

HG Holdings, Inc.

Corporate Governance and Nominating Committee Charter

(As amended)

The primary purpose of the Corporate Governance and Nominating Committee (the “Committee”) is to (i) recommend to the Board of Directors (the “Board”) director nominees to be presented at the annual meeting of shareholders and nominees to fill vacancies on the Board, whether caused by retirement, resignation, death, increase in the number of authorized directors or otherwise; (ii) identify individuals qualified to become members of the Board; and (iii) develop and recommend to the Board corporate governance policies applicable to the Company. The Committee reports to the full Board on all matters within the Committee’s responsibilities. The Committee is authorized to obtain advice and assistance as it believes necessary from corporate personnel and from external legal and other advisors and the Company shall provide funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee and for the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall be composed of the number of directors set by the Board, and, unless otherwise provided by the Board, shall be composed of independent directors as defined by the rules of the NASDAQ Stock Market. In addition, the members of the Committee shall meet any applicable eligibility requirements of the Securities and Exchange Commission (the “SEC”). Subject to Board approval, the Committee shall adopt, and at least annually review and reassess, its committee charter.

The following functions shall be the common recurring activities of the Committee in carrying out its functions. These functions are set forth as a guide with the understanding that, except as otherwise provided by requirements of the SEC, the Committee may diverge from this guide as appropriate given the circumstances. Subject to the foregoing, the Committee shall:

1. Consider the participation and contribution of incumbent directors in determining whether to recommend their renomination to the Board. In carrying out this responsibility, the Committee will at least annually (a) assess the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board and the needs of the Company, and (b) consider principles to be applied in filling vacancies and planning for Board succession.
2. Consider and make recommendations to the Board regarding shareholder nominations for directors that are submitted in accordance with the Company’s by-laws and applicable law.

3. Establish criteria for the selection of new directors. Direct the search for, and evaluate qualifications of, possible candidates for nomination to the Board, with such assistance and input as it may request from (a) an executive search firm or other independent consultant or (b) management of the Company or other members of the Board.
4. Recommend to the Board for election by it the memberships and chairs of all standing committees of the Board.
5. Review and recommend to the Board compensation to be paid to directors of the Company.
6. Develop and recommend to the Board corporate governance policies applicable to the Company; periodically review and evaluate such policies and recommend any changes in such policies the Committee believes appropriate.
7. Coordinate the Board's oversight of management succession planning.
8. At least annually, evaluate the performance of the Board in the exercise of its oversight responsibilities, soliciting input from all members of the Board and, as appropriate, from management of the Company and review the results of the evaluation with the Board.
9. Review the status of each member of the Board and make recommendations to the Board with respect to the Board's determination whether Board members are independent directors as defined by the rules of the NASDAQ Stock Market.