

BASSETT FURNITURE INDUSTRIES INC  
Form DEF 14A  
March 12, 2012

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Bassett Furniture Industries, Inc.

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- 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 the transaction applies:

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(2) Aggregate number of securities to which the transaction applies:

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(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of the transaction:

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(5) Total fee paid:

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- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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BASSETT FURNITURE INDUSTRIES, INCORPORATED

Bassett, Virginia

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD APRIL 18, 2012

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Bassett Furniture Industries, Incorporated (the "Company"), will be held at the Company's headquarters in Bassett, Virginia, on Wednesday, April 18, 2012, at 10:00 a.m., local time, for the purpose of considering and acting upon the following:

1. The election of ten Directors.
2. A proposal to ratify the selection of Ernst & Young LLP as its independent registered public accounting firm for the fiscal year ending November 24, 2012.
3. Any and all other matters that may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on February 22, 2012 as the record date for determining the stockholders entitled to notice of and to vote at the meeting and any adjournment thereof, and only holders of Common Stock of the Company of record at such date will be entitled to notice of or to vote at the meeting.

YOUR VOTE IS VERY IMPORTANT TO US. REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE MEETING, PLEASE ACT PROMPTLY TO VOTE YOUR SHARES BY RETURNING THE ENCLOSED PROXY, DATED AND SIGNED. THE PROXY MAY BE REVOKED BY YOU AT ANY TIME BEFORE IT IS EXERCISED AND WILL NOT BE EXERCISED IF YOU ATTEND THE MEETING AND VOTE IN PERSON.

By Order of the Board of Directors

Robert H. Spilman, Jr.  
Chief Executive Officer and President

Bassett, Virginia

March 12, 2012

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR  
THE 2012 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD APRIL 18, 2012

The Company's Proxy Statement for the 2012 Annual Meeting of Stockholders and the Annual Report for the fiscal year ended November 26, 2011 are available at <http://investors.bassettfurniture.com/>.

BASSETT FURNITURE INDUSTRIES, INCORPORATED

3525 Fairystone Park Highway, Bassett, Virginia 24055

PROXY STATEMENT

General

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of proxies to be used at the Annual Meeting of Stockholders of Bassett Furniture Industries, Incorporated (the "Company" or "Bassett") to be held at the Company's headquarters in Bassett, Virginia, at 10:00 a.m., local time, on Wednesday, April 18, 2012. This Proxy Statement and accompanying proxy are being sent to the stockholders of the Company on or about March 12, 2012.

The Company's directors, officers and employees may solicit proxies in person or by telephone, e-mail, or other means for no additional compensation. Brokers, dealers, banks or voting trustees, or their nominees, who hold stock in their names for others or hold stock for others who have the right to give voting instructions, will be asked to forward proxy materials to their principals and request authority for the execution of the proxy. The Company will reimburse such institutions for their reasonable expenses in so doing. The total cost of soliciting proxies will be borne by the Company.

Any shareholder of record may revoke his or her proxy before it is exercised by (1) sending written notice to Jay R. Hervey, Vice President, Secretary and General Counsel, Bassett Furniture Industries, Incorporated, Post Office Box 626, Bassett, Virginia 24055, (2) timely delivering a valid, later-dated proxy or (3) by attending the meeting and electing to vote in person. Any beneficial owner of common stock may revoke his or her proxy before it is exercised by contacting his or her bank, broker or other shareholder of record and submitting revised voting instructions. Proxies received by the Company that are in proper form will be voted as set forth on the proxy at the meeting or any adjournment of the meeting. If your shares are held in street name with your broker or by a nominee and you wish to vote in person at the meeting you will need to obtain a legal proxy from the institution that holds your shares and provide that legal proxy at the meeting.

The only matters to be considered at the meeting, so far as known to the Board of Directors, are the matters set forth in the Notice of Annual Meeting of Stockholders, and routine matters incidental to the conduct of the meeting. However, if any other matters should come before the meeting or any adjournment thereof, it is the intention of the persons named in the accompanying form of proxy, or their substitutes, to vote said proxy in accordance with their judgment on such matters.

Stockholders present or represented and entitled to vote on a matter at the meeting or any adjournment thereof will be entitled to one vote on such matter for each share of Common Stock, par value \$5.00 per share, of the Company (the "common stock") held by them of record at the close of business on February 22, 2012, which is the record date for determining the stockholders entitled to notice of and to vote at such meeting or any adjournment thereof. The number of shares of common stock of the Company outstanding on February 22, 2012, was 11,266,439. Voting on all matters, including the election of Directors, may be by written ballot, voice vote or show of hands.

Presence in person or by proxy of the holders of a majority of the outstanding shares of common stock entitled to vote at the meeting will constitute a quorum. If a quorum is present, Directors will be elected by a plurality of the votes cast. Action on other matters submitted to the stockholders, including Proposal 2, will be approved if the votes cast in favor of the action exceed the votes cast opposing the action. Shares for which the holder has elected to abstain or to withhold the proxies' authority to vote (including broker non-votes) on a matter will count toward a quorum but will have no effect on the action taken with respect to such matter.



## Principal Stockholders and Holdings of Management

The table below presents certain information as to the only persons known to the Company to be the beneficial owners of more than 5% of the common stock of the Company as of February 22, 2012. Except as otherwise noted, each of the beneficial owners listed below has sole voting and investment power with respect to the shares listed.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of common stock outstanding
Aegis Financial Corporation and related person 1100 North Glebe Road Suite 1040 Arlington, VA 22201	1,218,343 (1)	10.8 %
Donald Smith & Co., Inc. and related person 152 West 57th Street New York, NY 10019	933,956 (2)	8.3 %
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	933,358 (3)	8.3 %

(1) Aegis Financial Corporation (“Aegis”), a registered investment adviser, has shared investment and voting power with respect to 1,203,343 of these shares, or 10.7% of the common stock outstanding. Scott L. Barbee (“Barbee”), managing director of Aegis, has shared investment and voting power with respect to 1,203,343 of these shares, or 10.7% of the common stock outstanding, and sole investment and voting power with respect to 15,000 of these shares, or 0.1% of the common stock outstanding. Aegis reports that of these shares, the Aegis Value Fund, a registered investment company, owns 899,631 or 8.0% of the common stock outstanding. Both Aegis and Barbee disclaim beneficial ownership of all such shares. The information provided is based upon a Schedule 13G dated February 14, 2012, which is a joint filing by Aegis and Barbee.

