that the payout range (threshold, target and maximum) was consistent with the Company's full-year sales and earnings projections.

Approved the executive officers' 2012 IPGs, stressing specific and measurable targets that are expected to lead to improvements with long-term returns.

## Equity Grant Practices

The Committee discussed potential equity awards at length at its November 2011 meeting, then approved the final 2012 PSU and option grants during a telephone meeting on the first business day of the year. The exercise price of the options is equal to the closing market price of the Company's common stock on the option grant date. The Committee does not approve equity awards when aware of material inside information.

**Performance of Past Equity Awards.** The Committee monitors the value of past equity awards to gain an overall assessment of how current compensation decisions fit with past practices and to determine the executive's accumulated variable compensation. However, the Committee does not increase current-year equity awards, or any other aspect of the NEOs' compensation, to adjust for the below-expected performance of past equity awards.

**Clawback Provisions.** All equity awards are subject to a clawback provision included in our Flexible Stock Plan which allows the Committee to recover all income or other benefits received on the vesting, exercise, or payment of any award if the employee violates any confidentiality, non-solicitation or non-compete obligations or engages in activity adverse to the interests of the Company, including fraud or conduct contributing to any financial restatement.

**Executive Stock Ownership Guidelines.** The Committee believes executive officers should have a meaningful ownership stake in the Company to align their interests with those of shareholders. We expect executive officers to attain the following levels of stock ownership within five years of appointment and to maintain those levels throughout their employment.

CEO	5X base salary
COO, CFO	3X base salary
All other Executive Officers	2X base salary

Shares of the Company's stock owned outright, stock units and the net shares acquirable upon the exercise of deferred compensation stock options count toward satisfying the ownership totals; however pledged shares do not count toward the mandated ownership levels. A decline in the stock price can cause an executive officer who previously met the threshold to fall below it temporarily. An executive officer who has not met the ownership requirement, or falls below it

due to a stock price decline, must hold any net shares acquired upon the exercise of stock options or vesting of stock units until he meets the ownership threshold. As of December 31, 2012, all of our NEOs were in compliance with their stock ownership requirements, with holdings well in excess of these threshold levels.



## Employment and Change in Control Agreements

On the Committee's recommendation, the Board entered into renewed employment agreements with Mr. Haffner, Mr. Glassman and Mr. Flanigan in March 2013, with the aim of keeping our senior executive team in place through the annual shareholder meeting in 2017. In connection with the renewed agreements, Mr. Glassman was appointed President and Chief Operating Officer and Mr. Flanigan was appointed Executive Vice President and Chief Financial Officer. The executives' base salaries remained at their current levels under the new employment agreements, while their annual incentive percentages were increased from 100% to 115% for Mr. Haffner, from 75% to 90% for Mr. Glassman, and from 65% to 80% for Mr. Flanigan. The executives also received grants of restricted stock units (50,000 to Mr. Haffner, 45,000 to Mr. Glassman, and 40,000 to Mr. Flanigan), 25% of which vested upon signing and the remainder in 25% increments on the first, second and third anniversaries of the grant date. The termination provisions of these employment agreements are described on page 46.

The Company also entered into amended severance benefit agreements with Mr. Haffner and Mr. Glassman in March 2013 and entered into a new severance benefit agreement with Mr. Flanigan. These agreements eliminated the excise tax gross-ups included in the previous agreements. They are designed to protect both the executive officers' and the Company's interests in the event of a change in control of the Company. The material terms and conditions of these agreements and the Company's potential financial obligations arising from these agreements are described on page 46. The Company does not offer severance benefits to any other NEOs.

The benefits provided under the severance benefit agreements do not impact the Committee's decisions regarding other elements of the executive officers' compensation. Because these agreements provide contingent compensation, not regular compensation, they are evaluated separately in view of their intended purpose.

## Tax Considerations

Section 162(m) of the Internal Revenue Code generally disallows an income tax deduction to public companies for compensation over \$1 million paid to certain executive officers. Our policy is to take reasonable and practical steps to minimize compensation that exceeds the \$1 million cap, but in some circumstances the Committee may determine the best form of compensation for the intended purpose may be one that is not tax-deductible under Section 162(m), such as the inclusion of IPGs in the annual incentive program.

In 2012, the Company paid amounts that were not deductible for federal income tax purposes and exceeded the \$1 million threshold. The non-deductible compensation resulted from payouts of previously deferred compensation, the vesting of service-based RSUs, and the IPG portion of the annual incentive.

## Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion & Analysis with management and, based on that review and discussion, the Committee has recommended to the Board of Directors that the Compensation Discussion & Analysis be included in this proxy statement.

R. Ted Enloe, III (Chair)  
Robert E. Brunner  
Richard T. Fisher  
Joseph W. McClanathan  
Judy C. Odom  
Phoebe A. Wood

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## Summary Compensation Table

The following table reports the total 2012 compensation of our Chief Executive Officer, Chief Financial Officer, and our three other most highly compensated executive officers as of December 31, 2012. Collectively, we refer to these five executives as the *Named Executive Officers* or *NEOs*.

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Name and Principal Position	Year	Salary (1)	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (1)	Change in Pension Value; Nonqualified Deferred Compensation Earnings (4)	All Other Compensation (1)(5)	Total (6)
David S. Haffner, Chief Executive Officer	2012	\$986,923	\$2,869,074	\$588,430	\$1,385,339	\$89,117	\$454,244	\$6,332,117
	2011	951,346	3,156,557	667,366	742,176	75,816	389,495	5,986,706
	2010	917,308	2,826,252	605,517	1,100,081	77,667	394,251	5,921,014
Karl G. Glassman, President and Chief Operating Officer	2012	739,231	1,564,787	441,294	807,394	69,012	268,332	3,829,738
	2011	713,538	1,377,857	500,678	464,400	61,565	238,620	3,336,058
	2010	688,077	1,233,054	454,138	688,194	54,857	246,751	3,364,451
Matthew C. Flanigan, Executive VP and Chief Financial Officer	2012	436,154	798,749	214,554	415,069	31,644	260,837	2,156,397
	2011	416,539	755,948	244,122	262,899	29,336	207,340	1,916,178
	2010	402,692	676,368	221,462	348,806	27,654	233,256	1,910,078
Joseph D. Downes, Jr., Senior VP, President Industrial Materials Segment	2012	326,923	521,596	163,459	171,245	11,221	69,684	1,263,188
	2011	318,177	582,524	188,108	156,960	8,501	66,212	1,313,582
	2010	307,415	499,590	163,563	135,920	9,327	64,353	1,180,168
Dennis S. Park, <sup>(6)</sup> Senior VP, President Commercial Fixturing & Components Segment	2012	326,154	417,515	163,459	241,736	31,073	109,152	1,289,489

(1) Amounts reported in these columns include cash compensation (base salary, non-equity incentive plan compensation, and certain other cash items) that was deferred into the ESU Program (to acquire Company stock units in 2010, and diversified investments starting in 2011) and/or the Deferred Compensation Program (to acquire, at the NEO's election, an interest-bearing cash deferral or Leggett stock units), as follows:

Name	Year	Total Cash Compensation Deferred	ESU (\$)	Deferred Compensation Program	
				Cash Deferral (\$)	Stock Units (#)
David S. Haffner	2012	\$562,873	\$234,450		12,874
	2011	466,636	166,636		16,726
	2010	399,066	199,066		10,903
Karl G. Glassman	2012	251,907	151,907		5,569
	2011	215,111	115,111		5,521
	2010	184,954	134,954		2,946

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				<b>Deferred Compensation Program</b>
Matthew C. Flanigan	2012	588,530	82,381	21,635
	2011	420,493	65,240	19,752
	2010	504,229	72,477	23,964
Joseph D. Downes, Jr.	2012	147,090	47,090	100,000
	2011	144,815	44,815	100,000
	2010	106,661	41,661	65,000
Dennis S. Park	2012	129,062	54,062	4,176

See the Grants of Plan-Based Awards Table on page 40 for further information on Leggett equity awards received in lieu of cash compensation in 2012.

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- (2) Amounts reported in this column reflect the grant date fair value of the PSU awards, as detailed in the table below. For a description of the assumptions used in calculating the grant date fair value, see Note L of the Company's Annual Report on Form 10-K for the year ended December 31, 2012. The potential maximum fair value of the PSU awards on the grant date is also included in the table below.

