

HOOKER FURNITURE CORP
Form DEF 14A
May 02, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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SCHEDULE 14A
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Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant x

Filed by a party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to (S)240.14a-12

HOOKER FURNITURE CORPORATION
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
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- (1) Amount Previously Paid:
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 - (3) Filing Party:
 - (4) Date Filed:
-

Hooker Furniture Corporation
440 East Commonwealth Boulevard
Martinsville, Virginia 24112

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be held June 5, 2014

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Hooker Furniture Corporation (the "Company") will be held at the Company's Corporate Office at 440 East Commonwealth Boulevard, Martinsville, Virginia, on Thursday, June 5, 2014, at 1:00 p.m., for the following purposes:

- § To elect as directors the seven nominees named in the attached proxy statement to serve a one-year term on the Company's Board of Directors;
- § To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending February 1, 2015;
- § To cast an advisory vote to approve the Company's executive compensation as disclosed in the attached proxy statement; and
- § To transact such other business as may properly be brought before the meeting or any adjournment of the meeting.

The shareholders of record of the Company's Common Stock at the close of business on April 15, 2014, are entitled to notice of and to vote at this Annual Meeting or any adjournment of the meeting.

Even if you plan to attend the meeting in person, we request that you mark, date, sign and return your proxy in the enclosed self-addressed envelope as soon as possible so that you may be certain that your shares are represented and voted at the meeting. Any proxy given by a shareholder may be revoked by that shareholder at any time before the voting of the proxy.

By Order of the Board of Directors,
Robert W. Sherwood
Secretary

May 2, 2014

Hooker Furniture Corporation
440 East Commonwealth Boulevard
Martinsville, Virginia 24112

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

June 5, 2014

The enclosed proxy is solicited by and on behalf of the Board of Directors of Hooker Furniture Corporation (the “Company”) for use at the Annual Meeting of Shareholders to be held on Thursday, June 5, 2014, at 1:00 p.m., at the Company’s Corporate Office at 440 East Commonwealth Boulevard, Martinsville, Virginia, and any adjournment of the meeting. The matters to be considered and acted upon at the meeting are described in the notice of the meeting and this proxy statement. This proxy statement and the related form of proxy are being mailed on or about May 2, 2014 to all holders of record on April 15, 2014 of the Company’s common stock, no par value (the “Common Stock”). Shares of the Common Stock represented in person or by proxy will be voted as described in this proxy statement or as otherwise specified by the shareholder. Any proxy given by a shareholder may be revoked by that shareholder at any time before the voting of the proxy by:

§ delivering a written notice to the Secretary of the Company;

§ executing and delivering a later-dated proxy; or

§ attending the meeting and voting in person.

The cost of preparing, assembling and mailing the proxy, this proxy statement, and any other material enclosed, and all clerical and other expenses of solicitations will be borne by the Company. In addition to the solicitation of proxies by use of the mails, directors, officers, and employees of the Company may solicit proxies by telephone or personal interview. The Company also will request brokerage houses and other custodians, nominees, and fiduciaries to forward soliciting material to the beneficial owners of Common Stock held of record by those parties and will reimburse those parties for their expenses in forwarding soliciting material.

Important Notice Regarding the Availability of Proxy Materials for the
Annual Meeting of Shareholders to be Held on June 5, 2014

The proxy statement and annual report to shareholders are available at:

<http://tinyurl.com/hoftproxy2014> or
<http://www.astproxyportal.com/ast/25490>

Voting Rights

On April 15, 2014, the record date for the Annual Meeting, there were 10,752,982 shares of Common Stock outstanding and entitled to vote. Each share of Common Stock entitles the holder of that share to one vote.

Voting Procedures

Votes will be tabulated by one or more Inspectors of Elections. A majority of the total votes entitled to be cast on matters to be considered at the Annual Meeting constitutes a quorum. Once a share is represented for any purpose at the Annual Meeting, it is deemed to be present for quorum purposes for the remainder of the meeting. Abstentions and shares held of record by a broker or its nominee (“broker shares”) that are voted on any matter are included in determining the number of votes present or represented at the Annual Meeting. However, broker shares that are not voted on any matter at the Annual Meeting will not be included in determining whether a quorum is present at the meeting.

In the election of directors, the seven nominees receiving the greatest number of votes cast in the election of directors will be elected. Votes that are withheld and broker shares that are not voted in the election of directors are not considered votes cast on the election of directors and, therefore, will have no effect on the election of directors.

Actions on all other matters to come before the meeting, including ratification of the selection of the Company's independent registered public accounting firm and the advisory vote on executive compensation, will be approved if the votes cast in favor of the action exceed the votes cast against it. Abstentions and broker shares that are not voted on a matter are not considered cast either for or against that matter and, therefore, will have no effect on the outcome of that matter.

The shares represented by proxies will be voted as specified by the shareholder. If the shareholder does not specify his or her choice, the shares will be voted

§ "FOR" the election of the director nominees listed on the proxy card;

§ "FOR" the ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending February 1, 2015;

§ "FOR" the approval of the compensation of the Company's named executive officers as disclosed in this proxy statement; and

§ In the discretion of the persons named in the proxies upon any other matter(s) that may come before the meeting or any adjournment of the meeting.

PROPOSAL ONE ELECTION OF DIRECTORS

The Company proposes the election of Paul B. Toms, Jr., W. Christopher Beeler, Jr., John L. Gregory, III, E. Larry Ryder, Mark F. Schreiber, David G. Sweet and Henry G. Williamson, Jr. to hold office until the next Annual Meeting of Shareholders is held and their successors are elected. Each director nominee has consented to being named as a nominee for election at the Annual Meeting. The Board of Directors of the Company presently consists of seven directors whose terms expire at the time of the 2014 Annual Meeting upon election of their successors.

The shares represented by proxies will be voted as specified by the shareholder. If the shareholder does not specify his or her choice, the shares will be voted in favor of the election of the nominees listed on the proxy card, except that if any nominee should not continue to be available for election, the shares represented by those proxies will be voted for the election of such other person as the Board of Directors may recommend. As of the date of this proxy statement, the Board of Directors has no reason to believe that any of the nominees named below will be unable or unwilling to serve. Information regarding each nominee follows.

Paul B. Toms, Jr., 59, has been a director since 1993. Mr. Toms has been Chairman and Chief Executive Officer since December 2000 and also served as President from November 2006 until August 2011. Mr. Toms was President and Chief Operating Officer from December 1999 to December 2000, Executive Vice President-Marketing from 1994 to December 1999, Senior Vice President-Sales & Marketing from 1993 to 1994, and Vice President-Sales from 1987 to 1993. Mr. Toms joined the Company in 1983. His long tenure with the Company in senior and executive management roles and his position as the Company's Chief Executive Officer uniquely qualify him to serve as a director of the Company.

W. Christopher Beeler, Jr., 62, has been a director since 1993 and has served as lead director since April 2011. He has been a director of Virginia Mirror Company, Inc. and Virginia Glass Products Corporation, both of which manufacture and fabricate architectural glass products, since 1986 and Chairman since 2000. He also served as President of those companies from 1988 until August 2011 and as CEO of those companies from 1997 until August 2011. In addition, he served on the board of directors and as a member of the audit committee of BB&T of Virginia (a wholly owned subsidiary of BB&T Corporation) from 1999-2006 and is a certified public accountant licensed in the Commonwealth of Virginia. Mr. Beeler is a member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Mr. Beeler's executive experience, which encompasses traditional corporate management functions such as accounting, treasury and cash management, sales, information technology, manufacturing, distribution, human relations, as well as short-range and long-range planning, complements Mr. Toms' experience and well qualifies him to serve as a director and as lead director of the Company.

John L. Gregory, III, 66, has been a director since 1988. He is a shareholder, officer and director of the law firm of Young, Haskins, Mann, Gregory, McGarry & Wall, P.C. Mr. Gregory is a member of the Compensation Committee, the Nominating and Corporate Governance Committee and the Audit Committee. The knowledge and experience Mr. Gregory has gained from his 25 years of experience as a director with the Company and his 40 years of experience as an attorney well qualify him to serve as a director of the Company.

E. Larry Ryder, 66, has been a director since February 1, 2011. Mr. Ryder retired as Executive Vice President – Finance and Administration and Chief Financial Officer of the Company in January 2011, with 34 years of experience in that and other senior management roles with the Company. His familiarity with the Company's strategy, operations, personnel and prior board deliberations, along with his extensive knowledge of the home furnishings industry and the investment community, well qualify him to serve as a director of the Company.

Mark F. Schreiber, 72, has been a director since 2004. He is the retired President and Chief Operating Officer of Houston-based furniture retailer Star Furniture Company, a subsidiary of Berkshire Hathaway. He held that position from 1995 until his retirement in 2003. Mr. Schreiber is Chairman of the Compensation Committee and a member of the Nominating and Corporate Governance Committee and the Audit Committee. His executive experience with one of the nation's largest furniture retailers provides valuable insight into an important segment of the Company's customer base and well qualifies him to serve as a director of the Company.

David G. Sweet, 67, has been a director since 2006. He is the retired Vice President of The North Face, a designer and marketer of outdoor apparel and a division of VF Corporation. He held that position from 2002 until his retirement in December 2004. He served as Vice President of VF Outdoor – Europe from 2000 to 2002. Before 2000, Mr. Sweet held various management positions during his career with VF Corporation. Mr. Sweet serves as chairman of the Nominating and Corporate Governance Committee and a member of the Audit Committee and Compensation Committee. His 26 years of senior management experience at VF Corporation, including his operations experience in supply chain management, product sourcing and distribution, well qualifies him to serve as a director of the Company.

Henry G. Williamson, Jr., 66, has been a director since 2004. He is the retired Chief Operating Officer of BB&T Corporation and Branch Banking and Trust Company of North Carolina, South Carolina and Virginia. He held that position from 1989 until his retirement in June 2004. Mr. Williamson is also the Chairman of the Board of Williamson Media Corporation, which is involved in web-based commerce. Mr. Williamson is Chairman of the Audit Committee and a member of the Compensation Committee and the Nominating and Corporate Governance Committee. His executive management experience at a large publicly traded company, including his financial oversight responsibilities, and his extensive knowledge of finance and banking well qualify him to serve as a director of the Company.

CORPORATE GOVERNANCE

The Board of Directors is comprised of:

§ the Chairman of the Board of Directors, who also serves as the Company's Chief Executive Officer, and

§ six independent directors.

The Nominating and Corporate Governance Committee regularly reviews the appropriateness of the combined position of Chairman of the Board and the Company's principal executive officer. The Committee believes that it is in the best interests of the Company and its shareholders for the Board to continue to combine the roles of Chairman and Chief Executive Officer due to the depth of knowledge, experience and expertise of the Company's current Chairman and Chief Executive Officer. The Committee believes combining these two roles creates a single focal point for Company leadership and projects a clear sense of direction to shareholders and employees within an industry that is in the midst of rapid change. The Committee will continue to regularly review the appropriateness of this combined role.

Beginning in 2011 the Board, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that it is in the best interests of the Company and its shareholders to designate a lead director. Since 2011, the Board's independent directors have designated W. Christopher Beeler to serve as lead director. Mr. Beeler will continue to serve in that role for the 2014-2015 term of service, subject to his election at the 2014 Annual Meeting. The Board believes having a lead director, among other things, allows Mr. Toms to more freely focus on the Company's strategy, business and operations, while preserving the benefits of having a single focal point for Company leadership in his current combined role of Chairman and Chief Executive Officer. The lead director's duties include presiding over executive sessions of the Company's independent directors, facilitating information flow and communication among the directors and performing other duties as requested by the Board. Also beginning in 2011, upon the recommendation of the Nominating and Corporate Governance Committee, the Board determined that it is in the best interests of the Company and its shareholders that all independent directors, except for Mr. Ryder, serve on all committees of the Board. The Committee recently determined that Mr. Ryder was independent as defined by applicable NASDAQ listing standards, after completing the requisite three-year "cooling-off" period after having retired as the Company's Executive Vice-President-Finance and Administration and Chief Financial Officer in 2011. The Board believes, based on the small size of the Board and the members' history of working well together, this "Committees of the Whole" approach is more efficient, since all independent directors have input into committee actions and that the need for committees reporting at Board meetings is greatly reduced.

