



**UNIFI, INC.**

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**Notice of Annual Meeting  
and  
Proxy Statement**

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**2023 Annual Meeting of Shareholders  
October 31, 2023**





UNIFI, INC.

7201 West Friendly Avenue  
Greensboro, North Carolina 27410

September 8, 2023

Dear Shareholder:

On behalf of the Board of Directors and the management of Unifi, Inc. (the "Company"), I invite you to attend the 2023 Annual Meeting of Shareholders (the "Annual Meeting"). The Annual Meeting will be held at 8:00 a.m., Eastern Time, on Tuesday, October 31, 2023 at the Company's corporate headquarters located at 7201 West Friendly Avenue, Greensboro, North Carolina 27410. Details regarding admission to the Annual Meeting and the business to be conducted are described in the accompanying Notice of 2023 Annual Meeting of Shareholders and Proxy Statement.

Whether or not you plan to attend the Annual Meeting in person, I strongly encourage you to vote as soon as possible to ensure that your shares are represented at the Annual Meeting. The accompanying Proxy Statement explains more about voting. Please read it carefully.

Thank you for your continued support.

Sincerely,

A handwritten signature in black ink that reads "Albert P. Carey". The signature is written in a cursive style.

Albert P. Carey  
Executive Chairman

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**UNIFI, INC.**  
7201 West Friendly Avenue  
Greensboro, North Carolina 27410  
(336) 294-4410

## NOTICE OF 2023 ANNUAL MEETING OF SHAREHOLDERS

The 2023 Annual Meeting of Shareholders (the “Annual Meeting”) of Unifi, Inc. (the “Company”) will be held at 8:00 a.m., Eastern Time, on Tuesday, October 31, 2023 at the Company’s corporate headquarters located at 7201 West Friendly Avenue, Greensboro, North Carolina 27410, for the following purposes:


1. to elect the nine directors nominated by the Board of Directors;
2. to approve, on an advisory basis, the Company’s named executive officer compensation in fiscal 2023;
3. to vote, on an advisory basis, on the frequency of future advisory votes to approve the Company’s named executive officer compensation;
4. to approve the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan to increase the number of shares of the Company’s common stock reserved for issuance thereunder by 1,100,000 shares;
5. to ratify the appointment of KPMG LLP to serve as the Company’s independent registered public accounting firm for fiscal 2024; and
6. to transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

**The Board of Directors unanimously recommends that you vote (i) “FOR” Items 1, 2, 4, and 5 and (ii) in favor of a frequency of every “1 YEAR” for Item 3. The proxy holders will use their discretion to vote on other matters that may properly come before the Annual Meeting or any adjournment or postponement thereof.**

Only shareholders of record as of the close of business on September 5, 2023 will be entitled to vote at the Annual Meeting.

Your vote is important. Whether or not you plan to attend the Annual Meeting, you are encouraged to vote as soon as possible to ensure that your shares are represented at the Annual Meeting. If you are a shareholder of record and received a paper copy of the proxy materials by mail, you may vote your shares by proxy using one of the following methods: (i) vote by telephone; (ii) vote via the Internet; or (iii) complete, sign, date, and return your proxy card in the postage-paid envelope provided. If you are a shareholder of record and received only a Notice of Internet Availability of Proxy Materials by mail, you may vote your shares by proxy at the Internet site address listed on your Notice. If you hold your shares through an account with a bank, broker, or similar organization, please follow the instructions you receive from the shareholder of record to vote your shares.

By Order of the Board of Directors,



Gregory K. Sigmon  
*Executive Officer*  
*General Counsel*  
*Corporate Secretary*

September 8, 2023

**Important Notice Regarding the Availability of Proxy Materials  
for the Annual Meeting of Shareholders To Be Held on October 31, 2023:**

The Notice of Annual Meeting and Proxy Statement  
and the Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

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# PROXY STATEMENT

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The Board of Directors (the “Board of Directors” or the “Board”) of Unifi, Inc. (“UNIFI” or the “Company”) is providing these materials to you in connection with the 2023 Annual Meeting of Shareholders (the “Annual Meeting”). The Annual Meeting will be held at 8:00 a.m., Eastern Time, on Tuesday, October 31, 2023 at the Company’s corporate headquarters located at 7201 West Friendly Avenue, Greensboro, North Carolina 27410.

## General Information

### Why did I receive these materials?

You received these materials because the Board of Directors is soliciting your proxy to vote your shares at the Annual Meeting. This Proxy Statement includes information that UNIFI is required to provide you under the Securities and Exchange Commission rules and regulations (the “SEC rules”) and is designed to assist you in voting your shares.

### What is a proxy?

The Board is asking for your proxy. This means you authorize persons selected by the Company to vote your shares at the Annual Meeting in the way that you instruct. All shares represented by valid proxies received and not revoked before the Annual Meeting will be voted in accordance with the shareholder’s specific voting instructions.

### Why did I receive a one-page notice regarding Internet availability of proxy materials instead of a full set of proxy materials?

The SEC rules allow companies to choose the method for delivery of proxy materials to shareholders. For most shareholders, the Company has elected to mail a notice regarding the availability of proxy materials on the Internet (the “Notice of Internet Availability”), rather than sending a full set of these materials in the mail. The Notice of Internet Availability, or a full set of the proxy materials (including the Proxy Statement and form of proxy), as applicable, was sent to shareholders beginning September 8, 2023, and the proxy materials were posted on the investor relations portion of the Company’s website, *www.unifi.com*, and on the website referenced in the Notice of Internet Availability on the same day. Utilizing this method of proxy delivery expedites receipt of proxy materials by the Company’s shareholders and lowers the cost of the Annual Meeting. If you would like to receive a paper or e-mail copy of the proxy materials, you should follow the instructions in the Notice of Internet Availability for requesting a copy.

### What is included in these materials?

These materials include:

- the Notice of Annual Meeting and Proxy Statement; and
- the Annual Report on Form 10-K for fiscal 2023, which contains the Company’s audited consolidated financial statements.

If you received a paper copy of these materials by mail, these materials also include the proxy card or voting instruction form for the Annual Meeting.

## What items will be voted on at the Annual Meeting?

There are five proposals scheduled to be voted on at the Annual Meeting:

- the election of the nine directors nominated by the Board of Directors;
- the approval, on an advisory basis, of the Company's named executive officer compensation in fiscal 2023;
- the vote, on an advisory basis, on the frequency of future advisory votes to approve the Company's named executive officer compensation;
- the approval of the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan to increase the number of shares of the Company's common stock reserved for issuance thereunder by 1,100,000 shares; and
- the ratification of the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2024.

The Board is not aware of any other matters to be brought before the Annual Meeting. If other matters are properly raised at the Annual Meeting, the proxy holders may vote any shares represented by proxy in their discretion.

## What are the Board's voting recommendations?

The Board unanimously recommends that you vote your shares:

- **"FOR"** the election of each of the nine directors nominated by the Board of Directors;
- **"FOR"** the approval, on an advisory basis, of the Company's named executive officer compensation in fiscal 2023;
- **"1 YEAR"** for the advisory vote on the frequency of future advisory votes to approve the Company's named executive officer compensation;
- **"FOR"** the approval of the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan to increase the number of shares of the Company's common stock reserved for issuance thereunder by 1,100,000 shares; and
- **"FOR"** the ratification of the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2024.

## Who can attend the Annual Meeting?

Admission to the Annual Meeting is limited to:

- shareholders of record and beneficial owners of shares held in street name as of the close of business on September 5, 2023;
- holders of valid proxies for the Annual Meeting; and
- invited guests.

Admission to the Annual Meeting will be on a first-come, first-served basis. Each shareholder may be asked to present valid photo identification, such as a driver's license or passport, and proof of stock ownership as of the record date for admittance. Attendees must comply with any and all health and safety protocols imposed by the Company or applicable governmental agency.

## **When is the record date and who is entitled to vote?**

The Board set September 5, 2023 as the record date. As of the close of business on the record date, 18,084,522 shares of common stock, par value \$0.10 per share, of UNIFI (“Common Stock”) were issued and outstanding. Shareholders are entitled to one vote per share of Common Stock outstanding as of the close of business on the record date on any matter properly presented at the Annual Meeting.

## **What is a shareholder of record?**

A shareholder of record or registered shareholder is a shareholder whose ownership of Common Stock is reflected directly on the books and records of UNIFI’s transfer agent, American Stock Transfer & Trust Company, LLC. If you hold Common Stock through an account with a bank, broker, or similar organization, you are considered the beneficial owner of shares held in street name and are not a shareholder of record. For shares held in street name, the shareholder of record is your bank, broker, or similar organization. UNIFI only has access to ownership records for the registered shares. If you are not a shareholder of record and you wish to attend the Annual Meeting, UNIFI will require additional documentation to evidence your stock ownership as of the record date, such as a copy of your brokerage account statement, a letter from the shareholder of record (e.g., your bank, broker, or other nominee), or a copy of your voting instruction form or Notice of Internet Availability.

## **How do I vote?**

You may vote by any of the following methods:

- *In person.* Shareholders of record and beneficial owners of shares held in street name may vote in person at the Annual Meeting. If you hold shares in street name, you must also obtain a legal proxy from the shareholder of record (e.g., your bank, broker, or other nominee) to vote in person at the Annual Meeting.
- *By telephone or via the Internet.* Shareholders of record may vote by proxy, by telephone or via the Internet, by following the instructions included in the proxy card or Notice of Internet Availability provided or the instructions received by e-mail. If you are a beneficial owner of shares held in street name, your ability to vote by telephone or via the Internet depends on the voting procedures of the shareholder of record (e.g., your bank, broker, or other nominee). Please follow the instructions included in the voting instruction form or Notice of Internet Availability provided to you by the shareholder of record.
- *By mail.* Shareholders of record and beneficial owners of shares held in street name may vote by proxy by completing, signing, dating, and returning the proxy card or voting instruction form provided.

## **How can I revoke my proxy or change my vote?**

*Shareholders of record.* You may revoke your proxy or change your vote at any time prior to the taking of the vote at the Annual Meeting by (i) submitting a written notice of revocation to the Company’s Corporate Secretary at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410; (ii) delivering a proxy bearing a later date using any of the voting methods described in the immediately preceding Q&A, including by telephone or via the Internet, and until the applicable deadline for each method specified in the accompanying proxy card or the Notice of Internet Availability; or (iii) attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically make that request or vote in person at the Annual Meeting. For all methods of voting, the last vote cast will supersede all previous votes.

*Beneficial owners of shares held in street name.* You may revoke or change your voting instructions by following the specific instructions provided to you by the shareholder of record (e.g., your bank, broker, or other nominee), or, if you have obtained a legal proxy from the shareholder of record, by attending the Annual Meeting and voting in person.

### **What happens if I vote by proxy and do not provide specific voting instructions?**

*Shareholders of record.* If you are a shareholder of record and you vote by proxy, by telephone, via the Internet, or by returning a properly executed and dated proxy card by mail, without providing specific voting instructions, then the proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion for any other matters properly presented for a vote at the Annual Meeting.

*Beneficial owners of shares held in street name.* If you are a beneficial owner of shares held in street name and you do not provide the organization that holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the organization that holds your shares may generally vote on “routine” matters but cannot vote on “non-routine” matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a “non-routine” matter, the organization that holds your shares will inform the inspector of election that it does not have the authority to vote on that matter with respect to your shares. This is referred to as a “broker non-vote.”

Proposals 1, 2, 3, and 4, the election of directors, the advisory vote to approve the Company’s named executive officer compensation in fiscal 2023, the advisory vote on the frequency of future advisory votes to approve the Company’s named executive officer compensation, and the approval of the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan to increase the number of shares of Common Stock reserved for issuance thereunder by 1,100,000 shares, respectively, are “non-routine” matters. Consequently, without your voting instructions, the organization that holds your shares cannot vote your shares on these proposals. Proposal 5, the ratification of the appointment of KPMG LLP to serve as the Company’s independent registered public accounting firm for fiscal 2024, is considered a “routine” matter.

### **What is the voting requirement to approve each of the proposals?**

- *Proposal 1, Election of Directors.* Directors shall be elected by the affirmative vote of a majority of the votes cast (meaning that the number of shares voted “for” a nominee must exceed the number of shares voted “against” such nominee). If any existing director who is a nominee for reelection receives a greater number of votes “against” his or her election than votes “for” such election, the Company’s Amended and Restated By-laws provide that such person shall be deemed to have tendered to the Board his or her resignation as a director. There is no cumulative voting with respect to the election of directors.
- *Proposal 2, Advisory Vote to Approve Named Executive Officer Compensation.* Advisory approval of the Company’s named executive officer compensation in fiscal 2023 requires the affirmative vote of a majority of the votes cast (meaning that the number of shares voted “for” the proposal must exceed the number of shares voted “against” such proposal).
- *Proposal 3, Advisory Vote on the Frequency of Future Advisory Votes to Approve Named Executive Officer Compensation.* Although the vote on the frequency of future advisory votes to approve the Company’s named executive officer compensation is advisory, the Compensation Committee and the Board will consider the frequency receiving the most votes cast by shareholders when deciding how often to have advisory “say-on-pay” votes in the future. Shareholders can choose one of four options for this proposal: 1 Year, 2 Years, 3 Years, or Abstain.

- *Proposal 4, Approval of the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan.* Approval of the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan to increase the number of shares of Common Stock reserved for issuance thereunder by 1,100,000 shares requires the affirmative vote of a majority of the votes cast (meaning that the number of shares voted “for” the proposal must exceed the number of shares voted “against” such proposal).
- *Proposal 5, Ratification of Appointment of Independent Registered Public Accounting Firm.* Ratification of the appointment of KPMG LLP to serve as the Company’s independent registered public accounting firm for fiscal 2024 requires the affirmative vote of a majority of the votes cast (meaning that the number of shares voted “for” the proposal must exceed the number of shares voted “against” such proposal).
- *Other Items.* Approval of any other matters requires the affirmative vote of a majority of the votes cast (meaning that the number of shares voted “for” the item must exceed the number of shares voted “against” such item).

**What is the quorum for the Annual Meeting? How are abstentions and broker non-votes treated?**

The presence, in person or by proxy, of the holders of a majority of the outstanding shares entitled to vote is necessary for the transaction of business at the Annual Meeting. Your shares are counted as being present if you vote in person at the Annual Meeting, by telephone, via the Internet, or by returning a properly executed and dated proxy card or voting instruction form by mail. Abstentions and broker non-votes are counted as present for the purpose of determining a quorum for the Annual Meeting.

With respect to Proposal 1, the election of directors, you may vote “for” or “against” each of the nominees for the Board, or you may “abstain” from voting for one or more nominees. Abstentions and broker non-votes are not considered votes cast for the foregoing purpose and will therefore have no effect on the election of director nominees.

With respect to Proposals 2, 4, and 5, the advisory vote to approve the Company’s named executive officer compensation in fiscal 2023, the approval of the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan to increase the number of shares of Common Stock reserved for issuance thereunder by 1,100,000 shares, and the ratification of the appointment of KPMG LLP to serve as the Company’s independent registered public accounting firm for fiscal 2024, respectively, you may vote “for” or “against” these proposals, or you may “abstain” from voting on these proposals. Abstentions and broker non-votes are not considered votes cast for the foregoing purposes and will therefore have no effect on the vote for these proposals. As discussed above, because Proposal 5, the ratification of the appointment of KPMG LLP to serve as the Company’s independent registered public accounting firm for fiscal 2024, is considered a “routine” matter, the Company does not expect any broker non-votes with respect to this proposal.

With respect to Proposal 3, the advisory vote on the frequency of future advisory votes to approve the Company’s named executive officer compensation, you may vote for a frequency of future advisory “say-on-pay” votes of every “1 year,” “2 years,” “3 years,” or you may “abstain” from voting on this proposal. Abstentions and broker non-votes are not considered votes cast for the foregoing purpose and will therefore have no effect on the vote for this proposal.