<b>Name</b>	<b>Year</b>	<b>PSU Awards: Grant Date Fair Value</b>	<b>PSU Awards: Potential Maximum Value at Grant Date</b>
David S. Haffner	2012	\$2,869,074	\$5,020,880
	2011	3,156,557	5,523,975
	2010	2,826,252	4,945,941
Karl G. Glassman	2012	1,564,787	2,738,378
	2011	1,377,857	2,411,250
	2010	1,233,054	2,157,845
Matthew C. Flanigan	2012	798,749	1,397,811
	2011	755,948	1,322,908
	2010	676,368	1,183,644
Joseph D. Downes, Jr.	2012	521,596	912,793
	2011	582,524	1,019,417
	2010	499,590	874,283
Dennis S. Park	2012	417,515	730,650

- (3) Amounts reported in this column represent the grant date fair value of the stock options calculated using the Black-Scholes option valuation model. For a description of the assumptions used in calculating the grant date fair value of these options,

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see Note L of the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

(4) Amounts reported in this column for 2012 are set forth below.

Name	Change in Pension Value (a)	ESU Program (b)	Deferred Stock Units (c)	Total
David S. Haffner	\$26,566	\$27,928	\$34,623	\$89,117
Karl G. Glassman	31,125	23,741	14,146	69,012
Matthew C. Flanigan	13,187	9,490	8,967	31,644
Joseph D. Downes, Jr.		9,258	1,963	11,221
Dennis S. Park	19,674	8,599	2,800	31,073

- (a) Change in the present value of the NEO's accumulated benefits under the defined benefit Retirement Plan, as described on page 44.
- (b) 15% discount on dividend equivalents for stock units held in the ESU Program, as described on page 31.
- (c) 20% discount on dividend equivalents for stock units held in the Deferred Compensation Program, as described on page 31.

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(5) Amounts reported in this column for 2012 are set forth below:

Name	ESU Program (a)	Deferred Stock Units (b)	Retirement K Matching Contributions (c)	Retirement K Excess Payments (c)	Life and Disability Insurance Benefits	Perks (d)	Total
David S. Haffner	\$279,178	\$ 82,106	\$6,961	\$78,422	\$7,577		\$454,244
Karl G. Glassman	185,237	25,000	6,961	48,707	2,427		268,332
Matthew C. Flanigan	102,436	126,537	6,961	23,678	1,225		260,837
Joseph D. Downes, Jr.	62,826				6,858		69,684
Dennis S. Park	67,636	18,750	6,961	13,483	2,322		109,152

- (a) This amount represents the Company's matching contributions under the ESU Program, the additional 17.6% contribution for diversified investments acquired with employee contributions, and the 15% discount on Leggett stock units acquired with Company matching contributions.
- (b) This amount represents the 20% discount on stock units acquired with employee contributions to the Deferred Compensation Program.
- (c) The Retirement K and Retirement K Excess Plan are described on page 32.

(d) None of the NEOs received perquisites or other personal benefits with an aggregate value of \$10,000 or more in 2012. Perquisites for our executive officers in 2012 included: use of a Company car; executive physicals; outside legal fees; and spousal travel for business purposes. For disclosure purposes, perquisites are valued at our aggregate incremental cost.

(6) Mr. Park became an NEO of the Company for the first time in 2012.

### Grants of Plan-Based Awards in 2012

The following table sets forth, for the year ended December 31, 2012, information concerning each grant of an award made to the NEOs in 2012 under the Company's Flexible Stock Plan and the Key Officer Incentive Plan.

Name	Grant Date	Award Type (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2)			Estimated Future Payouts Under Equity Incentive Plan Awards (3)		
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)
David S. Haffner	3/28/12	AI	\$485,063	\$970,125	\$1,455,188			
	1/03/12	ASO						
	1/03/12	PSU				30,150	90,450	211,050
<i>Awards Received in Lieu of Cash Compensation</i>								
		DSU						
Karl G. Glassman	3/28/12	AI	279,375	558,750	838,125			
	1/03/12	ASO						
	1/03/12	PSU				16,444	49,331	115,106
<i>Awards Received in Lieu of Cash Compensation</i>								
		DSU						
Matthew C. Flanigan	3/28/12	AI	143,325	286,650	429,975			
	1/03/12	ASO						
	1/03/12	PSU				8,394	25,181	58,756
<i>Awards Received in Lieu of Cash Compensation</i>								
		DSU						
Joseph D. Downes, Jr.	3/28/12	AI	98,700	164,500	246,750			
	1/03/12	ASO						
	1/03/12	PSU				5,481	16,444	38,369
Dennis S. Park	3/23/12	AI	98,400	164,000	246,000			
	1/03/12	ASO						
	1/03/12	PSU				4,388	13,163	30,713
<i>Awards Received in Lieu of Cash Compensation</i>								
		DSU						

(1) Award Type:

AI = Annual Incentive  
 ASO = Annual Stock Options  
 PSU = Performance Stock Units  
 DSU = Deferred Stock Units

- (2) The performance metrics, payout schedules and other details of the NEOs' annual incentive are described on page 27.
- (3) PSU awards vest at the end of a three-year performance period based on our TSR as measured relative to a peer group. The PSU awards are described on page 30.
- (4) DSU amounts (from the Deferred Compensation Program described on page 31) reported in this column represent stock units acquired in lieu of cash compensation. Stock units are purchased on a bi-weekly basis or as compensation otherwise is earned, so there is no grant date for these awards. DSUs are acquired at a 20% discount to the market price of our common stock on the acquisition date. We recognize a compensation expense for this discount, which is reported in the All Other Compensation column of the Summary Compensation Table.
- (5) Stock options (described on page 31) are granted on the first business day of the year, have a 10-year term, and vest in three annual increments beginning 18 months after grant.
- (6) The exercise price is the closing market price of the Company's common stock on the grant date.

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### Outstanding Equity Awards at 2012 Fiscal Year-End

The following table reports the outstanding stock options, performance stock units, and restricted stock units held by each NEO as of December 31, 2012. The outstanding awards are separated into two categories:

General Awards: the annual PSU and stock option awards that comprise the equity component of the compensation package.

Deferred Compensation Options: options that were granted in lieu of cash compensation under our Deferred Compensation Program, as described on page 31.

Name	Option Awards					Stock Awards		
	Grant Date (1)	Securities Underlying Unexercised Options:		Exercise Price (\$)	Expiration Date	Equity Incentive Plan Awards Unearned Shares, Units or Other Unvested Rights		
		Exercisable (#)	Unexercisable (#)			Performance Period (2)	Number of Units (#) (3)	Market or Payout Value (\$) (4)
David S. Haffner General Awards	2/9/2005	70,000		28.02	2/8/2015	2011-2013	217,394	5,917,465

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Option Awards					Stock Awards			
	1/3/2006	93,400		22.96	1/4/2016	2012-2014	211,050	5,744,781
	5/10/2006	87,177		26.67	5/9/2016			
	1/3/2007	98,475		23.61	1/4/2017			
	1/2/2008	143,275		16.96	1/2/2018			
	1/2/2009	172,200		15.68	1/2/2019			
	1/4/2010	93,600	46,800	20.51	1/3/2020			
	1/3/2011	45,175	90,350	23.14	1/2/2021			
	1/3/2012		131,575	23.14	12/31/2021			
<i>Subtotal</i>		803,302	268,725				428,444	11,662,246
Deferred Compensation Options								
	12/21/2004	224,100		27.09	12/20/2014			
	12/30/2005	266,290		22.96	12/29/2015			
<i>Subtotal</i>		490,390						
<b>Total</b>		<b>1,293,692</b>	<b>268,725</b>				<b>428,444</b>	<b>11,662,246</b>
<b>Karl G. Glassman</b>								
General Awards								
	2/9/2005	52,500		28.02	2/8/2015	2011-2013	94,894	2,583,015
	1/3/2006	74,725		22.96	1/4/2016	2012-2014	115,106	3,133,185
	1/3/2007	78,775		23.61	1/4/2017			
	1/2/2008	114,625		16.96	1/2/2018			
	1/2/2009	129,150		15.68	1/2/2019			
	1/4/2010	70,200	35,100	20.51	1/3/2020			
	1/3/2011	33,891	67,784	23.14	1/2/2021			
	1/3/2012		98,675	23.14	12/31/2021			
<i>Subtotal</i>		553,866	201,559				210,000	5,716,200
Deferred Compensation Options								
	12/21/2004	66,663		27.09	12/20/2014			
	12/30/2005	81,664		22.96	12/29/2015			
	12/31/2007	92,913		17.44	12/30/2017			
<i>Subtotal</i>		241,240						
<b>Total</b>		<b>795,106</b>	<b>201,559</b>				<b>210,000</b>	<b>5,716,200</b>