The Board has established a Nominating and Corporate Governance Committee, a Compensation Committee and an Audit Committee. The Board of Directors held five meetings during the fiscal year ended February 2, 2014 ("fiscal 2014"). The Compensation Committee met three times, the Audit Committee met four times and the Nominating and Corporate Governance Committee met five times in fiscal 2014. Each incumbent director attended 100% of the total fiscal 2014 Board meetings and committee meetings held during the period that he was a member of the Board or those committees. The Board of Directors has determined that each of the following directors and director nominees is independent as defined by applicable NASDAQ listing standards: W. Christopher Beeler, Jr., John L. Gregory, III, E. Larry Ryder, Mark F. Schreiber, David G. Sweet and Henry G. Williamson, Jr. The independent directors meet in executive session, at which only independent directors are present, at each Board meeting. It is the Company's policy that each of the directors is expected to attend the Company's Annual Meetings. All of the Company's directors attended the 2013 Annual Meeting.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, which consists of all of the Board's independent directors, with Mr. Sweet serving as its Chairman:

§ identifies individuals qualified to become Board members;

§ selects, or recommends that the Board select, nominees to the Board and each committee;

§ assists the Board with respect to corporate governance matters applicable to the Company; and

§ assists the Board in senior management succession planning.

The Board of Directors has adopted a written charter for the Nominating and Corporate Governance Committee, a current copy of which is available on the Company's Web site at www.hookerfurniture.com. The Board of Directors has determined that each member of the Committee is independent as defined by applicable NASDAQ listing standards.

The Nominating and Corporate Governance Committee is responsible for:

§ evaluating and making recommendations to the Board regarding the size and composition of the Board;

§ developing and recommending criteria for the selection of individuals to be considered as candidates for election to the Board; and

§ identifying, investigating and recommending prospective director candidates.

Candidates for director nominees will be assessed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of shareholders. The Committee has not established a set of specific, minimum qualifications for director candidates, but in conducting its assessment, the Committee will consider such factors as it deems appropriate given the current needs of the Board and the Company. In general, the Committee seeks candidates who:

§ possess a reputation for adhering to the highest ethical standards and have demonstrated competence, integrity, and respect for others;

§ have demonstrated excellence in leadership, judgment and character;

§ have diverse business backgrounds, with a wide range of relevant education, skills and professional experience that will complement and enhance the Company's business and strategy; and

§ have the time to devote to Board and Committee service and are free of potential conflicts of interest.

While the Board has no formal policy regarding diversity, the Committee considers the diversity of the Board when identifying nominees for director. Such diversity may include a variety of different personal, business and professional experiences, as well as a variety of opinions, perspectives, backgrounds and other characteristics.

In the case of incumbent directors, the Committee will review each director's overall service to the Company during his or her term in deciding whether to re-nominate the director.

The Committee also facilitates the Board's annual self-assessment and is responsible for recommending director compensation to the Board of Directors.

Procedures for Shareholder Recommendations of Director Nominees

The Committee will consider a director candidate recommended by a shareholder of record for election at the 2015 Annual Meeting if, in addition to meeting other applicable requirements, the shareholder submits the recommendation in writing to the Secretary of the Company in accordance with the procedures for the nomination of directors in the

Company's bylaws (including Article III, Section 3 of the bylaws) and it is received at the Company's principal executive offices on or before January 2, 2015. The recommendation must include the candidate's name and address, a description of the candidate's qualifications for serving as a director and the following information:

§ the name and address of the shareholder making the recommendation;

§ a representation that the shareholder is a record holder of the Company's Common Stock entitled to vote at the meeting and, if necessary, would appear in person or by proxy at the meeting to nominate the person or persons recommended;

- § a description of all arrangements or understandings between the shareholder and the nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder;
 - § information regarding the director candidate that would be required to be included in a proxy statement filed under the proxy rules of the United States Securities and Exchange Commission (“SEC”), if the candidate were to be nominated by the Board of Directors;
 - § information concerning the director candidate’s independence as defined by applicable SEC rules and NASDAQ listing standards; and
- § the consent of the director candidate to serve as a director of the Company if nominated and elected.

The Nominating and Corporate Governance Committee may refuse to consider the recommendation of any person not made in compliance with this procedure.

Compensation Committee

The Compensation Committee consists of all of the Board’s independent directors, and Mr. Schreiber serves as its Chairman. The Committee reviews and makes determinations with regard to the compensation for the Company’s executives, including the Chief Executive Officer, the Chief Financial Officer and each of the Company’s other executive officers.

The Board of Directors has determined that each member of the Compensation Committee is “independent” as defined by applicable NASDAQ listing standards.

The Board of Directors has adopted a written charter for the Compensation Committee, a current copy of which is available on the Company’s Web site at www.hookerfurniture.com. The charter delegates to the Committee a number of specific responsibilities for establishing, reviewing, approving, monitoring and administering executive compensation. In addition, the charter requires that each member of the Compensation Committee be an “outside director” for purposes of Section 162(m) of the Internal Revenue Code and a “non-employee director” under Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and that each Committee member meet applicable NASDAQ director independence requirements. The Report of the Compensation Committee can be found on page 11. Under the terms of its charter, the Committee may delegate any of its duties or responsibilities to subcommittees of the Committee and under the terms of the Company’s Stock Incentive Plan (as amended and restated in 2010, the “Stock Incentive Plan”) the Committee may delegate to Company officers certain administrative responsibilities relating to that plan.

The Committee has the authority, without any further approval from the Board, to retain advisers, as it deems appropriate, including compensation consultants. In retaining an adviser, the Committee has sole authority to approve the adviser’s fees and other retention terms, and has the sole authority to terminate the adviser.

The Committee has directly engaged Mercer (U.S.) Inc. as its external compensation consultant. Mercer reports to and receives direction directly from the Committee, and a representative of Mercer attends meetings of the Compensation Committee as its advisor when requested by the Committee. In prior fiscal years, Mercer has provided the Committee with third-party survey information for use in setting short- and long-term compensation levels, perspective on emerging compensation issues and trends, and expertise in incentive compensation structure, terms and design. The Committee did not engage Mercer to provide such services for fiscal year 2014, but the Committee did consider compensation comparability data for companies in the peer group that Mercer helped the Committee select in a prior

fiscal year. In addition, Mercer provides record keeping and actuarial services in connection with the Company's Supplemental Retirement Income Plan, but does not advise the Company on the design or operation of the plan. In its consideration of retaining Mercer to serve as the Committee's compensation advisor, the Committee annually evaluates Mercer's independence from Company management and any conflicts of interest, including the fact that Mercer provides certain record keeping services to the Company. The Committee evaluated the fees paid by the Company to Mercer as a percentage of Mercer's total revenue and Mercer's policies and procedures to prevent conflicts of interest, and confirmed that Mercer has no business or personal relationship with a member of the Committee, does not own any stock of the Company, and has no business or personal relationship with any executive officer of the Company. The Compensation Committee concluded that Mercer is independent of the Committee and of Company management and has no conflicts of interest in its performance of services to the Committee.

The Committee typically meets three to four times each year. During the 2014 fiscal year, it met three times. The Committee invites the Chief Executive Officer and the Chief Financial Officer to attend meetings when the Committee considers their input relevant or necessary when evaluating compensation proposals. A portion of each meeting is generally held in executive session, as the Committee deems appropriate. The Chief Executive Officer and the Chief Financial Officer do not attend these executive sessions. The Chairman annually reviews the Chief Executive Officer's compensation with the Board in executive session of independent directors only.

The Chief Executive Officer makes recommendations to the Committee concerning compensation for the other executive officers of the Company. Decisions regarding compensation for employees other than the executive officers are made by the Chief Executive Officer in consultation with other members of senior management. Management assists the Committee in administering various elements of the Company's executive compensation program. The Compensation Committee has unrestricted access to management and may request the participation of management in any discussion of a particular subject at any meeting. During fiscal 2014, management provided the Committee with recommendations regarding executive officer compensation, as discussed further in Compensation Discussion and Analysis on page 12.

Audit Committee

The Audit Committee consists of all of the Board's independent directors, and Mr. Williamson serves as its Chairman. The Committee:

- § approves the appointment of an independent registered public accounting firm to audit the Company's financial statements and internal control over financial reporting;
- § reviews and approves the scope, purpose and type of audit and non-audit services to be performed by the independent registered public accounting firm;
- § approves the appointment of the Company's internal audit service provider, McGladrey, LLP; and
- § oversees the accounting and financial reporting processes of the Company and the integrated audit of the Company's annual financial statements and internal control over financial reporting.

The Board of Directors has adopted a written charter for the Audit Committee, a current copy of which is available on the Company's Web site at www.hookerfurniture.com. The Board of Directors has determined that each member of the Audit Committee is independent as defined by applicable SEC rules and NASDAQ listing standards. The Company's Board of Directors has determined that each of Messrs. Williamson and Beeler is an "audit committee financial expert" for purposes of the SEC's rules. The Report of the Audit Committee can be found on page 10.

The Company's Audit Committee is responsible under its charter for reviewing and approving any related party transactions. For this purpose a "related party transaction" includes any transaction, arrangement or relationship involving the Company in which an executive officer, director, director nominee or 5% shareholder of the Company, or their immediate family members, has a direct or indirect material interest that would be required to be disclosed in the Company's proxy statement under applicable rules of the SEC.

Code of Business Conduct and Ethics

The Board of Directors has adopted a Code of Business Conduct and Ethics, which applies to all of the Company's employees and directors, including the principal executive officer, principal financial officer and principal accounting officer. A copy of the Code of Business Conduct and Ethics is available on the Company's website at

www.hookerfurniture.com. Amendments of and waivers from the Company's Code of Business Conduct and Ethics will be posted to the website when permitted by applicable SEC and NASDAQ rules and regulations.

The Role of the Board of Directors in Risk Oversight

The Board of Directors, or an appropriate committee of the Board of Directors, provides oversight for Company-wide risk management and performs the Board's oversight role in many different ways, including by:

§ reviewing and approving the Company's annual operating and capital budgets;

§ reviewing the Company's quarterly and year-to-date operating results and discussing those results with senior management;

§ reviewing management's quarterly risk assessment reports;

§ reviewing management and internal audit reports regarding the Company's internal control over financial reporting; and

§ reviewing reports regarding the Company's internal control over financial reporting from its independent registered public accounting firm.

The Audit Committee meets in executive session with the Company's independent auditors to discuss topics related to the Company's financial reporting and internal control. Additionally, the Nominating and Corporate Governance Committee and the Compensation Committee meet periodically to address governance and compensation issues, including compensation-related risks. The committees have the authority to utilize outside advisors and experts when needed. In his combined role as Chairman and Chief Executive Officer, Mr. Toms' membership on the Board gives the Board valuable insight into the Company's operations and risks. His unique depth of knowledge, experience and expertise give the Board a more complete and holistic view of the risks the Company faces. The independent members of the Board also engage in discussions regarding risk management in executive session without the participation of the Chairman and Chief Executive Officer.

Director Compensation

The Nominating and Corporate Governance Committee is responsible for recommending director compensation to the Board of Directors. The non-employee director compensation arrangements discussed below were recommended by the Nominating and Corporate Governance Committee and approved by the Board of Directors.

Non-employee directors are compensated based on their term of service, which typically begins with the election of directors at the Company's Annual Meeting and which is referred to as a "service year."

