

HAVERTY FURNITURE COMPANIES INC
Form DEF 14A
March 30, 2009
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 Registrant X

Filed by a Party other than 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 §240.14a-12

HAVERTY FURNITURE COMPANIES, INC.
(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.
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 - 4) Date Filed:
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HAVERTY FURNITURE COMPANIES, INC.

780 Johnson Ferry Road, Suite 800

Atlanta, GA 30342

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 8, 2009

Dear Fellow Stockholder:

The Annual Meeting of Stockholders of Haverty Furniture Companies, Inc. will be held at the Marriott SpringHill, 16 South Calvert Street, Baltimore, Maryland on Friday, May 8, 2009, at 10:00 a.m. for the following purposes:

1. Holders of Class A Common Stock to elect eight Directors.
2. Holders of Common Stock to elect three Directors.
3. Ratification of the appointment of Ernst & Young LLP as our Independent Auditor.
4. To transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on March 10, 2009, are entitled to notice of, and to vote at, this meeting.

By Order of the Board of Directors

Jenny Hill Parker

Vice President,

Secretary and Treasurer

Atlanta, Georgia

March 31, 2009

WE URGE EACH STOCKHOLDER TO PROMPTLY VOTE YOUR SHARES.

PLEASE FOLLOW THE DIRECTIONS ON YOUR NOTICE OR PROXY CARD CAREFULLY.

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HAVERTY FURNITURE COMPANIES, INC.

780 Johnson Ferry Road, Suite 800

Atlanta, GA 30342

Annual Meeting of Stockholders

PROXY STATEMENT

Our Board of Directors is furnishing you this Proxy Statement to solicit proxies on its behalf in connection with the 2009 Annual Meeting of Stockholders (Annual Meeting) of Haverty Furniture Companies, Inc. (we, the Company or Havertys). The meeting will be held on May 8, 2009 at the Marriott SpringHill, 16 South Calvert Street, Baltimore, Maryland, beginning promptly at 10:00 a.m. local time. This Proxy Statement and the accompanying proxy are first being mailed to our stockholders on or about March 31, 2009.

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

Who may vote?

Stockholders on March 10, 2009 of Common Stock or Class A Common Stock are entitled to vote. The owners of Common Stock are entitled to one vote for each share held on all stockholder matters. The owners of Class A Common Stock are entitled to ten votes for each share held on all stockholder matters except for the election of directors, in which they are entitled to one vote per share.

What am I voting on?

You will be voting on the election of directors, the ratification our Audit Committee's choice of auditors for 2009, and any other matter that properly comes before the meeting. At the time we printed this proxy statement, we were not aware of any other matters that will be presented at the meeting.

Why are there two groups of Directors?

The owners of Common Stock and Class A Common Stock vote as separate classes in the election of directors. The owners of Common Stock are entitled to elect 25% of the members of the Board, or the nearest higher whole number that is at least 25% of the total number of directors standing for election. The owners of Class A Common Stock are entitled to elect the remaining number of directors standing for election.

How does the Board recommend that I vote?

The Board recommends that you vote:

FOR each of the nominees for director; and

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FOR the ratification of the Audit Committee's selection of Ernst & Young, LLP as our independent registered public accounting firm for 2009.

Why did I receive a Notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?

This year, in connection with new Securities and Exchange Commission (SEC) rules that allow companies to furnish their proxy materials over the Internet, we have sent to most of our stockholders a Notice of Internet Availability of Proxy Materials instead of a paper copy of the proxy materials.

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Instructions on how to access the proxy materials over the Internet or to request a paper copy are found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis. A stockholder's election to receive proxy materials by mail or e-mail will remain in effect until the stockholder terminates it.

Why didn't I receive a Notice in the mail regarding the Internet availability of proxy materials?

We are providing certain stockholders with paper copies of the proxy materials instead of a Notice. If you would like to reduce the costs incurred by us in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions provided with your proxy materials to vote using the Internet and when prompted, indicate that you agree to receive or access stockholder communications electronically in the future.