(2) Donald Smith & Co., Inc. (“Smith”), a registered investment adviser, has sole voting power with respect to 804,201 of these shares, or 7.1% of the common stock outstanding, and sole investment power with respect to all of these shares, which are owned by its advisory clients. Donald Smith Long/Short Equities Fund, L.P. (the “Fund”) has sole voting power with respect to 7,062 of these shares, or 0.1% of the common stock outstanding, and sole investment power with respect to all of these shares. The information provided is based upon a Schedule 13G dated February 10, 2012, which is a joint filing by Smith and the Fund.

(3) Dimensional Fund Advisors LP (“Dimensional”), a registered investment adviser, may be deemed to have beneficial ownership of these shares which are held by certain investment companies, trusts and accounts for which Dimensional serves as investment adviser or manager. Dimensional has sole dispositive power with respect to all of these shares and sole voting power with respect to 912,003 of these shares, or 8.1% of the common stock outstanding. Dimensional disclaims beneficial ownership of all such shares. The information provided is based upon a Schedule 13G/A dated February 10, 2012 by Dimensional.



The following information with respect to beneficial ownership, as of February 22, 2012, of shares of common stock is furnished with respect to (i) each nominee for Director of the Company, (ii) each executive officer named in the Summary Compensation Table appearing later in this Proxy Statement and (iii) all current Directors and executive officers as a group:

Name of beneficial owner	Amount and nature of beneficial ownership		Percent of common stock outstanding	
Peter W. Brown, M.D.	15,676	1	*	
Kristina Cashman	12,054		*	
Paul Fulton	37,924		*	
Howard H. Haworth	18,676	1	*	
George W. Henderson, III	15,676		*	
J. Walter McDowell	1,000		*	
Dale C. Pond	18,398	1	*	
Robert H. Spilman, Jr.	194,940	1, 2	1.7	%
William C. Wampler, Jr.	15,176		*	
William C. Warden, Jr.	15,676		*	
Jason W. Camp	178,000	1	1.6	%
John E. Bassett III	52,621	1, 3	*	
J. Michael Daniel	25,573	1	*	
Mark S. Jordan	40,500	1	*	
Directors and executive officers as a group (16 persons)	701,225	2,3,4	6.2	%

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\* Less than 1% of the outstanding common stock.

- (1) Includes shares subject to options that are currently exercisable or exercisable within 60 days as follows: Dr. Brown: 1,000; Mr. Haworth: 2,000; Mr. Pond: 2,000; Mr. Spilman: 73,000; Mr. Camp: 166,000; Mr. Bassett: 28,500; Mr. Daniel: 7,500; and Mr. Jordan: 28,500.
- (2) Includes 17,217 shares held by Mr. Spilman's wife, and 13,947 shares held in trust of which Mr. Spilman is beneficiary.
- (3) Includes 79 shares held by Mr. Bassett's wife.
- (4) Includes 355,500 shares subject to options held by Directors and executive officers that are currently exercisable or that are exercisable within 60 days.



## PROPOSAL NO. 1

## ELECTION OF DIRECTORS

At the meeting, ten Directors will be elected to serve, subject to the provisions of the Bylaws, until the 2013 Annual Meeting of Stockholders and until their successors are duly elected and qualified. It is the intention of the persons named in the accompanying proxy to vote all proxies solicited by the Board of Directors FOR the ten nominees listed below unless authority to vote for the nominees or any individual nominee is withheld by a stockholder in such stockholder's proxy. If for any reason any nominee shall not become a candidate for election as a Director at the meeting, an event not now anticipated, the proxies will be voted for the ten nominees including such substitutes as shall be designated by the Board of Directors.

The ten nominees for election as Directors are listed below. All of the nominees are currently members of the Board of Directors. All were elected to their current terms, which expire in 2012, at the Annual Meeting of Stockholders held on April 13, 2011, except for Mr. McDowell who was elected by the Board of Directors on October 11, 2011. The information set forth below includes, with respect to each nominee for election as Director, his or her age, principal occupation and employment during the past five years, the year in which he or she first became a Director of the Company, directorships held by each at other public companies during the past five years and the specific experience, qualifications, attributes and skills that led the Board to conclude that he or she should serve as a Director. In addition, our Board believes that each individual below has demonstrated outstanding achievement in his or her professional career; broad experience; wisdom, personal and professional integrity; ability to make independent, analytical inquiries; experience with and understanding of the business environment; and willingness and ability to devote adequate time to Board duties.

Name and director since	Age	Occupation during past five years, directorships and qualifications
Peter W. Brown, M.D. 1993	69	Partner, Virginia Surgical Associates (general surgery), since 1978. Director, Dominion Resources, Inc.  As an owner of a successful medical practice for many years, Dr. Brown has developed sound business acumen and provides the Board with additional perspectives on a broad range of business matters.
Kristina Cashman 2007	45	President of Guy and Larry Restaurants, Inc. since 2012; Chief Financial Officer of Eddie V's Restaurants, Inc. from 2006 through 2011; Chief Financial Officer and Secretary of P.F. Chang's China Bistro, Inc. from 2001 to 2006; Controller of P.F. Chang's China Bistro, Inc. from 1996 to 2001. As a chief financial officer of two restaurant chains over the last 10 years, one of which being a public company, and as an audit manager with Ernst & Young LLP prior to her employment at P.F. Chang's, Ms. Cashman brings financial and accounting experience to the Board and its Audit Committee.
Paul Fulton 1993	77	Chairman of the Board of the Company since 1997; Chief Executive Officer of the Company from 1997 to 2000; Dean of the Kenan-Flagler Business School of the University of North Carolina at Chapel Hill from 1994 to 1997; President of Sara Lee Corporation

from 1988 to 1993. Director, Carters, Inc.; former Director, Bank of America, Corp., from 1993 to 2008; former Director, Lowe's Cos., Inc., from 1996 to 2007.