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Name	Option Awards					Stock Awards		
	Grant Date (1)	Securities Underlying Unexercised Options:		Exercise Price (\$)	Expiration Date	Equity Incentive Plan Awards Unearned Shares, Units or Other Unvested Rights		
		Exercisable (#)	Unexercisable (#)			Performance Period (2)	Number of Units (#) (3)	Market or Payout Value (\$) (4)

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	Option Awards				Stock Awards			
<b>Matthew C. Flanigan</b>								
General Awards								
	2/9/2005	21,900		28.02	2/8/2015	2011-2013	52,063	1,417,155
	1/3/2006	29,900		22.96	1/4/2016	2012-2014	58,756	1,599,338
	1/3/2007	31,775		23.61	1/4/2017			
	1/4/2010	34,233	17,117	20.51	1/3/2020			
	1/3/2011	16,525	33,050	23.14	1/2/2021			
	1/3/2012		47,975	23.14	12/31/2021			
<i>Subtotal</i>		134,333	98,142				110,819	3,016,493
Deferred Compensation Options								
	12/21/2004	31,721		27.09	12/20/2014			
	12/30/2005	86,634		22.96	12/29/2015			
<i>Subtotal</i>		118,355						
<b>Total</b>		<b>252,688</b>	<b>98,142</b>				<b>110,819</b>	<b>3,016,493</b>
<b>Joseph D. Downes, Jr.</b>								
General Awards								
	1/13/2004	18,000		21.35	1/12/2014	2011-2013	40,119	1,092,039
	2/9/2005	20,200		28.02	2/8/2015	2012-2014	38,369	1,044,404
	1/3/2006	25,550		22.96	1/4/2016			
	1/3/2007	26,475		23.61	1/4/2017			
	1/4/2010	25,283	12,642	20.51	1/3/2020			
	1/3/2011	12,733	25,467	23.14	1/2/2021			
	1/3/2012		36,550	23.14	12/31/2021			
<i>Subtotal</i>		128,241	74,659				78,488	2,136,443
Deferred Compensation Options								
	12/21/2004	6,460		27.09	12/20/2014			
<i>Subtotal</i>		6,460						
<b>Total</b>		<b>134,701</b>	<b>74,659</b>				<b>78,488</b>	<b>2,136,443</b>
<b>Dennis S. Park</b>								
General Awards								
	2/9/2005	15,000		28.02	2/8/2015	2011-2013	32,113	874,116
	1/3/2006	19,000		22.96	1/4/2016	2012-2014	30,713	836,008
	1/3/2007	30,175		23.61	1/4/2017			
	1/2/2009	48,550		15.68	1/2/2019			
	1/4/2010	26,383	13,192	20.51	1/3/2020			
	1/3/2011	12,733	25,467	23.14	1/3/2021			
	1/3/2012		36,550	23.14	12/31/2021			
<i>Subtotal</i>		151,841	75,209				62,826	1,710,124
Deferred Compensation Options								
	12/21/2004	18,795		27.09	12/20/2014			
	12/30/2005	22,419		22.96	12/29/2015			
	12/29/2006	20,920		23.90	12/28/2016			
	12/31/2008	32,916		15.19	12/30/2018			



	Option Awards			Stock Awards	
	12/31/2009	12,255	20.40	12/30/2019	
<i>Subtotal</i>		107,305			
<b>Total</b>	<b>259,146</b>	<b>75,209</b>		<b>62,826</b>	<b>1,710,124</b>

- (1) *General Awards* options were granted subject to our standard vesting terms, become exercisable in one-third increments at 18 months, 30 months and 42 months following the grant date, and have a 10-year term.

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*Deferred Compensation Options* options became exercisable on March 15, approximately 15 months following the grant date, and have a 10-year term.

- (2) PSU awards are granted on the first business day of the year and have a three-year performance period (awards with a 2012-2014 performance period were granted on January 3, 2012 and vest on December 31, 2014).
- (3) These amounts reflect the maximum payout level of shares (175% of the base award) for the 2011-2013 PSUs because Leggett's TSR ranking as of December 31, 2012 exceeds the target level (performance in the 64th percentile of the peer group versus the 50th percentile target), and the maximum payout level (175% of the base award) for the 2012-2014 PSUs because of our ranking in the 62nd percentile. Actual payouts will be based on our relative TSR on the vesting date, based on our performance for the three-year period. The PSUs are described at page 30.
- (4) Values shown in this column were calculated at a per share value of \$27.22, the closing market price of our common stock on December 31, 2012.

### Option Exercises and Stock Vested in 2012

The following table reports the number of stock options exercised and stock awards vested in 2012, and the value realized by the NEOs upon exercise or vesting of such awards. The stock award amounts represent the vesting of 25% of the RSUs granted in connection with the executives' 2009 employment agreements, and the payout of the 2010 PSUs at the end of the performance period on December 31, 2012 described on page 31.

Name	Options Awards		Stock Awards (1)	
	Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Shares Acquired on Vesting (#)	Value Realized on Vesting (\$ (2))
David S. Haffner	189,000	\$ 850,430	152,117	\$3,935,175
Karl G. Glassman	99,750	460,530	78,597	1,977,972
Matthew C. Flanigan	159,100	1,557,258	46,778	1,163,235
Joseph D. Downes, Jr.	86,325	762,784	20,703	563,522
Dennis S. Park	107,270	912,787	15,857	431,621

- (1) Amounts reported in these columns consist of vested RSU and PSU awards, allocated as follows:

Name	RSU		PSU	
	Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)	Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
David S. Haffner	35,000	\$747,250	117,117	\$3,187,925
Karl G. Glassman	27,500	587,125	51,097	1,390,847
Matthew C. Flanigan	18,750	400,313	28,028	762,922
Joseph D. Downes, Jr.			20,703	563,522
Dennis S. Park			15,857	431,621

- (2) Amounts in this column are calculated based upon the closing price of the Company's stock on the vesting date; however, as 100% of the RSUs are distributed to the NEOs as shares of Company stock upon vesting and 65% of the PSUs are distributed as Leggett stock (35% of the PSUs' value is distributed in cash), the NEOs may continue to hold the shares or sell them in accordance with our insider trading procedures.

### Pension Benefits in 2012

We had a voluntary, tax-qualified, defined benefit pension plan (the *Retirement Plan*), which was frozen December 31, 2006. Benefits accrued under the Retirement Plan were fixed as of that date, and the Retirement Plan was closed to new participants. In 2007, employees who had previously participated in the Retirement Plan were offered a replacement benefit package consisting of the Retirement K and the Retirement K Excess Program discussed at page 32. Although participants no longer accrue additional benefits under the Retirement Plan, the present value of the benefits may increase or decrease each year based on the assumptions used to calculate the benefit for financial reporting purposes.

The Retirement Plan required a contribution from participating employees of 2% of base salary. Normal monthly retirement benefits are the sum of 1% of the employee's average monthly salary for each year of participation in the Retirement Plan. Benefits are calculated based on actual years of participation in the Retirement Plan, and benefits become payable when a participant reaches age 65 (normal retirement age). Mr. Haffner and Mr. Park are eligible for early retirement benefits under the Retirement Plan (minimum age 55 and at least 15 years of service), under which they would receive a monthly benefit reduced by 1/180th for the first 60 months and a monthly benefit reduced by 1/360th for any additional months before reaching normal retirement age.

The following table lists the present value of accumulated benefits payable to the NEOs under the Retirement Plan:

Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
David S. Haffner	29	\$252,805	\$0
Karl G. Glassman	31	238,004	0
Matthew C. Flanigan	16	91,453	0
Joseph D. Downes, Jr.			
Dennis S. Park	31	172,222	0

To calculate the present value of the accumulated Retirement Plan benefit, we took the annual accrued benefit through December 31, 2012 that would be payable at normal retirement age, assuming no future contributions. We converted that amount to a lump

sum using an annuity factor from the RP2000 mortality table, and discounted that amount back to December 31, 2012 using a 3.75% discount rate. The discount rate, measurement date and mortality assumptions are the same as those used for financial reporting purposes.

### Non-Qualified Deferred Compensation in 2012

The following table provides the aggregate 2012 contributions, earnings, withdrawals, and ending balances for each NEO's deferred compensation accounts. The year-end balances are based on a \$27.22 closing market price of our common stock on December 31, 2012.

