

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

The Organization, Compensation and Nominating Committee 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. The committee 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, 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.

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 compensation and benefits for the CEO and the COO and approve the compensation and benefits for other of the five highest paid executive officers of the Company.
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.