### **Who are the proxy holders and how will they vote?**

The persons named as attorneys-in-fact in the proxies, Edmund M. Ingle and Gregory K. Sigmon, were selected by the Board and are executive officers, and, with respect to Mr. Ingle, a director, of the Company. If you are a shareholder of record and you return a properly executed and dated proxy card but do not provide specific voting instructions, your shares will be voted on the proposals as follows:

- **“FOR”** the election of each of the nine directors nominated by the Board of Directors;
- **“FOR”** the approval, on an advisory basis, of the Company’s named executive officer compensation in fiscal 2023;
- **“1 YEAR”** for the advisory vote on the frequency of future advisory votes to approve the Company’s named executive officer compensation;
- **“FOR”** the approval of the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan to increase the number of shares of Common Stock reserved for issuance thereunder by 1,100,000 shares; and
- **“FOR”** the ratification of the appointment of KPMG LLP to serve as the Company’s independent registered public accounting firm for fiscal 2024.

If other matters properly come before the Annual Meeting and you do not provide specific voting instructions, your shares will be voted on such matters in the discretion of the proxy holders.

### **Who pays for solicitation of proxies?**

The Company is paying the cost of soliciting proxies and will reimburse brokerage firms and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for sending proxy materials to shareholders and obtaining their proxies. In addition to soliciting the proxies by mail and the Internet, certain of the Company’s directors, officers, and employees, without compensation, may solicit proxies personally or by telephone, facsimile, and e-mail.

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

The Company will announce preliminary or final voting results at the Annual Meeting and publish final results in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) within four business days of the completion of the Annual Meeting.

## Security Ownership of Certain Beneficial Owners and Management

The table below provides information about the beneficial ownership of Common Stock as of the close of business on September 5, 2023, by each person known by the Company to beneficially own more than 5% of the outstanding shares of Common Stock as well as by each director, director nominee, and named executive officer and by all directors and executive officers as a group. In computing the number of shares beneficially owned by a person and the ownership percentage of that person, shares deemed outstanding include (i) shares of Common Stock subject to stock options held by that person that are currently exercisable or exercisable within 60 days of September 5, 2023 and (ii) restricted stock units and vested share units that are currently vested or vest within 60 days of September 5, 2023. However, these shares or units are not deemed outstanding for the purpose of computing the ownership percentage of any other person. The ownership percentage is based on 18,084,522 shares of Common Stock outstanding as of the close of business on September 5, 2023. Except as otherwise indicated in the footnotes below, each of the persons named in the table has sole voting and investment power with respect to the securities indicated as beneficially owned by such person, subject to community property laws where applicable. Unless otherwise indicated in the footnotes below, the address for each of the beneficial owners is c/o Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410.

Name	Number of Shares and Nature of Beneficial Ownership	Ownership Percentage
<b>Principal Shareholders:</b>		
Kenneth G. Langone	1,951,404 <sup>(1)</sup>	10.79%
Inclusive Capital Partners, L.P.	1,930,866 <sup>(2)</sup>	10.68%
Dimensional Fund Advisors LP	1,340,780 <sup>(3)</sup>	7.41%
Invenomic Capital Management LP	944,290 <sup>(4)</sup>	5.22%
<b>Directors, Director Nominees, and Named Executive Officers:</b>		
Emma S. Battle	14,539 <sup>(5)</sup>	*
Francis S. Blake	11,958 <sup>(6)</sup>	*
Albert P. Carey	373,135 <sup>(7)</sup>	2.06%
Archibald Cox, Jr.	129,376 <sup>(8)</sup>	*
Craig A. Creaturo	74,028 <sup>(9)</sup>	*
Edmund M. Ingle	163,392 <sup>(10)</sup>	*
Kenneth G. Langone	1,951,404 <sup>(1)</sup>	10.79%
Hongjun Ning	5,000 <sup>(11)</sup>	*
Suzanne M. Present	65,483 <sup>(12)</sup>	*
Rhonda L. Ramlo	9,829 <sup>(13)</sup>	*
Lucas de Carvalho Rocha	—	*
Gregory K. Sigmon	11,494 <sup>(14)</sup>	*
Eva T. Zlotnicka	— <sup>(15)</sup>	*
Directors, director nominees, and current executive officers as a group (12 persons)	2,752,562 <sup>(16)</sup>	15.22%

\*Less than 1%.

- (1) Includes (i) 130,000 shares owned by Invemed Associates LLC, of which Mr. Langone is the principal equity holder and serves as Chairman and Chief Executive Officer, as to which Mr. Langone has shared voting and investment power; (ii) 30,000 shares owned by Mr. Langone's wife, as to which Mr. Langone has shared voting and investment power; and (iii) 62,884 shares that Mr. Langone has the right to receive pursuant to restricted stock units and vested share units that will automatically convert into shares of Common Stock following the termination of his service as a director of the Company. Mr. Langone disclaims beneficial ownership of (A) the shares of Common Stock held by Invemed Associates LLC, and any proceeds thereof, that exceed his pecuniary interest therein and/or are not actually distributed to him; and (B) the shares of Common Stock held by his wife.

- (2) This information is based upon a Schedule 13D/A filed jointly with the SEC on May 19, 2022 by Inclusive Capital Partners, L.P. and Jeffrey W. Ubben, each of whose address is 1170 Gorgas Avenue, San Francisco, California 94129. The Schedule 13D/A reports that each of Inclusive Capital Partners, L.P. and Mr. Ubben has shared voting and investment power over all of the shares shown.
- (3) This information is based upon a Schedule 13G/A filed with the SEC on February 10, 2023 by Dimensional Fund Advisors LP (“Dimensional”), whose address is 6300 Bee Cave Road, Building One, Austin, Texas 78746. The Schedule 13G/A reports that Dimensional has sole voting power over 1,315,250 shares, shared voting power over no shares, and sole investment power over all of the shares shown. Dimensional furnishes investment advice to four investment companies registered under the Investment Company Act of 1940 and serves as investment manager or sub-adviser to certain other commingled funds, group trusts, and separate accounts (such investment companies, funds, trusts, and accounts, collectively referred to as the “Funds”). In certain cases, subsidiaries of Dimensional may act as an adviser or sub-adviser to certain Funds. In its role as investment adviser, sub-adviser, and/or manager, Dimensional or its subsidiaries may possess voting and/or investment power over the securities of the Company owned by the Funds and may be deemed to be the beneficial owner of these shares. However, all securities reported on the Schedule 13G/A are owned by the Funds, and Dimensional and its subsidiaries disclaim beneficial ownership of all of the shares shown.
- (4) This information is based upon a Schedule 13G filed with the SEC on February 10, 2023 by Invenomic Capital Management LP (“Invenomic”), whose address is 211 Congress Street, 8th Floor, Boston, Massachusetts 02110. The Schedule 13G reports that Invenomic has sole voting and investment power over all of the shares shown.
- (5) Includes 10,582 shares that Ms. Battle has the right to receive pursuant to vested share units that will automatically convert into shares of Common Stock following the termination of her service as a director of the Company.
- (6) Consists of 11,958 shares that Mr. Blake has the right to receive pursuant to vested share units that will automatically convert into shares of Common Stock following the termination of his service as a director of the Company.
- (7) Includes (i) 258,820 shares that Mr. Carey has the right to purchase pursuant to stock options that are currently exercisable; (ii) 50,926 shares that Mr. Carey has the right to receive pursuant to restricted stock units and vested share units that will automatically convert into shares of Common Stock following the termination of his service as a director of the Company; (iii) 11,590 shares that Mr. Carey will have the right to receive on October 29, 2023 pursuant to restricted stock units that will automatically convert into shares of Common Stock following the termination of his service as a director of the Company; (iv) 3,973 shares that Mr. Carey will have the right to receive on October 27, 2023 pursuant to restricted stock units that will automatically convert into shares of Common Stock following the termination of his service as a director of the Company; and (v) 25,926 shares that Mr. Carey will have the right to purchase pursuant to stock options that will become vested and exercisable on October 29, 2023.
- (8) Includes 70,813 shares that Mr. Cox has the right to receive pursuant to restricted stock units and vested share units that will automatically convert into shares of Common Stock following the termination of his service as a director of the Company.
- (9) Includes 23,890 shares that Mr. Creaturo has the right to purchase pursuant to stock options that are currently exercisable.
- (10) Includes (i) 60,000 shares that Mr. Ingle has the right to purchase pursuant to stock options that are currently exercisable; (ii) 4,071 shares that Mr. Ingle has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following the termination of his employment with the Company; and (iii) 4,071 shares that Mr. Ingle will have the right to receive on October 26, 2023 pursuant to restricted stock units that will automatically convert into shares of Common Stock following the termination of his employment with the Company.



- (11) Consists of 5,000 shares that Mr. Ning has the right to purchase pursuant to stock options that are currently exercisable.
- (12) Consists of 65,483 shares that Ms. Present has the right to receive pursuant to restricted stock units and vested share units that will automatically convert into shares of Common Stock following the termination of her service as a director of the Company.
- (13) Consists of 9,829 shares that Ms. Ramlo has the right to receive pursuant to vested share units that will automatically convert into shares of Common Stock following the termination of her service as a director of the Company.
- (14) Includes (i) 1,668 shares that Mr. Sigmon has the right to purchase pursuant to stock options that are currently exercisable; (ii) 244 shares that Mr. Sigmon has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock on October 26, 2023; (iii) 708 shares that Mr. Sigmon has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock on October 28, 2023; and (iv) 1,668 shares that Mr. Sigmon will have the right to purchase pursuant to stock options that will become vested and exercisable on October 28, 2023.
- (15) Ms. Zlotnicka directly holds 21,614 shares of Common Stock, which she received from the Company for her service as a director of the Company. Ms. Zlotnicka is deemed to hold these shares for the benefit of Inclusive Capital Partners, L.P. and Inclusive Capital Partners Spring Master Fund, L.P., and, accordingly, Ms. Zlotnicka does not have voting or investment power over any of such shares.
- (16) Includes 673,971 shares that a director, a director nominee, or a current executive officer has the right to acquire within 60 days of September 5, 2023 through the exercise of stock options or the vesting of restricted stock units and vested share units.

## Proposal 1: Election of Directors

The Board of Directors currently consists of nine members and has no vacancies. On the recommendation of the Corporate Governance and Nominating Committee, the Board has nominated the nine persons listed below for election as directors at the Annual Meeting. If elected, each nominee will serve until his or her term expires at the 2024 Annual Meeting of Shareholders or until his or her successor is duly elected and qualified. All of the nominees are currently serving as directors and were elected to the Board at the 2022 Annual Meeting of Shareholders (the “2022 Annual Meeting”). Each nominee has agreed to be named in this Proxy Statement and to serve if elected.

Although the Company knows of no reason why any of the nominees would not be able to serve, if any nominee is unavailable for election, the proxy holders intend to vote your shares for any substitute nominee proposed by the Board.

**The Board of Directors unanimously recommends that you vote “FOR” the election of each of the nine nominees listed below.** Unless otherwise specified, proxies will be voted “FOR” the election of each of the nine nominees listed below.

### Director Nominees

Listed below are the nine persons nominated for election to the Board of Directors. The following paragraphs include information about each director nominee’s business background, as furnished to the Company by the nominee, and additional experience, qualifications, attributes, or skills that led the Board of Directors to conclude that the nominee should serve on the Board.

Name	Age	Principal Occupation	Director Since
Emma S. Battle	62	President and Chief Executive Officer, Market Vigor, L.L.C.	2021
Francis S. Blake	74	Retired Chairman and Chief Executive Officer, The Home Depot, Inc.	2022
Albert P. Carey	72	Executive Chairman of UNIFI	2018
Archibald Cox, Jr.	83	Chairman, Sextant Group, Inc.	2008
Edmund M. Ingle	58	Chief Executive Officer of UNIFI	2020
Kenneth G. Langone	87	Chairman and Chief Executive Officer, Invemed Associates LLC	1969
Suzanne M. Present	64	Principal, Gladwyne Partners, LLC	2011
Rhonda L. Ramlo	63	Interim Chief Executive Officer, Atoria Family Baking Company	2021
Eva T. Zlotnicka	40	Managing Partner, Inclusive Capital Partners, L.P.	2018

### ***Emma S. Battle***

Ms. Battle has served as President and Chief Executive Officer of Market Vigor, L.L.C., a business services company focused on strategic consulting and digital and online marketing, since she founded the company in 2003. From 2015 to 2017, Ms. Battle was Vice President of Client Success at Windsor Circle, an e-commerce marketing company. Previously, she served in executive and senior marketing and sales roles at Three Ships Media, Red Hat, Art.com, 1 Sync, and Sara Lee Branded Apparel (now known as Hanesbrands Inc.). Ms. Battle also serves on the boards of directors of Bassett Furniture Industries, Incorporated and Nu Skin Enterprises, Inc., and was a director of Primo Water Corporation until 2020. Ms. Battle pursues continuing education through online classes and membership in professional organizations, like Brentwood Advisory Group, and supports and collaborates with current and aspiring board members through the University of North Carolina at Chapel Hill School of Law's Director Diversity Initiative, Onboard NC, Santa Clara University's Black Corporate Board Readiness program, and the TAKE YOUR SEAT initiative. Ms. Battle also devotes time to charitable and civic causes: since 2017, she has served as President and Chief Executive Officer of Higher Ed Works, a charitable organization that supports public higher education in North Carolina, and she also serves on the boards of FPG Child Development Institute, Southeastern Wind Coalition, and Elon University's Martha & Spencer Love School of Business.

Ms. Battle is a successful businessperson with an extensive background in digital and online marketing, marketing analytics, and business and marketing strategy, which she brings to the Board. She also brings to the Board her perspective from working with other large corporations and serving on other public company boards. In addition, her commitment to sustainability and social responsibility is valuable to the Company.

### ***Francis S. Blake***

Mr. Blake most recently served as Non-Executive Chairman of the board of directors of Delta Air Lines, Inc., a global airline based in the United States, from October 2016 until June 2023 and lead director of the company's board from May 2016 until October 2016. He served as Chairman and Chief Executive Officer of The Home Depot, Inc., the world's largest home improvement retailer, from 2007 until November 2014 and thereafter as Chairman of the board of directors until February 2015. Prior to that, he served as Vice Chairman of the board of directors of The Home Depot and as an Executive Vice President. Mr. Blake joined The Home Depot in 2002 as Executive Vice President — Business Development and Corporate Operations. He was previously the deputy secretary for the U.S. Department of Energy and served in a variety of executive positions at General Electric Company, including as Senior Vice President, Corporate Business Development in charge of all worldwide mergers, acquisitions, and dispositions. Mr. Blake also serves on the board of directors of Macy's, Inc. and was a director of Delta Air Lines, Inc. until June 2023, The Home Depot, Inc. until 2015, The Procter & Gamble Company until 2021, and The Southern Company until 2009.

Mr. Blake brings to the Board extensive experience gained while serving as Chairman and Chief Executive Officer of a complex retail organization and in other prior leadership positions in business and government. Mr. Blake also brings to the Board significant public company board and committee experience.

### ***Albert P. Carey***

Mr. Carey has served as Executive Chairman of the Board of UNIFI since April 2019. Mr. Carey previously served as Non-Executive Chairman of the Board of the Company from January 2019 to March 2019. In March 2019, Mr. Carey retired from PepsiCo, Inc., a consumer products company, after a 38-year career with the company during which time he held a number of senior leadership roles, including Chief Executive Officer of PepsiCo North America from March 2016 to January 2019, Chief Executive Officer of PepsiCo North America Beverages from July 2015 to March 2016, Chief Executive Officer of PepsiCo Americas Beverages from September 2011 to July 2015, and President and Chief Executive Officer of Frito-Lay North America from June 2006 to September 2011. Mr. Carey joined PepsiCo in 1981 after spending seven years with The Procter & Gamble Company. Mr. Carey serves on the board of directors of The Home Depot, Inc. and was a director of Omnichannel Acquisition Corp. until June 2022. He also serves on the board of trustees at the University of Maryland and the board of directors at the Bridgeport Rescue Mission in Bridgeport, Connecticut.

Mr. Carey brings to the Board more than 40 years of experience with consumer product companies. In addition, having served in a number of senior executive positions at PepsiCo, Mr. Carey brings to the Board valuable leadership and strategic management skills.