Name	Deferral Type or Program (1)	Executive Contributions in 2012 (2)	Company Contributions in 2012 (2)	Aggregate Earnings in 2012 (3)	Aggregate Withdrawals/Distributions	Aggregate Balance at 12/31/2012 (4)
David S. Haffner	ESU	\$234,450	\$279,178	\$ 596,809		\$3,693,649
	DSU	328,423	82,106	549,201		3,215,254
	EDSP			469,878	226,647	2,301,832
<b>Total</b>		<b>562,873</b>	<b>361,284</b>	<b>1,615,888</b>	<b>226,647</b>	<b>9,210,735</b>
Karl G. Glassman	ESU	151,907	185,237	533,302		3,055,105
	DSU	100,000	25,000	254,328		1,212,869
	EDSP			76,547		377,242
<b>Total</b>		<b>251,907</b>	<b>210,237</b>	<b>864,177</b>		<b>4,645,216</b>
Matthew C. Flanigan	ESU	82,381	102,436	213,199		1,280,744
	DSU	506,149	126,537	98,291	605,639	1,165,179
<b>Total</b>		<b>588,530</b>	<b>228,973</b>	<b>311,490</b>	<b>605,639</b>	<b>2,445,923</b>
Joseph D. Downes, Jr.	ESU	47,090	62,826	221,448		1,184,186
	DCC	100,000		8,033		280,024
	DSU			32,585	100,034	133,759
<b>Total</b>		<b>147,090</b>	<b>62,826</b>	<b>262,066</b>	<b>100,034</b>	<b>1,597,969</b>
Dennis S. Park	ESU	54,062	67,636	197,595		1,112,853
	DSU	75,000	18,750	56,466		284,286
<b>Total</b>		<b>129,062</b>	<b>86,386</b>	<b>254,061</b>		<b>1,397,139</b>

- (1) Deferral Type or Program:  
ESU = Executive Stock Unit Program (see description at page 31).  
DCC = Deferred Compensation Program Cash Deferral (see description at page 32).  
DSU = Deferred Compensation Program Stock Units (see description at page 31).  
EDSP = Executive Deferred Stock Program. This is a frozen program under which executives deferred the gain from their stock option exercises from 1 to 15 years. Upon deferral, the participant was credited with stock units representing the option shares deferred, and the units accumulate dividend equivalents during the deferral period.
- (2) Amounts reported in these columns are also included in the totals reported in the Summary Compensation Table.
- (3) Aggregate earnings include interest, dividends and the appreciation (or depreciation) of the investments in which the accounts are held. The following amounts, representing preferential earnings relating to interest and dividends paid in 2012 on ESU Program and Deferred Compensation Program accounts, are reported in the Change in Pension Value and

Non-Qualified Deferred Compensation Earnings column of the Summary Compensation Table: Haffner \$62,551; Glassman \$37,887; Flanigan \$18,457; Downes \$11,221; and Park \$11,399.

- (4) Of the balances reported in this column (which are net of distributions from prior years' deferrals), the following aggregate amounts were included in the totals reported in the Summary Compensation Table in 2010, 2011 and 2012: Haffner \$3,246,562; Glassman \$1,570,275; Flanigan \$2,173,223; Downes \$565,023; and Park \$226,847 (for 2012 only).

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## Potential Payments upon Termination or Change in Control

This section describes the payments and benefits that may be received by our NEOs upon termination of employment, in excess of the amounts generally paid to our salaried employees upon termination of employment. On March 1, 2013, the Company entered into new employment agreements (the *2013 Employment Agreements*) and severance benefit agreements (the *2013 Severance Agreements*) with Mr. Haffner, Mr. Glassman and Mr. Flanigan which provide for specific payments and benefits upon certain termination events or a change in control of the Company. The 2013 Agreements superseded the 2009 employment agreements with these executives and the severance benefit agreements with Mr. Haffner and Mr. Glassman (the *2009 Agreements*).

**Employment Agreements.** The 2013 Employment Agreements with Mr. Haffner, Mr. Glassman and Mr. Flanigan expire on the date of our annual meeting of shareholders in 2017.

The 2013 Employment Agreements are subject to early termination in the following circumstances:

*Executive's option to terminate:* the executive may resign upon six months written notice; or the executive may resign upon 60 days written notice following (i) the executive does not receive a salary increase in any year, unless due to Company-wide salary freeze; (ii) the executive is not elected to continue in his current position or is not nominated as a director of the Company (or Mr. Haffner is not appointed as a member of the Board's Executive Committee); (iii) the Company is merged out of existence, sold or dissolved; or (iv) working control of the Company is lost in a proxy contest or other tender offer.

*Termination by the Company for cause:* the Company may terminate the executive for (i) conviction of a felony or any crime involving Company property; (ii) willful breach of the Code of Conduct or Financial Code of Ethics that causes significant injury to the Company; (iii) willful act or omission of fraud, misappropriation or dishonesty that causes significant injury to the Company or results in material enrichment of the executive at the Company's expense; (iv) willful violation of specific written directions of the Board following notice of such violation; or (v) continuing, repeated, willful failure to substantially perform duties after written notice from the Board.

*Termination following total disability:* the executive's employment may be terminated following a continuous 14-month period in which he is unable to materially perform the required services.

Following one of these termination events, the executive has continuing confidentiality obligations for Company information and trade secrets and is subject to non-compete provisions through the end of the agreement's term, or, if later, for two years following termination. The executive will receive a pro-rated annual incentive award for the year of termination, and the Company will provide health insurance to the executive and his dependents during the non-competition period.

The Company may terminate the executive at the Board's discretion at any time upon prior written notice. Following such a termination without cause, (i) the restricted stock units granted in connection with his 2013 Employment Agreement vest immediately, (ii) all other equity awards generally continue to vest as if the executive were employed for the entire term, (iii) the executive receives his base salary and annual cash incentive through the remainder of the term, and (iv) the Company will provide health insurance through the remainder of the term.

**Severance Benefit Agreements.** Upon a change in control of the Company, the 2013 Severance Agreements provide for severance payments and benefits during a specified period (the *Protected Period*) following the change in control. The Protected Period is 36 months for Mr. Haffner, 30 months for Mr. Glassman and 24 months for Mr. Flanigan.

In general, a change in control is deemed to occur when: (i) a shareholder acquires shares giving it ownership of 40% or more of our common stock, (ii) the current directors or their successors no longer constitute a majority of the Board of Directors, (iii) after a merger or consolidation with another corporation, less than 65% of the voting securities of the surviving corporation are owned by our former shareholders, or (iv) the Company is liquidated or sells substantially all of our assets to an unrelated third party.

The payments and benefits payable under the 2013 Severance Agreements are subject to a double trigger; that is, they become payable only after both (i) a change in control of the Company and (ii) the executive officer's employment is terminated by the Company (except for cause or upon disability) or the executive officer terminates his employment for good reason. In general, the executive officer would have good reason to terminate his employment if he were required to relocate or experienced a reduction in job responsibilities, compensation or benefits, or if the successor company did not assume the obligations under the agreement. The Company may cure the good reason for termination within 30 days of receiving notice of such from the executive.

Events considered grounds for termination by the Company for cause under the 2013 Severance Agreements are substantially the same as those in the 2013 Employment Agreements described above. Upon termination of employment by the Company (other than for cause or upon disability) or by the executive for good reason following a change in control, the Company will provide the following payments and benefits:

Base salary through the date of termination.

Pro-rata annual incentive award at the maximum payout level for the year of termination.

Monthly severance payments: Mr. Haffner 100% of base salary and target bonus percentage multiplied by 3, paid over 36 months; Mr. Glassman 100% of base salary and target bonus percentage multiplied by 2.5, paid over 30 months; Mr. Flanigan 100% of base salary and target bonus percentage multiplied by 2, paid over 24 months.

Continuation of health insurance and fringe benefits for up to 36 months for Mr. Haffner, 30 months for Mr. Glassman and 24 months for Mr. Flanigan, as permitted by the Internal Revenue Code, or an equivalent lump sum payment.

Lump sum additional retirement benefit based upon the actuarial equivalent of an additional 36 months of continuous service for Mr. Haffner, 30 months for Mr. Glassman and 24 months for Mr. Flanigan.

The executive is not required to mitigate the amount of any termination payment or benefit provided under his severance benefit agreement, but any health insurance or fringe benefits he may receive from a new job will reduce any benefits provided under the agreement.

