

# **HOOKER FURNITURE CORPORATION**

## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **Introduction**

This Code of Business Conduct and Ethics for Hooker Furniture Corporation (the “Company”) covers a wide range of business practices and procedures. It does not cover every issue that may arise but it sets out basic principles to guide all employees, officers and directors of the Company (each provision of this Code should be read to apply to all employees, officers and directors of the Company unless the context indicates otherwise). All of us, regardless of our country of origin or country of residence, must conduct ourselves accordingly and seek to avoid even the appearance of improper behavior. In the rare cases where a law may conflict with this Code, you must comply with the law. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation or, if seeking guidance from your supervisor would not be appropriate in the circumstances, contact the Human Resources Department.

The Company investigates all reported or suspected violations of this Code. Any employee, officer or director who violates this Code will be subject to immediate disciplinary action, including reassignment, demotion or termination of employment. In addition, the Company may sue you in court. Violations of this Code could also result in your being prosecuted if you have violated any criminal statutes. If you are in a situation which you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 17 of this Code.

### **1. Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is the foundation on which this Company’s ethical standards are built. All of us, regardless of our country of origin or country of residence, must respect and obey the laws of the cities, states and countries where the Company operates. Although none of us is expected to know the details of every law, we are all expected to exercise good judgment and most importantly to seek advice from supervisors, managers or other appropriate personnel when in doubt.

### **2. Sales Agents, Consultants & Professional Services**

U.S. and non-U.S. sales agents, consultants, representatives, independent contractors, temporary workers and suppliers are expected to observe the same standards of conduct as the Company’s employees when conducting business anywhere in the world with or for Hooker Furniture. None of us may do anything indirectly, through agents, or otherwise that we are prohibited from doing directly under this or any other Company policy. Business integrity is a key standard for the selection and retention of those who represent Hooker Furniture. Therefore, it is important that we engage in appropriate due diligence before retaining any sales agent, consultant, representative, independent contractor, external temporary worker or supplier.

### **3. Conflicts of Interest**

A “conflict of interest” exists when your private interest interferes in any way with the interests of the Company. A conflict of interest occurs when you take actions or have interests that may make it difficult to perform your Company work objectively and effectively. Conflicts of interest also arise if you or members of your family receive improper personal benefits, such as cash, loans, guarantees of loans or inappropriate gifts, as a result of your position in the Company. For an employee, a conflict will also arise, in almost all cases, if you work for or have a material financial interest in a competitor, customer or supplier. Company employees are not allowed to work for a competitor or to serve as a consultant or board member of a competitor. The best practice is to avoid any direct or indirect business connection with the Company’s customers,

suppliers or competitors, except on the Company's behalf. Conflicts of interest are prohibited as a matter of Company policy. Conflicts of interest may not always be clear-cut, so if you have a question, employees should consult with your plant manager or an officer of the Company. If you become aware of a conflict or potential conflict, then you should bring it to the attention of a supervisor, manager or other appropriate personnel or follow the procedures described in Sections 16 and 17 of this Code. Where directors have financial interests or hold other employment or directorships that present potential conflicts of interest, they are expected to disclose that information to the Board, and to recuse themselves from any related decision making. The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantages with customers or others. None of us, nor any member of our families, should ever offer or accept any gift or entertainment to or from any customer, supplier or others with whom the Company does business unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff or perceived as imposing an obligation on the recipient and (5) does not violate any laws or regulations. Please discuss with your supervisor whether you should give or receive any gifts that you are not certain are appropriate.

#### **4. Disclosure Obligations under Securities Laws**

The Company is subject to various disclosure obligations under U.S. federal and state securities laws. To comply with these obligations, the Company must make full, fair, accurate, timely and understandable disclosure in any reports and documents the Company files with or submits to the Securities and Exchange Commission and in other public communications made by the Company. It is everyone's responsibility to bring promptly to the attention of the Executive Officers of the Company (Chief Executive Officer, President, Chief Financial Officer, Senior Vice President- Administration) or the Director of Accounting any material information you learn about that affects the disclosures made by the Company in its public filings and other public communications.

#### **5. Insider Trading**

If you have access to confidential information about the Company you are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. In order to assist with compliance with laws against insider trading, the Company has adopted a specific policy governing your trading in securities of the Company and in the securities of other companies when such trading could be influenced by your access to the Company's confidential information. You can obtain a copy of the insider trading policy from the Human Resources Department. If you have any questions about the insider trading policy, you may contact Robert W. Sherwood, Vice President – Credit, Secretary and Treasurer, Anne Jacobsen, Senior Vice President –Administration or Paul Huckfeldt – Chief Financial Officer.