What is the difference between a stockholder of record and a stockholder who holds stock in street name?

If your shares are registered in your name, you are a stockholder of record. If your shares are in the name of your broker or bank, your shares are held in street name and you are the beneficial owner.

How do I vote before the meeting?

You may vote by any of the following methods:

Vote on the Internet. Follow the instructions on the Notice or proxy card and you can confirm that your vote has been properly recorded. If you vote on the Internet, you can request electronic delivery of future proxy materials. Internet voting for stockholders of record will be available 24 hours a day, 7 days a week and will close at 11:59 pm (EDT) on May 7, 2009;

Vote by telephone. Follow the instructions on the Notice or proxy card. Easy-to-follow voice prompts allow you to vote your shares and confirm that your vote has been properly recorded. Telephone voting for stockholders of record will be available 24 hours a day, 7 days a week and will close at 11:59 pm (EDT) on May 7, 2009;

Vote by mail. Complete, sign, date and return your proxy card in the pre-addressed, postage-paid envelope provided. If the returned proxy card is signed without indicating how you want to vote, then your proxy will be voted as recommended by the Board. If your proxy card is returned unsigned, then your vote cannot be counted. If mailed, your completed and signed proxy card must be received by May 7, 2009.

If you hold your shares in street name, whether you can vote by telephone or over the Internet depends on the bank's or broker's voting processes. Please follow the directions on your Notice or proxy card carefully.

If I vote by mail, telephone or Internet, may I still attend the Annual Meeting?

Yes. The Board recommends that you vote using one of the methods discussed above, as it is not practical for most stockholders to attend and vote at the Annual Meeting. Using another method to vote will not limit your right to vote at or attend the Annual Meeting. If your shares are held in street name you must obtain a proxy, executed in your favor, from your bank, broker or other holder of record to be able to vote at the Annual Meeting.

Can I change my mind after I vote?

You may change your vote at any time before the polls close at the meeting. You may do this by (1) signing another proxy with a later date and returning it to us prior to the meeting, or (2) voting again by telephone or over the Internet prior to 11:59 p.m. (EDT) on May 7, 2009, or (3) voting again at the meeting.

What are the voting requirements that apply to the proposals discussed in this proxy statement?

Proposal	Vote Required	Discretionary Voting Allowed?
Election of Directors	Plurality	Yes
Ratification of Auditors	Majority	Yes

A **plurality** means that the nominees for director receiving the highest number of for votes from our shares entitled to vote, present in person or represented by proxy, will be elected.

A **majority** means that a matter (other than the election of directors) receives a number of for votes that is a majority of the votes cast by the holders of our shares, present in person or represented by proxy.

Discretionary voting occurs when a bank, broker, or other holder of record does not receive voting instructions from the beneficial owner and votes those shares in its discretion on any matter as to which the rules of the New York Stock Exchange, or NYSE, permit such bank, broker, or other holder of record to vote. When banks, brokers, and other holders of record are not permitted under the NYSE rules to vote the beneficial owner's shares, the affected shares are referred to as **broker non-votes**, as discussed further below.

How will a quorum be determined?

The holders of a majority of our outstanding shares of the combined classes of common stock as of March 10, 2009, the record date, must be present at the meeting, either in person or by proxy, to constitute a quorum. A quorum is necessary before any business may be conducted at the meeting. As of March 10, 2009, we had 17,338,991 shares of Common Stock and 3,944,101 shares of Class A Common Stock outstanding.

How will the proxies vote on any other business brought up at the meeting?

By submitting your proxy card, you authorize the proxies to use their judgment to determine how to vote on any other matter brought before the Annual Meeting. We do not know of any other business to be considered at the Annual Meeting. The proxies' authority to vote according to their judgment applies only to shares you own as the stockholder of record. As noted above, **broker non-votes** will not be voted on any such matters.

Are votes confidential? Who will count the votes?

We will continue our long-standing practice of holding the votes of all stockholders in confidence, except (a) as necessary to meet applicable legal requirements and to assert or defend claims for or against the Company, (b) in case of a contested proxy solicitation, (c) if a stockholder makes a written comment on the proxy card or otherwise communicates his/her vote to management, or (d) to allow the independent inspectors of election to certify the results of the vote.