The 2013 Severance Agreements have eliminated the executives' rights under the 2009 Agreements to receive (i) tax gross-up payments for excise taxes under Internal Revenue Code Section 280G and (ii) modified single trigger severance in which the executive may elect to terminate his employment within a year after the change in control and receive a reduced severance package.

**Accelerated Vesting of PSUs and Options.** The terms and conditions of the PSU awards provide for double trigger vesting (a change in control of the Company that leads to a termination of employment), such that all outstanding PSUs will become vested with the payout percentage set at the 175% maximum. The Company's stock option awards provide for immediate, single trigger vesting in the event of a change in control of the Company. The acceleration of equity vesting upon a change in control is designed to ensure that ongoing employees receive the benefit of the transaction by having the opportunity to realize value from their equity awards at the time of the transaction.

The tables below provide the estimated potential payments and benefits that the NEOs would receive in the event of any termination of employment. We have used the following assumptions and methodology to calculate these amounts:

Each termination of employment is deemed to have occurred on December 31, 2012. The tables reflect the amounts due under the 2013 Employment Agreements and the 2013 Severance Agreements, and any additional amounts which would have been paid under the 2009 Agreements are highlighted in the footnotes.

The tables reflect only the additional payments and benefits the NEOs would be entitled to receive as a result of the termination of employment. Fully vested benefits described elsewhere in this proxy statement (such as deferred compensation accounts and pension benefits) and payments generally available to U.S. employees upon termination of employment (such as accrued vacation) are not included in the tables.

To project the value of stock plan benefits, we used the December 31, 2012 closing market price of our common stock of \$27.22 per share and a dividend yield of 4.26%.

The potential payments and benefits presented in the following tables are only estimates provided solely for disclosure purposes and may vary from the amounts that are ultimately paid in connection with an actual termination of employment.

**Potential Payments upon Termination David S. Haffner**

	<u>Total Disability</u>	<u>Executive s Option to Terminate</u>	<u>Termination by Company for Cause</u>	<u>Termination by Company without Cause</u>	<u>Term follo Char Co</u>
Base Salary or Severance Payments				\$ 4,324,423 <sup>(1)</sup>	\$ 5,97
Annual Incentive		(3)	(3)	4,815,012 <sup>(4)</sup>	1,49
Vesting of PSU Awards				4,168,387 <sup>(6)</sup>	11,66
Vesting of Stock Options	\$ 1,219,482 <sup>(8)</sup>	\$ 1,219,482 <sup>(8)</sup>		1,219,482 <sup>(6)</sup>	1,21
ESU Program					1,34
Retirement Benefit (401(k) and Excess Plan)					21
Health Benefits	79,413 <sup>(11)</sup>	79,413 <sup>(11)</sup>	\$ 79,413 <sup>(11)</sup>	79,413 <sup>(11)</sup>	5
Life Insurance Premium					
<b>Total</b>	<b>\$ 1,298,895</b>	<b>\$ 1,298,895</b>	<b>\$ 79,413</b>	<b>\$ 14,606,717<sup>(12)</sup></b>	<b>\$ 21,96</b>

**Potential Payments upon Termination Karl G. Glassman**

	<u>Total Disability</u>	<u>Executive s Option to Terminate</u>	<u>Termination by Company for Cause</u>	<u>Termination by Company without Cause</u>	<u>Termination following Change in Control</u>
Base Salary or Severance Payments				\$ 3,237,885 <sup>(1)</sup>	\$ 3,259,375 <sup>(2)</sup>
Annual Incentive		(3)	(3)	2,712,133 <sup>(4)</sup>	838,125 <sup>(5)</sup>
Vesting of PSU Awards				2,112,646 <sup>(6)</sup>	5,716,200 <sup>(7)</sup>
Vesting of Stock Options				914,674 <sup>(6)</sup>	914,674 <sup>(9)</sup>
ESU Program					887,831 <sup>(10)</sup>
Retirement Benefit (401(k) and Excess Plan)					117,338 <sup>(10)</sup>
Health Benefits	\$ 68,420 <sup>(11)</sup>	\$ 68,420 <sup>(11)</sup>	\$ 68,420 <sup>(11)</sup>	68,420 <sup>(11)</sup>	42,346 <sup>(10)</sup>
Life Insurance Premium					3,840 <sup>(10)</sup>
<b>Total</b>	<b>\$ 68,420</b>	<b>\$ 68,420</b>	<b>\$ 68,420</b>	<b>\$ 9,045,758<sup>(12)</sup></b>	<b>\$ 11,779,729<sup>(13)</sup></b>

**Potential Payments upon Termination Matthew C. Flanigan**

	Total Disability	Executive s Option to Terminate	Termination by Company for Cause	Termination by Company without Cause	Termination following Change in Control
Base Salary or Severance Payments				\$ 1,916,654 <sup>(1)</sup>	\$ 1,455,300 <sup>(2)</sup>
Annual Incentive		(3)	(3)	1,392,124 <sup>(4)</sup>	\$ 429,975 <sup>(5)</sup>
Vesting of PSU Awards				1,103,018 <sup>(6)</sup>	\$ 3,016,486 <sup>(7)</sup>
Vesting of Stock Options				445,437 <sup>(6)</sup>	445,437 <sup>(9)</sup>
ESU Program					373,226 <sup>(10)</sup>
Retirement Benefit (401(k) and Excess Plan)					65,489 <sup>(10)</sup>
Health Benefits	\$ 72,737 <sup>(11)</sup>	\$ 72,737 <sup>(11)</sup>	\$ 72,737 <sup>(11)</sup>	72,737 <sup>(11)</sup>	31,246 <sup>(11)</sup>
Life Insurance Premium					3,072 <sup>(10)</sup>
<b>Total</b>	<b>\$ 72,737</b>	<b>\$ 72,737</b>	<b>\$ 72,737</b>	<b>\$ 4,929,970<sup>(12)</sup></b>	<b>\$ 5,820,231</b>

**Potential Payments upon Termination Joseph D. Downes, Jr.**

	Total Disability	Executive s Retirement	Termination by Company for Cause	Termination by Company without Cause	Termination following Change in Control
Vesting of PSU Awards					\$ 2,136,430 <sup>(7)</sup>
Vesting of Stock Options	\$ 337,857 <sup>(8)</sup>	\$ 337,857 <sup>(8)</sup>		\$ 337,857 <sup>(8)</sup>	337,857 <sup>(9)</sup>
<b>Total</b>	<b>\$ 337,857</b>	<b>\$ 337,857</b>		<b>\$ 337,857</b>	<b>\$ 2,474,287</b>

**Potential Payments upon Termination Dennis S. Park**

	Total Disability	Executive s Retirement	Termination by Company for Cause	Termination by Company without Cause	Termination following Change in Control
Vesting of PSU Awards					\$ 1,710,097 <sup>(7)</sup>
Vesting of Stock Options	\$ 341,548 <sup>(9)</sup>	\$ 341,548 <sup>(9)</sup>		\$ 341,548 <sup>(9)</sup>	341,548 <sup>(10)</sup>
<b>Total</b>	<b>\$ 341,548</b>	<b>\$ 341,548</b>		<b>\$ 341,548</b>	<b>\$ 2,051,645</b>

(1) Under the 2013 Employment Agreements, salary continues for the term of the employment agreement (through the 2017 annual meeting of shareholders).

(2) Monthly severance payments through the Protected Period, under the 2013 Severance Agreements.

(3) The 2013 Employment Agreements guarantee a pro-rated annual incentive for the year of separation in the event of a voluntary termination or termination for cause. Under the Key Officer Incentive Program, however, this amount vests on

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December 31 of each year, so no incremental compensation would have been payable as of December 31, 2012.

- (4) In the event of a termination without cause, the executive officer will receive annual incentive payments throughout the term of the employment agreement based upon the actual annual incentive payout percentages achieved for each of the applicable years; however, we have assumed payout at 100% of target for all future years for the amounts disclosed above.
- (5) The 2013 Severance Agreements provide for a pro-rata bonus payment at the 150% maximum payout level for the year in which the termination occurs.