Mr. Fulton is well qualified to serve as a member of the Board of Directors due to his leadership experience with the Company and other public companies and his extensive knowledge of the home furnishings and other industries.

Howard H. Haworth  
1997

77

Retired. Chief Executive Officer from 1973 to 1985 and Chairman and Chief Executive Officer from 1983 to 1985 of Drexel Heritage Home Furnishings; Chairman Emeritus, North Carolina State Board of Education since 1995; Secretary of Commerce of the State of North Carolina from 1985 to 1987.

Mr. Haworth has many years of experience in furniture manufacturing and retail, including leadership experience as a chief executive officer.

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George W. Henderson, III 2004	63	Private Investor, Chairman and Chief Executive Officer, Burlington Industries, Inc. (manufacturer of textile products) 1995 to 2003. Director, Lincoln National Corporation.	Mr. Henderson's experience as the chief executive officer of a major textile manufacturer provides the Board with both leadership skills and an in depth understanding of an industry that has experienced similar challenges as the furniture industry due to increasing foreign competition and outsourcing of manufacturing operations.
J. Walter McDowell 2011	61	Private Investor; Business Consultant. Chief Executive Officer, Carolinas/Virginia Banking – Wachovia Corporation from 2005 to 2007.	Mr. McDowell's more than 35 years of experience at Wachovia and later in financial and business consulting provides valuable perspectives into the protection and deployment of the Company's balance sheet and into its banking relationships.
Dale C. Pond 2002	65	Private Investor. Senior Executive Vice President, Merchandising/Marketing, Lowe's Companies, Inc. (home improvement retailer) from 1998 to 2005. Director, Family Dollar Stores, Inc., and Scripps Networks Interactive, Inc.	Mr. Pond's experience in retail merchandising and marketing provides valuable insights into the Company's growing retail operations. In addition, he has years of experience serving on the boards of other public companies, including service on the compensation committee.
Robert H. Spilman, Jr. 1997	55	President and Chief Executive Officer of the Company since 2000; President and Chief Operating Officer of the Company since 1997. Director, Ruddick Corporation and Dominion Resources, Inc.	Mr. Spilman's nearly 30 year career at the Company, including 11 years as Chief Executive Officer, gives him an in-depth knowledge of the Company and the furniture industry.
William C. Wampler, Jr. 2004	52	Executive Director, New College Institute since 2012; Former Member of the Senate of the Commonwealth of Virginia from 1988 to 2012; Retired Colonel, U.S. Army Reserve; Managing Member of Wampler Consulting Group, LLC since 1998. Former Director, New People's Bank, from 2005 to 2009.	As a former member of the Senate of Virginia and being the former ranking member of the Finance Committee for his party, Mr. Wampler brings to the Board over 24 years of experience in leadership, developing consensus and balancing budgets.
William C. Warden, Jr.	59		

2004

Private Investor. Executive Vice President, Lowe's Companies, Inc. from 1996 to 2003. Director, Ruddick Corporation.

Through his senior management experience at a national retail chain, Mr. Warden brings to the Board expertise in real estate, legal and administrative matters that are particularly relevant to the Company's growing retail operations.

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## CORPORATE GOVERNANCE

### Board and Board Committee Information

Our Board of Directors currently consists of ten directors. The Board of Directors has determined that each of Dr. Brown, Ms. Cashman, the Hon. Sen. Wampler and Messrs. Haworth, Henderson, McDowell, Pond and Warden are independent, as defined by The NASDAQ Stock Market (“NASDAQ”).

The Board of Directors met seven times during the 2011 fiscal year. Each Director attended at least 85% of the meetings of the Board of Directors and committees on which such Director served. It is the policy of the Company that Directors should attend annual meetings of stockholders. A regular meeting of the Board of Directors is scheduled in conjunction with the annual meeting, and all Directors attended last year’s annual meeting.

The Board of Directors currently has two standing committees: an Audit Committee and an Organization, Compensation and Nominating Committee. The charters for each of these committees are available on the Company’s website at [www.bassettfurniture.com](http://www.bassettfurniture.com).

**Audit Committee:** The Audit Committee is composed of Messrs. Warden, Haworth, Henderson and Ms. Cashman. Among other things, the Audit Committee engages or dismisses independent auditors; approves all audit, audit-related and other auditor fees and services; reviews, evaluates and monitors the performance of audit activities; reviews periodic financial filings; and reviews internal audit activities. The Board of Directors has determined that each member of the Audit Committee meets the current independence and experience requirements contained in the listing standards of NASDAQ. The Board of Directors has also determined that Mr. Henderson is an “audit committee financial expert” as defined in the regulations promulgated by the Securities and Exchange Commission (the “SEC”) under the Sarbanes-Oxley Act of 2002. The Audit Committee met seven times during the 2011 fiscal year.

**Organization, Compensation and Nominating Committee:** The Organization, Compensation and Nominating Committee is composed of Dr. Brown, Mr. Pond and the Hon. Sen. Wampler. The Committee reviews and makes recommendations to the Board of Directors with respect to executive compensation; establishes, reviews and recommends changes to the organizational structure of the Company so as to utilize the management resources to best respond to the changing demands of the marketplace; reviews the individual performance of each Director in terms of overall contribution to the betterment of the Company, including meeting attendance and participation; reviews the composition of the Board; and recommends a slate of Directors for nomination to the Board. The Organization, Compensation and Nominating Committee met four times during the 2011 fiscal year.

**Board Leadership Structure and Board’s Role in Risk Oversight.** Our Chairman of the Board, Paul Fulton, retired as our Chief Executive Officer in 2000. As a former CEO of the Company, Mr. Fulton brings to the chairmanship extensive experience in the industry generally and the Company’s business in particular. We believe this background enhances the role of the Chairman of the Board in the development of long-term strategic plans and oversight of senior management in the implementation of such plans. For the above reasons, we believe the current leadership structure of the Board is appropriate for our Company.