### ***Archibald Cox, Jr.***

Mr. Cox has served as Chairman of Sextant Group, Inc., a financial advisory and private equity firm, since 1993. Mr. Cox is the former Chairman of Barclays Americas, a position he held from May 2008 to June 2011. Mr. Cox was a director of Hutchinson Technology Incorporated from May 1996 to September 2009. He was also Chairman of Magnequench, Inc., a manufacturer of magnetic material, from September 2005 to September 2006 and President and Chief Executive Officer of Magnequench, Inc. from October 1995 to August 2005. Mr. Cox was Chairman of Neo Material Technologies Inc., a manufacturer of rare earth and magnetic materials, from September 2005 to September 2006. Mr. Cox also serves as an officer and on the boards of a number of private companies and as Chairman of four of these companies. From July 2012 until June 2022, Mr. Cox served on the board of trustees of St. Paul's School, a secondary educational institution located in Concord, New Hampshire, where he served as board president from July 2016 until June 2022. Mr. Cox has served as Lead Independent Director of UNIFI since August 2019.

Mr. Cox brings to the Board executive decision-making skills, operating and management experience, expertise in finance, and investment and business development experience. In addition, Mr. Cox's considerable experience with financial and strategic planning matters is valuable to the oversight of the Company's financial reporting, compensation practices, and business strategy implementation.

### ***Edmund M. Ingle***

Mr. Ingle has served as Chief Executive Officer of UNIFI since June 2020. From May 2019 to June 2020, he served as Chief Executive Officer of the Recycling group of Indorama Ventures, a world-class chemicals company and a global integrated leader in PET and fibers serving major customers in diversified end-use markets. From May 2018 to May 2019, he was Chairperson and Chief Executive Officer of Indorama's Wellman International division. Prior to that, Mr. Ingle was with UNIFI for approximately 30 years, during which time he held various key leadership positions, including Vice President of Global Corporate Sustainability, Vice President of Supply Chain, General Manager of the Company's Flake and Chip business, Vice President and General Manager of REPREVE® Polymers, General Manager of the Company's Nylon business, and Director of Global Procurement.

Mr. Ingle brings to the Board a deep understanding of UNIFI's operations and the textile industry, gained through his more than 30 years of experience with the Company. He also brings important executive leadership and strategic management skills to the Board.

### ***Kenneth G. Langone***

Mr. Langone has been Chairman and Chief Executive Officer of Invemed Associates LLC, an investment banking firm, since 1974. From 2011 to 2013, he served as Chief Executive Officer, President, and Chairman of Geeknet, Inc., a retailer of a wide range of products aimed at technology enthusiasts. Mr. Langone was a co-founder, and served as a director from 1978 to 2008, of The Home Depot, Inc. Mr. Langone was a director of ChoicePoint Inc. from 2002 to 2008, Geeknet, Inc. from 2010 to 2015, General Electric Company from 1999 to 2005, and YUM! Brands, Inc. from 1997 to 2012.

Mr. Langone brings to the Board extensive operating and management experience, including as Chief Executive Officer of a financial services business, financial expertise, and public company directorship and committee experience. In addition, Mr. Langone's extensive service on the Board of Directors provides a valuable historical perspective through which it can contextualize and direct the Company's performance and strategic planning.

### ***Suzanne M. Present***

Ms. Present is a co-founder and has been a principal of Gladwyne Partners, LLC, a private partnership fund manager, since 1998. Prior to the formation of Gladwyne Partners, Ms. Present spent 15 years at Lazard Freres & Co., the first five as a securities analyst before moving on to investment banking. From 2013 to 2020, Ms. Present served as Executive Director of Ken's Krew, Inc., a non-profit organization that provides training and other support services to individuals with intellectual and developmental disabilities to assist with entering the workforce, and currently serves as Chairman and Treasurer, positions she assumed in 2020. Ms. Present has served as a director of numerous public and private companies in a variety of industries, including media, technology, healthcare, and retail.

Through her experiences at Gladwyne Partners and service on various boards of directors, Ms. Present developed extensive financial expertise important to the oversight of the Company's audit functions and analysis of business strategies, which she brings to the Board.

### ***Rhonda L. Ramlo***

Ms. Ramlo currently serves as Interim Chief Executive Officer of Atoria Family Baking Company, a privately held food service company, a position she has held since December 2022. From 2010 to November 2022, she led corporate strategy, acquisitions, and business development for The Clorox Company, a leading multinational manufacturer and marketer of consumer and professional products, completing two acquisitions and over 50 strategic partnerships during that period. From 1994 to 2010, Ms. Ramlo held numerous executive roles at Dreyer's Grand Ice Cream Holdings, Inc., including Executive Vice President of Sales & Distribution and Executive Vice President of Marketing & Innovation. Ms. Ramlo also serves on the boards of directors of I2H Inc., a privately held digital technology company, and Lucidity Lights, Inc., a privately held manufacturer of branded, enhanced residential light bulbs and fixtures. She previously served on the boards of directors of Nuun, Inc., R.E.D.D. Bar Inc., and The Wine Group, Inc., all privately held consumer goods companies.

Ms. Ramlo brings to the Board expertise in strategy, marketing, sales operations, mergers and acquisitions, and business development.

***Eva T. Zlotnicka***

Ms. Zlotnicka is a co-founder and has been a Managing Partner and a member of the Management Committee of Inclusive Capital Partners, L.P., a San Francisco-based investment firm, since July 2020. Prior to that, she was Managing Director of the ValueAct Spring Fund and Head of Stewardship at ValueAct Capital, a San Francisco-based investment firm, from January 2020 to July 2020, and a Vice President of ValueAct Capital from February 2018 to December 2019. Prior to joining ValueAct Capital in February 2018, Ms. Zlotnicka was an Environmental, Social, and Governance (“ESG”) equity research analyst for nearly seven years. Previously, Ms. Zlotnicka was U.S. lead for the Sustainability Research team at Morgan Stanley, a global financial services firm, from January 2015 to February 2018, and held a similar role at UBS Investment Bank, a division of UBS Group AG, a Swiss multinational investment bank and financial services company, from July 2011 to January 2015. Prior to becoming an ESG equity research analyst, she spent five years at Morgan Stanley primarily focused on fixed income securities and derivatives. Ms. Zlotnicka serves on the boards of directors of Arcadia Power, Inc. and Enviva Inc. She also is a member of the Investor Advisory Group for the Sustainability Accounting Standards Board and a member of the Advisory Board of the Institute for Corporate Governance and Finance at the New York University School of Law. Ms. Zlotnicka also co-founded Women Investing for a Sustainable Economy (WISE), a global professional community. She was a director of Hawaiian Electric Industries, Inc. until 2021.

Ms. Zlotnicka brings to the Board valuable expertise in sustainable investing and multinational ESG initiatives. Ms. Zlotnicka also brings to the Board extensive experience in a number of critical areas, including investment management and finance.

# Corporate Governance

## The Board of Directors

The Company is governed by the Board of Directors and its various committees. The Board and its committees have general oversight responsibility for the affairs of the Company. In exercising its fiduciary duties, the Board represents and acts on behalf of UNIFI's shareholders. The Board has adopted written corporate governance policies, principles, and guidelines, known as the Corporate Governance Guidelines. The Board also has adopted (i) a Code of Ethics for Senior Financial and Executive Officers (the "Code of Ethics for Senior Financial and Executive Officers"), which applies to the Company's Chief Executive Officer, Chief Financial Officer, Vice President of Finance & Treasurer, and other senior financial and executive officers and employees; (ii) a Code of Business Conduct and Ethics (the "Code of Ethics"), which applies to the Company's directors, officers, and employees; and (iii) an Ethical Business Conduct Policy Statement (the "Ethics Policy Statement"), which applies to the Company's directors, officers, and employees. The Code of Ethics for Senior Financial and Executive Officers, the Code of Ethics, and the Ethics Policy Statement include guidelines relating to the ethical handling of actual or potential conflicts of interest, compliance with laws, accurate financial reporting, and other related topics.

## Documents Available

Certain of the Company's corporate governance materials, including the charters for the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee, as well as the Corporate Governance Guidelines, the Code of Ethics for Senior Financial and Executive Officers, the Code of Ethics, and the Ethics Policy Statement, are published on the investor relations portion of the Company's website at [www.unifi.com](http://www.unifi.com). These materials are also available in print free of charge to any shareholder upon request by contacting the Company in writing at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410, Attention: Investor Relations, or by telephone at (336) 294-4410. Any modifications to these corporate governance materials will be reflected, and the Company intends to post any amendments to, or waivers from, the Code of Ethics for Senior Financial and Executive Officers (to the extent required to be disclosed pursuant to Form 8-K), on the investor relations portion of the Company's website at [www.unifi.com](http://www.unifi.com). By referring to the Company's website, [www.unifi.com](http://www.unifi.com), or any portion thereof, including the investor relations portion of the Company's website, the Company does not incorporate its website or its contents into this Proxy Statement.

## Director Independence

The Board believes that a majority of its members are independent under the applicable New York Stock Exchange rules (the "NYSE rules") and SEC rules. The NYSE rules provide that a director does not qualify as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the company (either directly or as a partner, shareholder, or officer of an organization that has a relationship with the company). The NYSE rules recommend that a board of directors consider all of the relevant facts and circumstances in determining the materiality of a director's relationship with a company. The Board has adopted Director Independence Standards, which incorporate the independence standards of the NYSE rules, to assist the Board in determining whether a director has a material relationship with UNIFI. The Director Independence Standards are available on the investor relations portion of the Company's website, [www.unifi.com](http://www.unifi.com), as an appendix to the Corporate Governance Guidelines.

In August 2023, the Board of Directors, with the assistance of the Corporate Governance and Nominating Committee, conducted an evaluation of director independence based on the Director Independence Standards, the NYSE rules, and the SEC rules. The Board considered all relationships and transactions between each director or director nominee (and his or her immediate family members and affiliates) and each of UNIFI, its management, and its independent registered public accounting firm, as well as the transactions described below under “—Related Person Transactions.” As a result of this evaluation, the Board determined those relationships that do exist or did exist within the last three fiscal years (except for Messrs. Ingle’s and Carey’s relationships as employees of UNIFI) all fall below the thresholds in the Director Independence Standards. Consequently, the Board of Directors determined that each of Messrs. Blake, Cox, and Langone and each of Mses. Battle, Present, Ramlo, and Zlotnicka qualifies as an independent director under the Director Independence Standards, the NYSE rules, and the SEC rules. The Board also determined that each member of the Audit, Compensation, and Corporate Governance and Nominating Committees (see membership information below under “—Principal Board Committees”) is independent, including that each member of the Audit Committee is “independent” as that term is defined under Rule 10A-3(b)(1)(ii) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

## **Board Leadership Structure**

The Company’s Corporate Governance Guidelines provide the Board with flexibility to select the appropriate leadership structure at a particular time based on what the Board determines to be in the best interests of the Company and its shareholders. The Company’s Corporate Governance Guidelines provide that the Board has no established policy with respect to combining or separating the offices of Chairman of the Board and principal executive officer.

The Company currently has separated the roles of Chairman of the Board and principal executive officer. Albert P. Carey serves as the Executive Chairman of the Board and Edmund M. Ingle, as Chief Executive Officer, serves as the Company’s principal executive officer. The Company previously combined the roles of Chairman of the Board and principal executive officer and, in the future, the Board may determine in certain circumstances that it is in the best interests of the Company and its shareholders for the same person to hold the positions of Chairman of the Board and principal executive officer. The Board, however, believes that the Company’s present leadership structure is appropriate for the Company at the current time, as it allows Mr. Ingle to focus on the day-to-day operation of the business, while allowing Mr. Carey to focus on overall leadership and strategic direction of UNIFI, guidance of the Company’s senior management, and leadership of the Board.

The Company’s Corporate Governance Guidelines further provide that if the Chairman is not determined by the Board as independent, the independent directors may determine that the Board should have a Lead Independent Director. In the event that the independent directors make such a determination, the Lead Independent Director is appointed by a majority of the independent directors. In October 2022, the independent directors reappointed Archibald Cox, Jr. to serve as Lead Independent Director, a position he has held since August 2019.

The duties of the Lead Independent Director include: (i) providing leadership to the Board; (ii) chairing Board meetings in the absence of the Chairman; (iii) organizing, setting the agenda for, and leading executive sessions of the independent directors without the attendance of management; (iv) serving as a liaison between management and the independent directors; (v) consulting with the Chairman to approve the agenda for each Board meeting and the information that shall be provided to the directors for each scheduled meeting; (vi) approving meeting schedules to assure that there is sufficient time for discussion of all agenda items; (vii) meeting with the Chairman between Board meetings as appropriate in order to facilitate Board meetings and discussions; (viii) advising the Corporate Governance and Nominating Committee on the selection of committee chairpersons; and (ix) having the authority to call meetings of the independent directors.



## Principal Board Committees

The Board of Directors has a standing Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee. Committee members and committee chairs are appointed by the Board. The members and chairs of these committees are identified in the following table:

Name	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Emma S. Battle		Member	
Francis S. Blake		Member	
Albert P. Carey			
Archibald Cox, Jr.		Chair	Member
Edmund M. Ingle			
Kenneth G. Langone		Member	Member
Suzanne M. Present	Chair		
Rhonda L. Ramlo	Member	Member	
Eva T. Zlotnicka	Member		Chair

Each of the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee of the Board of Directors functions pursuant to a written charter adopted by the Board. The following table provides information about the operation and key functions of these committees:

Committee	Key Functions and Additional Information	Number of Meetings in Fiscal 2023
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>• Assists the Board in its oversight of (i) the Company's accounting and financial reporting processes, (ii) the integrity of the Company's financial statements, (iii) the Company's compliance with legal and regulatory requirements, (iv) the qualifications and independence of the Company's independent registered public accounting firm, and (v) the performance of the Company's internal audit function and the Company's independent registered public accounting firm.</li> <li>• Appoints, compensates, retains, and oversees the work of the Company's independent registered public accounting firm.</li> <li>• Reviews and discusses with management and the Company's independent registered public accounting firm the annual and quarterly financial statements.</li> <li>• Reviews and discusses with management the quarterly earnings releases.</li> <li>• Reviews and pre-approves all audit and non-audit services proposed to be performed by the Company's independent registered public accounting firm.</li> <li>• Reviews and, if appropriate, approves or ratifies related person transactions.</li> <li>• Discusses with management, the Company's independent registered public accounting firm, and Company personnel responsible for the Company's internal audit function, the quality and adequacy of the Company's internal controls.</li> <li>• Assists the Board in its oversight of enterprise risk management.</li> <li>• The Board of Directors has determined that each of Mses. Present and Zlotnicka is an "audit committee financial expert" within the meaning of the SEC rules and that each of Mses. Present, Ramlo, and Zlotnicka is "financially literate" and has accounting or related financial management expertise, in each case, as determined by the Board in its business judgment.</li> </ul>	7

Committee	Key Functions and Additional Information	Number of Meetings in Fiscal 2023
<b>Compensation Committee</b>	<ul style="list-style-type: none"> <li>Oversees the administration of the Company's compensation plans.</li> <li>Reviews and approves the compensation of the executive officers and oversees management's decisions concerning the compensation of the other officers.</li> <li>Reviews and makes recommendations to the independent directors on the Board with respect to any employment agreements, consulting arrangements, severance or retirement arrangements, or change of control agreements and provisions covering any current or former executive officer of the Company.</li> <li>Conducts annual performance evaluation of management.</li> <li>Oversees regulatory compliance and risk regarding compensation matters.</li> </ul>	6
<b>Corporate Governance and Nominating Committee</b>	<ul style="list-style-type: none"> <li>Identifies, evaluates, and recommends director candidates to the Board.</li> <li>Determines the criteria for membership on the Board and its committees and recommends such criteria to the Board for approval.</li> <li>Makes recommendations to the Board concerning committee appointments and Board and committee leadership.</li> <li>Makes recommendations to the Board with respect to determinations of director independence.</li> <li>Reviews and recommends to the Board the form and amount of director compensation.</li> <li>Oversees annual performance evaluation of the Board, the committees of the Board, leadership of the Board (including the Chairman of the Board and the Lead Independent Director), and individual directors.</li> <li>Oversees director education and new director onboarding.</li> <li>Considers and recommends to the Board other actions relating to corporate governance.</li> </ul>	4

## **Other Board Committees**

As provided in the Company's Amended and Restated By-laws, the Board may also establish other committees from time to time as it deems necessary. In fiscal 2023, the Board of Directors established a Strategy and Finance Committee, which will meet on a periodic basis beginning in fiscal 2024. The Strategy and Finance Committee will (i) oversee the Company's progress on initiatives to enhance profitability, (ii) develop annual and longer-term business and capital investment plans and targets and monitor the Company's progress towards achieving such targets, and (iii) evaluate new markets that could enable the Company to achieve higher profitability and increase shareholder value. Ms. Ramlo serves as the chair and Messrs. Blake, Carey, Cox, and Ingle are members of the Strategy and Finance Committee.