Broadridge Financial Solutions, Inc., an independent tabulator, will count the votes.

Who is paying for this solicitation?

We are paying the cost of the proxy solicitation. These costs include charges of brokers, banks, fiduciaries, and custodians for forwarding proxy materials to their principals and obtaining their proxies. Additionally, some of our directors, officers, or employees may solicit proxies by mail, telephone, or personal contact. None of these solicitors will receive any additional or special compensation for doing this.

Where can I find the voting results of the Annual Meeting?

We will announce voting results at the Annual Meeting, and we will publish the final results in our quarterly report for the second quarter of 2009. You may access or obtain a copy of this and other reports free of charge on the Company's website at www.havertys.com, or by contacting our Corporate Secretary.

If I want to submit a stockholder proposal for the 2010 Annual Meeting when is it due?

If you are an eligible stockholder and want to submit a proposal for possible inclusion in next year's proxy statement, your proposal must be delivered in writing and received by us no later than November 30, 2009.

If you miss the above deadline for submission of a stockholder proposal to be included in the 2010 proxy statement, or if you submit a director nomination to the board of directors, such submission can still be considered at the 2010 meeting so long as it complies with Article 1 of our By-Laws. Under the By-Laws, your submission must be in writing and received by us no fewer than 60 days and no more than 90 days prior to the anniversary of the date of the mailing of the notice for this year's annual meeting (or, if the date of the 2010 annual meeting is advanced or delayed by more than 30 days from the anniversary of the date of this year's annual meeting, your submission must be received by us no more than 120 days prior to the date of the annual meeting and not later than the later of the 90th day prior to the 2010 annual meeting or the 10th day following the date on which we publicly announce the date of the 2010 annual meeting).

All stockholder submissions, whether under the first paragraph or the second paragraph above, must comply with the content and other requirements of our bylaws and, with regard to submissions under the first paragraph above, Rule 14a-8 of the SEC. Any stockholder submissions should be sent to us by certified mail, return receipt requested, addressed to: Corporate Secretary, Haverty Furniture Companies, Inc., 780 Johnson Ferry Road, Suite 800, Atlanta, GA 30342.

How can I obtain a copy of the Annual Report?

Stockholders may request a free copy of our Annual Report on Form 10-K by submitting such request to the Corporate Secretary, Haverty Furniture Companies, Inc., 780 Johnson Ferry Road, Suite 800, Atlanta, Georgia 30342. Alternatively, stockholders can access our Annual Report on Form 10-K on Havertys' website at www.havertys.com.

ELECTION OF DIRECTORS

Eleven directors are to be elected at the 2009 Annual Meeting to hold office until the 2010 Annual Meeting and until their successors are elected and qualified. Our charter provides that our Board of Directors be elected by stockholders of each of the two classes of stock, voting separately by class. At this Annual Meeting, three directors will be elected by the holders of Common Stock and eight will be elected by the holders of Class A Common Stock.

The nominees for election at the 2009 Annual Meeting were recommended and approved for nomination by the Nominating and Corporate Governance Committee (the Governance Committee) of the Board. The election of Havertys' directors requires a plurality of votes cast at the meeting by the holders of the respective classes of common stock. We expect that each of the nominees will be available for election, but if any of them is unable to serve at the time the election occurs, it is intended that the proxies will vote for the election of another nominee to be designated by the Governance Committee and the Board of Directors.

The following sets forth for each nominee, his or her age and a brief description of his or her principal occupation and business experience during the last five years. They are all currently Havertys directors.