Our Board of Directors believes that full and open communication between management and the Board of Directors is essential for effective risk management and oversight. Our Board meets with our Chief Executive Officer and other senior management at regular Board meetings to discuss strategy and risks facing the Company. Periodically, senior management delivers presentations to our Board or a Board committee regarding strategic matters and matters involving material risk.

While our Board of Directors is ultimately responsible for risk oversight, our Board committees assist the Board in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists our Board in fulfilling its oversight responsibilities with respect to risk management in the areas of internal control over financial reporting, disclosure controls and procedures and legal and regulatory compliance. The Audit Committee discusses with management and the independent auditor significant business, financial and legal risk exposures and the steps management has taken to monitor and control such exposure. The Organization, Compensation and Nominating Committee assists our Board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs, board organization, membership and structure, corporate governance and succession planning for our Directors and senior management. While Board committees are responsible for assisting the Board in evaluating certain risks and overseeing the management of such risks, our entire Board of Directors is regularly informed through management and committee reports about such risks and steps taken to manage and mitigate them.

## Director Compensation

The Organization, Compensation and Nominating Committee is responsible for recommending director compensation to the Board of Directors. The following compensation arrangements have been recommended by the Organization, Compensation and Nominating Committee and approved by the Board of Directors.

Directors who are also employees of the Company receive no additional compensation for serving as Directors. Directors who are not employees of the Company receive an annual retainer fee of \$20,000 and a fee of \$1,000 per committee or board meeting attended. Chairpersons of the Board of Directors' standing committees receive an additional fee of \$1,000 per Board meeting. The chairperson of the Audit Committee receives an additional annual retainer fee of \$10,000 and the chairperson of the Organization, Compensation and Nominating Committee receives an additional annual retainer fee of \$5,000. Under the 2010 Stock Incentive Plan, each non-employee director receives an annual grant of restricted stock on the first business day of the month following the Annual Meeting of Stockholders equal to \$15,000 divided by the fair market value of the common stock.

### NON-EMPLOYEE DIRECTOR COMPENSATION

Name	Fees earned or paid in cash (1) (\$)	Stock awards (2) (\$)	Total (\$)
Peter W. Brown, M.D.	29,000	15,000	44,000
Howard H. Haworth	31,500	15,000	46,500
George W. Henderson, III	29,500	15,000	44,500
Kristina Cashman	30,000	15,000	45,000
J. Walter McDowell	11,000	—	11,000
Dale C. Pond	38,000	15,000	53,000
William C. Wampler, Jr.	28,000	15,000	43,000
William C. Warden, Jr.	45,500	15,000	60,500

(1) Includes annual retainer fee, committee chairperson fees and Board/committee meeting fees.

(2) From the 2005 Non-Employee Directors Stock Incentive Plan (until its shares were exhausted) and the 2010 Stock Incentive Plan, each of the Company's outside Directors received an award of 1,680 shares of restricted stock on May 2, 2011. These shares had a grant date fair value of \$8.93 per share and will vest on May 2, 2012, with restrictions on sale until 90 days after the grantee ceases to be a Director.

### Policies and Procedures Governing Director Nominations

The Organization, Compensation and Nominating Committee evaluates candidates taking into account their individual skills and characteristics relative to the skills and characteristics of the current Board as a whole. Factors considered include diversity, age and such skills (e.g., an understanding of appropriate technologies, work experience relevant to the Company's businesses, and decision-making ability) as are suited to the Company's and the Board's needs at the time. Although the Company has no diversity policy, the Board believes that diversity with respect to factors such as background, experience, skills, race, gender and national origin is an important consideration in board composition.

Two members of the Organization, Compensation and Nominating Committee are selected each year to identify, screen, interview and submit Director candidates to the Organization, Compensation and Nominating Committee. Prospective candidates are typically identified by current non-management or former members of the Board. This process begins after an annual assessment and report by the Organization, Compensation and Nominating Committee to the full Board.

The Organization, Compensation and Nominating Committee will consider Director candidates recommended by stockholders. A stockholder requesting that a recommendation be reviewed by the Organization, Compensation and Nominating Committee should submit such information as the stockholder deems pertinent for service on the Board, such as age, experience and skills, and any other information required to be disclosed in a proxy statement regarding the prospect. This information must be accompanied by the prospective candidate's written consent to serve on the Board of Directors if nominated and elected. This information should be received by the Secretary of the Company at P.O. Box 626, Bassett, Virginia 24055, by January 18, 2013.



## Interested Party Communications with the Board of Directors

Interested parties, including security holders, may send communications to the Board of Directors by mailing the same addressed to the Board of Directors (or addressed to a specific individual Director), Bassett Furniture Industries, Incorporated, P.O. Box 626, Bassett, Virginia 24055. The Board of Directors, including a majority of the independent directors, has adopted a procedure for receiving and addressing such communications.

## Code of Business Conduct

Bassett maintains a Code of Business Conduct (the "Code"), which is administered by the Audit Committee and is applicable to all of the Company's employees, officers and Directors. The purpose of the Code is to convey the Company's policies and practices for conducting business in accordance with its commitment to applying high ethical standards to its business practice. Any waiver of the Code for executive officers or Directors will be made only by the Board of Directors or its Audit Committee and will be promptly disclosed. In support of the Code, the Company has provided employees with a number of avenues for the reporting of ethics violations or similar concerns, including a process for making such reports anonymously.

The Code was adopted by the Board of Directors and is reviewed periodically by the Board of Directors. The Code is available for review on the Company's website, [www.bassettfurniture.com](http://www.bassettfurniture.com), and the Company will post any amendments to, or waivers for executive officers from, the Code on that website. A copy of the Code may be obtained, without charge, upon written request to Jay R. Hervey, Secretary, Bassett Furniture Industries, Incorporated, P.O. Box 626, Bassett, Virginia 24055.