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- (6) Following a termination without cause, equity awards continue to vest as if the executive officer were employed for the term of the employment agreement.
- (7) The PSU awards provide for payout at the 175% maximum upon a termination of employment following a change in control of the Company.
- (8) Because Mr. Haffner, Mr. Downes and Mr. Park are eligible for retirement under the terms of their stock option grants, their options will continue to vest and remain exercisable for three years and six months following any termination of employment (except in the case of a termination of employment as the result of gross misconduct).
- (9) All stock options granted to salaried employees become immediately exercisable in the event of a change in control of the Company.
- (10) The 2013 Severance Agreements provide for a continuation of health insurance, retirement plan contributions and certain fringe benefits through the Protected Period.
- (11) The 2013 Employment Agreements provide for continuing health insurance during the non-compete period, which is the later of two years following termination or until the 2017 annual meeting of shareholders.
- (12) Under the 2009 Agreements, the executive received title to his company car upon termination of employment by the Company without cause; however, this obligation has been eliminated under the 2013 Employment Agreements. The additional value of this transfer under the 2009 Agreements would have been \$17,725 for Mr. Haffner, \$21,125 for Mr. Glassman and \$28,575 for Mr. Flanigan.
- (13) Under the 2009 Agreements, the executive received a tax gross-up payment equal to any Section 280G excise taxes on the severance payments; however, this obligation has been eliminated under the 2013 Severance Agreements. The additional value of this tax gross-up under the 2009 Agreements would have been \$7,549,826 for Mr. Haffner and \$4,274,051 for Mr. Glassman (Mr. Flanigan did not have a tax gross-up under the 2009 Agreements). The calculation of the Section 280G tax gross-up payment assumed the following tax rates: Section 280G excise tax 20%; effective federal income tax 32.9%; state income tax 6%; and Medicare tax 1.45%. To calculate the Section 280G gross-up, we reduced the excess parachute payment by the amount of the incentive award compensation actually earned in 2012, as this amount represents payment for services rendered prior to the change in control. The incentive award is earned over the calendar year, so it was fully earned by December 31, 2012. We included the excess of the required 150% payout over the actual 2012 payout percentage in the calculation of the Section 280G gross-up amount.

The only additional compensation paid in connection with a termination of employment as the result of an executive officer's death is a life insurance benefit. The life insurance coverage for our NEOs is the same as that provided to other salaried employees a \$500,000 death benefit, which doubles in the event of death due to an accident.

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<b>SECURITY OWNERSHIP</b>
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**Security Ownership of Directors and Executive Officers**

The table below sets forth the beneficial ownership of our common stock on March 8, 2013, by the Company's directors, the Chief Executive Officer, the Chief Financial Officer and the other three most highly compensated executive officers, and all directors and executive officers as a group.

Directors and Executive Officers	Number of Shares or Units Beneficially Owned				% of Class (3)
	Common Stock (1)	Stock Units (2)	Options Exercisable within 60 Days	Total	
Robert E. Brunner, Director	13,976			13,976	
Ralph W. Clark, Director	29,105	16,925	11,448	57,478	
Robert G. Culp, III, Director <sup>(4)</sup>	260			260	
Joseph D. Downes, Jr., Senior VP, President Industrial Materials Segment	140,560	42,196	65,868	248,624	0.17%
R. Ted Enloe, III, Director	23,091	5,317	36,386	64,794	
Richard T. Fisher, Board Chair	156,884	1,636	6,007	164,527	0.11%
Matthew C. Flanigan, Executive VP and Chief Financial Officer, Director	191,899	95,201	252,688	539,778	0.37%
Karl G. Glassman, President and Chief Operating Officer, Director	165,247	198,375	795,106	1,158,728	0.79%
David S. Haffner, Chief Executive Officer, Director	885,325	293,908	1,293,692	2,472,925	1.68%
Joseph W. McClanathan, Director	33,886		1,454	35,340	
Judy C. Odom, Director	45,540	9,040	6,530	61,110	
Dennis S. Park, Senior VP, President Commercial Fixturing & Components Segment	202,523	48,930	259,146	510,599	0.35%
Maurice E. Purnell, Jr., Director	44,870		3,638	48,508	
Phoebe A. Wood, Director	54,669	25,205	976	80,850	
All executive officers and directors as a group (20 persons)	2,279,662	945,009	3,312,774	6,537,445	4.44%

- (1) Includes shares pledged as security for the following directors and officers: Fisher 50,000; all executive officers and directors as a group 94,397. The Company has adopted a policy prohibiting future pledging of Company stock, and those directors and officers with outstanding pledges have been encouraged to unwind their preexisting transactions.
- (2) Stock units are held on account under the Company's Executive Deferred Stock Program, Executive Stock Unit Program, Deferred Compensation Program, and Director Restricted Stock Unit Grants. Participants have no voting rights with respect to stock units. In each program, stock units are converted to shares of common stock upon distribution (although the Company has the option to settle all or a portion of the distributions under the ESU Program and the Deferred Compensation Program in cash, in its discretion), which occurs at a specified date or upon termination of employment. None of the stock units listed are scheduled for distribution within 60 days.
- (3) Beneficial ownership of less than .1% of the class is not shown. Stock units and options exercisable within 60 days are considered as stock outstanding for the purpose of calculating the ownership percentages.
- (4) Mr. Culp has less than 1 year of service on Leggett's Board, having been appointed in January 2013.

## Security Ownership of Certain Beneficial Owners

The Company knows of no beneficial owner of more than 5% of its common stock as of February 15, 2013, except as set out below.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Common Stock Outstanding
State Street Corporation One Lincoln Street Boston, MA 02111	16,811,234 <sup>(1)</sup>	11.9%
BlackRock, Inc. 40 East 52 <sup>nd</sup> Street New York, NY 10022	11,679,825 <sup>(2)</sup>	8.3%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	8,207,996 <sup>(3)</sup>	5.8%

- (1) State Street Corporation ( *SSC* ) is deemed to have shared voting and shared dispositive power with respect to 16,811,234 shares. SSC reported that its subsidiary SSGA Funds Management, Inc. ( *SSGA* ), acting in various capacities, is deemed to have shared voting power and shared dispositive power with respect to 12,195,591 of those shares. This information is based on Schedule 13G of SSC filed February 12, 2013, which reported beneficial ownership as of December 31, 2012.
- (2) BlackRock, Inc. ( *BlackRock* ) is deemed to have sole voting and sole dispositive power with respect to 11,679,825 shares. This information is based on Schedule 13G/A of BlackRock filed February 1, 2013, which reported beneficial ownership as of December 31, 2012.
- (3) The Vanguard Group ( *Vanguard* ) is deemed to have sole voting power with respect to 243,041 shares, shared dispositive power with respect to 232,841 shares, and sole dispositive power with respect to 7,975,155 shares. This information is based on Schedule 13G/A of Vanguard filed February 12, 2013, which reported beneficial ownership as of December 31, 2012.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors to file reports of ownership and changes in ownership of common stock with the SEC and the NYSE. Based on our records, we believe our executive officers and directors made all filings on a timely basis in 2012.

## EQUITY COMPENSATION PLAN INFORMATION

The following table shows the number of outstanding options and shares available for future issuance under all the Company's equity compensation plans as of December 31, 2012. All of our equity compensation plans have been approved by our shareholders.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by shareholders	14,150,866 <sup>(1)</sup>	\$ 21.72	12,213,329 <sup>(2)(3)</sup>
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	14,150,866	\$ 21.72	12,213,329

(1) This number represents the stock issuable under the following plans:

Director Stock Option Plan	10,314
Flexible Stock Plan Options	8,538,905
Flexible Stock Plan Vested Stock Units	3,956,482
Flexible Stock Plan Unvested Stock Units	1,645,165

*Director Stock Option Plan.* This is a frozen plan, and no future awards will be granted under it; however, 10,314 options remain outstanding under the plan.

*Flexible Stock Plan.* This includes 8,538,905 options outstanding and 5,601,647 stock units convertible to common stock. The stock units include grants of RSUs and PSUs covering 1,628,105 shares that are still subject to forfeiture if vesting conditions are not satisfied. The remaining stock units are held in our ESU Program, Deferred Compensation Program and Executive Deferred Stock Program, and only 17,060 of those stock units are unvested. See pages 31 and 45 for descriptions of these programs.

(2) Shares available for future issuance include: 11,363,713 shares under the Flexible Stock Plan and 849,616 shares under the 1989 Discount Stock Plan. The 1989 Discount Stock Plan is a Section 423 employee stock purchase plan. Columns (a) and (b) are not applicable to stock purchase plans.

(3) Of the 11,363,713 shares available under the Flexible Stock Plan as of December 31, 2012, shares issued as options or stock appreciation rights (SARs) count as one share against the Plan, and shares issued as all other types of awards count as three shares against the Plan.