## **Director Meeting Attendance**

The Board of Directors held 10 meetings during fiscal 2023. Each incumbent director attended 75% or more of the aggregate number of meetings of the Board and committees of the Board on which the director served during fiscal 2023. It is the Board's policy that the directors should attend the Company's annual meeting of shareholders absent extenuating circumstances. All nine of the Company's directors attended the 2022 Annual Meeting.

Pursuant to the Company's Corporate Governance Guidelines, the independent directors meet in regularly scheduled executive sessions without management. Archibald Cox, Jr., as the Lead Independent Director, presides over these executive sessions.

## **Director Nomination Process**

The Corporate Governance and Nominating Committee is responsible for identifying and evaluating individuals qualified to become members of the Board and for recommending to the Board the individuals for nomination as members. In considering whether to recommend any particular candidate for inclusion in the Board's slate of recommended director nominees, the Corporate Governance and Nominating Committee considers the following criteria, in addition to other factors it may determine appropriate: (i) the candidate's roles and contributions valuable to the business community; (ii) the candidate's diversity, integrity, accountability, informed judgment, financial literacy, passion, creativity, and vision; (iii) the candidate's knowledge about the Company's business or industry; (iv) the candidate's independence; (v) the candidate's willingness and ability to devote adequate time and effort to Board responsibilities in the context of the existing composition and needs of the Board and its committees; and (vi) the NYSE rules.

The Corporate Governance and Nominating Committee may, at its discretion, hire or solicit third parties to assist in the identification and evaluation of director nominees.

## **Director Diversity**

Though neither the Corporate Governance and Nominating Committee nor the Board has a specific policy with regard to diversity criteria in identifying director nominees, the Board believes that men and women of different ages, races, and ethnic and cultural backgrounds can contribute different and useful perspectives and can work effectively together to further the Company's objectives. As noted above, a candidate's diversity is one of the criteria that the Corporate Governance and Nominating Committee considers in evaluating potential director nominees.

In keeping with this commitment to diversity, four of the Company's seven independent directors are women, including one who self-identifies as racially/ethnically diverse. In addition, all members of the Audit Committee of the Board are women.

## Shareholder Recommendations of Director Candidates

Recommendations by shareholders of director candidates to be considered for the 2024 Annual Meeting of Shareholders must be in writing and received by the Company's Corporate Secretary at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410 no earlier than July 3, 2024 and no later than August 2, 2024. However, if the date of the 2024 Annual Meeting of Shareholders is more than 30 days before or more than 90 days after October 31, 2024, then the written notice must be received by the Company's Corporate Secretary no earlier than 120 days prior to the date of the 2024 Annual Meeting of Shareholders and no later than the close of business on the later of (i) 90 days prior to the date of such annual meeting or (ii) 10 days following the day on which the Company first announced publicly (or mailed notice to the shareholders of) the date of such meeting.

The notice must contain certain information about the nominee and the shareholder submitting the nomination as set forth in the Company's Amended and Restated By-laws. With respect to the nominee, the notice must contain, among other things, (i) the nominee's name, age, and business and residence addresses; (ii) the nominee's background and qualification, including the principal occupation or employment of the nominee; (iii) the class and number of shares or other securities of the Company owned of record or beneficially by the nominee or any Shareholder Associated Person (as defined in the Company's Amended and Restated By-laws); (iv) any derivative positions held of record or beneficially by the nominee or any Shareholder Associated Person related to, or the value of which is derived in whole or in part from, the value of any class of the Company's shares or other securities and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement, or understanding has been made, the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, the nominee or any Shareholder Associated Person with respect to the Company's shares or other securities; (v) a written statement executed by the nominee (A) acknowledging that as a director of the Company, the nominee will owe a fiduciary duty under New York law with respect to the Company and its shareholders; (B) disclosing whether the nominee is a party to an agreement, arrangement, or understanding with, or has given any commitment or assurance to, any person or entity as to how the nominee, if elected as a director of the Company, will act or vote on any issue or question; (C) disclosing whether the nominee is a party to an agreement, arrangement, or understanding with any person or entity other than the Company with respect to any direct or indirect compensation, reimbursement, or indemnification in connection with the nominee's service or action as a director of the Company; (D) agreeing to update continually the accuracy of the information required by the immediately preceding clauses (B) and (C) for as long as the nominee is a nominee or a director of the Company; and (E) agreeing, if elected as a director of the Company, to comply with all codes of conduct and ethics, corporate governance, conflict of interest, confidentiality, and stock ownership and trading policies and guidelines of the Company applicable to directors; and (vi) any other information regarding the nominee or any Shareholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with a contested solicitation of proxies for the election of directors or that the Company may reasonably require to determine the eligibility of the nominee to serve as a director of the Company. With respect to the shareholder submitting the nomination, the notice must contain: (1) the name and address, as they appear on the Company's books, of such shareholder and any Shareholder Associated Person; (2) the class and number of shares or other securities of the Company owned of record or beneficially by such shareholder or any Shareholder Associated Person; (3) any derivative positions held of record or beneficially by such shareholder or any Shareholder Associated Person related to, or the value of which is derived in whole or in part from, the value of any class of the Company's shares or other securities and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement, or understanding has been made, the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such shareholder or any Shareholder Associated Person with respect to the Company's shares or other securities; (4) any other information regarding such shareholder or any Shareholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with a contested solicitation of proxies for the election of directors; and (5) a representation whether either such shareholder or any Shareholder Associated Person intends to, or is part of a group which intends to, deliver a proxy statement

and/or form of proxy to holders of at least the percentage of the Company's outstanding capital stock required to elect the nominee and/or otherwise to solicit proxies from shareholders in support of such nomination.

A shareholder who is interested in recommending a director candidate should request a copy of the Company's Amended and Restated By-laws by writing to the Company's Corporate Secretary at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410. Recommended candidates will be subject to a background check by a qualified firm of the Company's choosing. Appropriate submission of a recommendation by a shareholder does not guarantee the selection of the shareholder's candidate or the inclusion of the candidate in the Company's proxy materials; however, the Corporate Governance and Nominating Committee will consider any such candidate in accordance with the director nomination process described above.

## **Universal Proxy Rules for Director Nominations**

In addition to satisfying the foregoing requirements under the Company's Amended and Restated By-laws, to comply with the universal proxy rules, shareholders who intend to solicit proxies in support of director nominees other than the Company's nominees for the 2024 Annual Meeting of Shareholders must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act.

## **Annual Evaluation of Directors and Board Committee Members**

The Board of Directors evaluates the performance of each director, each committee of the Board, the Chairman, the Lead Independent Director, and the Board of Directors as a whole on an annual basis. In connection with this annual self-evaluation, each director records his or her views on the performance of each director standing for reelection, each committee of the Board, the Chairman, the Lead Independent Director, and the Board of Directors as a whole. The entire Board of Directors reviews the results of these reports and determines what, if any, actions should be taken in the upcoming year to improve its effectiveness and the effectiveness of each director and committee.

## **Prohibitions Against Hedging, Pledging, or Short Selling**

UNIFI maintains policies that apply to all directors, officers, and employees that prohibit hedging or short selling (profiting if the market price decreases) of Company securities. Such policies also prohibit all directors, officers, and employees from pledging any Company securities, purchasing any Company securities on margin, or incurring any indebtedness secured by a margin or similar account in which Company securities are held, without the prior approval of the Audit Committee of the Board.

## **Policy for Review of Related Person Transactions**

Pursuant to the Company's Related Persons Transactions Policy, which is available on the investor relations portion of the Company's website at [www.unifi.com](http://www.unifi.com), the Company reviews relationships and transactions in which the Company and its directors and executive officers or their immediate family members are participants to determine whether such related persons have a direct or indirect material interest in the relationships or transactions. The Company's executive management is primarily responsible for developing and implementing processes and controls to obtain information from the directors and executive officers with respect to related person transactions and for then determining, based on the facts and circumstances, whether a related person has a direct or indirect material interest in any such transaction. As required under the SEC rules, transactions that are determined to be directly or indirectly material to a related person are disclosed in this Proxy Statement. In addition, the Audit Committee reviews and, if appropriate, approves or ratifies any related person transaction that is required to be disclosed under the SEC rules. As set forth in the Audit Committee's charter, which is available on the investor relations portion of the Company's website at [www.unifi.com](http://www.unifi.com), in the course of its review and, if appropriate, approval or ratification of a disclosable related person transaction, the Audit Committee considers the relevant facts

and circumstances, including the material terms of the transaction, risks, benefits, costs, availability of other comparable services or products, and, if applicable, the impact on a director's independence.

## **Related Person Transactions**

In fiscal 2023, the Company paid Salem Leasing Corporation, a wholly owned subsidiary of Salem Holding Company, approximately \$4.6 million in connection with leases of tractors and trailers and for related transportation services. Kenneth G. Langone, a director of the Company, owns a non-controlling 33% equity interest in, and is a director and the Non-Executive Chairman of, Salem Holding Company. Mr. Langone is not an employee of Salem Holding Company or any of its subsidiaries and is not involved in the day-to-day operations of any such company. The terms of the Company's leases with Salem Leasing Corporation are, in the Company's opinion, no less favorable than the terms the Company would have been able to negotiate with an independent third party. The foregoing transaction was approved under UNIFI's Related Persons Transactions Policy.

## **The Board's Role in Risk Oversight**

The Board of Directors oversees the Company's risk profile and management's processes for assessing and managing risk, both as a whole Board and through its committees. The full Board reviews strategic risks and opportunities facing the Company. Among other areas, the Board is involved in overseeing risks related to the Company's overall strategy, business results, capital structure, capital allocation and budgeting, and executive officer succession. Certain other important categories of risk are assigned to designated Board committees (which are composed solely of independent directors) that report back to the full Board. In general, the committees oversee the following risks:

- the Audit Committee oversees risks related to internal financial and accounting controls, legal, regulatory, cyber security, and compliance risks, work performed by the Company's independent registered public accounting firm and the Company's internal audit function, related person transactions, and the overall risk management governance structure and risk management function;
- the Compensation Committee oversees the Company's compensation programs and practices. For a detailed discussion of the Company's efforts to manage compensation-related risks, see "Compensation Discussion and Analysis—Risk Analysis of Compensation Programs and Practices"; and
- the Corporate Governance and Nominating Committee oversees issues that may create governance risks, such as Board composition and structure, director selection, director succession planning, and environmental, social, and sustainability activities.

The Board believes that its leadership structure supports the Company's governance approach to risk oversight as both the Executive Chairman and the principal executive officer are involved directly in risk management as members of the Company's management team, while the committee chairpersons, in their respective areas, maintain oversight roles as independent members of the Board.

## **Compensation Committee Advisors**

The Compensation Committee has sole authority under its charter to retain compensation consultants and other advisors and to approve such consultants' and advisors' fees and retention terms. The Compensation Committee has retained Korn Ferry to serve as its independent advisor and to provide it with advice and support on executive compensation issues.

The Compensation Committee has reviewed and confirmed the independence of Korn Ferry as the Compensation Committee's compensation consultant. Neither Korn Ferry nor any of its affiliates provides

any services to UNIFI except for services provided to the Compensation Committee. In addition to Korn Ferry, the Compensation Committee has reviewed the independence of each other outside advisor in advance of receiving advice from such advisor.

## **Communications with the Board of Directors**

Shareholders and other interested parties can communicate directly with any of the Company's directors, by sending a written communication to a director at Unifi, Inc. c/o Corporate Secretary, 7201 West Friendly Avenue, Greensboro, North Carolina 27410. Shareholders and other interested parties wishing to communicate with Archibald Cox, Jr., as Lead Independent Director, or with the independent directors as a group may do so by sending a written communication to Mr. Cox at the above address. In addition, any party who has concerns about accounting, internal controls, or auditing matters may contact the Audit Committee directly by sending a written communication to the Chair of the Audit Committee at the above address or by calling toll-free 1-800-514-5265. Such communications may be confidential or anonymous. All such communications are promptly reviewed before being forwarded to the addressee. Any concerns relating to accounting, internal controls, auditing matters, or officer conduct are sent immediately to the Chair of the Audit Committee. UNIFI generally will not forward to directors a shareholder communication that it determines to be primarily commercial in nature, relates to an improper or irrelevant topic, or requests general information about the Company.



## Director Compensation

Pursuant to the Company's Director Compensation Policy, each director who is considered "independent" within the meaning of the Director Independence Standards adopted by the Board of Directors, which incorporate the independence standards of the NYSE rules, receives compensation for his or her service on the Board, while each non-independent director receives no compensation for his or her service as a director. In fiscal 2023, the Company's non-independent directors were Messrs. Ingle and Carey. The following table sets forth the compensation paid to each independent director who served on the Board in fiscal 2023:

**2023 Director Compensation Table**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$)	Total (\$)
Emma S. Battle	30,000	70,000	—	100,000
Francis S. Blake	—	100,000	—	100,000
Archibald Cox, Jr.	—	125,000 <sup>(2)</sup>	—	125,000
Kenneth G. Langone	—	100,000	—	100,000
Suzanne M. Present	—	115,000 <sup>(3)</sup>	—	115,000
Rhonda L. Ramlo	50,000	50,000	—	100,000
Eva T. Zlotnicka	—	110,000 <sup>(4)</sup>	—	110,000

- (1) Represents the grant date fair value of the vested share unit award, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC Topic 718"). Generally, the full grant date fair value is the amount that the Company would expense in the consolidated financial statements over the award's vesting period. For additional information regarding the assumptions made in calculating these amounts, see Note 16 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for fiscal 2023. These amounts reflect the accounting expense and do not correspond to the actual value that will be recognized by the directors.
- (2) In addition to the annual retainer for his service as an independent director in fiscal 2023, Mr. Cox received (i) a \$15,000 annual retainer for his service as Lead Independent Director and (ii) a \$10,000 annual retainer for his service as Chair of the Compensation Committee.
- (3) In addition to the annual retainer for her service as an independent director in fiscal 2023, Ms. Present received a \$15,000 annual retainer for her service as Chair of the Audit Committee.
- (4) In addition to the annual retainer for her service as an independent director in fiscal 2023, Ms. Zlotnicka received a \$10,000 annual retainer for her service as Chair of the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee reviews the form and amount of director compensation and makes recommendations to the Board of Directors for its consideration and approval. The Board revised the Company's Director Compensation Policy effective September 1, 2023. The compensation for UNIFI's independent directors is as follows:

- \$100,000 annual retainer, where up to 50% of such amount is payable (at the director's election) in cash and the remainder of such amount is an equity grant payable in shares of Common Stock;
- \$15,000 annual retainer for the Lead Independent Director, payable (at the director's election) in cash or shares of Common Stock;
- \$15,000 annual retainer for the Chair of the Audit Committee payable (at the director's election) in cash or shares of Common Stock;
- \$10,000 annual retainer for the Chairs of the Compensation Committee and the Corporate Governance and Nominating Committee, payable (at the director's election) in cash or shares of Common Stock;
- beginning in fiscal 2024, \$50,000 annual retainer for the Chair of the Strategy and Finance Committee payable (at the director's election) in cash or shares of Common Stock; and
- reimbursement of reasonable expenses incurred for attending Board and committee meetings.

A director may be issued stock units, in lieu of shares of Common Stock, which would be payable upon the director's cessation of service as a member of the Board. The number of any shares of Common Stock or stock units granted to a director shall be determined based on the fair market value of the Common Stock on the date of the director's election to the Board, and the number of shares of Common Stock underlying any stock option granted to a director shall be determined based on the Black-Scholes value of the Common Stock on the option grant date.

Any independent director who is initially appointed or elected to the Board other than at the annual meeting of shareholders will receive his or her annual retainer calculated on a *pro rata* basis based upon the period between the date of such appointment or election and the anticipated date of the next annual meeting of shareholders.

## Information about our Executive Officers

Set forth below are the names, ages, and professional backgrounds of the Company's executive officers, including all positions and offices with the Company held by each such person and each such person's principal occupation or employment during at least the past five years. Each executive officer of UNIFI is elected by the Board and holds office from the date of election until thereafter removed by the Board.