In 2011, the Company adopted a "Committees of the Whole" approach to corporate governance, in which all independent directors serve on all committees. Mr. Ryder previously has not been considered an independent director under NASDAQ listing standards, having retired as the Company's Executive Vice-President – Finance and Administration and Chief Financial Officer in January 2011. Therefore, he has not served on any of the Board committees.

For the 2013-2014 service year, non-employee directors, other than Mr. Ryder, received the following cash fees, paid in June 2013:

§ an annual retainer of \$20,000; plus

§

\$8,500 for serving on the Audit Committee and \$4,000 for serving on each of the Compensation Committee and Nominating and Corporate Governance Committee; and

§ an additional \$5,000, \$4,000 and \$3,000, for the Chairs of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, respectively.

Mr. Beeler received an additional \$5,000 for his service as lead director. Mr. Ryder received only the \$20,000 annual retainer, since he did not serve on any of the Board committees.

All non-employee directors also receive annual grants of restricted stock under the Company's Stock Incentive Plan. The number of shares of restricted stock awarded to each non-employee director is determined by dividing fifty percent of the total cash fees payable to that director for a service year by the fair market value (as defined in the Stock Incentive Plan) of the Company's Common Stock on the award date and rounding to the nearest whole share. The restricted stock becomes fully vested, and the restrictions applicable to the restricted stock lapse, on:

§ the third anniversary of the grant date if the non-employee director remains on the Board to that date; or

§ if earlier, when the director dies or is disabled, the Annual Meeting following the director's attainment of age 75, or a change in control of the Company.

Directors are prohibited from engaging in certain types of transactions related to the Company's Common Stock, including transactions in derivative securities, hedging transactions, using margin accounts and pledging shares as collateral.

Directors are reimbursed for reasonable expenses incurred in connection with attending Board and committee meetings or performing their duties as directors. Mr. Toms receives no compensation for serving on the Board of Directors or for attending Board or committee meetings other than reimbursement for expenses.

The following table sets forth non-employee director compensation paid for fiscal year 2014.

Non-Employee Director Compensation

| Name | Cash Fees (1) | Stock Awards(2) | All Other Compensation(3) | Total |
|----------------------------|---------------|-----------------|---------------------------|----------|
| W. Christopher Beeler, Jr. | \$41,500 | \$20,750 | \$ 2,340 | \$64,590 |
| John L. Gregory, III | 36,500 | 18,250 | 2,146 | 56,896 |
| E. Larry Ryder | 20,000 | 10,000 | 980 | 30,980 |
| Mark F. Schreiber | 40,500 | 20,250 | 2,184 | 62,934 |
| David G. Sweet | 39,500 | 19,750 | 2,216 | 61,466 |
| Henry G. Williamson, Jr. | 41,500 | 20,750 | 2,357 | 64,607 |

(1) Includes annual retainer fee, committee membership fees, committee chair fees and lead director fee paid to each director in June 2013, as described in greater detail above.

(2) These amounts are the aggregate grant date fair value of shares of restricted stock awarded to each non-employee director on June 7, 2013 under the Company's Stock Incentive Plan. Fair value is determined in accordance with stock-based compensation accounting standards (Topic 718 of the Accounting Standards Codification). The amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For a discussion of assumptions used in calculating award values, refer to note 12 of the Company's consolidated financial statements included in the Company's 2014 Annual Report on Form 10-K.

(3) This column shows the aggregate dividends paid to each non-employee director during the fiscal year ended February 2, 2014 with respect to his unvested shares of restricted stock. The non-employee directors held the following number of shares of unvested restricted stock as of February 2, 2014: W. Christopher Beeler, Jr., 5,410; John L. Gregory, III, 4,961; E. Larry Ryder, 2,607; Mark F. Schreiber, 5,077; David G. Sweet, 5,149; Henry G. Williamson, Jr., 5,410.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the Company's financial statements and the reporting process, including internal control over financial reporting. In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited financial statements for the fiscal year ended February 2, 2014 with management, including a discussion of the quality and acceptability of accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Committee discussed with the Company's independent registered public accounting firm, who is responsible for expressing an opinion on conformity of those audited financial statements with U.S. generally accepted accounting principles, the firm's judgment as to the quality and acceptability of the Company's accounting principles and such other matters as are required to be discussed with the independent registered public accounting firm under the standards of the Public Company Accounting Oversight Board. In addition, the Committee has discussed with the independent registered public accounting firm the firm's independence from management and the Company, including the matters in the written disclosures and letter from the independent registered public accounting firm to the Committee required by Public Company Accounting Oversight Board Auditing Standard 16. The Committee has also considered whether the non-audit related services provided by the independent registered public accounting firm are compatible with maintaining the firm's independence and found them to be acceptable.

The Committee met with the Company's independent registered public accounting firm, with and without management present, and discussed the overall scope and results of their audits, their evaluation of the Company's internal control over financial reporting and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2014 for filing with the SEC.

Henry G. Williamson, Jr., Chairman
W. Christopher Beeler, Jr.
John L. Gregory III
Mark F. Schreiber
David G. Sweet

REPORT OF THE COMPENSATION COMMITTEE

The Committee has reviewed, and discussed with management, the Compensation Discussion and Analysis that appears below. Based on that review, and the Committee's discussions with management, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Mark F. Schreiber, Chairman
W. Christopher Beeler, Jr.
John L. Gregory III
David G. Sweet
Henry G. Williamson, Jr.

Compensation Risk Assessment

As part of its oversight responsibilities, the Compensation Committee, with assistance from management, annually reviews the Company's compensation policies and practices for all employees to determine whether they are reasonably likely to present a material adverse risk to the Company. Their review includes, among other things, a consideration of the incentives that the Company's compensation policies and practices create and factors that may affect the likelihood of excessive risk taking. Based on its most recent review, the Committee concluded that the Company's employee compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. For additional information concerning this review, see Management of Executive Compensation-Related Risk on page 19.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee of the Board oversees the Company's executive compensation program. The Committee makes decisions regarding the compensation of the Company's "named executive officers," which typically consist of the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers of the Company. The named executive officers as of the last day of fiscal year 2014 are listed in the Summary Compensation Table on page 21. The Committee also determines the compensation of the other executive officers of the Company. More information concerning the composition of the Committee and its authority and responsibilities can be found under Compensation Committee on page 7.

Compensation Philosophy

A key objective of the Company's executive compensation program is to attract and retain highly qualified executives who will contribute significantly to the success and financial growth of the Company and enhance value for shareholders. Another objective of the program is to motivate and appropriately reward executives when they achieve the Company's financial and business goals and meet their individual performance objectives. The Committee also believes that having a stable executive management team is necessary to achieve the Company's profitability objectives as the industry adapts to changing consumer preferences, sourcing and distribution options and broader market factors such as the overall performance of the U.S. economy and the relative strength of housing and home furnishings related activity.

Compensation Program

The Company's executive compensation program employs several elements of compensation to achieve the objectives of its compensation philosophy. The primary elements of the program are base salary, an annual cash incentive, long-term incentives and supplemental retirement and life insurance benefits. The Company has also entered into employment agreements with certain executive officers under specific circumstances, as discussed further below. These elements are structured to compensate executives over three separate timeframes:

- § Annual compensation. Base salaries are set for each calendar year and the annual cash incentive is set for each fiscal year. The annual cash incentive is determined based on the Company's financial performance during the current fiscal year. The Compensation Committee sets base salaries and potential annual cash incentive amounts for each executive position based on a number of factors, including competitive market data, responsibilities and individual performance and the Committee members' business judgment. Base salaries are set for each calendar year based on the individual executive's performance during the preceding fiscal year.
- § Longer-term compensation. Long-term incentives are designed to reward executives if the Company achieves specific performance goals or growth in shareholder value over multi-year periods. The amounts payable to executives under performance incentives vary based on the extent to which the specified goals are achieved or surpassed. The Company has historically granted long-term incentives in the form of performance awards and restricted stock units.
- § Full career and time-specific compensation. Supplemental retirement and life insurance benefits are linked to an executive's continued employment with the Company to a specified age. Employment agreements and time-based restricted stock units are designed primarily to retain the covered executives for a minimum defined period of time.

The Committee believes the objectives of the Company's executive compensation program can best be attained by structuring the program to provide compensation over these separate timeframes. For example, the Committee views annual and longer-term performance-based compensation as essential to encouraging executives to appropriately balance both the short-term and long-term interests of the Company and its shareholders. In addition, the Committee believes compensation tied to service over a full career or a specific period helps to promote executive retention and thereby allow the Company to maintain a stable management team.

Fiscal Year 2014 Financial Highlights

The following are selected highlights of the Company's results for fiscal year 2014 compared to fiscal year 2013 that affected the annual cash incentive earned by the named executive officers for fiscal year 2014:

- § Consolidated net income decreased by \$697,000, or 8.1%, to \$7.9 million, and earnings per share decreased by \$0.06 to \$0.74 per share, which was primarily due to:
 - o A \$2.6 million, or 6.6%, increase in selling and administrative expenses, primarily due to startup costs of \$2.1 million pre-tax, (\$1.4 million, or \$0.13 per share after tax) for the Company's H Contract and Homeware initiatives, increases in bonus expense due to improved performance to budget, bad debts expense due to a favorable adjustment in the comparable 2013 period and increased compliance and regulatory expenses.
 - o These increases were offset in part by a \$2.2 million, or 4.1%, increase in gross profit, primarily due to increased sales and higher average selling prices in both of the Company's operating segments, lower distribution costs in the Company's casegoods segment due to the closure of several Asian warehouses and lower payroll expenses.

Fiscal Year 2014 Compensation Highlights

- § Annual cash incentive – The Company achieved approximately 85% of the fiscal year 2014 consolidated net income target set by the Compensation Committee. Consequently, each named executive officer received an annual cash incentive payment under the cash incentive plan established at the beginning of the year.
- § Long-Term Incentive Awards – The Company awarded time-based restricted stock units and performance grants to the named executive officers for the 2014 fiscal year in January 2013. These awards were reported in the prior year proxy statement, but will be earned based on satisfaction of performance conditions measured for a performance period that includes the 2014-2016 fiscal years.
- § Base salary – Messrs. Toms and Cole received base salary increases in conjunction with the Company's annual salary review. Mr. Huckfeldt received base salary increases in conjunction with the Company's annual salary review and in conjunction with his promotion to Senior Vice President.

Process for Determining Executive Compensation

The Committee sets base salaries, determines the amount and terms of annual cash incentive opportunities and determines long-term incentive compensation and other benefits for the Company's executive officers. The Committee follows the processes and considers the information discussed below in setting executive compensation.

Competitive Pay Data

In 2012 fiscal year, the Compensation Committee retained Mercer to review the Company's executive compensation programs and to recommend a peer group to be used for the purposes of evaluating and setting executive compensation. Mercer recommended a peer group consisting of companies similar to Hooker Furniture in terms of industry (companies in the furniture/household durables/consumer discretionary markets) and size (companies with annual revenue and market capitalization of approximately 50% to 200% of the Company's annual revenue and market capitalization). Mercer recommended this group because its members shared various financial and operational attributes with the Company, while not being limited to furniture companies. The peer group represents companies of a similar size and similar operational complexity as the Company, and also represents the type of companies against which the Company competes for management talent. The peer group developed at that time consisted of the

following companies:

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- § American Biltrite, Inc.
- § American Woodmark Corporation
- § Bassett Furniture Industries, Inc.
- § Chromcraft Revington, Inc.
- § Culp, Inc.
- § Dixie Group, Inc.
- § Flexsteel Industries, Inc.
- § Kid Brands, Inc.
- § Nautilus, Inc.
- § Stanley Furniture, Inc.
- § Steinway Musical Instruments, Inc.
- § Summer Infant, Inc.
- § Trex Company, Inc.
- § Virco Manufacturing Corporation

The Compensation Committee has used this peer group as one of several factors in making compensation decisions, including during fiscal year 2014. The Committee does not tie compensation for its executive officers to any particular level or target based on this comparable compensation data. Instead, the Committee considers this pay comparability data as one of many factors when determining the appropriateness of individual elements of compensation, as well as the total compensation, payable to the Company's executive officers. For fiscal year 2014, American Biltrite, Chromcraft-Revington, Inc. and Steinway Musical Instruments, Inc. were dropped as peer companies because they ceased to be SEC registrants. The Committee continues to monitor the peer group and will consider replacing companies that have been removed, as it deems appropriate.