PROPOSAL 1: NOMINEES FOR ELECTION BY HOLDERS OF CLASS A COMMON STOCK

CLARENCE H. RIDLEY

Director since 1979

Age 66

Mr. Ridley has served as Chairman of the Board of Havertys since joining the Company in January 2001. He will retire from the Company as an employee effective May 13, 2009, and if elected, will serve as a Non-Executive Chairman of the Board. From 1996 to 2001, he served as Vice Chairman of Havertys. Mr. Ridley was a Partner at the law firm of King & Spalding from 1977 to 2000. He is also a director of Crawford & Company and a trustee of RidgeWorth Funds and RidgeWorth Classic Variable Trust. Mr. Ridley is a member of the Board of Trustees of Saint Joseph's Health System and the Board of Councilors of the Carter Center. He currently serves as chairman of Havertys' Executive Committee.

JOHN T. GLOVER

Director since 1996

Age 62

Mr. Glover has served as the Managing Partner of J&SG Investments, LLP, a private investment firm, since February 1994. From March 2000 to February 2003, he was Vice Chairman of Post Properties, Inc. a real estate investment trust that develops and operates upscale multifamily apartment communities. Mr. Glover is a member of the Board of Trustees of Emory University and a director of Emory Healthcare, Inc. He currently serves as chairman of Havertys' Audit Committee.

PROPOSAL 1: NOMINEES FOR ELECTION BY HOLDERS OF CLASS A COMMON STOCK

RAWSON HAVERTY, JR.

Director since 1992

Age 52

Mr. Haverty has served as Senior Vice President, Real Estate and Development for the Company since 1998 and has over 25 years of experience with the Company. Mr. Haverty is member of the Board of Directors of the High Museum of Art and the Center for Ethics of Emory University.

L. PHILLIP HUMANN

Director since 1992

Age 63

Mr. Humann is currently a consultant to SunTrust Banks, Inc. (SunTrust) where he served as Chairman of the Board from March 1998 to April 2008. He also served as Chief Executive Officer of SunTrust from March 1998 to January 2007 and as President from March 1998 to December 2004. Mr. Humann is a director of Coca-Cola Enterprises Inc. and Equifax, Inc. He currently serves on Havertys Executive Committee and Compensation Committee.

MYLLE H. MANGUM

Director since 1999

Age 60

Ms. Mangum has served as Chief Executive Officer of IBT Enterprises, LLC, a provider of design, construction and consultant services for the retail banking and specialty retail industries, since October 2003. She was formerly the Chief Executive Officer of True Marketing Services, focusing on consolidating marketing services companies. From 1999 to 2002, she was Chief Executive Officer of MMS Incentives, Inc., a private equity company concentrating on high-tech marketing solutions. Ms. Mangum is a director of Barnes Group, Inc., Collective Brands, Inc. and

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Emageon Inc. Ms. Mangum currently serves as chairman of Havertys Compensation Committee and as a member of the Executive Committee.

PROPOSAL 1: NOMINEES FOR ELECTION BY HOLDERS OF CLASS A COMMON STOCK

FRANK S. McGAUGHEY, III

Director since 1995

Age 60

Mr. McGaughey has served as a partner in the law firm of Bryan Cave LLP (formerly Powell Goldstein LLP) since 1980. Mr. McGaughey is a member of the Board of Trustees of the Woodruff Arts Center and the Sara Giles Moore Foundation. He currently serves as chairman of Havertys Governance Committee and as a member of the Executive Committee.

CLARENCE H. SMITH

Director since 1989

Age 58

Mr. Smith has served as President and Chief Executive Officer of Havertys since January 2003. He served as President and Chief Operating Officer of the Company from May 2002 until he assumed the position of Chief Executive Officer in January 2003. Mr. Smith was named Chief Operating Officer of Havertys in May 2000 and served as Senior Vice President, General Manager, Stores, from 1996 to 2000. He is a director of Oxford Industries, Inc. and a member of the Board of Trustees of Marist School. Mr. Smith currently serves on Havertys Executive Committee.

AL TRUJILLO

Director since 2003

Age 49

Mr. Trujillo served as President and Chief Executive Officer of Recall Corporation, a global information management Company from 1992 until his retirement in May 2007. Recall Corporation is a Subsidiary of Brambles Industries, Ltd. located in Sydney, Australia. He is an Advisory Board Member of the College of Engineering at Georgia Tech Institute of Technology. Mr. Trujillo currently serves on Havertys Governance Committee and Compensation Committee.