## Other Transactions

The Company recognizes that transactions between Bassett and related persons present a potential for actual or perceived conflicts of interest. The Company's general policies with respect to such transactions are included in its Code. As a supplement to the Code, the Audit Committee has adopted a written policy setting out the procedures and standards to be followed for the identification and evaluation of "related party transactions." For purposes of the policy, a related party transaction is any transaction or series of related transactions in excess of \$120,000 in which the Company is a party and in which a "related person" has a material interest. Related persons include Directors, Director nominees, executive officers, 5% beneficial owners and members of their immediate families. The Audit Committee has determined that certain transactions are deemed to be pre-approved under this policy. These include (i) transactions with another company in which the related person's only interest is as a director or a beneficial owner of less than 10% of that company's outstanding stock or limited partnership interests and (ii) certain compensation arrangements that have either been disclosed in our proxy statement or approved by our Organization, Compensation and Nominating Committee.

The Company collects information about potential related party transactions in its annual questionnaires completed by Directors and officers. Potential related party transactions are first reviewed and assessed by our General Counsel to consider the materiality of the transactions and then reported to the Audit Committee. The Audit Committee reviews and considers all relevant information available to it about each related party transaction. A related party transaction is approved or ratified only if the Audit Committee determines that it is in, or is not inconsistent with, the best interests of the Company and its stockholders and in compliance with the Code. The Audit Committee and Board approved one of these transactions during fiscal 2011. On May 2, 2011 Bassett sold the Company's 46.9% interest in International Home Furnishings Center, Inc. ("IHFC") to International Market Centers, L.P. ("IMC"). In consideration for the sale, the Company received approximately \$70 million in cash proceeds. Approximately \$7 million in additional Company proceeds were placed in escrow to indemnify the purchaser with respect to various contingencies. Also in connection with the sale, the Company acquired a minority equity stake in IMC in exchange for \$1 million. Immediately prior to the closing, IHFC paid \$500,000 to Mr. Spilman for services rendered by him to IHFC in connection with the sale,

which amount was deducted from the selling equity holders' proceeds ratably. The services rendered by Mr. Spilman were for the benefit of all of the shareholders of IHFC, including the Company. The other equity holders in IHFC at the time of the sale were Lincoln National Corporation and R. B. Terry Charitable Foundation.

#### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires the Company's Directors and executive officers and persons who own more than 10% of the common stock to file with the SEC initial reports of ownership and reports of changes in ownership of the common stock and other equity securities. Executive officers, Directors and greater than 10% stockholders are required to furnish the Company with copies of all such reports they file. To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations from the Company's Directors and executive officers that no other reports were required, during the fiscal year ended November 26, 2011, all Section 16(a) filing requirements applicable to its Directors, executive officers and greater than 10% beneficial stockholders were complied with.

## Audit Committee Report

The Audit Committee of the Board of Directors (the “Audit Committee”) is composed of four Directors and operates under a written charter adopted by the Board of Directors and annually reassessed and updated, as needed, in accordance with applicable rules of the SEC and NASDAQ. Each of the members of the Audit Committee is independent, as defined by NASDAQ.

Management is responsible for the Company’s internal controls and the financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of the Company’s financial statements and internal control over financial reporting and issuing their report thereon. The Audit Committee’s primary responsibility is to monitor and oversee these processes. The Audit Committee also selects the Company’s independent registered public accounting firm.

In this context, the Audit Committee has reviewed and discussed the Company’s financial statements with both management and the independent registered public accounting firm. The Audit Committee also discussed with the independent registered public accounting firm matters required of auditors to be discussed by auditing standards generally accepted in the United States, including the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU §380). The Company’s independent registered public accounting firm also provided to the Audit Committee the written disclosures and the letter required pursuant to Rule 3526 of the Public Company Accounting Oversight Board, Communication with Audit Committees Concerning Independence, and the Audit Committee discussed with the independent registered public accounting firm their independence.

Based on the foregoing, the Audit 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 November 26, 2011 filed with the Securities and Exchange Commission on February 3, 2012. The Audit Committee also recommends that the shareholders ratify the retention of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending November 24, 2012.

Audit Committee:  
William C. Warden, Jr., Chairman  
Howard H. Haworth  
George W. Henderson, III  
Kristina Cashman

## Organization, Compensation and Nominating Committee Report

As detailed in its charter, the Organization, Compensation and Nominating Committee of the Board oversees the Company’s executive compensation program on behalf of the Board. In the performance of this function, the Organization, Compensation and Nominating Committee, among other things, reviewed and discussed with management the Compensation Discussion and Analysis set forth below in this proxy statement. Based on this review and discussion, the Organization, Compensation and Nominating Committee recommended to the Company’s Board of Directors that the Compensation Discussion and Analysis be included in the Company’s Annual Report on Form 10-K for the fiscal year ended November 26, 2011 and this proxy statement.

Organization, Compensation and  
Nominating Committee:  
  
Dale C. Pond, Chairman  
William C. Wampler, Jr.  
Peter W. Brown



## COMPENSATION DISCUSSION AND ANALYSIS

### Introduction

This Compensation Discussion and Analysis (CD&A) describes the material elements of compensation paid to our executive officers as well as the objectives and material factors underlying our compensation policies and decisions. The information in this CD&A provides context for the compensation disclosures in the tables and related discussions that follow in this proxy statement. The Organization, Compensation and Nominating Committee of the Board, which oversees our executive compensation program, is referred to as the “Committee” in this CD&A. The terms “we” and “our” refer to Bassett Furniture Industries, Incorporated. When we refer to the “named executives” we are referring to the five individuals listed in the Summary Compensation Table appearing later in this proxy statement.

The Committee has assisted the Company in developing and implementing compensation policies and programs which seek to improve the profitability of the Company and to maximize stockholder value over time. To accomplish this, the Directors who comprise the Committee have developed executive compensation policies that are consistent with, and directly linked to, the Company’s business objectives. These business objectives represent a composite of factors that are considered important for the future success of the Company. These factors attempt to balance long and short-term performance, including the continued maintenance of a strong balance sheet, growth of pre-tax profitability and earnings per share, control of costs, market growth and diversification and other criteria which may be introduced over time as a result of changes in the household furniture environment.