**Edmund M. Ingle.** Mr. Ingle, age 58, has served as Chief Executive Officer of UNIFI and a member of the Board of Directors since June 2020. From May 2019 to June 2020, he served as Chief Executive Officer of the Recycling group of Indorama Ventures, a world-class chemicals company and a global integrated leader in PET and fibers serving major customers in diversified end-use markets. From May 2018 to May 2019, he was Chairperson and Chief Executive Officer of Indorama's Wellman International division. Prior to that, Mr. Ingle was with UNIFI for approximately 30 years, during which time he held various key leadership positions, including Vice President of Global Corporate Sustainability, Vice President of Supply Chain, General Manager of the Company's Flake and Chip business, Vice President and General Manager of REPREVE® Polymers, General Manager of the Company's Nylon business, and Director of Global Procurement. Additional information about Mr. Ingle can be found under "Proposal 1: Election of Directors—Director Nominees."

**Albert P. Carey.** Mr. Carey, age 72, has served as Executive Chairman of the Board of UNIFI since April 2019 and a member of the Board of Directors since 2018. Mr. Carey previously served as Non-Executive Chairman of the Board of the Company from January 2019 to March 2019. In March 2019, Mr. Carey retired from PepsiCo, Inc., a consumer products company, after a 38-year career with the company during which time he held a number of senior leadership roles, including Chief Executive Officer of PepsiCo North America from March 2016 to January 2019, Chief Executive Officer of PepsiCo North America Beverages from July 2015 to March 2016, Chief Executive Officer of PepsiCo Americas Beverages from September 2011 to July 2015, and President and Chief Executive Officer of Frito-Lay North America from June 2006 to September 2011. Mr. Carey joined PepsiCo in 1981 after spending seven years with The Procter & Gamble Company. Additional information about Mr. Carey can be found under "Proposal 1: Election of Directors—Director Nominees."

**Andrew J. ("A.J.") Eaker.** Mr. Eaker, age 38, has served as Interim Chief Financial Officer of UNIFI since August 2023. Mr. Eaker has served as Treasurer of UNIFI since December 2022 and as a Vice President of UNIFI's primary domestic operating subsidiary since June 2017. Mr. Eaker has held various positions with increasing responsibilities since joining the Company in March 2014, including Vice President of Finance, Corporate Finance Manager, and Assistant Controller. Mr. Eaker is a certified public accountant and began his career in the audit practice of KPMG LLP, where he provided audit and assurance services for public companies from 2009 to 2014.

**Hongjun Ning.** Mr. Ning, age 56, has served as an Executive Vice President of UNIFI since July 2020, President of Unifi Textiles (Suzhou) Co. Ltd. ("UTSC") (UNIFI's subsidiary in China) since March 2020, and President of Unifi Asia Pacific (Hong Kong) Company, Limited ("UAP") (UNIFI's subsidiary in Hong Kong) since June 2017. Previously, he served as Vice President of UTSC from September 2013 to June 2017, Director of Sales & Marketing of UTSC from August 2008 to September 2013, and General Manager, Sales & Marketing of a former UNIFI joint venture in China from January 2006 to August 2008.

**Gregory K. Sigmon.** Mr. Sigmon, age 33, has served as an Executive Officer of UNIFI since July 2022 and as General Counsel and Corporate Secretary of the Company since June 2020. Previously, Mr. Sigmon served as a Vice President of UNIFI from June 2020 to July 2022 and as Assistant General Counsel of the Company from September 2019 to June 2020. Before joining UNIFI, Mr. Sigmon served as an officer in the legal department of BB&T Corporation ("BB&T") in Winston-Salem, North Carolina, where he was a graduate of BB&T's Leadership Development Program and held progressively senior roles from 2015 to 2019, including Vice President from April 2018 to August 2019 when he joined UNIFI. Mr. Sigmon is a member of the North Carolina State Bar.

## Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides an overview of the Company's executive compensation program, including:

- the process the Compensation Committee used to determine compensation and benefits for the following Named Executive Officers ("NEOs") for fiscal 2023:

Edmund M. Ingle	Chief Executive Officer
Albert P. Carey	Executive Chairman
Hongjun Ning	Executive Vice President, President of UTSC, and President of UAP
Gregory K. Sigmon	Executive Officer, General Counsel, and Corporate Secretary
Craig A. Creaturo	Former Executive Vice President & Chief Financial Officer <sup>(1)</sup>
Lucas de Carvalho Rocha	Former Executive Vice President and President of Unifi do Brasil, Ltda. ("UdB") (UNIFI's subsidiary in Brazil) <sup>(2)</sup>

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(1) Mr. Creaturo resigned from his positions with the Company, effective August 25, 2023.

(2) Mr. Rocha retired from his positions with the Company, effective July 31, 2022.

- the material elements of the Company's executive compensation program; and
- the key principles and objectives, including the Company's focus on pay for performance, that guide the Company's executive compensation program.

### Executive Summary

#### *Company Performance Highlights*

The current economic environment and the significant decrease in textile product demand adversely impacted the Company's consolidated sales and profitability in fiscal 2023. In addition to the current economic environment and the inventory destocking measures taken by brands and retailers, the following pressures continued from fiscal 2022 into fiscal 2023: (i) the impact of inflation on consumer spending and the Company's own manufacturing costs, (ii) rising interest rates, (iii) the Russia-Ukraine conflict, and (iv) supply chain volatility. As it pertains to the global business and the Americas Segment in particular, UNIFI will continue to monitor these and other aspects of the current economic environment and work closely with stakeholders to ensure business continuity and liquidity.

The Brazil Segment's results in fiscal 2023 decreased primarily due to the combination of high-priced raw material inventory purchased in the fourth fiscal quarter of 2022 and decreasing market prices in Brazil due to low-cost import competition. The Asia Segment's results in fiscal 2023 decreased primarily due to weaker global demand which resulted in lower sales volumes. The Asia Segment is better able to withstand volatility in product demand due to its asset-light model and the lack of fixed cost absorption that can be unfavorable in times of weaker demand for more asset intensive operations like the Company's Americas and Brazil Segments.

The existing challenges and future uncertainty, particularly for global demand, labor productivity, and potential further inflation, could worsen or continue for prolonged periods, materially impacting the Company's financial performance. The need for future selling price adjustments could impact the Company's ability to retain current customer programs and compete successfully for new programs in certain regions.

### **Executive Compensation Highlights**

As described in greater detail below, the Company believes its executive compensation program should attract top executive talent, follow a pay-for-performance compensation model, and link executive retention to long-term shareholder value. Accordingly, the Company took the following actions during fiscal 2023 with respect to the compensation of its NEOs:

- made no annual incentive compensation payments to the NEOs due to below target Adjusted EBITDA (as hereinafter defined) for fiscal 2023;
- awarded long-term incentives in the form of restricted stock units consistent with past practice; and
- awarded performance share units, the vesting of which is contingent on the Company's financial performance during a three-year performance period, further linking pay to performance.

### **Compensation Philosophy, Principles, and Policies**

The Company's executive compensation philosophy is to:

<b>Attract Top Executive Talent</b>	<b>Follow a Pay-for-Performance Compensation Model</b>	<b>Link Executive Retention to Long-Term Shareholder Value</b>
The Company's executive compensation program should attract high-quality executives who possess the skills and talent necessary to support and achieve the Company's strategic objectives.	Executives should be rewarded for their achievement of near-term and long-term operating performance goals established by the Board.	The Company seeks to promote its executives' loyalty and retention by utilizing a stock ownership policy and other arrangements that further link executive compensation to sustained shareholder value and consistent Company performance.

Therefore, the focus of the Company's executive compensation program and the Compensation Committee is to ensure that an appropriate relationship exists between executive pay and the creation of shareholder value, while at the same time enabling the Company to attract, retain, reward, and motivate talented and experienced executives. The Compensation Committee monitors the results of its executive compensation policy to ensure that compensation payable to executive officers creates proper incentives to enhance shareholder value, rewards superior performance, is justified by returns available to shareholders, and discourages employees from taking unnecessary or excessive risks that could ultimately threaten the value of the Company.

In establishing compensation for the NEOs, the following principles and policies guide the Company's executive compensation decisions:

- set all components of executive compensation so that the Company can continue to attract, retain, reward, and motivate talented and experienced executives;
- ensure alignment of executive compensation with the Company's corporate strategies and business objectives and the long-term interests of shareholders;
- increase the incentive to achieve key strategic and financial performance measures by linking incentive award opportunities to the achievement of performance goals in those areas; and

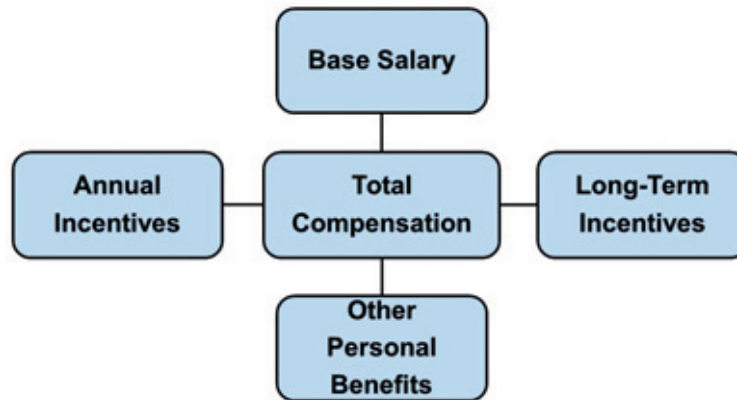
- enhance the NEOs' incentive to increase the Company's long-term value, as well as promote the retention of key personnel, by providing a portion of total compensation opportunities in the form of direct ownership in the Company through stock ownership.

The Compensation Committee reviews and approves all components of the NEOs' compensation. The Compensation Committee also monitors the compensation levels in general for all other senior level employees of the Company. In addition, the Compensation Committee has the discretion to hire compensation and benefits consultants to assist in developing and reviewing overall executive compensation strategies.

<b>What the Company Does</b>	<b>What the Company Doesn't Do</b>
<ul style="list-style-type: none"> <li>• The Company's pay-for-performance philosophy means the majority of executive officer compensation is "at risk" and tied to the creation of shareholder value.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company doesn't discount, reload, or reprice stock option awards.</li> </ul>
<ul style="list-style-type: none"> <li>• The Company's stock ownership guidelines align the interests of the Company's executives with those of its shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company doesn't pay gross-ups for golden parachute excise taxes.</li> </ul>
<ul style="list-style-type: none"> <li>• The Company uses objective financial performance measures in the annual incentive compensation plan closely tied to the Company's business strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company doesn't permit hedging or short selling (profiting if the market price decreases) of UNIFI securities.</li> </ul>
<ul style="list-style-type: none"> <li>• The Company has caps on payouts for annual incentive compensation.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company doesn't design compensation plans that encourage unnecessary or excessive risk.</li> </ul>
<ul style="list-style-type: none"> <li>• The Company has a robust clawback policy for annual and long-term incentive awards.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company doesn't provide guaranteed minimum payouts of annual incentive opportunities.</li> </ul>
<ul style="list-style-type: none"> <li>• The Company has engaged an independent compensation consultant.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company doesn't provide excessive perquisites.</li> </ul>

## Overview of Compensation Components

The Compensation Committee views executive compensation as comprised of four components. A brief description and summary of the objectives for each component follows:



Compensation Component	Description	Objectives
Base Salary	<ul style="list-style-type: none"> <li>Fixed compensation that is reviewed periodically based on performance and changes in job scope and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Provide a base level of compensation that fairly accounts for the job and scope of the role being performed.</li> <li>Attract, retain, reward, and motivate talented and experienced executives.</li> </ul>
Annual Incentives	<ul style="list-style-type: none"> <li>“At-risk” variable compensation earned based on performance measured against pre-established annual goals.</li> </ul>	<ul style="list-style-type: none"> <li>Provide incentives for achieving annual operating goals that ultimately contribute to long-term value for shareholders.</li> </ul>
Long-Term Incentives	<ul style="list-style-type: none"> <li>“At-risk” variable compensation in the form of equity awards, the value of which fluctuates according to shareholder value and that vest based on continued service.</li> <li>Supplemental retirement contributions based on executives’ respective base salaries earned over time, subject to continued service.</li> </ul>	<ul style="list-style-type: none"> <li>Align the economic interests of the Company’s executives with its shareholders by rewarding executives for stock price improvement.</li> <li>Promote retention (through time-based vesting periods).</li> </ul>
Other Personal Benefits	<ul style="list-style-type: none"> <li>Broad-based benefits provided to all of the Company’s employees (e.g., health and group term life insurance, a retirement savings plan, and certain perquisites).</li> </ul>	<ul style="list-style-type: none"> <li>Provide a competitive total compensation package to attract and retain key executives.</li> </ul>

## **Compensation Mix**

Consistent with the philosophy, principles, and policies of the Company's executive compensation program, the program places approximately 60% of total executive compensation "at risk" based on the performance of the Company and the executive through an annual incentive program and equity-based long-term incentive awards. During fiscal 2023, the Company used the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (the "Second Amended 2013 Plan") to provide those equity-based awards. The Company believes the substantial weighting of performance-based compensation encourages its executives to achieve near-term and long-term operating performance goals designed to create or enhance shareholder value.

## **Control by the Compensation Committee**

The Compensation Committee reviews and approves corporate goals and objectives relevant to the compensation of each NEO, evaluates each NEO's performance in light of these goals and objectives (with input from the principal executive officer for NEOs other than the principal executive officer), and sets each NEO's compensation level based on this evaluation and consultation. The Compensation Committee also advises senior management with respect to the range of compensation to be paid to other employees of the Company, administers and makes recommendations to the Board concerning benefit plans for the Company's directors, officers, and employees, and recommends benefit programs and future goals and objectives for the Company.

As in the past, the Compensation Committee continued to consider a wide range of factors in making its fiscal 2023 compensation decisions for the Company's NEOs, including the historical practices of the Company; the individual NEO's leadership and role in advancement of the Company's long-term strategy, plans, and objectives; the individual NEO's performance and contribution to the Company's success; budget guidelines established by the Board; and an assessment of the Company's financial condition. Additionally, the Compensation Committee considered the Company's fiscal 2022 operating and Adjusted EBITDA results, along with the existing economic climate. Based on this information and these factors, the Compensation Committee set executive compensation for fiscal 2023.

During fiscal 2023, the Compensation Committee engaged Korn Ferry as an independent advisor to assist the Compensation Committee with the administration of the Company's executive compensation program. The Compensation Committee does not believe it is appropriate to tie executive compensation directly to the compensation awarded by other companies or to a particular survey or group of surveys. Instead, the Compensation Committee reserves the right to consult with Korn Ferry, as needed, to gain a general understanding of compensation practices and trends of the Company's peer group. The Compensation Committee members use that knowledge as a tool in considering the overall compensation of the Company's executives. No specific compensation decision for any individual was based on or justified by any market comparison reports or information.



## Peer Group

The Compensation Committee periodically compares the Company's compensation practices to those of other companies within its U.S. geographical footprint and industry (or related industries from which UNIFI might seek, or to which UNIFI possibly could lose, management talent). Such comparisons may, from time to time, be done with the assistance of Korn Ferry. The Compensation Committee believes the comparison data provides useful information for the administration of the Company's executive compensation program.

The Compensation Committee evaluates and approves of the peer group of companies each year. For fiscal 2023, the Compensation Committee considered a number of factors and determined to leave the peer group unchanged from fiscal 2022. It consists of the following 10 companies:

- Culp, Inc.
- Delta Apparel, Inc.
- Ethan Allen Interiors Inc.
- Flexsteel Industries, Inc.
- Hooker Furnishings Corporation
- Interface, Inc.
- Lifetime Brands, Inc.
- Oxford Industries, Inc.
- Superior Group of Companies, Inc.
- Vera Bradley, Inc.

The peer group allows the Compensation Committee to monitor the compensation practices of the Company's primary competitors for executive talent. However, the Compensation Committee does not target any specific pay percentile of the peer group for the Company's executive officers. Instead, this information is used to provide a general overview of market practices and trends and to ensure the Compensation Committee makes informed decisions regarding the Company's executive compensation program.

## Detailed Review of Compensation Components

### ***Base Salary***

The Compensation Committee believes in maintaining a close relationship between the Company's performance and the base salary component of the compensation for each NEO. The factors considered by the Compensation Committee in setting the NEOs' base salaries include:

- the executive's leadership and role in advancement of the Company's long-term strategy, plans, and objectives;
- the executive's performance and contribution to the Company's success;
- budget guidelines established by the Board; and
- an assessment of the Company's financial condition.