## Driving Directions to the Wright Conference Center

**No. 1 Leggett Road, Carthage, Missouri**

ANNUAL MEETING OF SHAREHOLDERS

Thursday, May 9, 2013  
10:00 a.m. Central Time

LEGGETT & PLATT, INCORPORATED  
WRIGHT CONFERENCE CENTER  
No. 1 Leggett Road  
Carthage, Missouri 64836

LEGGETT & PLATT, INCORPORATED  
No. 1 Leggett Road  
Carthage, Missouri 64836

proxy

This proxy is solicited on behalf of the Board of Directors.

The undersigned shareholder of Leggett & Platt, Incorporated, a Missouri corporation (the "Company"), hereby acknowledges receipt of the Notice of 2013 Annual Meeting of Shareholders, the accompanying Proxy Statement and the Annual Report for the fiscal year ended December 31, 2012, and hereby appoints David S. Haffner and John G. Moore as proxies and attorneys-in-fact, with full power of substitution to represent the undersigned at the 2013 Annual Meeting of Shareholders of the Company to be held on May 9, 2013 at 10:00 a.m. Central Time at the Company's headquarters, located at No. 1 Leggett Road, Carthage, Missouri 64836, and at any adjournment thereof, and to vote all shares that the undersigned would be entitled to vote if personally present.

THIS PROXY WILL BE VOTED AS DIRECTED. IN THE ABSENCE OF DIRECTION, THIS PROXY WILL BE VOTED FOR ALL NOMINEES TO THE BOARD OF DIRECTORS; FOR THE RATIFICATION OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM; FOR APPROVAL OF NAMED EXECUTIVE OFFICER COMPENSATION AS DESCRIBED IN THE COMPANY'S PROXY STATEMENT; AND AGAINST THE SHAREHOLDER PROPOSAL REQUESTING THE ADDITION OF SEXUAL ORIENTATION AND GENDER IDENTITY TO THE COMPANY'S WRITTEN NON-DISCRIMINATION POLICY. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting or any adjournment thereof.

PLEASE VOTE BY INTERNET OR MARK, SIGN, DATE AND RETURN  
THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

See reverse for voting instructions.



Address Change? Mark Box to the right and Indicate changes below:

COMPANY #

Return Your Proxy by Mail  
or Vote by Internet  
24 Hours a Day, 7 Days a Week  
Your Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

INTERNET – [www.eproxy.com/leg](http://www.eproxy.com/leg)  
Use the Internet to vote your proxy until 5:00 p.m. (CT) on May 8, 2013.

Mail – Mark, sign and date your proxy card and return it in the postage-paid envelope provided.

If you vote your proxy by Internet, you do NOT need to mail back your Voting Instruction Card.

TO VOTE BY MAIL AS THE BOARD OF DIRECTORS RECOMMENDS ON ALL ITEMS BELOW, SIMPLY SIGN, DATE, AND RETURN THIS PROXY CARD.

The Board of Directors Recommends a Vote FOR Proposals 1, 2 and 3, and AGAINST Proposal 4.

1. Election of directors:

	FOR	AGAINST	ABSTAIN		FOR	AGAINST
a. Robert E. Brunner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	g. Karl G. Glassman	<input type="checkbox"/>	<input type="checkbox"/>
b. Ralph W. Clark	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	h. David S. Haffner	<input type="checkbox"/>	<input type="checkbox"/>

Please fold here – Do not separate

c. Robert G. Culp, III	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	i. Joseph W. McClanathan	<input type="checkbox"/>	<input type="checkbox"/>
d. R. Ted Enloe, III	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	j. Judy C. Odom	<input type="checkbox"/>	<input type="checkbox"/>
e. Richard T. Fisher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	k. Phoebe A. Wood	<input type="checkbox"/>	<input type="checkbox"/>

- f. Matthew C. Flanigan
2. Ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the year ending December 31, 2013.  For  Against
3. An advisory vote to approve named executive officer compensation as described in the Company's proxy statement.  For  Against
4. A shareholder proposal requesting the addition of sexual orientation and gender identity to the Company's written non-discrimination policy.  For  Against

IN THEIR DISCRETION, the proxy holders are authorized to vote upon such other business as may properly come before the meeting or any adjournments or postponements thereof.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR PROPOSALS 1, 2 AND 3, AND AGAINST PROPOSAL 4.

Date

Signature(s) in Box

Please sign exactly as your name appears on this card. If stock is jointly owned, all parties must sign. Attorneys-in-fact, executors, administrators, trustees, guardians or corporation officers should indicate the capacity in which they are signing.

FOLD AND DETACH HERE

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON 05/09/13 FOR LEGGETT & PLATT, INCORPORATED

LEGGETT & PLATT, INCORPORATED  
 ANNUAL MEETING TO BE HELD ON  
 05/09/13 AT 10:00 A.M. CDT FOR  
 HOLDERS AS OF 03/0713

THE FOLLOWING MATERIAL IS AVAILABLE  
 AT WWW.PROXYVOTE.COM \*\* E \*\*

\* ISSUER  
 CONFIRMATION  
 COPY – INFO ONLY \*  
 THIS FORM IS PROVIDED  
 FOR INFORMATIONAL  
 PURPOSES ONLY. PLEASE  
 DO NOT USE IT FOR  
 VOTING PURPOSES.

DIRECTORS

DIRECTORS

(MARK "X" FOR ONLY ONE BOX)  
 THIS SPACE INTENTIONALLY  
 LEFT BLANK

PLEASE INDICATE  
 YOUR VOTING

INSTRUCTIONS FOR  
 EACH PROPOSAL

PROPOSAL(S)	DIRECTORS RECOMMEND	FOR AGN ABS	
1A.*- ELECTION OF DIRECTOR: ROBERT E. BRUNNER----->>>	FOR --->>> 0010113	1A.   o   o   o	
1B.*- ELECTION OF DIRECTOR: RALPH W. CLARK ----->>>	FOR --->>> 0010113	1B.   o   o   o	
1C.*- ELECTION OF DIRECTOR: ROBERT G. GULP, III ----->>>	FOR --->>> 0010113	1C.   o   o   o	
1D.*- ELECTION OF DIRECTOR: R. TED ENLOE, III ----->>>	FOR --->>> 0010113	1D.   o   o   o	524660107
1E.*- ELECTION OF DIRECTOR: RICHARD T. FISHER ----->>>	FOR --->>> 0010113	1E.   o   o   o	
1F.*- ELECTION OF DIRECTOR: MATTHEW C. FLANIGAN ----->>>	FOR --->>> 0010113	1F.   o   o   o	
		1G.   o   o   o	



1G.*- ELECTION OF DIRECTOR: KARL G. GLASSMAN ----->>>	FOR ---->>> 0010113		FOR AGN ABS
1H.*- ELECTION OF DIRECTOR: DAVID S. HAFFNER ----->>>	FOR ---->>> 0010113	1H.	o o o FOR AGN ABS
1I.*- ELECTION OF DIRECTOR: JOSEPH W. MCCLANATHAN ----->>>	FOR ---->>> 0010113	1I.	o o o FOR AGN ABS
1J.*- ELECTION OF DIRECTOR: JUDY C. ODOM ----->>>	FOR ---->>> 0010113	1J.	o o o FOR AGN ABS
1K.*- ELECTION OF DIRECTOR: PHOEBE A. WOOD ----->>>	FOR ---->>> 0010113	1K..	o o o FOR AGN ABS
2. – RATIFICATION OF THE AUDIT SELECTION OF PRICEWATERHOUSECOOPERS ----->>> LLP AS COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.	FOR ---->>> 0010200	2.	o o o FOR AGN ABS
3. *- AN ADVISORY VOTE TO APPROVE NAMED EXECUTIVE ----->>> OFFICER COMPENSATION AS DESCRIBED IN THE COMPANY’S PROXY STATEMENT.	FOR ---->>> 0029440	3.	o o o FOR AGN ABS
4. *- A SHAREHOLDER PROPOSAL REQUESTING ADDITION OF ----->>> SEXUAL ORIENTATION AND GENDER IDENTITY TO THE WRITTEN NON-DISCRIMINATION POLICY. *NOTE* SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.	FOR ---->>> 0060207	4.	o o o

FOLD AND DETACH  
HERE

\_\_\_\_\_  
/ \_\_\_\_/ \_\_\_\_  
SIGNATURE(S)

DATE

VOTING INSTRUCTIONS

Proxy Services  
P.O. Box 9175  
Farmingdale NY 11735-9852

Fold  
and  
Detach  
Here

WRONG WAY

Fold  
and  
Detach  
Here

TO OUR CLIENTS:  
WE HAVE BEEN REQUESTED TO FORWARD TO YOU THE ENCLOSED PROXY MATERIAL RELATIVE TO SECURITIES HELD BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. ONLY WE AS THE HOLDER OF RECORD CAN VOTE SUCH SECURITIES. WE SHALL BE PLEASED TO VOTE YOUR SECURITIES IN ACCORDANCE WITH YOUR WISHES, IF YOU WILL EXECUTE THE FORM AND RETURN IT TO US PROMPTLY IN THE ENCLOSED BUSINESS REPLY ENVELOPE. IT IS UNDERSTOOD THAT IF YOU SIGN WITHOUT OTHER WISE MARKING THE FORM YOUR SECURITIES WILL BE VOTED AS RECOMMENDED BY THE BOARD OF DIRECTORS ON ALL MATTERS TO BE CONSIDERED AT THE MEETING.

