

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

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 (i.e., Articles 10, 11 and 12).

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.

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 four members. The Chairman serves as the principal resource officer for the Committee.

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 shall initiate and oversee a self-evaluation of the Board.

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.

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

1. Review, approve, and recommend to the Board of Directors compensation programs and plans, or amendments to existing plans, 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, incentive compensation plans and stock-based compensation plans.
2. Review the implementation and administration of compensation plans by management.
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 of Directors awards pursuant to such plans.
4. Recommend to the Board of Directors the compensation and benefits for the CEO/COO and approve the compensation and benefits for the other executive officers of the Company. The discussion, deliberation and voting on CEO/COO 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. Review and approve the grants of stock options, stock appreciation rights, performance shares, and other stock-related incentives.

6. 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.