

## **CORPORATE GOVERNANCE GUIDELINES**

The board of directors of Haverty Furniture Companies, Inc. ("Havertys") has adopted the following guidelines as a framework for corporate governance. The Nominating, Compensation and Governance Committee (the " NCG Committee") reviews these guidelines annually and recommends changes as appropriate.

### **A. Role of the Board**

Havertys' business is conducted by its employees, managers and officers, under the direction of the chief executive officer ("CEO") and the oversight of the board. The responsibility of the Havertys' board is to review and regularly monitor the effectiveness of Havertys' fundamental operating, financial, business plans, policies and decisions, including the execution of its strategies and objectives. The board seeks to enhance shareholder value over the long term.

### **B. Board Responsibilities, Composition and Procedures**

- 1. Board Responsibility.** The basic responsibility of the directors is to exercise their reasonable business judgment on matters of critical and long-term significance to the Company in furtherance of what they reasonably believe to be in the best interest of Havertys and its shareholders. The directors oversee and monitor the performance of the senior management team, which is charged with the day-to-day conduct of Havertys' business. The business judgement of the board is exercised independently and in the long-term interests of our shareholders.
- 2. Number of Directors.** The board currently consists of nine members. This size is satisfactory under current circumstances but may be adjusted upward or downward to reflect Havertys' changing needs.
- 3. Selection of Board Members and Director Qualifications.** Directors may be nominated by the board or by shareholders in accordance with Havertys' bylaws. The NCG Committee will review all nominees for the board in accordance with its Charter. The review will include an assessment of the nominee's reputation, judgment, experience, independence, understanding of Havertys' or other related industries, and such other factors as the NCG Committee concludes are pertinent in light of the current needs of the board. The board believes that its membership should reflect a diversity of professional experience, skills, gender, race, ethnicity, background, and age. The NCG Committee will select qualified nominees and review its recommendations with the board. Based on the resulting decision, the chairman of the board will extend to the nominee an invitation to join the board.
- 4. Director Independence.** A majority of the directors should be and remain "independent" not only as that term may be legally defined by the SEC and the New York Stock Exchange listing requirements, but also without the appearance of any conflict in serving as a director.

- 5. Board Meetings.** The board meets on a regular basis, no less than four times each year. The chairman, in conjunction with the lead director, is responsible for determining the agenda items and materials to be distributed in connection with each meeting. All directors are encouraged to suggest items for inclusion on meeting agendas and may raise subjects not on the agenda at any board meeting.
- 6. Board Attendance.** Directors are expected to attend all meetings of the board and of the committees on which they serve, to review materials in advance of meetings, to actively participate in all board deliberations and to maintain in strict confidence proprietary information and the nature and content of board discussions and other business.
- 7. Chairman of the Board.** The board will elect the chairman who may or may not be an employee of Havertys. The chairman will chair all regular sessions of the board. The performance and compensation of a non-executive chairman will be reviewed by the NCG Committee and approved by the board.
- 8. Lead Director.** When the chairman is not an independent director, the independent directors shall, by majority vote, annually select one independent director as the board's lead director. The lead director will preside at all meetings of the independent directors and serve as chairman of the Executive Committee of the board. He or she may provide the Chair with input as to the preparation of agendas for board and committee meetings and will take on such responsibilities as may be assigned to him or her by the independent directors.
- 9. Executive Sessions.** Independent members of the board will meet in executive session as needed. Normally, such meetings will occur during regularly scheduled board meetings and be presided over by the non-executive chairman or lead director.
- 10. Terms of Service.** Each director will stand for election annually. Havertys does not impose term limits so as to not unnecessarily interfere with the continuity, diversity, development, experience, knowledge, and the long-term outlook of the board. The NCG Committee reviews the prior service of directors eligible to be re-nominated for board membership on a yearly basis.
- 11. Retirement/Resignation.** Independent directors are subject to a mandatory retirement age and cannot stand for re-election in the calendar year following their 75<sup>th</sup> birthday. The board may ask a director to continue to serve under certain circumstances upon review and recommendation of the NCG Committee. Directors are required to submit their resignation from the board to the NCG Committee in the event that they have a substantial reduction in their principal job responsibilities. The NCG Committee can choose to accept or reject the resignation. When the Company's CEO resigns from that position, he or she will be required to simultaneously submit his or her resignation from the board. At the discretion of the board such former officer may be asked to continue as a director until normal retirement age.
- 12. Other directorships.** Independent directors are encouraged to limit the number of other boards on which they serve, taking into account potential board attendance and their participation and effectiveness on the boards. The board has limited Havertys' CEO to serving on no more than two other public company boards. Audit

Committee members are also limited to simultaneously serving on the Audit Committee of two or more other public companies. The NCG Committee, under certain circumstances may waive this limitation.