In addition to reviewing the above factors, the Compensation Committee also believes that strong and effective communication with management helps the Company adhere to its compensation philosophy, principles, and policies. Therefore, the Compensation Committee consults with the principal executive officer and reviews his recommendations regarding the compensation of all NEOs (other than the principal executive officer) before making its final compensation decisions. Periodically, the principal executive officer meets with the other NEOs regarding their performance.

The Compensation Committee made no adjustments to the base salaries of Messrs. Ingle, Carey, Ning, Sigmon, and Creaturo during fiscal 2023, after determining the salaries were appropriate based on their roles.

## ***Annual Incentive Compensation***

Consistent with fiscal 2022, the Compensation Committee used EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), adjusted to exclude certain operating or non-operating income or expense items necessary to understand and compare the underlying results of the Company (“Adjusted EBITDA”), as a performance measure for the annual incentive compensation plan. The Compensation Committee believes that Adjusted EBITDA is an appropriate performance measure for each NEO because it serves as a high-level proxy for cash generated from operations, which is a key performance indicator used by the Board of Directors and management to assess the Company’s operating results generally, and each NEO plays a vital role in the overall success of the Company. In accordance with this belief, the annual incentive compensation for Messrs. Ingle, Sigmon, and Creaturo was based on Adjusted EBITDA for the Company with a 100% weighting and the annual incentive compensation for Mr. Ning was based on Asia Adjusted EBITDA (as defined below).

For fiscal 2023, the Compensation Committee set the Adjusted EBITDA target for the Company at \$70.0 million. The target Adjusted EBITDA level for the Company was based on the Board-approved business plan for fiscal 2023 and represented an increase from the Company’s actual fiscal 2022 Adjusted EBITDA of \$55.2 million. Mr. Ning’s annual incentive compensation was based on an Adjusted EBITDA target of 146.6 million Chinese Renminbi (“RMB”) for the Company’s Asia reporting segment (“Asia Adjusted EBITDA”).

The annual incentive bonus awarded to NEOs may be decreased by the Compensation Committee as a result of the individual’s performance and/or contribution to the Company’s achievement of its financial objectives. Each NEO’s performance, including the principal executive officer’s, is evaluated against specific financial goals prior to the payment of bonuses, and the final bonus payment may be adjusted relative to the achievement of those goals. The performance criteria in the annual incentive compensation plan may be adjusted by either the Compensation Committee or the Board to account for unusual events, such as extraordinary transactions, asset dispositions and purchases, and mergers and acquisitions, if, and to the extent, either the Compensation Committee or the Board considers the effect of such events indicative of the Company’s performance. Additionally, either the Compensation Committee or the Board has the discretion to award additional bonus compensation even if a NEO would not be entitled to any bonus based on the targets previously determined.

For fiscal 2023, the Compensation Committee set annual incentive opportunities, threshold, target, and maximum performance levels, and corresponding potential annual incentive payments to the eligible NEOs (based on percentages of base salary) as set forth in the tables below.

Name <sup>(1)</sup>	Annual Incentive Opportunity (as a % of Base Salary)		
	Threshold	Target	Maximum
Edmund M. Ingle	50.0%	100.0%	150.0%
Hongjun Ning	30.0%	60.0%	100.0%
Gregory K. Sigmon	20.0%	40.0%	80.0%
Craig A. Creaturo	37.5%	75.0%	120.0%

Name <sup>(1)</sup>	Performance Measure	Weight	Target
			Performance
Edmund M. Ingle	Adjusted EBITDA	100.0%	70.0M USD
Hongjun Ning	Asia Adjusted EBITDA	100.0%	146.6M RMB
Gregory K. Sigmon	Adjusted EBITDA	100.0%	70.0M USD
Craig A. Creaturo	Adjusted EBITDA	100.0%	70.0M USD

(1) Mr. Carey did not participate in the Company's annual incentive compensation plan.

The following table shows the threshold, target, and maximum performance levels established by the Compensation Committee for fiscal 2023, as well as the Company's actual performance in fiscal 2023.

Performance Metric	Threshold Performance	Target Performance	Maximum Performance	Actual Fiscal 2023 Performance
Adjusted EBITDA	56.0M USD	70.0M USD	84.0M USD	(4.1)M USD
Asia Adjusted EBITDA	117.3M RMB	146.6M RMB	175.9M RMB	76.4M RMB

The fiscal 2023 Adjusted EBITDA performance shown above reflects the Company's publicly reported results. Adjusted EBITDA is a non-GAAP financial performance measure. A reconciliation of Net loss, which is the most directly comparable GAAP financial measure, to Adjusted EBITDA is presented in Appendix A to this Proxy Statement.

Based on the performance measures established by the Compensation Committee for fiscal 2023 and the Company's actual fiscal 2023 performance (adjusted as described above), none of the NEOs earned an annual incentive compensation award for fiscal 2023.

### **Long-Term Incentive Compensation**

The Compensation Committee believes that stock-based compensation is essential to align the interests of the Company's management and its shareholders in enhancing the long-term value of the Company's equity and to encourage executives to continue their employment with the Company. In prior years, the Compensation Committee awarded an equal blend of incentive stock options and restricted stock units to covered officers (as defined below under "—Officers Stock Ownership Policy") to provide a mix composed of awards whose value depends upon a future increase in the value of the Common Stock (incentive stock options) and awards that serve primarily as a retention or recruitment tool (restricted stock units). Consistent with fiscal 2022, the Compensation Committee again utilized awards of performance share units. The Compensation Committee determined that performance share units create a strong link between pay and performance because their value is based on the Company's financial performance as well as increases in the value of the Common Stock.

Consistent with those determinations, in fiscal 2023, the Compensation Committee awarded performance share units and restricted stock units to the NEOs on November 21, 2022 as shown in the Grants of Plan-Based Awards table.

Covered officers have the opportunity to earn up to 300% of the performance share units included in the awards based on the Company's aggregate Adjusted Earnings per Share for the three-year performance

period beginning with fiscal 2023 and ending with fiscal 2025. The restricted stock units vest 25% 30 days after the first anniversary of the grant date, 25% on the second anniversary of the grant date, and 50% on the third anniversary of the grant date.

### ***Perquisites and Other Benefits***

*Perquisites.* The Compensation Committee's general philosophy is to provide executives, including the NEOs, with only limited perquisites. Therefore, the Company does not provide its NEOs (other than Mr. Ning) with perquisites, such as car allowances, reimbursements for car expenses, or payment of country club dues. In fiscal 2023, Mr. Ning was (i) reimbursed for the cost of rental housing in China, (ii) afforded *de minimis* personal use of Company car services, and (iii) reimbursed for *de minimis* personal tax services.

*Retirement Benefits.* In order to provide employees at all levels with greater incentives, the Company makes available to all U.S.-based employees, including the NEOs, the opportunity to make contributions to the Unifi, Inc. Retirement Savings Plan (the "401(k) Plan"), under which employees may elect to defer up to 75% of their total compensation, not to exceed the amount allowed by applicable Internal Revenue Service regulations. Pursuant to the 401(k) Plan, in fiscal 2023, the Company matched contributions equal to 100% of the employee's first 3% of compensation contributed to the 401(k) Plan and 50% of the next 2% of compensation contributed to the 401(k) Plan.

*Health Plan, Life Insurance, and Other Benefits.* The Company makes available health and insurance benefits to all employees (subject to standard eligibility waiting periods), including the NEOs. The cost of the health plans is covered partially through employee payroll deductions (except for Mr. Ning, who incurs no such payroll deductions), with the remainder covered by the Company. Disability and life insurance benefits are paid by the Company for all salaried employees.

*Deferred Incentive Compensation Plan.* In fiscal 2022, UNIFI established the Unifi, Inc. Deferred Incentive Compensation Plan (the "DCP"). The contributions and earnings credited to the DCP accounts of the NEOs during fiscal 2023 are set forth under "Executive Compensation Tables—Nonqualified Deferred Compensation."

*Employment Agreements.* The Company is party to employment agreements with each of Messrs. Ingle, Carey, Ning, and Sigmon. Each employment agreement (with the exception of Mr. Carey's agreement) provides that the executive will (i) receive an annual base salary at the annual rate set forth in the agreement, (ii) be eligible to receive bonuses and to participate in compensation plans of the Company in accordance with any plan or decision that the Board may determine from time to time, (iii) be paid or reimbursed for business expenses, and (iv) be entitled to participate in other employment benefits generally available to other executives of the Company. Each employment agreement (with the exception of Mr. Carey's agreement) also contains provisions regarding the termination of the executive's employment and related severance obligations. Mr. Carey's employment agreement provides that he will (A) receive an annual base salary at the annual rate set forth in the agreement and (B) be paid or reimbursed for business expenses. Mr. Carey's employment agreement does not provide eligibility to receive bonuses or to participate in compensation plans of the Company or other employment benefits generally available to other executives of the Company, nor does it provide severance benefits. The executives agreed in their employment agreements to neither compete with the Company or its affiliated entities nor solicit their respective customers, suppliers, or employees for the 12 months immediately following termination of employment.

Calculations of the estimated severance payments and benefits payable under the employment agreements are set forth under "Executive Compensation Tables—Potential Payments Upon Termination of Employment or Change in Control."

## **Policy on Executive Officer and Employee Incentive-Based Compensation Recovery**

The Company has a written Incentive-Based Compensation Recovery Policy (the “Clawback Policy”) to address the recovery of incentive-based compensation awarded to or earned by a current or former executive officer if there is a restatement of the Company’s financial results due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement). In the event of a restatement, the Company shall recover, reasonably promptly, Erroneously Awarded Compensation (as defined in the Clawback Policy), in amounts determined pursuant to the Clawback Policy, during the three completed fiscal years of the Company immediately preceding the Accounting Restatement Date (as defined in the Clawback Policy), as well as any transition period (that results from a change in the Company’s fiscal year) within or immediately following those three completed fiscal years. The Company’s obligation to recover Erroneously Awarded Compensation is not dependent on if or when the Company files restated financial statements. Recovery under the Clawback Policy with respect to a current or former executive officer shall not require the finding of any misconduct by such executive officer or such executive officer being found responsible for the accounting error leading to a restatement.

The Policy also addresses the recovery of incentive-based compensation awarded to or earned by any current or former employee if such employee engaged in certain misconduct (e.g., embezzlement, fraud, or theft, or other unethical behavior that harms the Company’s business, reputation, or other employees). In such event, the Board may require (i) reimbursement of compensation granted, earned, or paid under Company annual incentive and long-term incentive cash plans to such employee and (ii) cancellation of outstanding equity awards and reimbursement of any gains realized on the exercise, settlement, or sale of equity awards held by such employee, in either case, which have been granted or paid to or earned or realized by the employee at any time during the three-consecutive-year period ending on the date on which such misconduct is discovered.

## **Officers Stock Ownership Policy**

The Company has adopted an Officers Stock Ownership Policy to enhance the Company’s ongoing objective to align the compensation paid to its officers with the long-term interests of shareholders. The policy applies to any NEO and any person who holds the position of Vice President or higher with the Company, its primary domestic operating subsidiary, and possible other significant operating subsidiaries (“VP-Level Personnel”) (for purposes of the policy, collectively, “covered officers”). The policy provides for a ramp-up period for complying with the expected stock ownership levels, both upon the initial implementation of the policy and thereafter upon each person first becoming a NEO or other covered officer. If a covered officer fails to comply with the stock ownership expectation, the Compensation Committee considers that fact in setting future salary, bonus, or other compensation for the covered officer. The Company tests for compliance with the stock ownership expectation at the end of the fiscal year.

The stock ownership expectation, the calculation of shares of Common Stock counted towards the ownership expectation, and the valuation of shares of Common Stock for purposes of the policy are as set forth below. All covered officers were in compliance with their respective stock ownership expectations under the terms of the policy at the end of fiscal 2023.

Stock Ownership Expectation	Shares of Common Stock Counted Towards Ownership Expectation	Valuation of Shares of Common Stock
<ul style="list-style-type: none"> <li>• CEO: At least three times annual base salary.</li> <li>• Other Executive Officers: At least two times annual base salary.</li> <li>• VP-Level Personnel: At least one times annual base salary.</li> </ul>	<ul style="list-style-type: none"> <li>• Shares of Common Stock owned directly by the officer and shares of Common Stock held indirectly (e.g., by his or her spouse or a trust for the exclusive benefit of one or more such persons).</li> <li>• The in-the-money value (based on the closing market price of the Common Stock on the last day of the Company’s fiscal year) of vested, but unexercised, stock options.</li> <li>• Restricted stock units that have vested or are no longer subject to forfeiture.</li> <li>• Performance share units on a <i>pro rata per annum</i> basis over the performance period at the target award level.</li> </ul>	<ul style="list-style-type: none"> <li>• The average of the daily closing market prices during the fiscal year.</li> </ul>

If an officer falls below the applicable minimum ownership guideline due solely to a decline in the value of the Common Stock, the officer will not be required to acquire additional shares to meet the guideline; however, the officer will be required to retain all shares then held (except for shares withheld to pay withholding taxes or the exercise price of options) until such time that the officer again satisfies the policy’s minimum ownership requirements.

### Tax Impact on Compensation

The Compensation Committee considers the tax and accounting effects of compensation components when designing the Company’s incentive and equity compensation plans. However, the Compensation Committee has not adopted a policy that all compensation must be deductible for federal income tax purposes.

Under Section 162(m) of the Internal Revenue Code of 1986 (the “Code”), as amended by the Tax Cuts and Jobs Act in December 2017, the Company may not deduct compensation in excess of \$1 million paid to “covered individuals” (as defined in Section 162(m)). Therefore, compensation in excess of \$1 million paid to the covered NEOs is not deductible by the Company for federal income tax purposes unless it qualifies for a transition relief provision included in the Tax Cuts and Jobs Act for certain arrangements in place as of November 2, 2017.

## Risk Analysis of Compensation Programs and Practices

While the Company's compensation programs and practices are designed to motivate its employees and encourage performance that improves the Company's financial and other operating results, the Company and the Compensation Committee also seek to design and implement compensation programs and practices that discourage employees from taking unnecessary or excessive risks that could ultimately threaten the value of the Company or otherwise have a material adverse effect on the Company. Management and the Compensation Committee periodically review and assess potential risks associated with the Company's compensation programs and practices. Management and the Compensation Committee believe that the Company's incentive compensation programs and practices are appropriately balanced between value created indirectly by the performance of the Common Stock and payments resulting from the achievement of specific financial performance objectives, so as to minimize the likelihood of unnecessary or excessive risk-taking by Company employees. Management and the Compensation Committee have concluded that any risks from such programs and practices are not reasonably likely to have a material adverse effect on the Company. The Compensation Committee reached its conclusion after considering a number of features of the Company's compensation structure that are designed to mitigate risk, such as:

- The Company uses a balance of fixed and variable compensation in the form of cash and equity, which is designed to provide both near-term and long-term focus.
- The overall compensation of the Company's NEOs is not overly weighted towards the achievement of performance criteria in a particular fiscal year, and an appropriate portion of compensation is awarded in the form of equity awards that vest over a multi-year period, subject to continued service by the recipient. This further aligns the interests of the NEOs to long-term shareholder value and helps retain management.
- Payouts under the Company's annual incentive compensation and other long-term incentive plans are based on performance criteria that the Compensation Committee believes to be challenging, yet reasonable and attainable without excessive risk-taking.
- The Company caps payouts from its annual incentive compensation plan.
- The Compensation Committee has adopted the Clawback Policy, which requires the Company to recover certain compensation from a current or former executive officer in the event of a restatement of the Company's financial results due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement). The Clawback Policy also allows the Company to recover certain compensation from a current or former employee in the event of certain fraud or other misconduct by the employee.
- The Company has a stock ownership policy under which its NEOs and other key personnel are expected to own a significant amount of Common Stock, further aligning their interests with those of the Company's other shareholders.
- The Compensation Committee maintains an open dialogue with management regarding executive compensation programs and practices and the appropriate incentives to use in achieving near-term and long-term operating performance goals.

