

## **HOOKER FURNITURE CORPORATION COMPENSATION COMMITTEE CHARTER**

### **Purpose**

The purpose of the Compensation Committee (the "Committee") of the board of directors (the "Board") of Hooker Furniture Corporation (the "Company") is to carry out the Board's responsibilities with respect to compensation of the Company's executives.

### **Membership**

The Committee shall consist of at least three members of the Board, each of whom shall (i) meet the independence requirements established by the Board and applicable laws, regulations and the listing requirements of the NASDAQ Stock Market listing rules; and (ii) be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Members of the Committee shall be appointed annually by the Board and may be removed or replaced by the Board at any time in its sole discretion. The Board shall designate one member of the Committee as its chairperson.

### **Operations**

The Committee shall meet at least twice annually and shall hold such additional meetings as it deems necessary or appropriate to carry out its responsibilities. At each meeting, the Committee shall have the opportunity to meet in executive session, without Company management or non-independent directors present. The Committee shall cause minutes to be kept of its proceedings and shall regularly report to the Board on its actions and activities.

The Committee shall be governed by the same rules regarding meetings (including meetings by conference telephone or other similar equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as apply to the Board. The Committee may adopt its own rules of procedure not inconsistent with (i) this Charter; (ii) the articles or bylaws of the Company; or (iii) the laws of the Commonwealth of Virginia.

### **Authority**

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities.

The Committee may delegate any of its duties and responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

The Committee shall have authority to retain consultants, legal counsel or other advisors, as further provided in this Charter.

## Responsibilities

The Committee's principal duties and responsibilities will be to:

1. Establish (and subsequently review and approve, on an annual basis) a compensation philosophy containing the core principles of the Company's overall executive compensation program.
2. Oversee the development and implementation of the Company's overall executive compensation program and, when necessary, recommend to the Board new executive compensation plans to be adopted by the Company and any amendment, termination or discontinuance of existing plans, in furtherance of the Company's stated compensation philosophy.
3. Monitor and evaluate the competitiveness of the Company's overall executive compensation program, considering the Company's peer group of companies.
4. Establish policies and procedures that shall govern the Company's practices with respect to the granting of stock options and other stock-based compensation awards.
5. Evaluate the performance of the chief executive officer ("CEO") in light of corporate goals and objectives, and approve the CEO's annual compensation, including salary, bonus, and equity and non-equity incentive compensation. The CEO may not be present during the Committee's deliberation or voting concerning the CEO's compensation.
6. Review and approve on an annual basis the compensation structure for the Company's other executive officers. The Committee shall oversee an evaluation of the performance of the Company's executive officers and shall approve the annual compensation, including salary, bonus, and equity and non-equity incentive compensation, for such executive officers. The Company's executive officers shall be determined in accordance with the listing requirements of the NASDAQ Stock Market.
7. Provide oversight of management's decisions concerning the performance and compensation of other officers of the Company.
8. Assist the Board in developing and evaluating potential candidates for executive positions and oversee the development of executive succession plans.
9. Administer the equity compensation, incentive and benefit plans of the Company that have been, or may in the future be, adopted by the Company and that require (by their terms, by delegation from the Board or by applicable law) administration by the Committee or by a committee of independent directors.
10. Oversee, in consultation with management, compliance with tax, accounting and regulatory requirements with respect to the Company's overall executive compensation program, including, as and when required, the establishment of performance goals and certification that performance goals have been met.

11. Review and approve the terms of any severance, change in control, employment, indemnification, post-termination, perquisite and other material agreements with executive officers or other key officers of the Company.
12. Review and discuss with management the Company's compensation discussion and analysis (the "CD&A") and recommend to the Board that the CD&A be included in the Company's proxy statement or annual report on Form 10-K filed with the Securities and Exchange Commission (the "SEC").
13. Produce an annual report of the Committee on executive compensation for the Company's annual proxy statement in compliance with and to the extent required by applicable rules and regulations.
14. Review the description of the Committee's processes and procedures for the consideration and determination of executive compensation to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC, including the description of the role of any compensation consultant whose role is required to be identified in the Company's annual proxy statement or annual report on Form 10-K, and the description of whether the work of any such consultant has raised any conflict of interest, and if so, the nature of the conflict and how the conflict is being addressed.
15. Consider, in connection with the offering of a shareholder advisory vote on the frequency ("say-on-frequency" vote) of the shareholder advisory vote on the compensation of the Company's named executive officers as disclosed in the Company's annual proxy statement or annual report on Form 10-K ("say-on-pay" vote), whether the Board should make a recommendation to the Company's shareholders regarding such frequency and, if so, recommend to the Board the frequency that should be recommended to the Company's shareholders.
16. Consider the results of the say-on-frequency vote and whether the Company should adopt a policy of holding say-on-pay votes that is consistent with the majority or plurality of the votes cast, and make a recommendation to the Board regarding the same, within any time period required by the SEC for disclosure of the policy.
17. Consider the results of the say-on-pay vote and determine what adjustments, if any, are necessary or appropriate for the Company to make to its compensation policies and practices in light of such vote.
18. Conduct and present to the Board an annual performance evaluation of the Committee and annually review and recommend to the Board any proposed changes to the Charter of the Committee.

### **Consultants and Other Advisors**

The Committee may, in its sole discretion, retain or obtain the advice of one or more compensation consultants, legal counsel or other advisors, as it considers necessary to fulfill the duties and responsibilities as outlined in this Charter. 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 appropriate funding, as determined by the Committee, for payment of reasonable

compensation to each compensation consultant, legal counsel or any other adviser retained by the Committee.

The Committee may select or receive advice from a compensation consultant (other than a consultant whose role is limited to consulting on broad-based, nondiscriminatory plans, or who provides only non-customized data, each as described in Item 407(e)(3)(iii) of Regulation S-K under the Exchange Act), legal counsel (other than in-house legal counsel) or other adviser (each, a “compensation adviser”) only after having taken into consideration the following factors:

- The provision of other services to the Company by the person that employs the compensation adviser;
- The amount of fees received from the Company by the person that employs the compensation adviser, as a percentage of the total revenue of the person that employs the compensation adviser;
- The policies and procedures of the person that employs the compensation adviser that are designed to prevent conflicts of interest;
- Any business or personal relationship of the compensation adviser with a member of the Committee;
- Any stock of the Company owned by the compensation adviser; and
- Any business or personal relationship of the compensation adviser or the person employing the adviser with an executive officer of the Company.

However, nothing in this Charter requires a compensation adviser to be independent, and, after considering the factors set forth above, the Committee may select or receive advice from any compensation adviser it prefers, including one that is not independent. The Committee shall periodically (at least once per year) reconsider the factors set forth above with respect to any current adviser whom it has previously selected or from whom it continues to receive advice.

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