### Compensation Philosophy and Objectives

The primary goal of our executive compensation program is the same as our goal for operating the company – to maximize corporate performance and thereby create value for our shareholders. To achieve this goal we have designed our executive compensation program to achieve the following objectives:

- Attract and retain talented and experienced executives in our industry;
- Motivate and reward executives whose knowledge, skills and performance are critical to our success;
- Align the interests of our executives and stockholders, by encouraging executives to increase stockholder value and rewarding executives when stockholder value increases; and
- Motivate our executives to manage our business to meet our short-term and long-term corporate goals and business objectives, and reward them for meeting these objectives.

We use a mix of short-term compensation in the form of base salaries and cash incentive bonuses and long-term compensation in the form of equity incentives to provide a total compensation structure that is designed to encourage our executives to achieve these objectives. All of our executive employees are employed at-will.

### Determining Executive Compensation

The Committee is responsible for developing, administering and interpreting the compensation program for executive officers and other key employees. The Committee was appointed by our Board of Directors, and consists entirely of Directors who are “outside directors” for purposes of Section 162(m) of the Internal Revenue Code, and “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934. The Committee may delegate some or all of its responsibilities to one or more subcommittees whenever necessary to comply with any statutory or

regulatory requirements or otherwise deemed appropriate by the Committee. The Committee has the authority to retain consultants and other advisors to assist with its duties and has sole authority to approve the fees and other retention terms of such consultants and advisors.

Our chief executive officer makes recommendations to the Committee regarding the salaries, bonus arrangements and equity grants, if any, for key employees, including all executive officers, except himself. In the case of discretionary bonuses for executive officers, which are based on individual performance, the chief executive officer's evaluation of such performance is provided to and reviewed by the Committee. Based on the foregoing, the Committee uses its judgment in making compensation decisions that will best carry out our philosophy and objectives for executive compensation. The decisions are reviewed by the full Board, with the exception of decisions on stock or option awards which are made by the Committee to satisfy tax law requirements.

Within the context of the overall objectives of our compensation programs, we determined the specific amounts of compensation to be paid to each of our executives in 2012 based on a number of factors including:

- The roles and responsibilities of our executives;
- The individual experience and skills of our executives;
- The amounts of compensation being paid to our other executives;

- Our executives' historical compensation at our company; and
- Our understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities.

In evaluating the compensation generally paid by similarly situated companies, we have historically taken into account available data relating to the compensation practices of other companies within and outside our industry. In fall 2007, the Committee engaged Hay Group, a human resource and compensation consulting firm, to conduct an analysis of our fiscal 2007 executive compensation relative to a group of 11 comparable companies comprised of the following: Chromcraft Revington, Furniture Brands International, La-Z-Boy, Design Within Reach, Haverty Furniture, Restoration Hardware, Ethan Allen Interiors, Hooker Furniture, Stanley Furniture, Flexsteel Industries and Jennifer Convertibles. In January 2011 Hay Group updated its analysis on the fiscal 2010 executive compensation relative to the eight members of the peer group that remain publicly traded. One of those eight, due to its reduced size, will no longer be included in the peer group going forward. The analysis found that, in general, our base salaries and cash compensation (i.e., salaries and annual bonus) were below the 25th percentile of that group in the 2007 analysis and below the 10th percentile in the 2010 analysis, while total direct compensation (i.e., salaries and annual bonus and equity incentives combined) was between the 25th percentile and median of that group in the 2007 analysis and below the 10th percentile in the 2010 analysis.

During fiscal 2008, the Committee engaged Hay Group to review practices at the peer group with regard to severance and change in control benefits. The Committee believes that the severance program and change in control agreements ultimately approved by the Committee in fiscal 2009 are similar in scope to those adopted by several of the companies in the peer group. These arrangements are discussed further below and elsewhere in this proxy statement.

#### Elements of our Executive Compensation Program

Our executive compensation primarily consists of base salary, the potential for cash bonuses, equity-based incentives and benefit programs. We discuss each of the primary elements of our executive compensation in detail below. While we have identified particular compensation objectives that each element of executive compensation serves, our compensation programs are designed to complement each other and collectively serve all of our executive compensation objectives described above.

#### Base Salary

Base salaries are intended to provide a level of compensation sufficient to attract and retain an effective management team when considered in combination with other components of our compensation program. The base salary of each executive officer is reviewed annually to determine if it is equitably aligned with our other executive officers and at a sufficient level to attract and retain top talent. In recognition of the depressed economic conditions of the industry and to keep fixed costs under control, the base salaries of our executive officers did not change between fiscal 2007 and 2009, except to reflect promotions or other changes in an executive's responsibilities. In fiscal 2010, the base salaries of several of our named executives (not including our chief executive officer) were increased by relatively modest amounts based on promotions, merit and additional responsibilities. In fiscal 2011, base salaries for executive officers were increased by 3 to 5% out of concern that it may become difficult to retain executives if salary levels were non-competitive. No base salaries were increased for fiscal 2012.

#### Discretionary Bonuses

Historically, cash bonuses for executives were primarily earned through performance-based incentive bonus awards and, to a lesser extent, discretionary bonus awards. However, in fiscal 2009 the Company's bonus program was entirely discretionary. In determining to switch from a fixed bonus award program to a discretionary bonus program,

the Committee considered the fact that due to difficult conditions in the industry and, more recently, in the economy as a whole, no performance bonuses had been earned by the named executives in the last three years. Accordingly, the Committee decided to retain flexibility to grant rewards based on its evaluation of the executives' performance in meeting key company goals, e.g., generating positive operating cash flow. Although the Company continued to incur losses in fiscal 2009, management was successful in helping the Company achieve its goal of generating positive operating cash flow. In light of this achievement, the Committee decided to reward certain key members of management with modest bonuses in the amount of \$3,000 to \$5,000 each. In fiscal 2010, the Committee relied primarily upon performance-based, bonus awards to provide the executives with short-term incentives. Although industry and general economic conditions remained challenging, the Committee believed that the Company's financial condition was stabilizing to the point that performance-based awards focusing on profitability and growth were appropriate. In fiscal 2011, all bonus awards to named executives were performance based.