#### **6. Corporate Opportunities**

None of us may take for ourselves any opportunities that we discover in the course of our work for the Company or through the use of Company property or information. Nor may we use Company property, information or position for improper personal gain, and, of course, we are not permitted to compete directly or indirectly with the Company. We all owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

#### **7. Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly. In doing so, we all must comply with antitrust and competition laws where the Company does business. All product development, manufacturing and sales efforts must conform to the highest ethical standards. Antitrust laws generally prohibit agreements or understandings among actual or potential competitors to fix or control prices, fix bids, boycott specified suppliers or customers, or limit the production and sales of product lines. Other laws prohibit controlling the resale pricing of distributors and dealers, disparaging a competitor, misrepresenting the Company's products, stealing trade secrets or offering or paying bribes or kickbacks. These laws are vigorously enforced and failure to comply with them could result in heavy fines to the Company and heavy fines and imprisonment for you.

Stealing proprietary information or otherwise possessing trade secret information obtained without the owner's consent, or inducing disclosures of proprietary information by past or present employees of other companies is prohibited by this policy and is usually illegal. All of us must respect the rights of and deal fairly with the Company's customers, suppliers and competitors. None of us, in our work for the Company, may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair practice.

### **8. Dignity and Respect in the Workplace**

We are all required to treat customers, suppliers, competitors and our fellow employees with dignity and respect everywhere in the world we conduct our business. The diversity of our fellow employees is a tremendous asset. The Company is firmly committed to providing equal opportunity in all aspects of employment and the Company will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. In addition, the Company will not do business with partners who use child labor in any of their facilities. Workers must be at least 15 years of age or, if higher, the local legal minimum age for employment or the compulsory age to be in school. Nor will the Company do business with partners who use forced or involuntary labor. For more in-depth information on the Company's policies regarding issues such as discrimination, harassment and child and forced labor, refer to the Company's Employee-Owner Handbook, a copy of which may be obtained by contacting the Human Resources Department.

### **9. Health, Safety and the Environment**

The Company strives to provide you with a safe and healthy work environment. Each of us is responsible for maintaining a safe and healthy workplace for our fellow employees, others and ourselves by following safety and health rules and practices and promptly reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted and weapons are not permitted in Company facilities. Employees should report to work in condition to perform their duties, free from influence of illegal drugs or alcohol. The use of illegal drugs or alcohol in the workplace will not be tolerated. We all must comply with all environmental, health and safety laws and regulations in each country where Hooker Furniture operates. Waste products and hazardous materials are to be stored, handled and disposed of in compliance with all laws, regulations and Company policies. The unsafe storage of a potentially toxic or hazardous material or the improper release of such materials into the environment must be reported promptly to your immediate supervisor, or if reporting to your supervisor would be inappropriate under the circumstances, to an officer of the Company, the My Safe Workplace reporting program or the Audit Committee.

### **10. Record-Keeping**

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported. Many of us regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or the Company's Chief Accounting Officer. All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless clearly permitted by applicable law or regulation. Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies. This applies equally to email, internal memos, social media and formal reports.

### **11. Confidentiality**

Each of us must maintain the confidentiality of confidential information entrusted to us by the Company or its customers or suppliers, except when disclosure is authorized by an Executive Officer of the Company or required by laws or regulations. Confidential information includes any information designated as such, any trade secrets and all non-public information that might be of use to competitors, or harmful to the Company or its customers or suppliers, if disclosed. The obligation to preserve confidential information continues even after employment ends.

### **12. Protection and Proper Use of Company Assets**

Each of us is required to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business without prior written authorization from your plant manager or an officer of the Company. The obligation to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil and criminal penalties.

### **13. Payments to Government Personnel and Others**

We will deal with all of the Company's customers, suppliers and government agencies in a straightforward and aboveboard manner and in strict compliance with the requirements of the U.S. Foreign Corrupt Practices Act, international anti-bribery conventions and local anti-corruption and bribery laws. Each of us, regardless of our home or host country, is prohibited from giving anything of value (including paying any bribe, kickback or other similar unlawful payment), directly or indirectly, to any government, public official or other individual, regardless of nationality, to secure any personal gain or any concession, contract or improper advantage for the Company. Certain nominal payments to public or government officials may be allowable if they are in compliance with local laws, and are in the nature of a facilitating or expediting payment to secure the performance of a routine governmental action. This does not include any decision by a public official to award new business or continue doing business with the Company or others. The factual circumstances of each case, and the applicable laws, which vary from country to country, will determine the legality of such payments. Therefore, you must not make any such payment until you receive the express prior approval from your immediate supervisor, other local managers, the Chief Financial Officer, the Senior Vice-President – Administration, the President or the Chief Executive Officer. In addition, there are strict laws regarding business gratuities that may be offered to or accepted by U.S. governmental personnel.

The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules may be treated as a crime and would be a violation of Company policy. State and local governments, as well as foreign governments, usually have similar rules. You are, of course, permitted as an individual to support candidates for public office, but you are not permitted to use Company assets in support of any candidate or to provide gifts or favors to any government official.

#### **14. International Business**

The Company's policy is to comply with the specific laws and regulations of all countries where it does business, and with all U.S. laws affecting international trade, such as anti-boycott, trade sanction, export control and foreign corrupt practices laws. Violations of these laws carry stiff civil and criminal penalties for individuals and the Company, and could cause serious damage not only to the Company's corporate reputation, but also to the public. If you are involved in the Company's foreign operations you should be aware of these laws, and should coordinate closely with your immediate supervisor, other local managers, the Chief Financial Officer, the Senior Vice-President – Administration, the President or the Chief Executive Officer to ensure that neither you nor the Company violates any relevant laws.