## Shareholder Say-on-Pay Vote

At the 2022 Annual Meeting, the Company's shareholders had the opportunity to vote, on an advisory basis, on a proposal to approve the compensation of the NEOs for fiscal 2022. This is referred to as a "say-on-pay" proposal. Approximately 99% of the votes cast at the 2022 Annual Meeting on the say-on-pay proposal were voted in favor of the proposal. The Compensation Committee believes this vote result reflects robust concurrence by the Company's shareholders with the Company's philosophy and approach to executive compensation. Additionally, management will continue to have open, transparent communications with the investment community throughout fiscal 2024. At the Annual Meeting, the Company's shareholders will have the opportunity to indicate their views on the Company's NEO compensation for fiscal 2023. For additional information, see "Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation." The Compensation Committee and the Board will continue to consider the vote results for say-on-pay proposals in future years when making compensation decisions for the Company's NEOs.

At the Annual Meeting, the Company's shareholders will also have the opportunity to vote, on an advisory basis, on whether future advisory say-on-pay votes should occur every one, two, or three years. For additional information, see "Proposal 3: Advisory Vote on the Frequency of Future Advisory Votes to Approve Named Executive Officer Compensation." The Compensation Committee and the Board will consider the results of the advisory vote on the frequency of future say-on-pay votes in determining how often say-on-pay votes will be conducted in the future.



## Executive Compensation Tables

The following tables, narratives, and footnotes describe the total compensation and benefits for the NEOs.

### Summary Compensation Table

Name	Position	Year	Salary (\$)	Bonus \$( <sup>(1)</sup> )	Stock Awards \$( <sup>(2)</sup> )	Option Awards \$( <sup>(2)</sup> )	Non-Equity Incentive Plan Compensation \$( <sup>(3)</sup> )	All Other Compensation \$( <sup>(4)</sup> )	Total (\$)
Edmund M. Ingle	Chief Executive Officer	2023	775,000	—	387,500	—	—	82,210	1,244,710
		2022	787,981	—	387,500	—	357,408	84,977	1,617,866
		2021	675,000	—	—	—	1,012,500	60,873	1,748,373
Albert P. Carey	Executive Chairman	2023	700,000	—	350,000	—	—	—	1,050,000
		2022	713,462	—	350,000	—	—	—	1,063,462
		2021	700,000	—	350,000	350,000	—	—	1,400,000
Hongjun Ning	EVP, President of UTSC, and President of UAP	2023	375,000	—	187,500	—	—	184,025	746,525
		2022	343,077	75,000	170,000	—	257,720	133,005	978,802
		2021	320,000	—	160,000	—	320,000	76,812	876,812
Gregory K. Sigmon	Executive Officer, General Counsel, and Corporate Secretary	2023	246,000	—	35,000	—	—	29,251	310,251
Craig A. Creaturo	Former EVP and Chief Financial Officer	2023	520,000	—	140,000	—	—	60,082	720,082
		2022	529,231	—	130,000	—	180,009	60,741	899,981
		2021	480,000	—	120,000	120,000	576,000	57,303	1,353,303
Lucas de Carvalho Rocha	Former EVP and President of UdB	2023	125,699	—	—	—	—	531,328	657,027
		2022	226,277	97,304	—	—	189,229	23,997	536,807
		2021	202,635	20,083	130,000	—	191,333	22,910	566,961

- (1) Amounts represent the payment of a retention bonus of \$75,000 in fiscal 2022 to both of Messrs. Ning and Rocha, pursuant to retention bonus agreements entered into in July 2018, prior to their becoming executive officers of the Company. The bonus amount for Mr. Rocha in fiscal 2022 also includes a bonus of \$22,304 paid for achievement of a selling, general, and administrative target established with the textile industry union under Brazilian law.
- (2) Amounts reflect the grant date fair value computed in accordance with FASB ASC Topic 718, related to stock and option awards granted in the fiscal year noted. See Note 16 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for fiscal 2023 for more information about the determination of the grant date fair value of equity awards.
- (3) Amounts are attributable to cash payments earned under the annual incentive compensation plan for the applicable fiscal year, as described above under "Compensation Discussion and Analysis" with respect to the fiscal years noted.

(4) All Other Compensation for each of the NEOs for fiscal 2023 consists of the following:

	Edmund M. Ingle	Hongjun Ning	Gregory K. Sigmon	Craig A. Creaturo	Lucas de Carvalho Rocha
Life Insurance (\$)	6,192	3,431	169	2,732	—
Company Matching Contribution to 401(k) Plan (\$)	10,143	14,550	9,872	13,150	—
Company Contribution to DCP (\$)	65,875	30,044	19,210	44,200	—
Company Paid Housing (\$) <sup>(a)</sup>	—	48,000	—	—	—
Expatriot Subsidy (\$) <sup>(b)</sup>	—	57,000	—	—	—
Certain Tax Payments (\$) <sup>(c)</sup>	—	31,000	—	—	—
Local Government-Mandated Retirement Payment (\$) <sup>(d)</sup>	—	—	—	—	264,267
Consideration for Non-Compete Agreement (\$) <sup>(e)</sup>	—	—	—	—	267,061
<b>Total (\$)</b>	<b>82,210</b>	<b>184,025</b>	<b>29,251</b>	<b>60,082</b>	<b>531,328</b>

- (a) In connection with performing various duties outside of the United States, Mr. Ning was reimbursed for the cost of rental housing in China. In addition, Mr. Ning received reimbursement for the cost of personal tax services and was afforded personal use of Company car services, the cost of which, in both cases, was *de minimis*.
- (b) In fiscal 2023, the Company received on behalf of, and remitted via local payroll to, Mr. Ning, a \$57,000 incentive payment from the Suzhou Municipal People's Government to encourage U.S. citizens to conduct their work primarily in the Jiangsu province.
- (c) In fiscal 2023, the Company made certain tax extension payments on behalf of Mr. Ning to accommodate certain dual-country tax reporting and compliance requirements.
- (d) In connection with his retirement in fiscal 2023, Mr. Rocha received \$264,267 from a government-mandated employee social fund into which UdB made payments on Mr. Rocha's behalf while he was employed by the Company. Such payments were made pursuant to Brazilian law and not at the discretion of the Compensation Committee.
- (e) Represents payments to Mr. Rocha in consideration for his agreement to not compete with the Company for a period of 12 months following his retirement. Such payments ensured the enforceability of Mr. Rocha's non-competition under Brazilian law.

## Grants of Plan-Based Awards

Name	Grant Type	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (\$) <sup>(1)</sup>			Estimated Possible Payouts Under Equity Incentive Plan Awards (#) <sup>(2)</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>(3)</sup>	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$ / Share)	Grant Date Fair Value of Stock and Option Awards (\$)
			Threshold	Target	Maximum	Threshold	Target	Maximum				
Edmund M. Ingle	Annual Cash Incentive		387,500	775,000	1,162,500							
	Restricted Stock Units Performance Share Units	11/21/2022				22,998	45,996	137,988	45,996	—	—	387,500
Albert P. Carey	Restricted Stock Units Performance Share Units	11/21/2022							41,544	—	—	350,000
		11/21/2022				20,772	41,544	124,632	—	—	—	350,000
Hongjun Ning	Annual Cash Incentive		112,500	225,000	375,000							
	Restricted Stock Units <sup>(4)</sup>	11/21/2022							22,256	—	—	187,500
Gregory K. Sigmon	Annual Cash Incentive		49,200	98,400	196,800							
	Restricted Stock Units Performance Share Units	11/21/2022				2,078	4,156	12,468	4,156	—	—	35,000
Craig A. Creaturo	Annual Cash Incentive		195,000	390,000	624,000							
	Restricted Stock Units Performance Share Units	11/21/2022				8,310	16,620	49,860	16,620	—	—	140,000

- (1) Represents the threshold, target, and maximum payments the NEOs were eligible to earn pursuant to the fiscal 2023 annual incentive compensation plan. Payment amounts for any NEOs who serve less than the full fiscal year are prorated in accordance with each such NEO's employment during the fiscal year. The fiscal 2023 annual incentive compensation plan, including the threshold, target, and maximum payout amounts for each of the NEOs, the performance measures, weightings, and target performance levels, and the Company's performance for fiscal 2023 are described under "Compensation Discussion and Analysis—Detailed Review of Compensation Components—Annual Incentive Compensation." The annual incentive compensation awards earned by the NEOs for fiscal 2023 are reported in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.
- (2) Represents the threshold, target, and maximum payouts the NEOs were eligible to earn pursuant to performance share unit awards granted under the Second Amended 2013 Plan during fiscal 2023. Consistent with the vesting provisions of each performance share unit, between 50% and 300% of the performance share units will become vested, if at all, on the date that the associated performance metric is achieved and will be converted into shares of Common Stock.
- (3) Represents restricted stock units granted to the NEOs pursuant to the Second Amended 2013 Plan during fiscal 2023. The restricted stock units vest 25% 30 days after the first anniversary of the grant date, 25% on the second anniversary of the grant date, and 50% on the third anniversary of the grant date, except as otherwise described herein.
- (4) The restricted stock units granted to Mr. Ning vest over a three-year period, with 25% vesting on the first anniversary of the grant date, 25% vesting on the second anniversary of the grant date, and 50% vesting on the third anniversary of the grant date, and, pursuant to the terms of the grant, will be settled in cash within 30 days following the applicable vesting date.

## Outstanding Equity Awards at Fiscal Year-End

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#) <sup>(1)</sup>	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested (\$) <sup>(2)</sup>
Edmund M. Ingle	60,000	—	13.23	6/15/2030	—	—	—	—
	—	—	—	—	58,209 <sup>(3)</sup>	469,747	—	—
	—	—	—	—	62,280 <sup>(4)</sup>	—	31,140	251,300
Albert P. Carey	32,894	—	21.02	1/29/2029	—	—	—	—
	100,000	—	11.74	5/1/2030	—	—	—	—
	100,000	—	11.74	5/1/2030	—	—	—	—
	—	100,000	11.74	5/1/2030 <sup>(5)</sup>	—	—	—	—
	—	233,000	11.74	5/1/2030 <sup>(6)</sup>	—	—	—	—
	12,963	38,889	15.10	10/29/2030 <sup>(7)</sup>	—	—	—	—
	—	—	—	—	65,053 <sup>(8)</sup>	524,978	—	—
	—	—	—	—	57,436 <sup>(9)</sup>	—	28,718	231,754
Hongjun Ning	5,000	—	29.09	10/26/2026	—	—	—	—
	—	—	—	—	32,644 <sup>(10)</sup>	263,437	—	—
Gregory K. Sigmon	1,668	1,668	15.91	10/28/2030 <sup>(11)</sup>	—	—	—	—
	—	—	—	—	5,596 <sup>(12)</sup>	45,160	—	—
	—	—	—	—	5,132 <sup>(9)</sup>	—	2,566	20,708
Craig A. Creaturo	15,000	—	20.55	9/9/2029	—	—	—	—
	8,890	8,890	15.91	10/28/2030 <sup>(13)</sup>	—	—	—	—
	—	—	—	—	24,490 <sup>(14)</sup>	197,634	—	—
	—	—	—	—	22,084 <sup>(9)</sup>	—	11,042	89,109

- (1) The number of unearned performance share units in this column equals the threshold number of performance share units that may be earned by the NEOs for the three-year performance periods ending June 30, 2024 and June 29, 2025, as applicable. The performance share units are earned by UNIFI's achieving a cumulative three-year earnings per share metric, adjusted to exclude (i) certain amounts that are less indicative of underlying business performance and (ii) the impact of share repurchases. As of July 2, 2023, the Company's performance for each cumulative metric established under two such grants was below the threshold level of performance. Therefore, the shares presented in this column represent threshold achievement.
- (2) The dollar value presented in this column represents the number of performance share units reflected in the "Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested" column multiplied by the closing market price of the Common Stock on June 30, 2023, which was the last trading day of fiscal 2023. The amounts shown are not necessarily indicative of the amounts that may actually be realized by the NEOs. The actual amounts realized will be based on UNIFI's earnings per share achievement over the respective three-year performance period and the market value of the Common Stock when the performance share units are earned and vested, if at all.
- (3) Represents the unvested portion of (i) 16,284 restricted stock units granted on October 26, 2021, with 25% vested on November 25, 2022, 25% scheduled to vest on October 26, 2023, and 50% scheduled to vest on October 26, 2024, and (ii) 45,996 restricted stock units granted on November 21, 2022, with 25% scheduled to vest on December 21, 2023, 25% scheduled to vest on November 21, 2024, and 50% scheduled to vest on November 21, 2025, contingent upon Mr. Ingle's continued service through the applicable vesting date.
- (4) Represents (i) performance share units granted on October 26, 2021 that vest on the attainment of specified financial performance goals over a period of fiscal years 2022 through 2024, and (ii) performance share units granted on November 21, 2022 that vest on the attainment of specified financial performance goals over a period of fiscal years 2023 through 2025. As of July 2, 2023, these awards were not expected to vest.
- (5) Represents stock options granted on May 1, 2020, which are scheduled to vest between May 1, 2024 and May 1, 2025, if the closing market price of the Common Stock is (i) \$40 or more per share for any 10 consecutive trading days before May 1, 2024, or (ii) \$50 or more per share for any 10 consecutive trading days after May 1, 2024 and before May 1, 2025, contingent upon Mr. Carey's continued service through the vesting date.

- (6) Represents stock options granted on May 1, 2020, which are scheduled to vest on May 1, 2025, if the closing market price of the Common Stock is \$50 or more per share for any 10 consecutive trading days before May 1, 2025, contingent upon Mr. Carey's continued service through the vesting date.
- (7) Represents stock options granted on October 29, 2020, with 25% vested on October 29, 2021, 25% vested on October 29, 2022, and 50% scheduled to vest on October 29, 2023, contingent upon Mr. Carey's continued service through the vesting date.
- (8) Represents the unvested portion of (i) 23,180 restricted stock units granted on October 29, 2020, with 25% vested on November 28, 2021, 25% vested on October 29, 2022, and 50% scheduled to vest on October 29, 2023, (ii) 15,892 restricted stock units granted on October 27, 2021, with 25% vested on November 26, 2022, 25% scheduled to vest on October 27, 2023, and 50% scheduled to vest on October 27, 2024, and (iii) 41,544 restricted stock units granted on November 21, 2022, with 25% scheduled to vest on December 21, 2023, 25% scheduled to vest on November 21, 2024, and 50% scheduled to vest on November 21, 2025, contingent upon Mr. Carey's continued service through the applicable vesting date.
- (9) Represents (i) performance share units granted on October 26, 2021 that vest on the attainment of specified financial performance goals over a period of fiscal years 2022 through 2024, and (ii) performance share units granted on November 21, 2022 that vest on the attainment of specified financial performance goals over a period of fiscal years 2023 through 2025. As of July 2, 2023, these awards were not expected to vest.
- (10) Represents the unvested portion of cash-settled restricted stock units granted on various dates. The unvested cash-settled restricted stock units would become vested as follows, contingent upon Mr. Ning's continued service through the applicable vesting date: 1,786 on October 26, 2023, 5,030 on October 28, 2023, 5,564 on November 21, 2023, 3,572 on October 26, 2024, 5,564 on November 21, 2024, and 11,128 on November 21, 2025.
- (11) Represents stock options granted on October 28, 2020, with 25% vested on October 28, 2021, 25% vested on October 28, 2022, and 50% scheduled to vest on October 28, 2023, contingent upon Mr. Sigmon's continued service through the applicable vesting date.
- (12) Represents the unvested portion of (i) 1,416 restricted stock units granted on October 28, 2020, with 25% vested on November 27, 2021, 25% vested on October 28, 2022, and 50% scheduled to vest on October 28, 2023, (ii) 976 restricted stock units granted on October 26, 2021, with 25% vested on November 25, 2022, 25% scheduled to vest on October 26, 2023, and 50% scheduled to vest on October 26, 2024, and (iii) 4,156 restricted stock units granted on November 21, 2022, with 25% scheduled to vest on December 21, 2023, 25% scheduled to vest on November 21, 2024, and 50% scheduled to vest on November 21, 2025, contingent upon Mr. Sigmon's continued service through the vesting date.
- (13) Represents stock options granted on October 28, 2020, with 25% vested on October 28, 2021, 25% vested on October 28, 2022, and 50% scheduled to vest on October 28, 2023. Mr. Creaturo forfeited the unvested options upon his resignation from the Company, effective August 25, 2023.
- (14) Represents the unvested portion of (i) 7,544 restricted stock units granted on October 28, 2020, with 25% vested on November 27, 2021, 25% vested on October 28, 2022, and 50% scheduled to vest on October 28, 2023, (ii) 5,464 restricted stock units granted on October 26, 2021, with 25% vested on November 25, 2022, 25% scheduled to vest on October 26, 2023, and 50% scheduled to vest on October 26, 2024, and (iii) 16,620 restricted stock units granted on November 21, 2022, with 25% scheduled to vest on December 21, 2023, 25% scheduled to vest on November 21, 2024, and 50% scheduled to vest on November 21, 2025. Mr. Creaturo forfeited the unvested restricted stock units upon his resignation from the Company, effective August 25, 2023.