#### Performance-based Bonus Awards

The primary objectives of our performance-based bonus awards are to provide incentive for superior work, to motivate our executives toward higher achievement and business results, to tie our executives' goals and interests to ours and our stockholders' and to enable us to attract and retain highly qualified individuals. Annual incentives are established for each executive based on our attainment of performance targets set by the Committee. For fiscal 2011, performance targets for named executives were selected and weighted based on each executive's area of responsibility so as to ensure a direct link between the executive's performance and the amount of bonus earned. All named executives' performance criteria included company operating income and wholesale net sales, which is consistent with the Company's business emphasis on improved profitability and sales growth. Other performance measures included wholesale operating income and division operating income. The performance levels required to earn the threshold and target levels of bonus are based on the internal financial goals set in connection with our Board of Directors' consideration and approval of our annual operating plan. Consistent with our emphasis on tying compensation to performance, maximum bonus opportunities for executives are set at a significant percentage of base salary, between 33% and 75% in fiscal 2011, with maximum performance targets set at levels that we believe will make it difficult for the executive to earn bonuses at the maximum levels, particularly in view of the difficult economic conditions in our industry.



## Equity Incentive Compensation

We regularly grant equity incentive awards in the form of stock options and restricted stock to align the interests of our executives with our stockholders by providing our executives with strong incentives to increase stockholder value. For our fiscal 2011 awards, stock options vest at the rate of one-fourth of the total option shares on each of the first four anniversaries of the date of grant, and our restricted stock awards vest in full on the third anniversary of the date of grant. The vesting schedules for these awards thus provide added incentive for the executive to continue his or her employment with us. The chief executive officer recommends to the Committee the recipients and sizes of equity awards. In evaluating these recommendations, the Committee considers a number of factors including the Committee's subjective evaluation of the executive officer's potential contribution to the Company's future success and the level of incentive already provided by the number and terms of the executive officer's existing stock incentive holdings. The grant date of any such equity award is the same date the Board of Directors or the Committee approves the award. The exercise price of the stock options is the fair market value of the common stock on the date the award is approved by the Board of Directors or the Committee. Fair market value is calculated according to the closing price of our common stock on NASDAQ on that date.

We do not have any program, plan or practice to time stock option grants in coordination with the release of material non-public information.

## Retirement Plans

Our chief executive officer participates in the Company's Supplemental Retirement Income Plan, which was established in 1984 for certain key executives employed at that time. The plan was intended to promote the long term service of its participants, of whom our chief executive officer is the only remaining employee. It is currently projected that the plan will result in no benefits payable to our chief executive officer upon his retirement. Therefore, the Committee generally has disregarded the plan in determining the compensation of the chief executive officer. None of the other named executives participates in this plan.

## Change in Control Arrangements

The 1997 Employee Stock Plan under which options were awarded to executives prior to fiscal 2010 provides that the vesting of all options granted under the plan will accelerate upon a "change in control," as defined in the plan. The award agreements for options and restricted stock granted beginning in fiscal 2010 under the 2010 Stock Incentive Plan similarly provide for accelerated vesting of such equity awards upon a "change in control," as defined in that plan. In addition, in January 2009, the Company entered into employment continuity agreements with certain executive officers, including each of the named executives other than Mr. Daniel. The terms of the agreements, which are described in greater detail elsewhere in this proxy statement, generally provide for certain lump sum payments and continued benefits in the event that an executive is terminated without cause or resigns with good reason within specified periods following a change in control. The Committee believes that the foregoing arrangements will help the Company retain continuity of management during the uncertain period leading up to an actual or potential change in control by giving the executives certain assurances of financial security. Such assurances should result in the executives being less distracted by personal risks and better able to devote their full time and best efforts to the performance of their duties.

## Severance Arrangements

In January 2009, the Committee recommended, and the Board of Directors adopted, the Severance Program for Officers and Management Employees. This program, which is described in greater detail elsewhere in this proxy statement, is designed to provide management with some assurances of financial security during difficult economic times. The Committee believes that these assurances will result in management being less distracted by the personal

risks of being laid off and more focused on carrying out their duties to the best of their ability.

#### Other Components of Executive Compensation

Most benefits offered to executive officers are similar to those offered to all employees, with certain variations to promote tax efficiency and the replacement of benefits lost due to regulatory limitations. These programs are designed to provide protection against financial catastrophe that can result from illness, disability or death. In addition, the Company provides a limited number of perquisites to its executive officers. The Committee believes that its perquisites are reasonable and consistent with the overall executive compensation program. These perquisites may include such personal benefits as executive physicals and supplemental health insurance.

In fiscal 2011, International Home Furnishings Center, Inc. (“IHFC”) paid our chief executive officer \$500,000 for services rendered by him as shareholders’ representative in connection with the sale of all of the outstanding stock of IHFC in May 2011 (“IHFC Transaction”). Prior to the sale, we owned a 46.9% interest in IHFC. Additional information regarding the IHFC Transaction can be found under “Other Transactions” on page 8. We believe that this extra compensation for the chief executive officer was appropriate given that the need for these additional services was not factored into his regular fiscal 2011 compensation package and that it was appropriate that the compensation be paid by IHFC such that all of the stockholders of IHFC, each of whom benefited from the services and approved the payment, would bear their ratable share of the cost. In approving the payment on behalf of the Company, our Board of Directors and Audit Committee took into consideration the fact that Mr. Spilman was the sole representative acting on behalf of all of the shareholders, the complexity of the transaction, the extensive amount of time devoted to the transaction by Mr. Spilman over the course of several months and the favorable outcome to the Company.

#### Effect of Accounting and Tax Treatment on Compensation Decisions

In the review and establishment of our compensation programs, we consider the anticipated accounting and tax implications to us and our executives. However, these factors alone are not dispositive, and we also consider the cash and non-cash impact of the programs and whether a program is consistent with our overall compensation philosophy and objectives.