#### **15. Waivers of the Code of Business Conduct and Ethics; Amendments**

This Code of Business Conduct and Ethics has been approved by the Company's Board of Directors. Any waiver of this Code for executive officers, directors or anyone else may be made only by the Board or a Board committee and will be promptly disclosed in writing as required by law or regulation. This Code may be amended only by the Board of Directors.

#### **16. Reporting any Illegal or Unethical Behavior**

Violations of the Code. If you believe that a violation of this Code has occurred, then you should report that concern to your immediate supervisor or to the Chief Financial Officer, the Senior Vice-President – Administration, the President or the Chief Executive Officer.. The Audit Committee of the Board of Directors has also established a procedure for receiving confidential, anonymous submissions of concerns regarding questionable accounting or auditing matters. This procedure also may be used if you wish to report any suspected violation of the Code by a senior Company officer or director. See "Accounting, Auditing and Code of Conduct Matters" below. Investigations of reported violations are treated as confidentially as possible, consistent with the need to investigate and address the matter, subject to applicable laws and regulations. You are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. The Company will not allow retaliation for good faith reports of violations of the Code of Conduct or other misconduct. All of us are obligated, as a condition of our employment, to cooperate in internal investigations of misconduct. Directors must report any suspected violations of this Code to the Chair of the Audit Committee if a director or a senior Company officer is involved, unless the violation involves the Chair of the Audit Committee, in which case, directors are to report to the Chair of the Board, and otherwise take reasonable action to ensure that the Board of Directors is made aware of the suspected violation. To the extent it deems appropriate, the Audit Committee will participate in any investigation of a director or a senior Company officer. After the conclusion of an investigation of a director or a senior Company officer, the conclusions shall be reported to the Audit Committee and the Audit Committee will conduct such additional investigation as it deems necessary. If the Audit Committee determines that a director or senior Company officer has violated this Code, it will report its determination to the Board of Directors. Upon being notified that a violation has occurred, the Board of Directors or the Chief Financial Officer, the Senior Vice-President – Administration, the President or the Chief Executive Officer., as the case may be, will take such

disciplinary or preventive action as deemed appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities. Any other suspected violations should be reported by directors to the Chief Financial Officer, the Senior Vice-President – Administration, the President or the Chief Executive Officer unless the director deems it more appropriate to report to the Chair of the Audit Committee or to take other action to ensure that the suspected violation is appropriately addressed.

Accounting, Auditing and Code of Conduct Matters. The Audit Committee of the Board of Directors has established the following procedure for you to provide confidential, and if you wish, anonymous, reports of concerns regarding questionable accounting, auditing or Code violation matters. If you want to make a report regarding such matters, you should contact the outside service retained by the Audit Committee in order to preserve the confidentiality and anonymity of such submissions by calling 1-800-461-9330 or by writing to the following address:

Audit Committee - Board of Directors  
Hooker Furniture Corporation  
P.O. Box 4708  
Martinsville, VA 24115 USA

If you choose to report anonymously, please be sure to provide enough information about the situation to permit prompt and appropriate follow-up by the Company. Anyone may report questionable accounting, auditing or Code violation matters without fear of dismissal or retaliation of any kind by the Company or by any employee of the Company.

Non US based employees may report in writing, in their language, to the above address or may report by email to [AuditCommittee@hookerfurniture.com](mailto:AuditCommittee@hookerfurniture.com).

## 17. Compliance Procedures

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach questions or problems. These are the steps to keep mind:

- **Make sure you have the facts.** In order to reach the right solutions, we must be as fully informed as possible.
- **Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?** This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is. Ask yourself:
  - Is it legal?
  - Does it follow Company policy?
  - How will the decision affect others (consumers, shareholders, suppliers, partners, competitors, the community or other employees)?
  - How will the decision look to others?
  - How would you feel if the decision were made public?
  - Have you fully explored the implications of this decision?
  - Would additional advice be helpful?
- **Clarify your responsibility and role.** In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

- **Discuss the problem with your supervisor.** This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the questions, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.

- **Seek help from Company resources.** If it would not be appropriate to discuss an issue with your supervisor, or if you do not feel comfortable approaching your supervisor with your questions, discuss it locally with your plant manager or an officer of the Company.

- **You may report ethical violations in confidence, anonymously, and without fear of retaliation.** If your situation requires that your identity be kept secret, your anonymity will be protected. The outside service retained by the Company for receiving reports of questionable accounting, auditing or Code violation matters will not ask you for your name if you call. You may, of course, volunteer your name, but you are in no way obligated to do that. In any case, the Company does not permit retaliation of any kind against anyone for good faith reports of ethical violations.

- **Always ask first, act later:** If you are unsure of what to do in any situation, seek guidance before you act.

Reviewed: April 15, 2016