- 13. Conflicts of Interest.** Each director is required to disclose to the board any financial interest or personal interest that he or she has in any contract or transaction that is being considered by the board for approval. After such disclosure, the interested director will abstain from voting on the matter, and in some cases, at the request of the chairman of the meeting will leave the meeting while the remaining directors discuss and vote on the matter.
- 14. Director Compensation.** The form and amount of director compensation, including the compensation for any non-executive chairman of the board or lead director, is determined by the NCG Committee and then recommended to the full board for approval. Non-management directors receive a combination of cash and stock-based compensation. A non-management director may elect to receive all board compensation in the form of common stock. Management directors receive no additional compensation for service on the board.
- 15. Stock Ownership Requirement.** The board has adopted a Stock Ownership Policy for independent directors.
- 16. Communication with the Board.** Any stockholder or interested party, who wishes to communicate with the board, the lead director, independent directors or any specific director, may contact the Board of Directors, c/o Corporate Secretary, Haverty Furniture Companies, Inc., 780 Johnson Ferry Road, Suite 800, Atlanta, GA 30342. Please specify to whom your correspondence should be directed. Any reports of concerns regarding accounting, internal auditing controls or other audit matters shall be reported at the address given above (if confidentiality is requested, the communication shall be forwarded to the chairman of the Audit Committee). Depending on the subject matter, the correspondence will be handled as outlined under the Director Communications Policy available at [www.havertys.com](http://www.havertys.com).

**C. Board Committees**

- 1. Committees.** The board currently has three standing committees: (a) Executive Committee, (b) Audit Committee, and (c) NCG Committee. The board may establish additional committees as necessary.
- 2. Committee Charters.** Each committee reviews its charter annually to make certain it is consistent with current sound governance practices and legal requirements.
- 3. Independence of Committees.** All members of the Audit and NCG Committee will be independent directors.
- 4. Board and Committee Self-Assessments.** The board and each committee is responsible for annually conducting a self-assessment. The NCG Committee is responsible for monitoring the processes and evaluation criteria. The results of the evaluations are reported to the full board.

**D. Management Development, Director Education and Succession Planning**

1. **Annual Chief Executive Officer Performance Evaluation.** To ensure that the CEO is providing the best leadership for Havertys, the NCG Committee annually evaluates his or her performance. The NCG Committee discusses with and seeks feedback from the independent directors during an executive session of the board. The evaluation is based upon objective criteria including Havertys' performance and the CEO's achievement of goals previously approved by the NCG Committee.
2. **Director Orientation and Continuing Education.** All new directors must participate in Havertys' Orientation Program, which is conducted within two months of the annual meeting at which new directors are elected. This orientation includes presentations by senior management to familiarize new directors with Havertys' business and strategic plans, its significant financial accounting and risk management issues, its compliance programs, its Code of Conduct, its principal officers, and its internal and independent auditor. Any sitting director may attend the orientation program. The board, through the NCG Committee, also encourages directors to take advantage of educational programs appropriate for the performance of their responsibilities.
3. **Succession Planning.** The CEO makes an assessment of senior managers and their potential for serving as CEO along with an assessment of persons considered potential successors to certain senior management positions. These assessments are reviewed annually with the NCG Committee and presented to the board in executive session.
4. **Stock Ownership Guidelines for Senior Executive Officers.** The senior executive officers are required to own various levels of stock depending upon their position. The NCG Committee reviews ownership compliance levels annually.

**E. Other Matters**

1. **Board Access to Management.** Directors have full and free access to officers and employees of Havertys. Directors use their judgment to be sure that such contacts are not distracting to business operations of Havertys.
2. **Board Interaction with Outside Interested Parties.** The board believes that management speaks for Havertys. From time to time, at the request of management, individual board members may meet or otherwise communicate with various constituencies that are involved with Havertys. Where comments from the board are appropriate, they will normally come from the chairman or lead director.
3. **Amendments of Guidelines.** The NCG Committee reviews these guidelines at least annually and recommends needed changes to the board.