

BASSETT FURNITURE INDUSTRIES, INC.
ORGANIZATION, COMPENSATION & NOMINATING COMMITTEE
CHARTER

Purpose

The Organization, Compensation and Nominating Committee (“Committee”) of the Board of Directors (“Board”) of Bassett Furniture Industries, Inc. (“Company”), recommends candidates for election to the Board. In fulfilling this responsibility, it reviews recommendations received from shareholders and other qualified sources. The Committee is also responsible for reviewing and recommending possible changes in Board composition, qualifications, compensation, retirement and other aspects of Board membership. The Committee shall be responsible for carrying out the duties set forth in the Governance Guidelines regarding selecting, screening and nominating director candidates.

The Committee serves as a “sounding board” for the Chairman on internal corporate matters, succession in top management, executive development, changes in corporate structure, contingency planning, corporate governance, and other matters of broad corporate significance.

The Committee also assists the Board in determining the performance and compensation of the Chief Executive Officer (“CEO”); discharges the responsibilities of the Board with respect to the compensation of other executive officers; and administers the Company’s stock incentive plans.

Membership

The members and Chairman of the Committee are appointed by the Board from time to time, and may be removed by the Board of Directors at any time.

Membership on the Committee is limited to outside directors, each of whom shall be a “disinterested person” within the meaning of 17 CFR 240.16b-3 and shall qualify as an “outside director” within the meanings of regulations established pursuant to Section 162(m) of the Internal Revenue Code. Each member of the Committee shall meet the independence requirements of the Nasdaq Stock Market applicable to compensation committee members, as in effect from time to time. The Committee shall consist of at least two members, and currently has three members. The Chairman serves as the principal resource officer for the Committee.

Operations

The Committee shall meet at such times as it determines to be appropriate or at the call of the Chairman of the Committee. Company staff support will be provided as the Committee deems appropriate. On an annual basis, the Committee shall review the

performance of the CEO, shall review and reassess the adequacy of the Committee charter and recommend any changes to the Board, and shall initiate and oversee a self-evaluation of the Board.

A majority of the members of the Committee will constitute a quorum for the transaction of business, and the act of a majority of the members present and voting at any meeting at which a quorum is then present shall be the act of the Committee. A member may participate in a Committee meeting by means of a telephone conference or similar methods of communication by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting. Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if a written consent thereto is signed by all members of the Committee.

Except to the extent prohibited by applicable law or the rules or regulations of the Securities and Exchange Commission or the Nasdaq Stock Market, the Committee is authorized to form subcommittees consisting of one or more members of the Committee, and to delegate any of its responsibilities to such a subcommittee or to Company employees or others.

Authority

To build long-term shareholder value, the Committee shall ensure that management develops, articulates, and presents to the Board of Directors (a) the Company's executive and director compensation philosophy and (b) programs and plans consistent with that philosophy to attract, retain, motivate and appropriately reward executives utilizing an integrated, flexible structure of compensation devices, including salary, incentives, benefits and perquisites. In this regard, the Committee shall periodically review the Company's compensation philosophy, programs and plans, including the organizational structure, appointment and overall compensation plan and salary ranges for officers of the Company.

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. The Company shall provide for the appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors: (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person

that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel or other adviser with an executive officer of the Company.

Responsibilities

Among its functions relating to compensation, the Committee shall, in its judgment:

1. Review, approve, and recommend to the Board, plans or agreements, or amendments to or termination of existing plans or agreements, presented by management that are consistent with the Company's compensation philosophy and practices in building long-term shareholder value, including, but not limited to, deferred compensation plans, severance and change-in-control plans, incentive compensation plans and stock-based compensation plans.
2. Review the implementation and administration of incentive compensation plans by management, including reviewing and approving the adoption of, or revision to, any "clawback" policy that allows the Company to recoup incentive compensation received by any current or former covered officer, and reviewing all written recommendations regarding "clawbacks" of incentive compensation and determining the extent, if any, to which incentive-based compensation of the relevant current or former covered officer should be reduced or extinguished.
3. Review and approve management's proposals for multi-year incentive plans, and the selection of participants, number of units awarded or incentive amounts given, and performance cycles and incentive targets for awards made under such plans, and recommend to the Board awards pursuant to such plans.
4. Recommend to the Board the compensation and benefits for the CEO and approve the compensation and benefits for the other executive officers of the Company. The discussion, deliberation and voting on CEO compensation and benefits shall be conducted in executive session both in Committee and when the Committee recommends such compensation and benefits to the Board.
5. Administer and interpret all stock incentive plans of the Company and review and approve the grants of stock options, stock appreciation rights, performance shares, and other stock-related incentives thereunder.
6. Report on executive compensation in the Company's annual proxy statement as required by the Securities and Exchange Commission, and review and discuss the Compensation Discussion and Analysis with management, and recommend its inclusion in the Company's annual proxy statement.

7. Consider and discuss with management the results of the Company's most recent say-on-pay vote.
8. Senior management shall report all proposed related party transactions to the Committee, and the Committee shall be responsible for the approval, review and oversight contemplated by NASDAQ with respect to any such reported transactions.
9. Determine stock ownership guidelines for the Company's executives and non-employee directors and periodically monitor compliance with such guidelines.
10. Determine such other actions that may be appropriate or necessary, whether by the Committee or the staff, for the Committee to fulfill its responsibilities pursuant to this charter.