AND ONE OR MORE OF THE MATTERS BEFORE THE MEETING MUST BE DEEMED "ROUTINE" IN NATURE ACCORDING TO NYSE GUIDELINES. IF THESE TWO REQUIREMENTS ARE MET AND YOU HAVE NOT COMMUNICATED TO US PRIOR TO THE FIRST VOTE BEING ISSUED, WE MAY VOTE YOUR SECURITIES AT OUR DISCRETION ON ANY MATTERS DEEMED TO BE ROUTINE. WE WILL NEVERTHELESS FOLLOW YOUR INSTRUCTIONS, EVEN IF OUR DISCRETIONARY VOTE HAS ALREADY BEEN GIVEN, PROVIDED YOUR INSTRUCTIONS ARE RECEIVED PRIOR TO THE MEETING DATE.

THE FOLLOWING INSTRUCTIONS PROVIDE SPECIFICS REGARDING THE MEETING FOR WHICH THIS VOTING FORM

P.O. Box 9175

FOR THIS MEETING,  
THE EXTENT OF  
OUR AUTHORITY TO  
VOTE YOUR  
SECURITIES IN THE  
ABSENCE OF YOUR  
INSTRUCTIONS CAN  
BE DETERMINED BY  
REFERRING TO THE  
APPLICABLE  
VOTING  
INSTRUCTION  
NUMBER  
INDICATED ON THE  
FACE OF YOUR  
FORM.

FOR MARGIN  
ACCOUNTS, IN THE  
EVENT YOUR  
SECURITIES HAVE  
BEEN LOANED OVER  
RECORD DATE, THE  
NUMBER OF  
SECURITIES WE  
VOTE ON YOUR  
BEHALF HAS BEEN  
OR CAN BE  
ADJUSTED  
DOWNWARD.

PLEASE NOTE THAT  
UNDER A RULE  
AMENDMENT  
ADOPTED BY THE  
NEW YORK STOCK  
EXCHANGE FOR  
SHAREHOLDER  
MEETINGS HELD ON  
OR AFTER JANUARY  
1, 2010, BROKERS  
ARE NO LONGER  
ALLOWED TO VOTE  
SECURITIES HELD IN  
THEIR CLIENTS'  
ACCOUNTS ON  
UNCONTESTED  
ELECTIONS OF  
DIRECTORS UNLESS  
THE CLIENT HAS  
PROVIDED VOTING

APPLIES.

INSTRUCTION 1

ALL PROPOSALS  
FOR THIS MEETING  
ARE CONSIDERED  
"ROUTINE" . WE WILL  
VOTE IN OUR  
DISCRETION ON  
ALL PROPOSALS, IF  
YOUR  
INSTRUCTIONS ARE  
NOT RECEIVED.  
IF YOUR  
SECURITIES ARE  
HELD BY A BANK,  
YOUR SECURITIES  
CANNOT BE VOTED  
WITHOUT YOUR  
SPECIFIC  
INSTRUCTIONS.

INSTRUCTION 2

IN ORDER FOR  
YOUR SECURITIES  
TO BE  
REPRESENTED AT  
THE MEETING ON  
ONE OR MORE  
MATTERS BEFORE  
THE MEETING, IT  
WILL BE  
NECESSARY FOR US  
TO HAVE YOUR  
SPECIFIC VOTING  
INSTRUCTIONS.

IF YOUR  
SECURITIES ARE  
HELD BY A BANK,  
YOUR SECURITIES  
CANNOT BE VOTED  
WITHOUT YOUR  
SPECIFIC  
INSTRUCTIONS.

INSTRUCTION 3

INSTRUCTIONS (IT WILL CONTINUE TO BE THE CASE THAT BROKERS CANNOT VOTE THEIR CLIENTS' SECURITIES IN CONTESTED DIRECTOR ELECTIONS) . CONSEQUENTLY, IF YOU WANT US TO VOTE YOUR SECURITIES ON YOUR BEHALF ON THE ELECTION OF DIRECTORS, YOU MUST PROVIDE VOTING INSTRUCTIONS TO US. VOTING ON MATTERS PRESENTED AT SHAREHOLDER MEETINGS, PARTICULARLY THE ELECTION OF DIRECTORS IS THE PRIMARY METHOD FOR SHAREHOLDERS TO INFLUENCE THE DIRECTION TAKEN BY A PUBLICLY -TRADED COMPANY. WE URGE YOU TO PARTICIPATE IN THE ELECTION BY RETURNING THE ENCLOSED VOTING INSTRUCTION FORM TO US WITH INSTRUCTIONS AS TO HOW TO VOTE YOUR SECURITIES IN THIS ELECTION.

IF YOUR SECURITIES ARE HELD BY A BROKER WHO IS A MEMBER OF THE

IN ORDER FOR YOUR SECURITIES TO BE REPRESENTED AT THE MEETING, IT WILL BE NECESSARY FOR US TO HAVE YOUR SPECIFIC VOTING INSTRUCTIONS.

INSTRUCTION 4

WE HAVE PREVIOUSLY SENT YOU PROXY SOLICITING MATERIAL PERTAINING TO THE MEETING OF SHAREHOLDERS OF THE COMPANY INDICATED. ACCORDING TO OUR LATEST RECORDS, WE HAVE NOT AS OF YET RECEIVED YOUR VOTING INSTRUCTION ON THE MATTERS(S) TO BE CONSIDERED AT THIS MEETING AND THE COMPANY HAS REQUESTED US TO COMMUNICATE WITH YOU IN AN ENDEAVOR TO HAVE YOUR SECURITIES VOTED.

\*\*IF YOU HOLD YOUR SECURITIES THROUGH A CANADIAN BROKER OR BANK, PLEASE BE ADVISED THAT YOU ARE RECEIVING THE VOTING INSTRUCTION

NEW YORK STOCK EXCHANGE (NYSE), THE RULES OF THE NYSE WILL GUIDE THE VOTING PROCEDURES. THESE RULES PROVIDE THAT IF INSTRUCTIONS ARE NOT RECEIVED FROM YOU PRIOR TO THE ISSUANCE OF THE FIRST VOTE, THE PROXY MAY BE GIVEN AT DISCRETION OF YOUR BROKER (ON THE TENTH DAY, IF THE MATERIAL WAS MAILED AT LEAST 15 DAYS PRIOR TO THE MEETING DATE OR ON THE FIFTEENTH DAY, IF THE PROXY MATERIAL WAS MAILED 25 DAYS OR MORE PRIOR TO THE MEETING DATE). IN ORDER FOR YOUR BROKER TO EXERCISE THIS DISCRETIONARY AUTHORITY, PROXY MATERIAL WOULD NEED TO HAVE BEEN MAILED AT LEAST 15 DAYS PRIOR TO THE MEETING DATE,

FORM AND MEETING MATERIALS, AT THE DIRECTION OF THE ISSUER. EVEN IF YOU HAVE DECLINED TO RECEIVE SECURITY - HOLDER MATERIALS, A REPORTING ISSUER IS REQUIRED TO DELIVER THESE MATERIALS TO YOU. IF YOU HAVE ADVISED YOUR INTERMEDIARY THAT YOU OBJECT TO THE DISCLOSURE OF YOUR BENEFICIAL OWNERSHIP INFORMATION TO THE REPORTING ISSUER, IT IS OUR RESPONSIBILITY TO DELIVER THESE MATERIALS TO YOU ON BEHALF OF THE REPORTING ISSUER.

THESE MATERIALS ARE BEING SENT AT NO COST TO YOU.

Please ensure you fold then detach and retain this portion of the Voting Instruction Form