Other factors considered in setting fiscal year 2014 executive compensation were inflation, executive promotions and material changes in executives' duties, as discussed later in this Compensation Discussion and Analysis. The Committee did not consult with Mercer in making its fiscal 2014 compensation decisions.

Company Performance

Each year the Committee considers which financial performance measures to use in setting annual and longer-term incentive compensation for the executive officers. The Committee has, at various times, linked annual cash incentives to the Company's attainment of specific levels of operating income, pretax income and net income. Longer term incentives typically have been linked to achievement of a different set of performance measures, such as earnings per share and average annual return on equity for performance grants. Beginning with fiscal year 2013, the Committee has awarded long-term performance grants tied to growth in the Company's earnings per share (EPS), both in absolute

terms and relative to EPS growth for the peer group companies. The Committee believes that EPS and EPS growth are currently the most appropriate performance measures for long-term compensation incentives because these metrics lend themselves, in a simple and objective manner, to year-over-year comparisons and to comparison with the financial performance of peer companies. In most cases, other performance measures have been found to behave in a manner consistent with EPS-related measures. Therefore, the Committee does not believe additional criteria would provide a different or an enhanced perspective on the Company's performance.

The Committee generally selects performance measures for annual incentive compensation that correspond to financial measures used by management in making day-to-day operating decisions and in setting strategic goals. In addition, these types of measures are used by the Board in evaluating Company performance. The Committee generally consults with the Chief Executive Officer and other senior executives before setting performance levels for annual and longer-term incentive compensation.

Individual Performance

The Committee annually assesses the individual performance of each executive officer and it is considered by the Committee when setting an executive officer's base salary. However, given the modest increases in cost of living in recent years and the Company's emphasis on linking a larger percentage of executives' total compensation to performance-based incentives, the Committee may elect not to increase certain executives' base salaries on an annual basis, instead using potential annual and longer-term incentive based payments to offer the potential for increased earnings by individual executives. The Committee reserves the right to adjust base salaries as it determines to be appropriate. Each executive's performance is measured against specific personal objectives that were established early in the prior year. The Chief Executive Officer's annual personal objectives are established in consultation with the Committee. Other executive officers establish their individual objectives in consultation with the Chief Executive Officer. These objectives may include both subjective and quantifiable individual and departmental performance and developmental initiatives that are within each officer's area of operation and are consistent with the Company's strategic plans.

The Committee's assessment of each executive officer's performance with respect to these objectives is conducted primarily through conversations with the Chief Executive Officer and a review of Company performance. The Committee believes that consideration of individual performance objectives is important because it creates incentives for executive officers to make specific contributions to the Company's financial growth based on their individual areas of responsibility, and because it allows the Company to reward those specific contributions.

Allocating Between Compensation Elements

The Committee does not have a fixed standard for determining how an executive officer's total compensation is allocated among the various elements of the Company's compensation program. Instead, the Committee uses a flexible approach so that it can structure the compensation elements in a manner that will, in its judgment, best achieve the specific objectives of the Company's compensation program.

Shareholder Say-on-Pay Vote

At the 2013 Annual Meeting, shareholders had the opportunity to approve, in a non-binding advisory vote, the compensation of the Company's named executive officers. This is referred to as a "say-on-pay" proposal. Approximately 99% of the votes cast on the say-on-pay proposal were voted in favor of the proposal. The Committee believes this vote result reflects general approval of the Company's overall approach to executive compensation. Therefore, the Committee did not make any significant changes in the structure of the Company's executive compensation program during fiscal 2014 in response to the 2013 say-on-pay vote. The Compensation Committee will continue to consider the vote results for say-on-pay proposals in future years when making compensation decisions for the Company's named executive officers.

The Board of Directors has determined that the Company's shareholders should vote on a say-on-pay proposal each year, consistent with the preference expressed by the Company's shareholders at the 2011 Annual Meeting. Accordingly, at the 2014 Annual Meeting, shareholders will again have the opportunity to indicate their views on the compensation of the Company's named executive officers by an advisory say-on-pay vote. The Board recommends

that you vote FOR the say-on-pay proposal (Proposal Three) at the 2014 Annual Meeting. For more information, see “PROPOSAL THREE — ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION” on page 31 in this proxy statement.

Executive Compensation Decisions for Fiscal Year 2014

For the 2014 fiscal year, the primary elements of compensation for the named executive officers were:

- § base salary (set on a calendar year basis),
- § an annual cash incentive opportunity (based on the Company's fiscal year financial performance),
- § long-term equity-based incentives for each named executive officer,
- § supplemental retirement benefits for two of the named executive officers, and
- § life insurance benefits for one of the named executive officers.

Base Salary

The Committee reviewed and approved base salaries for each named executive officer during the fourth quarter of fiscal 2013 to be effective for the 2013 calendar year.

Messrs. Toms, Cole and Huckfeldt received base salary increases of 2.5%, 2.5% and 2.6%, respectively, in conjunction with the Company's annual salary review.

In recognition of the fact that Mr. Huckfeldt exceeded expectations in his responsibilities in overseeing the Company's financial functions and his contributions as a member of the Company's senior management team, including his roles in the Company's finance, strategic planning, investor relations, and Enterprise Resource Planning implementation efforts, the Committee approved a base salary increase for Mr. Huckfeldt in connection with his promotion to Senior Vice President - Finance and Accounting in September of 2013. The Committee approved a \$19,500 annual base salary increase to \$214,500.

Mr. Delgatti did not receive a base salary increase for calendar 2013 because he had received an increase late in the 2013 fiscal year in conjunction with his promotion to Executive Vice President – Corporate Sales and his expanded responsibilities in that role. In connection with mid-year salary adjustments or promotions, the Committee typically includes any annual base salary increase for the following calendar year with the mid-year adjustment or promotion-related increase.

Annual Cash Incentive

The Committee believes it is in the best interests of the Company and its shareholders to use consolidated net income as the performance metric for the annual cash incentive for senior management. The Committee believes that items included in net income, such as consolidated income tax expense, discontinued operations, interest expense and other income and expense, reflect upon the appropriateness of management decision making and therefore are appropriate bases for measuring senior management performance.

In the fourth quarter of fiscal year 2013, the Committee approved an annual cash incentive for the 2014 fiscal year. Each named executive officer had the opportunity to receive a payment, expressed as a percentage of his calendar year 2013 base salary, if the Company obtained 70% or more of its fiscal year 2014 consolidated net income target. No cash bonus would be payable unless the Company reached at least 70% of the consolidated net income target and the bonus opportunity was capped at a maximum amount if the Company reached 150% or more of its consolidated net income target for fiscal year 2014.

Annual cash incentive targets are established based on budgeted net income. Budgeted net income is established by management in its annual operating budget, which is approved by the Board annually.

Target payouts for each named executive were established based on a number of factors including:

- § data in a Mercer compensation study from a prior fiscal year;
- § general business knowledge and experience of the Committee's members;
- § other general compensation information available to the committee; and
- § the potential total compensation available to each executive.

As discussed above, the Mercer study reflected total compensation for similar positions at similarly situated companies with which the Company would expect to compete for executive talent. The Committee evaluated each executive's total compensation, with an emphasis on shifting a greater share of the executive's total compensation to incentive-based pay, and also considered the executives' specific roles, responsibilities and experience, as well as other elements of each executive's compensation arrangement and considered the mix of short- and long-term elements in each executive's overall compensation plan. Generally, the greater an executive's responsibilities, the larger the potential award. For example, Messrs. Toms and Cole, the first and second most senior executives, respectively, were awarded larger potential incentive awards than were Messrs. Huckfeldt and Delgatti, due to their senior standing within the Company and their larger share of responsibilities. Mr. Huckfeldt, a more recent entrant to executive management, was awarded a larger percentage of base pay, on a lower base salary as incentive potential than was Mr. Delgatti, due to the Committee's emphasis on making performance-based compensation a larger component of senior management's total compensation. The incentive opportunities were structured such that if consolidated net income did not meet the target, the named executive officers would receive a reduced payment or no payment, but if consolidated net income exceeded the target, incentive payments would increase at a rate greater than the increase in net income. This was designed to recognize exemplary consolidated net income achievement. The award opportunities for each executive were as follows (expressed as a percentage of 2013 calendar year base salary):

| | If the Company Attained: | | | | | | | | | |
|--------------------------|--------------------------|---|--------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---|
| | 70% of Target Net Income | | 85% of Target Net Income | | 100% of Target Net Income | | 125% of Target Net Income | | 150% of Target Net Income | |
| Paul B. Toms, Jr. | 25.0 | % | 37.5 | % | 50.0 | % | 66.5 | % | 83.5 | % |
| Paul A. Huckfeldt | 20.0 | % | 30.0 | % | 40.0 | % | 53.2 | % | 66.8 | % |
| Alan D. Cole | 25.0 | % | 37.5 | % | 50.0 | % | 66.5 | % | 83.5 | % |
| Michael W. Delgatti, Jr. | 17.5 | % | 26.3 | % | 35.0 | % | 46.6 | % | 58.5 | % |

The net income target for the 2014 fiscal year was set at \$9.3 million on a consolidated basis. The net income target had previously been approved by the Board in consultation with management, and after considering the Company's profit potential, the impact of national and international economic conditions on the Company and the home furnishings industry as a whole. Based on these factors, the Committee concluded that the target and threshold levels were appropriate to motivate and appropriately reward executive officers to attain the desired level of performance for fiscal 2014.

The Company achieved approximately 85% of its consolidated net income target set by the Committee for fiscal 2014. As a result, the named executive officers received annual cash incentive payments as follows:

| Name | 2014 Annual Cash Incentive Earned |
|--------------------------|-----------------------------------|
| Paul B. Toms, Jr. | \$ 138,750 |
| Paul A. Huckfeldt | 64,350 |
| Michael W. Delgatti, Jr. | 69,560 |
| Alan D. Cole | 124,875 |

Supplemental Retirement and Life Insurance Benefits

Messrs. Toms and Huckfeldt and certain other officers and managers, participate in the Company's Supplemental Retirement Income Plan ("SRIP"). The SRIP is an unfunded supplemental retirement plan that provides a monthly benefit equal to a specified percentage of the participant's base salary plus annual bonus for the 60 consecutive month

period preceding his termination of employment (referred to as his “Final Average Earnings”). Messrs. Toms and Huckfeldt are each eligible to receive a monthly benefit equal to 50% and 25%, respectively, of his Final Average Earnings. The benefit is paid for 15 years following the participant’s retirement. As a general matter, a participant is not entitled to receive any benefit under the SRIP unless he remains continuously employed with the Company to age 60. At age 60, the participant becomes vested in 75% of his SRIP benefit and in 5% increments each following year until becoming 100% vested at age 65, assuming the participant remains continuously employed to those dates.

The objective of the SRIP is to create incentives for covered employees to remain employed with the Company over the balance of their careers, reward extended service with the Company and to balance short-term and long-term decision making, thereby enhancing the stability of the management team and allowing for predictability in succession planning.