Clarence H. Ridley, Clarence H. Smith and Rawson Haverty, Jr. are first cousins and are officers of the Company.

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PROPOSAL 2: NOMINEES FOR ELECTION BY HOLDERS OF COMMON STOCK

TERENCE F. McGUIRK

Director since 2002

Age 57

Mr. McGuirk has served as Chairman and Chief Executive Officer of the Atlanta Braves baseball organization since 2001. He was Vice Chairman of Turner Broadcasting System, Inc., a subsidiary of Time Warner Inc. from 2001 to May 2007. From 1996 to 2001, Mr. McGuirk served as Chairman and Chief Executive Officer of Turner Broadcasting System, Inc. He is a director of The Sea Island Company and a member of the Board of Trustees of Piedmont Hospital Medical Center and The Westminster Schools. Mr. McGuirk currently serves on Havertys' Compensation Committee.

VICKI R. PALMER

Director since 2001

Age 55

Ms. Palmer served as Executive Vice President, Financial Services and Administration for Coca-Cola Enterprises Inc., a bottler of soft drink products, from 2004 until her retirement effective April 1, 2009. From 1999 to 2004 she served as Senior Vice President, Treasurer and Special Assistant to the CEO of Coca-Cola Enterprises Inc. Ms. Palmer is a director of First Horizon National Corporation and is a member of the Board of Trustees of Spelman College and Woodward Academy. She currently serves on Havertys' Audit Committee and Governance Committee.

FRED L. SCHUERMANN

Director since 2001

Age 63

Mr. Schuermann was President and Chief Executive Officer of LADD Furniture Inc. (LADD) from 1996 until he retired in 2001. He was Chairman of LADD from 1998 until its acquisition by La-Z-Boy, Inc. in January 2000. Mr. Schuermann currently serves on Havertys' Governance Committee and Audit Committee.

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CORPORATE GOVERNANCE

Our Board of Directors recognizes that excellence in corporate governance is essential in carrying out its responsibilities to our stockholders, employees, customers, communities and creditors. Our By-Laws, Corporate Governance Principles, Board Committee charters and Code of Business Conduct and Ethics provide the structure for our corporate governance.

The Board of Directors and Committees of the Board

The Board of Directors conducts its business through meetings of the Board and the following standing committees: an Executive Committee, an Audit Committee, an Executive Compensation and Employee Benefits Committee (the Compensation Committee) and a Nominating and Corporate Governance Committee (the Governance Committee). The written charters for these Board Committees as well as our governance documents can be found on the Company's website at www.havertys.com (About Us, Corporate Governance). Copies of the Committee charters and other governance documents are available free of charge to any stockholder requesting them by contacting the Corporate Secretary, 780 Johnson Ferry Road, Suite 800, Atlanta, Georgia 30342.

Attendance

During 2008, the Board met four times and the Committees met as indicated below. Each director attended all Board meetings and more than 85% of the aggregate number of all meetings of the committees on which he or she served during 2008.

Executive Committee

The Executive Committee is not an independent committee; however, the majority of the members of the Executive Committee are independent directors. In accordance with the Company's By-Laws, the Executive Committee acts with the power and authority of the Board in the management of the business and affairs of the Company while the Board is not in session. The Executive Committee has generally held meetings to approve specific terms of financings or other transactions that have previously been presented to the Board. The Executive Committee held no meetings and took action by unanimous consent once in 2008.

Members:

Clarence H. Ridley, Chairman
Mylle H. Mangum
Clarence H. Smith

L. Phillip Humann
Frank S. McGaughey, III

Audit Committee

The Audit Committee's primary function is to represent and assist the Board in fulfilling its oversight responsibility relating to the quality and integrity of our annual and interim external consolidated financial statements and financial reporting process, the adequacy and effectiveness of internal controls, the internal audit function, the annual independent audit of our financial statements and other matters the Board deems appropriate.