One of the tax implications that the Committee considers is the deductibility of executive compensation. Section 162(m) of the Internal Revenue Code imposes a \$1 million limit on the amount of annual compensation that can be deducted by the Company with respect to each of the chief executive officer and the four other most highly compensated executive officers. Performance-based compensation that meets certain requirements will not be subject to this deductibility limit. It is generally the Company’s policy to seek to qualify the performance-based components of its compensation program for this exclusion from the Section 162(m) limitation as necessary to maximize the deductibility of executive compensation so long as doing so is consistent with the Committee’s objectives for executive compensation.

#### Compensation-Related Risk

The Company regularly assesses the risks related to our compensation programs, including our executive compensation programs and does not believe that the risks arising from our compensation policies and practices are reasonably likely to have a material adverse effect on the Company. Incentive award targets and bonus opportunities are reviewed annually allowing the Committee to maintain an appropriate balance between rewarding high performance without encouraging excessive risk.

## EXECUTIVE COMPENSATION

The following table presents information with respect to total compensation of Bassett's Chief Executive Officer, its principal financial officer and its three other most highly compensated executive officers (the "Named Executive Officers") for the fiscal years ended November 26, 2011, November 27, 2010 and November 28, 2009.

## SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)(2)	Option awards (\$)(2)	Change in pension value and Non-equity non-qualified incentive deferred plan compensation earnings		All other compensation (\$)(1)	Total (\$)
						(\$)	(\$)		
Robert H. Spilman, Jr., Chief Executive Officer and President	2011	347,500	0	128,320	65,002	145,735	0	500,000	1,186,557
	2010	335,000	0	26,280	61,142	37,500	0	0	459,922
	2009	335,000	0	0	0	0	0	10,750	345,750
Jason W. Camp, Senior Vice President, Retail	2011	308,333	0	64,160	32,501	89,072	0	0	494,066
	2010	300,000	0	17,520	40,762	22,500	0	0	380,782
	2009	300,000	5,000	0	0	0	0	1,875	306,875
John E. Bassett III, Senior Vice President, Wood	2011	154,167	0	64,160	32,501	93,787	0	0	344,615
	2010	148,334	0	17,520	40,672	45,000	0	0	251,616
	2009	140,000	5,000	0	0	0	0	933	145,933
Mark S. Jordan, Senior Vice President, Upholstery	2011	154,167	0	64,160	32,501	75,495	0	0	326,323
	2010	148,167	0	17,520	40,762	45,000	0	0	251,449
	2009	139,000	5,000	0	0	0	0	348	144,348
J. Michael Daniel, (3) Vice President and Chief Accounting Officer	2011	154,167	0	64,160	32,501	38,863	0	0	289,691
	2010	147,500	5,000	17,520	40,762	10,000	0	0	220,782
	2009	130,833	5,000	0	0	0	0	833	136,666

(1) No Named Executive Officer received personal benefits in excess of \$10,000 during fiscal 2011. Includes \$500,000 paid to Mr. Spilman by International Home Furnishings Center, Inc. ("IHFC") for services rendered by him to IHFC in connection with the sale of IHFC to International Market Centers, LP in May 2011 ("IHFC Transaction"). IHFC was 53.1% owned by other equity holders and the Company owned a 46.9% interest immediately prior to the sale. Therefore, 53.1% or \$265,500 of the \$500,000 payment was deducted from the other equity holders' sale

proceeds and the remaining 46.9% or \$234,500 was deducted from Bassett's proceeds. Additional information regarding the IHFC Transaction and the payment to Mr. Spilman can be found under "Other Transactions" on page 8 and under "Other Components of Executive Compensation" on page 13.

- (2) Represents the aggregate grant date fair value of the awards made in each fiscal year as computed in accordance with FASB ASC Topic 718. These amounts do not necessarily correspond to the actual value that may be recognized by each named executive officer. Additional information regarding outstanding awards, including corresponding exercise prices and expiration dates, can be found in the "Outstanding Equity Awards at Fiscal Year-End" table on page 17. The assumptions used in determining the grant date fair values of the stock and option awards are set forth in Note 15 to our Consolidated Financial Statements, included in our Annual Report on Form 10-K for the fiscal year ended November 26, 2011.
- (3) Mr. Daniel was appointed Vice President and Chief Accounting Officer in January 2010. Prior to that, he served as the Corporate Controller since March 2007 and Interim Chief Financial Officer since April 2009. The compensation disclosed includes amounts paid to Mr. Daniel in fiscal 2009 for his services in all capacities.

## GRANTS OF PLAN-BASED AWARDS

The following table sets forth information concerning individual grants of plan-based awards.

Name	Grant date	Estimated future payouts under non-equity incentive plan awards			All other stock awards: number of shares of stock or units (#)	All other option awards: number of securities underlying options (#)	Exercise price of option awards (\$/sh)	Grant date value of stock and option awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)				
<b>Robert H. Spilman, Jr.</b>								
Annual Cash Incentive	-	22,500	40,909	96,886				
Annual Cash Incentive	-	11,250	20,455	48,443				
Annual Cash Incentive	-	11,250	20,455	48,443				
Stock Options	7/13/11					16,000	8.02	65,002
Restricted Stock	7/13/11				16,000			128,320
<b>Jason Camp</b>								
Annual Cash Incentive	-	6,750	12,273	29,066				
Annual Cash Incentive	-	6,750	12,273	29,066				
Annual Cash Incentive	-	6,750	12,273	29,066				
Annual Cash Incentive	-	6,750	12,273	29,066				
Stock Options	7/13/11					8,000	8.02	32,501
Restricted Stock	7/13/11				8,000			64,160
<b>John E. Bassett III</b>								
Annual Cash Incentive	-	6,750	12,273	29,066				
Annual Cash Incentive	-	6,750	12,273	29,066				
Annual Cash Incentive	-	13,500	24,545	58,132				
Stock Options	7/13/11					8,000	8.02	32,501
Restricted Stock	7/13/11				8,000			64,160
<b>Mark S. Jordan</b>								
-								

Annual Cash  
Incentive