Each participant's benefit in the SRIP will become fully vested, regardless of age, and the present value of those benefits will be paid in a lump sum upon a change in control of the Company. The Committee believes that this provision further enhances retention by providing assurance to employees that the benefits promised under the SRIP will be paid if the Company comes under new ownership or control. The amounts to which participating named executive officers would be entitled thus far under the SRIP and additional information concerning the SRIP can be found in the Pension Benefits table on page 24 and Potential Payments upon Termination or Change in Control on page 25.

Messrs. Cole and Delgatti do not participate in the SRIP, but instead have been provided other retention incentives under their respective employment agreements that are tailored to their specific employment circumstances.

The Company also maintains an executive life insurance program for Mr. Toms and for certain other officers. Like the SRIP, the life insurance program is designed to retain executives through their careers and reward extended service with the Company by providing life insurance coverage until they reach age 65, allowing for stability in management and predictability in succession planning. The death benefit is \$4.5 million for Mr. Toms if he dies on or before his 60th birthday and \$2 million if he dies after his 60th birthday but on or before his 65th birthday. Participating executives may designate the beneficiary to whom the death benefit would be paid. This coverage terminates immediately once the executive reaches age 65 or if the executive leaves the Company for any reason, other than death, before reaching age 65. Other than upon the death of the executive before age 65, the Company is the beneficiary of the policy. None of the other named executive officers participates in the executive life insurance program. Instead, the Committee believes that successive annual long-term incentives, such as time-based restricted stock units and performance grants, will provide incentives for these executives to remain employed with the Company.

Long-Term Incentives

The Committee granted long-term incentives for the performance period beginning in the Company's 2014 fiscal year at the end of the Company's 2013 fiscal year; therefore, the Committee determined that additional long-term incentives need not be granted in fiscal 2014.

At the end of the Company's 2013 fiscal year, consistent with the Committee's objective of giving greater weight to the performance-based element of total compensation, the Committee granted two types of long-term incentive awards for each named executive officer for the performance period beginning in fiscal year 2014. The awards were designed to directly link a significant portion of each named executive's compensation to growth in value of the Company and to further enhance existing retention incentives under the Company's executive compensation program. The first of the two types of awards was a performance grant that entitles the executive to receive a payment at the end of a three-year performance period based on the extent to which the Company achieves performance targets based on growth in the Company's earnings per share (EPS) over the performance period and how its EPS growth over the performance period compares to that of the peer companies described above. The executive officer also must remain continuously employed with the Company through the end of the three-year performance period to be eligible for a payment (subject to limited exceptions). The Committee selected EPS as the measure for evaluating performance since EPS, and especially changes in EPS, directly reflect changes in the value of the Company over time, which the Committee believes best represents the long-term interests of the shareholders. Using a simple, well-defined basis for these awards reduces the risk of manipulating certain performance measures for short-term gain and reduces the risk of

unintended consequences that could result from paying bonuses based on factors other than earnings.

The Committee also awarded to each named executive officer (other than Mr. Toms) restricted stock units that will vest if the executive remains continuously employed with the Company (subject to limited exceptions) until the three-year anniversary date of each grant which is February 2016. The awards may be paid in shares of company stock, cash or a combination of both, as determined by the Committee in its discretion.

Employment Agreements

Generally, the Company has not entered into employment agreements with its executives. However, the Committee recognizes that in certain circumstances employment agreements may help the Company achieve the objectives of its compensation program and its other business goals. Therefore, the Committee assesses on a case-by-case basis whether it may be appropriate to enter into employment or separation agreements with executive officers.

The Company has entered into an employment agreement with Mr. Delgatti. At the time the agreement was entered, Mr. Delgatti was a seasoned and well-respected furniture executive and had been identified as a key executive in the Company's near- and medium-term sales and operations plans. With this in mind, the Committee determined that an employment agreement, which includes a non-compete agreement, offered to secure an employment commitment from Mr. Delgatti, was appropriate. The Company also previously entered into an employment agreement with Mr. Cole, which expired in July 2010. Certain provisions of that agreement survived its expiration. For information regarding the terms of these employment agreements, see "Employment Agreements and Other Employment Terms" on page 22.

Other Benefits

The Company maintains a tax-qualified 401(k) savings plan for all of its eligible employees, including the named executive officers. The plan provides for Company matching contributions, which are fully vested upon contribution. The Company's other benefit plans include health care, dental and vision insurance, group life insurance, disability insurance and tuition assistance. The named executive officers participate in these plans on the same basis as other eligible employees.

Tax Implications of Executive Compensation

Section 162(m) of the Internal Revenue Code limits deductibility of compensation in excess of \$1 million paid to the Company's Chief Executive Officer and to each of the next three highest paid executive officers (not including the Company's principal financial officer) unless this compensation qualifies as "performance-based." Amounts payable under the long-term performance grants that the Committee awarded in fiscal 2013 should qualify as performance-based. The Company expects that other awards that the Committee may make in the future under the Stock Incentive Plan will also qualify as performance-based. However, the Committee is not precluded from making payments or granting awards to retain and motivate key executives that do not qualify for tax deductibility.

Management of Executive Compensation-Related Risk

The Company's executive compensation program is designed to create incentives for its executives to achieve its annual and longer-term business objectives. The Committee considers how the individual elements of executive compensation, and the executive compensation program as a whole, could potentially encourage executives, either individually or as a group, to make excessively risky business decisions at the expense of long-term shareholder value. In order to address this potential risk, the Committee annually reviews the risk characteristics of the Company's executive compensation programs generally and considers methods for mitigating such risk. The Committee considers the following characteristics of the Company's executive compensation program as factors that help mitigate such risk:

§ the Committee has the unlimited authority to reduce long-term performance grant awards or pay no award at all;

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- § long-term performance grants have been performance-based, which aligns compensation with shareholder value;
- § overall compensation is balanced between fixed and variable pay, and variable pay is linked to annual performance or performance over multi-year periods;
- § the fixed compensation provided under our SRIP to certain executive officers helps avoid the potential for excess leverage and allows for longer service conditions than typical variable pay arrangements, thereby enhancing retention and management continuity;
- § the multi-year cliff-vesting feature of restricted stock units promotes long-term retention, helps to mitigate inappropriate short-term risk taking and helps to align management and shareholder interests;
- § profitability goals, which serve as inputs for variable annual cash incentive compensation and long-term performance grants, are not unduly aggressive;
- § the long-term performance grants have been based on cumulative absolute and relative EPS growth over multi-year periods, which helps reduce the potential for short-term focus at the expense of longer-term growth;
- § a consistent compensation philosophy has been applied year-over-year and does not change significantly with short-term changes in business conditions;
- § open dialogue among management, the Committee and the Board regarding executive compensation policies and practices and the appropriate incentives to use in achieving short-term and long-term performance targets; and

§ other general risk mitigating factors, including:

- o quarterly reviews of the Company's results of operations and financial condition;
- o quarterly review of management's periodic risk assessment report;
- o review of management's compensation risk report;
- o executive sessions at all committee meetings, including executive session with the Company's independent auditor; and
- o a fairly flat organizational structure, which promotes knowledge sharing and risk awareness by members of senior management.

Other Policies and Practices

The Committee has adopted certain guidelines for administering annual cash incentive compensation. Generally, an executive must remain employed to the last day of a fiscal year to be eligible to receive an annual cash incentive payment for that fiscal year. However, executives who terminate employment during the last quarter of a fiscal year due to death or disability, or who retire after they have attained age 55 and completed 10 years of service, are entitled to receive the same payment that they would have received had they remained employed to the end of the fiscal year. Executives who meet either of these requirements and who terminate employment in the second or third quarter of a fiscal year are entitled to receive 50% or 75%, respectively, of the payment they would have received had they remained employed to the end of the fiscal year. The guidelines establish procedures for the Committee to review and approve annual cash incentive determinations after the Chief Executive Officer and Chief Financial Officer confirm

whether the performance conditions for the fiscal year have been achieved and whether any other applicable conditions have been met for that fiscal year.

The Committee has not adopted stock ownership requirements or guidelines because executives traditionally had a substantial portion of their retirement benefits invested in Company stock through the Company's former Employee Stock Ownership Plan (ESOP). Prior to fiscal 2012, the Committee had not awarded stock-based compensation outside of the ESOP, and, through fiscal 2014, the Company's long-term incentive awards have not resulted in shares of Company stock being issued to its executive officers. The Committee approved restricted share units and performance grants for executive officers in both fiscal 2013, which may be paid in shares of Common Stock, cash or both if the applicable service and performance requirements are met. The Committee may consider adopting a stock ownership policy in the future if these, or other long-term incentive awards, do not result in Company stock being issued to executive officers.

Executive officers are prohibited from engaging in certain types of transactions related to our Common Stock, including transactions in derivative securities, hedging transactions, using margin accounts and pledging shares as collateral.

Summary Compensation Table

The following table sets forth the compensation for services in all capacities to the Company for the three fiscal years ended February 2, 2014 of the Company's named executive officers.

| Name and Principal Position | Year | Salary (\$)(1) | Bonus (\$) | Stock Awards (\$)(2) | Non-Equity Incentive Compensation (\$)(3) | Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$)(4) | All Other Compensation (\$)(5) | Total (\$) |
|---|------|-------------------|---------------|-------------------------|--|--|-----------------------------------|---------------|
| Paul B. Toms, Jr., Chairman and CEO | 2014 | \$370,082 | | | \$ 138,750 | \$ 101,226 | 54,861 | \$664,919 |
| | 2013 | 360,755 | | 438,000 | 135,000 | 119,825 | 47,625 | 1,101,205 |
| | 2012 | 357,365 | | | | 240,366 | 58,288 | 656,019 |
| Paul A. Huckfeldt, Sr. VP Fin. and Acctg. and CFO | 2014 | 203,125 | | | 64,350 | 40,200 | 9,062 | 316,737 |
| | 2013 | 190,424 | | 227,061 | 57,000 | 32,569 | 7,204 | 514,258 |
| | 2012 | 178,373 | | | | 37,601 | 6,809 | 222,783 |
| Michael W. Delgatti, Jr., President-Hooker Furniture (6) | 2014 | 264,991 | | | 69,560 | | 8,761 | 343,312 |
| | 2013 | 254,996 | | 250,208 | 65,750 | | 8,761 | 579,716 |
| | 2012 | 240,462 | 75,000 | 87,716 | | | 8,509 | 411,687 |
| Alan D. Cole, Former President-Hooker Furniture (7) | 2014 | 333,000 | | | 124,875 | | 7,775 | 465,650 |
| | 2013 | 325,667 | | 383,569 | 121,875 | | 5,894 | 837,005 |
| | 2012 | 309,103 | | | | | 5,621 | 314,724 |

- (1) Amounts shown represent base salary paid during the fiscal year. Annual base salary adjustments generally become effective at the beginning of each calendar year and do not coincide with the beginning of a fiscal year.
- (2) The amounts reported for fiscal year 2013 are for awards that have vesting and performance periods that include fiscal year 2014. For more information regarding those awards, refer to the Outstanding Equity Awards at Fiscal Year-End table on page 23 and the Compensation Discussion and Analysis at page 12.

- (3) This column shows amounts earned under annual cash incentives. For more information regarding the terms of the annual cash incentives for fiscal year 2014, see Compensation Discussion and Analysis at page 12.
- (4) This column shows the change in the present value of the named executive officer's accumulated benefit under the Supplemental Retirement Income Plan ("SRIP") at the earliest full benefit retirement age. During the 2014 fiscal year, due to changes in compensation, each of the participating named executive officers experienced an increase in the present value of his accumulated SRIP benefit. None of the named executive officers received above-market or preferential earnings on compensation that was deferred on a non-tax-qualified basis. The following chart shows the present value increase by participant for fiscal year 2014:

| Name | Fiscal 2013 Value | Fiscal 2014 Value | Increase in SRIP Value |
|-------------------|----------------------|----------------------|---------------------------|
| Paul B. Toms, Jr. | \$ 958,397 | \$ 1,059,623 | \$ 101,226 |
| Paul A. Huckfeldt | 118,138 | 158,338 | 40,200 |

Messrs. Delgatti and Cole do not participate in the SRIP.