The Board of Directors has designated all three members of the Audit Committee as an audit committee financial expert as defined by the Securities and Exchange Commission (SEC). All members of the Audit committee meet the independence requirements of the New York Stock Exchange (NYSE) and the rules of the SEC adopted thereunder, and the Company's Corporate Governance Principles. The Audit Committee met six times during 2008. The Audit Committee's report is on page 33.

Members:

John T. Glover, Chairman
Fred L. Schuermann

Vicki R. Palmer

Compensation Committee

The Compensation Committee is responsible for translating our compensation objectives into a compensation strategy that aligns the interest of our executives with that of our stockholders. The Compensation Committee has overall responsibility for succession planning for and evaluating the performance and approving the compensation and benefits of the chairman, chief executive officer and other senior members of management (Executive Officers). The Compensation Committee also has the responsibility for recommending, reviewing and administering Havertys' equity based incentive compensation plans and other benefit plans. The Board has determined that each member of the Compensation Committee is an independent director and meets the independence requirements of the NYSE and Havertys' Corporate Governance Principles. The Compensation Committee met two times and took action by unanimous consent two times during 2008. The Compensation Discussion and Analysis begins on page 16 and the Compensation Committee Report is on page 30.

Members: Mylle H. Mangum, Chairman L. Phillip Humann
Terence F. McGuirk Al Trujillo

Compensation Committee Interlocks and Insider Participation

The Compensation Committee is comprised entirely of independent directors. There are no relationships required to be disclosed under this caption.

Governance Committee

The Governance Committee has the primary responsibility for considering and making recommendations concerning the composition and structure of the Board, establishing policies relating to the recruitment of board members, director compensation and reviewing and recommending corporate governance policies and issues. Each member of the Governance Committee meets the independence requirements of the NYSE and Havertys' Corporate Governance Principles. The Governance Committee met once during 2008.

Members: Frank S. McGaughey, III, Chairman Vicki R. Palmer
Fred L. Schuermann Al Trujillo

Director Compensation

Non-employee directors receive a combination of cash and stock-based compensation designed to attract and retain qualified candidates to serve on the Board. In setting director compensation, the Governance Committee, which is responsible for determining the type and amount of compensation for non-employee directors, considers a number of factors including the significant amount of time that directors spend in fulfilling their duties to the Company and its stockholders.

Retainer and Meeting Fees: The non-employee directors receive the following compensation related to retainers and meeting fees under the Director Compensation Plan approved by stockholders in May 2006. In 2008, the retainer fee paid to non-employee directors was \$45,000 of which \$30,000 was required to be paid in shares of Havertys' Common Stock. Each non-employee director received \$1,250 for each Board and committee meeting attended, plus expenses related to attendance. The 2008 annual fees paid for service to the committee chairmen were: \$10,000 to Mr. Glover as chairman of the Audit Committee, \$7,500 to Ms. Mangum as chairman of the Compensation Committee and \$5,000 to Mr. McGaughey as chairman of the Governance Committee. The Governance Committee annually reviews the fees paid to directors. Employee directors receive no compensation for serving on the Board. Director retainer and meeting fees in 2009 will remain the same as in 2008.

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Havertys maintains a Directors' Deferred Compensation Plan ("Deferred Plan") that permits all directors to defer to a future date receipt of payment of retainer fees and/or meeting fees which would otherwise be paid in cash or in shares of Common Stock for their services. Under the Deferred Plan, such deferred fees, plus accrued interest (at a rate determined annually in accordance with the Deferred Plan which is not above market), shall be distributed in the future to a director in one lump sum or in no more than ten equal annual installments, or in accordance with the terms of the Deferred Plan. Five directors participated in the Deferred Plan in 2008 and four will participate in 2009.

Directors are reimbursed for transportation and other expenses incurred in attending Board and committee meetings. There were no equity awards made during 2008 to directors under the Company's 2004 Long-Term Incentive Plan. Directors receive the same discounts as employees on Havertys products. The Company does not provide any pension or other benefits to its directors.

The table below sets forth the compensation expensed by the Company for payment to directors for the year ended December 31, 2008.