- (5) All Other Compensation for fiscal year 2014 includes premiums paid by the Company for life insurance policies that support Mr. Tom's benefit under the executive life insurance program ("ELIP"), amounts reimbursed for disability income insurance premiums and matching contributions to the Company's 401(k) plan.

| Name | ELIP | Disability Income Insurance Premium Reimbursement | 401(k) Match | Total |
|--------------------------|----------|---|--------------|----------|
| Paul B. Toms, Jr. | \$46,300 | \$ 590 | \$7,971 | \$54,861 |
| Paul A Huckfeldt | - | 566 | 8,497 | 9,062 |
| Michael W. Delgatti, Jr. | - | 590 | 8,171 | 8,761 |
| Alan D. Cole | - | 590 | 7,185 | 7,775 |

Messrs. Huckfeldt, Delgatti and Cole do not participate in the ELIP.

- (6) Mr. Delgatti became President – Hooker Furniture effective February 2, 2014. Prior to that date he served as President – Hooker Upholstery.
- (7) Mr. Cole retired from his position as President-Hooker Furniture at the end of the Company's 2014 fiscal year on February 2, 2014. He will serve as a consultant to the Company on certain strategic initiatives.

Employment Agreements and Other Employment Terms

The Company entered into an employment agreement with Mr. Delgatti during fiscal 2012 when he became President-Hooker Upholstery. The agreement provides for an initial annual base salary of \$250,000, a lump sum cash payment of \$75,000 after signing, the right to receive an additional lump sum cash payment of \$75,000 if Mr. Delgatti remained continuously employed with the Company until March 2013 and a \$100,000 restricted stock units grant that will vest if Mr. Delgatti remains continuously employed with the Company until September 7, 2014, the three-year anniversary of the grant date (with earlier vesting upon his death or disability). The agreement also provides for an annual bonus opportunity and long-term incentive awards similar to those awarded to other management employees having similar salaries and levels of responsibility as determined by the Compensation Committee in its sole discretion, as well as certain other benefits as provided or made available under the Company's benefit plans or management compensation policies. In addition to these provisions, as well as provisions addressing payments to be made to Mr. Delgatti upon his death, disability or termination of employment, the agreement also includes customary provisions addressing the treatment of confidential information, non-disparagement of the Company, non-competition with the Company and non-solicitation of customers, vendors, suppliers and employees of the Company. For additional discussion regarding the terms of Mr. Delgatti's agreement, see Potential Payments upon Termination or Change in Control, which begins on page 25.

Mr. Cole retired at the end of the Company's 2014 fiscal year on February 2, 2014. The term of his employment agreement ended in July 2010. However, under that agreement Mr. Cole was entitled to receive payments upon

termination of his employment without cause. If Mr. Cole had been terminated without cause, he would have been entitled to receive, while living, his then current salary for 12 months. The agreement also includes customary provisions addressing the treatment of confidential information, non-competition with the Company and non-solicitation of customers, vendors, suppliers and employees that continue after the term of the agreement. For additional discussion regarding Mr. Cole's agreement see Potential Payments upon Termination or Change in Control, which begins on page 25.

The following table sets forth information concerning individual grants of plan-based awards made for the fiscal year 2014:

| Name | Grants of Plan-Based Awards Estimated Possible Payouts Under Non- Equity Incentive Plan Awards(1) | | |
|--------------------------|---|------------|-------------|
| | Threshold (\$) | Target(\$) | Maximum(\$) |
| Paul B. Toms, Jr. | \$ 92,500 | \$ 185,000 | \$ 310,800 |
| Paul A. Huckfeldt | 39,000 | 78,000 | 130,650 |
| Michael W. Delgatti, Jr. | 47,700 | 92,750 | 153,700 |
| Alan D. Cole | 83,250 | 166,500 | 279,720 |

(1) Represents the estimated possible payout under annual cash incentives for the 2014 fiscal year. For additional discussion regarding annual cash incentives and the actual amounts paid to the named executive officers for fiscal 2014, refer to the Compensation Discussion and Analysis which begins on page 12, including Annual Cash Incentive on page 16 and the Summary Compensation table on page 21.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning outstanding equity awards, which consist of performance grants and restricted stock units, held by the named executive officers at fiscal year-end.

| Name | Grant Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) |
|-----------------------------|------------|--|---|--|
| | | | | |
| Paul B. Toms, Jr. | 2/9/12(1) | - | - | 27,000 |
| | 1/15/13(1) | - | - | 27,750 |
| Paul A. Huckfeldt | 2/9/12(1) | - | \$ - | 11,400 |
| | 2/9/12(2) | 1,735 | 26,285 | - |
| | 1/15/13(1) | - | - | 11,700 |
| Michael W. Delgatti, Jr. | 1/15/13(2) | 1,576 | 23,876 | - |
| | 9/7/11(3) | 10,684 | 161,863 | - |
| | 2/9/12(1) | - | - | 10,419 |
| | 2/9/12(2) | 3,171 | 48,041 | - |
| | 1/15/13(1) | - | - | 11,044 |
| Alan D. Cole | 1/15/13(2) | 2,974 | 45,056 | - |
| | 2/9/12(1) | - | - | 16,253 |
| | 2/9/12(2) | 4,946 | 74,932 | - |
| | 1/15/13(1) | - | - | 16,653 |
| | 1/15/13(2) | 4,484 | 67,933 | - |

- (1) Performance grant awards outstanding at the end of the last completed fiscal year. Performance grants are denominated as a percentage of the named executive officer's base salary as of January 1, 2012 for the grants awarded February 9, 2012, and base salary as of January 1, 2013 for the grants awarded on January 15, 2013. Performance grants are not expressed as a number of shares, units or other rights. Each performance grant entitles the executive officer to receive a payment based on the achievement of two specified performance conditions. The payout will be the sum of two amounts, based on the Company's absolute and relative EPS growth over a three-year performance period that began January 30, 2012 and ends January 25, 2015 for the awards granted on February 9, 2012 and over a three year-performance period that began on February 4, 2013 and ends on January 31, 2016 for the awards granted on January 15, 2013. At the discretion of the Committee, the payout can be made in cash, shares of the Company's Common Stock (based on the fair market value of a share of Common Stock on the date payment is made), or both. The executive officer also must remain continuously employed with the Company through the end of the performance period to be eligible for a payment, with prorated payments made due to retirement, death or disability. The performance grants provide for a lump sum cash payment to the executive officer if the Company undergoes a change of control. The amounts reflected in this column represent the amounts payable under each performance grant if the threshold level of performance is met for the performance goals for that performance grant. For additional discussion regarding the performance grants, refer to the Compensation Discussion and Analysis at page 25.
- (2) Restricted stock unit ("RSU") award outstanding at the end of the last completed fiscal year. Market value is based on the closing market price of the Company's Common Stock on January 31, 2014, the last trading day of the Company's 2014 fiscal year. Each RSU entitles the executive officer to receive one share of Common Stock if he remains continuously employed with the Company through the end of a three-year service period (i.e., February 9, 2015 for the February 9, 2012 award and January 15, 2016 for the January 15, 2013 award). At the discretion of the Committee, the RSUs may be paid in shares of the Company's Common Stock, cash (based on the fair market value of a share of Common Stock on the date payment is made), or both. In addition to the service-based vesting requirement, 100% of the RSUs will vest upon a change of control of the Company and a prorated number of the RSUs will vest upon the death, disability or retirement of the executive officer
- (3) RSUs awarded under Mr. Delgatti's employment agreement. The RSUs will vest on September 7, 2014 if he remains continuously employed with the Company through that date. In addition, all of Mr. Delgatti's RSUs will vest if he dies or ceases to be employed with the Company as a result of disability before the vesting date.

Pension Benefits

The following table sets forth information concerning benefits provided for Messrs. Toms and Huckfeldt under the Company's Supplemental Retirement Income Plan ("SRIP"). Messrs. Cole and Delgatti do not participate in the SRIP:

| Name | Plan Name | Present Value of Accumulated Benefit \$(1) |
|-------------------|-----------|--|
| Paul B. Toms, Jr. | SRIP | \$ 1,059,623 |
| Paul A. Huckfeldt | SRIP | 158,338 |

(1) Assumes a discount rate of 4.5%, based on the Moody's Composite Bond Rate as of January 31, 2014 (rounded to the nearest 25 basis points).

The SRIP provides a monthly supplemental retirement benefit equal to a specified percentage of the executive's final average monthly compensation (50% for Mr. Toms and 25% for Mr. Huckfeldt), payable for a 15-year period following the executive's termination of employment. Final average monthly compensation means the average

monthly base salary and any annual bonuses paid to the executive during the five-year period before his termination of employment with the Company.

An executive becomes vested in 75% of the monthly supplemental benefit if the executive remains continuously employed with the Company until reaching age 60, and is vested in additional 5% increments for each subsequent year that the executive remains continuously employed with the Company. Executives who remain continuously employed to age 65 become fully vested in their monthly supplemental benefit. The monthly retirement benefit for each participant in the plan, regardless of age, will become fully vested and the present value of all plan benefits will be paid to participants in a lump sum upon a change in control of the Company (as discussed under Potential Payments upon Termination or Change in Control, below). Additional information regarding the SRIP can be found under Compensation Discussion and Analysis beginning on page 12.

Potential Payments upon Termination or Change in Control

Supplemental Retirement Income Plan

Upon a change in control of the Company each SRIP participant, regardless of age, will become fully vested and receive the present value of his entire plan benefit in a lump sum payment. A “change in control” includes, subject to certain exceptions:

- § acquisition, other than from the Company, of more than 50% of the outstanding shares or the combined voting power, of the Company’s Common Stock; or
- § a majority of members of the Board is replaced during a twelve-consecutive-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election.

The benefits payable under the SRIP are described further under Pension Benefits above.

The following table provides the estimated lump sum payment each participating named executive officer would have received under the SRIP if a change in control had occurred on the last day of fiscal 2014.

| Name | Change in Control – SRIP (1) |
|-------------------|------------------------------|
| Paul B. Toms, Jr. | \$ 1,761,757 |
| Paul A. Huckfeldt | 349,438 |

(1) Calculated based on historical average salary and bonus amounts for the five-year period ended February 2, 2014 and assuming a discount rate equal to 120% of the short-term (0.30%), mid-term (2.09%) or long-term (4.15%) applicable federal rate for the month of January 2014 depending on the number of years remaining to the participant’s retirement at age 65.

If a SRIP participant were to die while employed by the Company and before payment of his vested benefit begins, his beneficiary will receive a death benefit equal to the participant’s vested benefit, which would be paid in 180 equal monthly payments.

Performance Grants

Outstanding performance grants awarded to the named executive officers provide for a lump sum cash payment to the executive officer if the Company undergoes a “change of control.” The payment would be made on the date of the change of control and would assume that the named executive officer remained continuously employed through the end of the applicable performance period and that the specified target levels defined in the grant agreement had been attained for the applicable performance period. A change of control includes, subject to certain exceptions:

- § Acquisition, other than from the Company, of more than 50% of the combined voting power of the Company’s Common Stock; or
- § A majority of the members of the Board is replaced during a twelve-consecutive-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election.

The performance grants also provide for a pro-rated lump sum payment to be made in connection with the death, disability or retirement (as defined in the Stock Incentive Plan) of the named executive officer. The payment would be made upon the completion of the applicable performance period based on the performance levels actually achieved for the applicable performance period.

The following table provides the estimated aggregate payments to which each named executive officer would have been entitled under his respective performance grants if a change of control, or the executive's death, disability or retirement, had occurred on the last day of fiscal 2014 (subject to certain assumptions, as specified below).

| Name | Payout under Performance Grants (\$)(1) | |
|--------------------------|--|---------------------------------------|
| | Change of Control | Death, Disability or Retirement |
| Paul B. Toms, Jr. | \$ 438,000 | \$ 72,000 |
| Paul A. Huckfeldt | 184,800 | 30,400 |
| Alan D. Cole | 263,233 | 43,342 |
| Michael W. Delgatti, Jr. | 171,688 | 27,783 |

(1) These amounts include the amounts payable under three-year performance grants awarded February 9, 2012 and January 15, 2013, which are described in the Outstanding Equity Awards at Fiscal Year-End table on page 23. The payout amounts in connection with an executive's death, disability or retirement assume that the probable level of performance is achieved for the applicable performance periods.

Restricted Stock Units

Other than certain restricted stock units discussed below awarded to Mr. Delgatti upon his promotion to President-Hooker Upholstery, outstanding restricted stock units (RSUs) awarded to the named executive officers will vest 100% upon a change of control of the Company and a pro-rated amount will vest upon the executive's death, disability or retirement (as defined in the Stock Incentive Plan). A "change of control" of the Company for purposes of the RSUs has the same meaning as for the performance grants described above. The RSU payment would be a lump sum paid on the date of the change of control or as soon as administratively practicable after the vesting date upon the executive's death, disability or retirement. The following table provides an estimate of the aggregate payments that each named executive officer would have received under his RSUs if a change of control, or the executive's death, disability or retirement, had occurred on the last day of fiscal 2014.

| Name | Payout under Restricted Stock Units Upon (\$)(1) | |
|--------------------------|---|---------------------------------------|
| | Change of Control | Death, Disability or Retirement |
| Paul B. Toms, Jr. | \$ - | \$ - |
| Paul A. Huckfeldt | 50,162 | 8,753 |
| Michael W. Delgatti, Jr. | 93,097 | 15,998 |
| Alan D. Cole | 142,865 | 24,952 |

(1) These amounts include the amounts payable under three-year RSUs awarded February 9, 2012 and January 15, 2013, which are described in the Outstanding Equity Awards at Fiscal Year-End table on page 23, and are calculated based on the closing price of the Company's Common Stock as of the last day of fiscal 2014.

Delgatti Restricted Stock Units

Mr. Delgatti received 10,684 restricted stock units upon his promotion to President-Hooker Upholstery, which vest if he remains continuously employed with the Company until September 7, 2014, the three-year anniversary of the grant (subject to limited exceptions). In addition, all of Mr. Delgatti's restricted stock units will vest if he dies or ceases to be employed with the Company as a result of his disability before the vesting date.

The following table provides an estimate of the aggregate payment that Mr. Delgatti would have received under his restricted stock units upon his death or his termination of employment as a result of disability assuming, in each case, that the triggering event had occurred on the last day of fiscal 2014.

| Name | Death or Termination Upon Disability(1) |
|--------------------------|---|
| Michael W. Delgatti, Jr. | \$ 161,863 |

(1) Amount calculated based on the closing price of the Company's Common Stock as of the last day of fiscal 2014.

Executive Life Insurance Program

Under the Company's executive life insurance program, a death benefit of \$4.5 million is payable to Mr. Toms' designated beneficiary if he dies on or before his 60th birthday and \$2.0 million if he dies after his 60th birthday but on or before his 65th birthday and Mr. Toms remains employed with the Company through the date of his death. Mr. Toms' beneficiary would have received a lump sum payment of \$4.5 million had Mr. Toms died on the last day of fiscal 2014. Messrs. Huckfeldt, Delgatti and Cole do not participate in the executive life insurance program.

Delgatti Employment Agreement

Mr. Delgatti would receive payments under his employment agreement in connection with his death and upon termination of his employment by the Company without cause. If Mr. Delgatti were to die during the term of his agreement, his estate would receive his salary and annual bonus, prorated through the date of his death. If Mr. Delgatti's employment is terminated by the Company without cause during the term of his agreement, he would receive his annual bonus, prorated through the date of his termination.

For purposes of Mr. Delgatti's agreement, "cause" means:

- § fraud, dishonesty, theft, embezzlement or misconduct injurious to the Company or any of its affiliates;
- § conviction of, or entry of a plea of guilty or nolo contendere to, a crime that constitutes a felony or other crime involving moral turpitude;
- § competition with the Company or any of its affiliates;
- § unauthorized use of any trade secrets of the Company or any of its affiliates or confidential information (as defined in the agreement);
- § violation of any policy, code or standard of ethics generally applicable to the Company's employees;
- § a material breach of fiduciary duties owed to the Company;
- § excessive and unexcused absenteeism unrelated to a disability; or
- § after written notice and a reasonable opportunity to cure, gross neglect of assigned duties.

If Mr. Delgatti's employment is terminated by the Company for cause, he will not receive any post-termination payments (including earned but unpaid annual bonus with respect to any performance year or portion thereof

preceding the termination date), other than the salary he had earned through the date his employment terminated.

Cole Employment Agreement

Mr. Cole retired at the end of the Company's 2014 fiscal year on February 2, 2014. The term of his employment agreement ended in July 2010. However, under that agreement, Mr. Cole would have been entitled to receive severance payments had his employment been terminated by the Company without cause. If Mr. Cole had been terminated without cause he would have received, while living, his then current salary for 12 months.

For purposes of Mr. Cole's agreement, "cause" has the same meaning as under Mr. Delgatti's employment agreement.

If Mr. Cole's employment had been terminated for cause, he would not have received any post-termination payments, other than the salary he had earned through the date his employment terminated.

The following table provides an estimate of the aggregate payment that Mr. Cole would have received under his former employment agreement upon his termination by the Company without cause assuming that event had occurred on the last day of fiscal 2014.

| Name | Termination Without Cause (1) |
|--------------|-------------------------------|
| Alan D. Cole | \$ 333,000 |

(1) All amounts are calculated based on Mr. Cole's annual salary of \$333,000 as of the last day of fiscal 2014.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes information about the Company's equity compensation plans as of February 2, 2014:

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans |
|--|---|---|--|
| Equity compensation plans approved by security holders (1) | 0 | N/A | 655,126 |
| Equity compensation plans not approved by security holders | None | None | None |
| Total | 0 | N/A | 655,126 |

(1) Shares allocable to incentive awards granted under the Company's Stock Incentive Plan that expire, are forfeited, lapse or are otherwise terminated or cancelled are added to the shares available for incentive awards under the plan. Any shares covered by a stock appreciation right are counted as used only to the extent shares are actually issued to a participant when the stock appreciation right is exercised. Any shares retained by the Company in satisfaction of a participant's obligation to pay applicable withholding taxes with respect to any incentive award and any shares covered by an incentive award that is settled in cash are added to the shares available for incentive awards under the plan.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Exchange Act requires the Company's executive officers and directors, and any persons owning more than 10% of the Common Stock, to file reports of ownership and changes in ownership with the SEC. Based solely on its review of Forms 3, 4 and 5 filed during or with respect to the fiscal year ended February 2, 2014, and written representations from the Company's directors and executive officers and certain other reporting persons that no Forms 5 were required to be filed by those persons for that fiscal year, the Company believes that all executive officers, directors and 10% shareholders complied with those filing requirements.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of the Company's Common Stock as of April 15, 2014 (unless noted otherwise below) by:

§ each shareholder known by the Company to be the beneficial owner of more than 5% of its outstanding Common Stock;

§ each director and director nominee;

§ each named executive officer; and

§ all directors and executive officers as a group.

| Name | Amount and Nature Of Beneficial Ownership | Percent Of Class | |
|--|--|---------------------|---|
| Franklin Resources, Inc. (1) | 1,211,276 (1) | 11.3 | % |
| T. Rowe Price Associates, Inc. (2) | 1,065,190 (2) | 9.9 | |
| NWQ Investment Management Company, LLC (3) | 991,861 (3) | 9.2 | |
| The Killen Group, Inc. (4) | 938,900 (4) | 8.7 | |
| Dimensional Fund Advisors LP (5) | 838,919 (5) | 7.8 | |
| Paul B. Toms, Jr. | 119,169 (6) | 1.1 | |
| W. Christopher Beeler, Jr. | 27,736 (7) | * | |
| Henry G. Williamson, Jr. | 25,579 (8) | * | |
| E. Larry Ryder | 25,300 (9) | * | |
| Michael W. Delgatti, Jr. | 14,684 (10) | * | |
| John L. Gregory, III | 13,779 (11) | * | |
| Mark F. Schreiber | 12,466 (12) | * | |
| David G. Sweet | 11,657 (13) | * | |
| Paul A. Huckfeldt | 2,413 | * | |
| Alan D. Cole | - | * | |
| All directors and executive officers as a group (10 persons) | 252,803 | 2.4 | |

* Less than one percent.

- (1) The beneficial ownership information for Franklin Resources, Inc. is based upon a Schedule 13G/A filed with the SEC on February 11, 2014. Franklin Resources, Inc., its subsidiary Franklin Advisory Services, LLC, and Charles B. Johnson and Rupert H. Johnson, Jr. (holders of more than 10% of the common stock of Franklin Resources, Inc.), reported holdings of the Company's Common Stock beneficially owned by one or more open or closed-end investment companies or other managed accounts that are investment management clients of subsidiaries of Franklin Resources, Inc. Franklin Resources, Inc. reported that Franklin Advisory Services, LLC has sole voting power for 1,140,776 shares and sole disposition power for all 1,211,276 shares. The principal business address of Franklin Resources, Inc., Charles B. Rupert and Rupert H. Johnson, Jr. is One Franklin Parkway, San Mateo, California 94403-1906. The principal business address for Franklin Advisory Services, LLC is One Parker Plaza, Ninth Floor, Fort Lee, New Jersey 07024-2938.
- (2) The beneficial ownership information for T. Rowe Price Associates, Inc. is based upon a Schedule 13G/A filed with the SEC on February 10, 2014. T. Rowe Price Associates, Inc., a registered investment adviser, reported that it has sole voting power for 127,890 shares and sole disposition power for all 1,065,190 shares, and that T. Rowe Price Small-Cap Value Fund, Inc., a registered investment company, has sole voting power for 937,300 of the shares. The principal business address of T. Rowe Price Associates, Inc. and T. Rowe Price Small-Cap Value Fund, Inc. is 100 E. Pratt Street, Baltimore, Maryland 21202.
- (3) The beneficial ownership information for NWQ Investment Management Company, LLC is based upon a Schedule 13G/A filed with the SEC on February 14, 2014. The Schedule 13G/A indicates that NWQ Investment Management Company, LLC, a registered investment adviser, has sole disposition power with respect to all 800,236 shares and sole voting power with respect to 991,861 shares. The principal business address of NWQ Investment Management Company is 2049 Century Park East, 16th Floor, Los Angeles, California 90067.
- (4) The beneficial ownership information for The Killen Group, Inc. is based upon a Schedule 13G/A filed with the SEC on February 14, 2014. The Schedule 13G/A indicates that The Killen Group, Inc., a registered investment adviser, has sole disposition power with respect all 831,345 shares and sole voting power with respect to 838,919 shares. The principal business address of The Killen Group, Inc. is 1189 Lancaster Ave., Berwyn, Pennsylvania 19312.
- (5)

The beneficial ownership information for Dimensional Fund Advisors LP is based upon a Schedule 13G/A filed with the SEC on February 10, 2014. The Schedule 13G/A indicates that Dimensional Fund Advisors LP, a registered investment adviser that furnishes investment advice to four registered investment companies and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the “Funds”), reported holdings of the Company’s Common Stock beneficially owned by the Funds. Dimensional Fund Advisors LP reported that either it or its subsidiaries possessed voting and/or investment power over the Company’s Common Stock owned by the Funds, but disclaimed beneficial ownership of such Company Common Stock. The principal business address of Dimensional Fund Advisors LP is Palisades West, Building One, 6300 Bee Cave Road, Austin, Texas 78746.

- (6) Mr. Toms has sole voting and disposition power with respect to 87,625 shares and shared voting and disposition power with respect to 31,544 shares.
- (7) Mr. Beeler has sole voting power with respect to 27,736 shares and sole disposition power with respect to 22,326 shares.
- (8) Mr. Williamson has sole voting power with respect to 13,079 shares, sole disposition power with respect to 7,669 shares and shared voting and disposition power with respect to 12,500 shares.
- (9) Mr. Ryder has sole voting power with respect to 25,300 shares and sole disposition power with respect to 22,693 shares.
- (10) Mr. Delgatti has shared voting and disposition power with respect to all 14,684 shares.
- (11) Mr. Gregory has sole voting power with respect to 13,779 shares and sole disposition power with respect to 8,838 shares.
- (12) Mr. Schreiber has sole voting power with respect to 12,466 shares and sole disposition power with respect to 7,389 shares.
- (13) Mr. Sweet has sole voting power with respect to 10,857 shares, sole disposition power with respect to 5,708 shares and shared voting and disposition power with respect to 800 shares.

**PROPOSAL TWO
RATIFICATION OF SELECTION OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has selected the firm of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending February 1, 2015, subject to ratification by the shareholders. Action by the shareholders is not required by law in the selection of the Company's independent registered public accounting firm, but the Company submits their selection in order to give shareholders an opportunity to ratify the Audit Committee's selection of KPMG. If the shareholders do not ratify the selection of KPMG, the Audit Committee will reconsider the selection of the Company's independent registered public accounting firm. Unless otherwise specified, shares represented by proxies will be voted for the ratification of the selection of KPMG, as the Company's independent registered public accounting firm for fiscal 2015. KPMG has served as the Company's independent registered public accounting firm since fiscal 2003.

Representatives of KPMG are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Principal Accountant Fees and Services

The following table presents fees billed to the Company by KPMG for the:

§ fiscal year ended February 2, 2014, and

§ fiscal year ended February 3, 2013.

| | Fiscal 2014 | Fiscal 2013 |
|----------------------|----------------|----------------|
| Audit Fees | \$ 656,000 | \$ 515,000 |
| Audit - Related Fees | None | None |
| Tax Fees | 76,000 | 60,000 |

| | | | | | | | | | |
|------|---|---|---|---|---|---|---|------|------|
| A | l | l | O | t | h | e | r | | |
| Fees | | | | | | | | None | None |

Audit Fees include KPMG's fees for audit services, including the audits of the Company's annual financial statements and internal control over financial reporting, review of the Company's quarterly financial statements included in its Forms 10-Q and review of SEC filings.

Audit-Related Fees include fees billed by KPMG during the periods reported for audit-related services not otherwise reported in Audit Fees.

Tax Fees include fees billed by KPMG for federal, state and international tax planning and compliance services and advice. For both fiscal 2014 and fiscal 2013, tax matters included consulting in connection with international tax planning and compliance.

Audit Committee Pre-approval of Audit and Non-Audit Services

The Audit Committee is required to pre-approve all audit and permitted non-audit services provided by KPMG, the Company's auditing firm. The Audit Committee has authorized the Committee Chair to pre-approve those services between meetings of the Committee up to \$25,000 during any fiscal quarter and \$50,000 during any fiscal year. The Committee Chair must report any pre-approval to the Committee at its next meeting. Less than 1% of aggregate audit-related fees and tax fees for each fiscal year presented above was approved by the Committee pursuant to the de minimis waiver of the pre-approval requirement set forth in Regulation S-X 2.01(c)(7)(i)(C).

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE SELECTION OF KPMG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING FEBRUARY 1, 2015.

PROPOSAL THREE ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, requires that the Company provide its shareholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of the Company's named executive officers as disclosed in this proxy statement. Consistent with a majority of the advisory votes cast at the 2011 Annual Meeting of Shareholders and the recommendation of the Company's Board of Directors, the Company will hold a shareholder advisory vote to approve the compensation of its named executive officers annually until the next vote on the frequency of such advisory votes, which is expected to occur in 2017. The Company encourages shareholders to read the disclosures under Executive Compensation, beginning on page 12, which include the Compensation Discussion and Analysis, the compensation tables and the narratives that accompany those tables, for more information concerning the Company's compensation philosophy, programs and practices, the compensation and governance-related actions taken in fiscal 2014 and the compensation awarded to the named executive officers.

As described under Compensation Discussion and Analysis, the Company's executive compensation programs are designed to:

- § attract and retain highly qualified executives who will contribute significantly to the success and financial growth of the Company and enhance value for shareholders; and
- § motivate and appropriately reward executives when they achieve the Company's financial and business goals and meet their individual performance objectives.

The Board believes that the Company's executive compensation program satisfies these objectives and is worthy of shareholder support. In determining whether to approve this proposal, The Board believes that shareholders should consider the following:

Independent Compensation Committee. Executive compensation is reviewed and established by a Compensation Committee of the Board consisting solely of independent directors. The Compensation Committee regularly meets in executive session, without executive officers present, in determining annual compensation. The Compensation Committee, at its sole discretion, may obtain data, analysis and input from an independent compensation consultant.

Compensation is Tied to Performance. Key elements of the Company's compensation program, including annual cash incentives and certain long-term incentive awards, are aligned with financial and operational objectives established in the Board-approved annual operating plan. As a result, a meaningful portion of each executive's total compensation is

“at risk” and is earned only if a threshold level of targeted performance is achieved.

Balanced Compensation Structure. Total cash compensation is allocated between base salary and an annual incentive opportunity tied directly to objective and quantifiable measures of the Company’s business performance. Long-term incentive awards are balanced between those that are earned only if specific performance measures are met and those that are earned if an executive remains in continuous employment for a sustained period. Retirement and life insurance benefits are only provided if an executive remains employed to a specified age.

This vote is not intended to address any specific item of compensation, but rather the overall compensation of the named executive officers described in this proxy statement. This vote is advisory, which means that the vote is not binding on the Company, the Board of Directors or the Compensation Committee. To the extent there is any significant vote against named executive officer compensation as disclosed in this proxy statement, the Compensation Committee will evaluate whether any actions are appropriate to address the concerns of shareholders.

This proposal will be approved if the number of votes cast in favor of the proposal exceeds the number of votes cast against it.

Accordingly, the Company asks its shareholders to vote on the following resolution at the Annual Meeting:

RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed in the Company's proxy statement for the 2014 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT.

OTHER BUSINESS

Management knows of no other business that will be presented for consideration at the Annual Meeting, but should any other matters be brought before the meeting, it is intended that the persons named in the accompanying proxy will vote that proxy at their discretion.

ADDITIONAL INFORMATION

Shareholder Proposals for 2015 Annual Meeting

The Company plans to hold the 2015 Annual Meeting on June 2, 2015. The Company's bylaws (Article II, Section 1) provide that for business to be properly brought before an Annual Meeting by a shareholder of record, the shareholder must, in addition to meeting other applicable requirements, give timely written notice to the Secretary at the principal office of the Company. To submit business at the 2015 Annual Meeting, the notice must be received no later than January 2, 2015. The shareholder's notice must include:

§ the name and address of the shareholder, as they appear on the Company's stock transfer books;

§ the number of shares of stock of the Company beneficially owned by the shareholder;

§ a representation that the shareholder is a record holder at the time the notice is given and intends to appear in person or by proxy at the meeting to present the business specified in the notice;

§ a brief description of the business desired to be brought before the meeting, including the complete text of any resolutions to be presented and the reasons for wanting to conduct such business; and

§ any interest that the shareholder may have in such business.

The proxies for the 2015 Annual Meeting will have discretionary authority to vote on any matter that properly comes before the meeting if the shareholder has not provided written notice before March 18, 2015.

A proposal that any shareholder desires to have included in the proxy statement for the 2015 Annual Meeting of shareholders must be received by the Company no later than January 2, 2015 and must comply with the SEC rules regarding shareholder proposals.

Shareholder Communications

Shareholders may send written communications to the Board of Directors c/o Secretary, Hooker Furniture Corporation, P.O. Box 4708, Martinsville, Virginia 24115-4708.

By Order of the Board of Directors,
Robert W. Sherwood
Secretary

May 2, 2014

ANNUAL MEETING OF SHAREHOLDERS OF
HOOKER FURNITURE CORPORATION

June 5, 2014

e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.amstock.com to enjoy online access.

Important Notice Regarding the Availability of Proxy Materials for
the Annual Meeting of Shareholders to be Held on Thursday, June 5, 2014:
The Company's Proxy Statement and Annual Report to Shareholders are available at
<http://tinyurl.com/hoftproxy2014> or <http://www.astproxyportal.com/ast/25490>

Please complete, sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

Please detach along perforated line and mail in the envelope provided.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

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|--|--|---|---|-------------------------------|
| <p>(1) Election of Directors</p> <p><input type="radio"/> FOR ALL NOMINEES</p> <p><input type="radio"/> WITHHOLD AUTHORITY FOR ALL NOMINEES</p> <p><input type="radio"/> FOR ALL EXCEPT (See instructions below)</p> | <p>NOMINEES</p> <p>Paul B. Toms, Jr. W. Christopher Beeler, Jr. John L. Gregory, III E. Larry Ryder Mark F. Shreiber David G. Sweet Henry G. Williamson, Jr.</p> | <p>(2) Ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending February 2, 2015.</p> <p>(3) Advisory vote to approve named executive officer compensation</p> <p>(4) In their discretion the proxies are authorized to vote upon such other matters as may come before the meeting or any adjournment thereof.</p> | <p>FOR AGAINST o o o</p> <p>FOR AGAINST o o o</p> | <p>ABSTAIN</p> <p>ABSTAIN</p> |
|--|--|---|---|-------------------------------|

All as more particularly described in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on June 4, 2013, receipt of which is hereby acknowledged.

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and fill in the circle next to each nominee for whom you wish to withhold authority to vote, as shown here:

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS SPECIFIED BY THE UNDERSIGNED SHAREHOLDER. IF NO CHOICE IS SPECIFIED BY THE SHAREHOLDER, THIS PROXY WILL BE VOTED "FOR" THE

7 DIRECTOR NOMINEES LISTED IN ITEM (1), "FOR" ITEMS (2) AND (3), AND IN THE PROXIES' DISCRETION ON ANY OTHER MATTERS COMING BEFORE THE MEETING.

The undersigned hereby revokes any proxy or proxies heretofore given to vote upon or act with respect to such stock and hereby ratifies and confirms all that said proxies, their substitutes or any of them may lawfully do by virtue hereof.

To change your address on the account please check the box at right and indicate your new address in the address space above. Please note that the changes to the registered name(s) on the account may not be submitted via this method. o

Please promptly complete, sign, date and mail this Proxy Card in the enclosed envelope. No postage is required.

S i g n a t u r e o f S h a r e h o l d e r

Signature of _____
Shareholder _____ Date: _____
Date: _____

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is partnership, please sign in partnership name by authorized person.

REVOCABLE PROXY

HOOKER FURNITURE CORPORATION

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

For the Annual Meeting of Shareholders called for Thursday, June 5, 2014

The undersigned hereby appoints Paul B. Toms, Jr. and Paul A. Huckfeldt, or either of them, the attorneys, agents and proxies of the undersigned, with full power of substitution, to vote all the shares of common stock of Hooker Furniture Corporation (the "Company") that the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Company to be held at the Company's Corporate Office at 440 East Commonwealth Boulevard, Martinsville, Virginia, on Thursday, June 5, 2014 at 1:00 P.M., and all adjournments thereof, with all the powers the undersigned would possess if then and there personally present. Without limiting the general authorization and power hereby given, the above proxies are directed to vote as instructed on the matters on the reverse side:

(Continued and to be completed, dated and signed on reverse side.)