## Option Exercises and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) <sup>(1)</sup>	Value Realized on Vesting (\$) <sup>(2)</sup>
Edmund M. Ingle	—	—	25,330	184,909
Hongjun Ning	—	—	5,855	51,611 <sup>(3)</sup>
Gregory K. Sigmon	—	—	598	5,254
Craig A. Creaturo	—	—	13,252	140,275
Lucas de Carvalho Rocha	—	—	3,597	49,854 <sup>(3)</sup>

- (1) Shares included in this column represent restricted stock units that vested during fiscal 2023.
- (2) Calculated based on the market price of the shares of Common Stock underlying the restricted stock units, which was computed as the average of the high and low trading prices on the vesting date.
- (3) Represents the cash payments received upon the vesting of cash-settled restricted stock units, which, for Mr. Rocha, includes certain awards receiving accelerated vesting in connection with his retirement.

## Nonqualified Deferred Compensation

The Company provides additional retirement benefits to a select group of highly compensated employees, including each of its NEOs (with the exception of Mr. Carey, who does not participate in the DCP). On an annual basis, the Company credits to each participant's account an amount equal to 8.5% for executive officers or 5.5% for non-executive officers. Each participant is 100% vested in the participant's account and is able to allocate such funds into any of a variety of investment instruments offered by the plan administrator. Participants are not entitled to a distribution of employer credits until their termination of employment with the Company, at which time they must wait six months to receive a lump-sum payment equal to the balance of their respective accounts. If a participant's termination is due to death or disability, this six-month delay period is waived.

Name	Executive Contributions in Last Fiscal Year (\$) <sup>(1)</sup>	Company Contributions in Last Fiscal Year (\$) <sup>(2)</sup>	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals and/or Distributions (\$) <sup>(3)</sup>	Aggregate Balance at Last Fiscal Year-End (\$)
Edmund M. Ingle	—	65,875	18,420	—	158,529
Hongjun Ning	257,720	30,044	15,628	—	435,334
Gregory K. Sigmon	—	19,210	4,646	—	40,160
Craig A. Creaturo	54,003	44,200	24,348	—	213,025
Lucas de Carvalho Rocha	—	—	6,551	(378,008)	—

- (1) Amounts represent contributions to the DCP by the NEOs during fiscal 2023. These amounts include portions of the bonus earned for fiscal 2022 and elected for deferral in accordance with the provisions of the DCP.
- (2) Amounts represent Company contributions to the DCP on behalf of the NEOs during fiscal 2023. These amounts are reported in the "All Other Compensation" column of the Summary Compensation Table.
- (3) Amount represents the distribution to Mr. Rocha following his retirement, effective July 31, 2022.

## Potential Payments Upon Termination of Employment or Change in Control

*Employment Agreements.* Each of Messrs. Ingle, Carey, Ning, and Sigmon is party to an employment agreement with the Company. Mr. Carey's employment agreement does not contain the provisions described in this section. Each employment agreement contains provisions regarding the termination of the executive's employment and related severance obligations. If the Company terminates any of the foregoing executives for "Cause" or any of them resigns without "Good Reason" (as each term is defined in the respective employment agreement), the Company will pay the executive all accrued and unpaid base salary and any accrued and unpaid benefits through the date of termination, after which the Company will have no further obligation under the employment agreement. If the employment of any of the foregoing executives terminates due to his death or "Disability" (as defined in the respective employment agreement), he or his estate will receive all accrued and unpaid base salary and any accrued and unpaid benefits through the date of termination, after which all right to benefits will terminate and the Company will have no further obligation under the employment agreement. If the employment of any of the foregoing executives is terminated for any reason other than death, Disability, or Cause, or any of the executives resigns with Good Reason, he will be entitled to (i) cash severance payments equal to 12 months of his annual base salary at the time of termination, payable in equal monthly installments, and (ii) if he elects COBRA continuation coverage, reimbursement for the monthly cost of such continuation coverage for medical and health insurance benefits until the earlier of (A) the date he ceases to maintain such continuation coverage in effect or (B) 12 months from the termination of employment. The foregoing severance benefits are subject to the executive entering into and not revoking a release of claims in favor of the Company and its affiliated entities. The severance benefits payable upon termination for any reason other than death, Disability, or Cause, or resignation with Good Reason, also are subject to the executive abiding by certain restrictive covenants. Additionally, upon the death or Disability of any of the foregoing executives or a "Change of Control" (as defined in the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan (the "Amended 2013 Plan") and the Second Amended 2013 Plan), all outstanding unvested equity awards issued to the executive by the Company shall vest in full.

In connection with his retirement, effective July 31, 2022, Mr. Rocha is no longer (i) party to an employment agreement with the Company or (ii) eligible for potential payments upon the termination of his employment or a Change of Control of the Company. Further, in connection with his resignation, effective August 25, 2023, Mr. Creaturo is no longer (i) party to an employment agreement with the Company or (ii) eligible for potential payments upon the termination of his employment or a Change of Control of the Company.

*Outstanding Equity Awards.* Upon a "Change of Control" or a "Change in Control" of the Company (as either term is defined in the Company's incentive compensation plans), all outstanding stock options and other stock awards under the plans will become fully vested and/or will be immediately exercisable.

The Company's NEOs may also become vested in restricted stock units and certain stock options that vest based on continued service with the Company, including the stock options granted to them in fiscal 2021, upon a termination of employment due to death or Disability. All of the Company's unvested restricted stock unit awards granted to NEOs provide for accelerated vesting of all unvested restricted stock units upon the Company's termination of a NEO's employment without Cause after the NEO has attained age 65. In addition, a *pro rata* portion of the performance share units that would have been earned based on the Company's performance during the applicable performance period will be earned and become vested if a NEO's employment terminates before the end of the performance period due to death or Disability or the Company's termination of the NEO's employment without Cause after the NEO has attained age 65.

*Hypothetical Payments Table.* The table below summarizes the potential severance payments and benefits payable to each applicable executive under his respective employment agreement and the value of the accelerated vesting of all of the executive's equity awards upon a Change of Control or a Change in Control of the Company as of June 30, 2023, the last business day of fiscal 2023.

Name	Type of Payment or Benefit	Change of Control (\$)	Termination Without Cause or Resignation for Good Reason (\$)	Termination Without Cause After Attaining Age 65 (\$)	Termination Due to Death or Disability (\$)	Termination Due to Approved Retirement (\$)	Termination Without Cause or Resignation for Good Reason After a Change of Control (\$) <sup>(1)</sup>
Edmund M. Ingle	Severance and Benefit Continuation <sup>(2)</sup>	—	802,071	—	—	—	802,071
	Accelerated Equity Awards <sup>(3)(4)</sup>	469,747	—	469,747	469,747	—	469,747
	<b>Total</b>	<b>469,747</b>	<b>802,071</b>	<b>469,747</b>	<b>469,747</b>	<b>—</b>	<b>1,271,818</b>
Albert P. Carey	Accelerated Equity Awards <sup>(3)(4)</sup>	524,978	—	524,978	524,978	—	524,978
Hongjun Ning	Severance and Benefit Continuation <sup>(2)</sup>	—	432,672	—	—	—	432,672
	Accelerated Equity Awards <sup>(3)(4)</sup>	263,437	—	263,437	263,437	—	263,437
	<b>Total</b>	<b>263,437</b>	<b>432,672</b>	<b>263,437</b>	<b>263,437</b>	<b>—</b>	<b>696,109</b>
Gregory K. Sigmon	Severance and Benefit Continuation <sup>(2)</sup>	—	253,896	—	—	—	253,896
	Accelerated Equity Awards <sup>(3)(4)</sup>	45,160	—	45,160	45,160	—	45,160
	<b>Total</b>	<b>45,160</b>	<b>253,896</b>	<b>45,160</b>	<b>45,160</b>	<b>—</b>	<b>299,056</b>

- (1) Amounts shown assume the Company experienced a Change of Control and the executive was terminated without Cause or resigned with Good Reason on June 30, 2023.
- (2) Consists of severance benefits and health and welfare benefits. Health and welfare benefits represent the aggregate estimated net cost to the Company for reimbursement of the cost of 12 months of COBRA continued medical coverage provided under the employment agreement between the Company and each of Messrs. Ingle, Ning, and Sigmon.
- (3) As described above, all unvested stock options and restricted stock units will become vested upon a Change of Control of the Company. In addition, upon an executive's termination of employment due to approved retirement, the unvested stock options that vest solely based on the executive's continued service ("time-based options") are subject to accelerated vesting; upon an executive's termination of employment due to death or Disability, all unvested time-based options and all unvested restricted stock units are subject to accelerated vesting; and upon an executive's termination of employment without Cause after specified dates, all unvested restricted stock units are subject to accelerated vesting.
- (4) For purposes of this table, it is assumed that: (i) all vested stock options were exercised on June 30, 2023 and the aggregate value of such vested stock options was calculated by multiplying the number of stock options by the difference between the exercise price of the stock options and the closing market price of the Common Stock on June 30, 2023; and (ii) as of the date of termination or Change of Control, as applicable, each vested restricted stock unit was converted into one share of Common Stock and the aggregate value of such vested restricted stock units was calculated by multiplying the number of restricted stock units by the closing market price of the Common Stock on June 30, 2023.



## Pay Ratio Disclosure

The SEC rules require the Company to disclose annually (i) the median annual total compensation of all employees of the Company (excluding the Company's principal executive officer); (ii) the annual total compensation of the Company's principal executive officer; and (iii) the ratio of the Company's principal executive officer's annual total compensation to the median annual total compensation of all employees (excluding the Company's principal executive officer).

Based on the methodology and material assumptions described below, the Company has estimated these amounts to be as follows:

Median annual total compensation of all employees (excluding Mr. Ingle)	\$	43,042
Annual total compensation of Mr. Ingle	\$	1,244,710
Ratio of Mr. Ingle's annual total compensation to the median annual total compensation of all other employees		29:1

For fiscal 2023, the Company used the same median employee identified in fiscal 2021 to determine the median annual total compensation of all employees (excluding the Company's principal executive officer). To determine the median employee in fiscal 2021, the Company compiled a list of all employees (excluding the Company's principal executive officer) as of June 2, 2021, sorted the list of employees by their gross cash compensation for the period from June 28, 2020 through June 27, 2021, and selected the employee with the median gross cash compensation amount. The Company annualized the gross cash compensation of any employee who was not employed for the entire period from June 28, 2020 through June 27, 2021. The gross cash compensation amounts did not include the value of Company-provided benefits, such as retirement and medical and life insurance benefits. As of June 2, 2021, the Company employed 2,943 persons, of which 888 employees were employed outside of the United States. The compensation of employees in foreign countries was converted to an equivalent U.S. dollar amount using foreign exchange rates averaged over the 12-month period ended December 31, 2020.

The annual total compensation of the Company's principal executive officer is the total amount of his compensation presented in the Summary Compensation Table. The Company calculated the annual total compensation of the median employee using the same rules applicable to the completion of the Summary Compensation Table for the principal executive officer and the other NEOs.

## **Pay Versus Performance Disclosure**

The following disclosure regarding executive “compensation actually paid” (“CAP”) and certain Company and peer group financial performance measures for the fiscal years listed below is provided in accordance with rules adopted by the SEC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Please refer to the “Compensation Discussion and Analysis” section for a complete description of how executive compensation relates to Company performance and how the Compensation Committee makes its decisions.

Fiscal Year	Summary Compensation Table Total for PEO (\$) <sup>(1)</sup>	Compensation Actually Paid to PEO (\$) <sup>(1)(2)(3)</sup>	Average Summary Compensation Table Total for Non-PEO NEOs (\$) <sup>(4)</sup>	Average Compensation Actually Paid to Non-PEO NEOs (\$) <sup>(2)(3)(4)</sup>	Value of Initial Fixed \$100 Investment Based on:		Company Net (Loss) Income (\$) (in thousands)	Adjusted EBITDA (\$) (in thousands)
					Total Shareholder Return (%) <sup>(5)</sup>	Peer Group Total Shareholder Return (%) <sup>(6)</sup>		
2023	1,244,710	824,527	696,777	273,051	25.60	117.23	(46,344)	(4,085)
2022	1,617,866	613,314	869,763	90,814	44.48	109.53	15,171	55,190
2021	1,748,373	3,040,666	1,198,197	2,145,892	78.52	132.92	29,073	64,643

- (1) The Principal Executive Officer, or PEO, for each of the years listed is Edmund M. Ingle.
- (2) The dollar amounts reported in the CAP columns have been calculated in accordance with Item 402(v) of Regulation S-K and do not reflect compensation actually earned, realized, or received by the NEOs. These amounts reflect the amounts set forth in the "Total" column of the Summary Compensation Table for each fiscal year presented, with certain adjustments as described in the table below, in accordance with the requirements of Item 402(v) of Regulation S-K.
- (3) Stock option grant date fair values are calculated based on the Black-Scholes option pricing model as of the grant date; adjustments have been made using stock option fair values as of each measurement date using the stock price as of the measurement date and updated assumptions as of the measurement date. Performance share unit grant date fair values are calculated based on the probable outcome of the performance condition and the fair value of the stock price on the grant date; adjustments have been made based on the probable outcome of the performance condition and the stock price as of the measurement date. Restricted stock unit grant date fair values are calculated using the stock price as of the grant date; adjustments have been made using the stock price as of the fiscal year end and as of each vesting date.
- (4) Information regarding non-PEO NEOs reflects the average Summary Compensation Table total compensation and average CAP for the following executives by fiscal year:  
2023: Albert P. Carey, Hongjun Ning, Gregory K. Sigmon, Craig A. Creaturo, and Lucas de Carvalho Rocha;  
2022: Albert P. Carey, Craig A. Creaturo, Hongjun Ning, and Lucas de Carvalho Rocha; and  
2021: Thomas H. Caudle, Jr., Albert P. Carey, Craig A. Creaturo, and Hongjun Ning.
- (5) Total shareholder return ("TSR") is calculated based on the value of an initial fixed investment of \$100 in the Common Stock on June 22, 2018, assuming reinvestment of dividends.
- (6) Peer group TSR is calculated based on the value of an initial fixed investment of \$100 in the S&P SmallCap 600 Index on June 22, 2018, assuming reinvestment of dividends. The S&P SmallCap 600 Index was the peer group used by UNIFI for purposes of Item 201(e) of Regulation S-K in the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2023.

	PEO			Average Non-PEO NEOs		
	2023 (\$)	2022 (\$)	2021 (\$)	2023 (\$)	2022 (\$)	2021 (\$)
Total Compensation from Summary Compensation Table	1,244,710	1,617,866	1,748,373	696,777	869,763	1,198,197
Adjustment for Equity Awards:						
Grant date values in the Summary Compensation Table	(387,500)	(387,500)	—	(142,500)	(162,500)	(275,000)
Year-end fair value of unvested awards granted in the current year	376,477	229,604	—	138,451	100,463	511,010
Year-over-year difference of year-end fair values for unvested awards granted in prior years	(72,240)	(549,678)	1,139,756	(280,639)	(687,937)	587,118
Fair values at vest date for awards granted and vested in the current year	—	—	—	—	—	—
Difference in prior year-end fair values and vest date fair values for awards granted in prior years	(336,920)	(296,978)	152,537	(127,515)	(28,975)	124,567
Value at last day of prior year of equity awards forfeited during the current year	—	—	—	(11,523)	—	—
Total Adjustments	(420,183)	(1,004,552)	1,292,293	(423,726)	(778,949)	947,695
<b>Compensation Actually Paid</b>	<b>824,527</b>	<b>613,314</b>	<b>3,040,666</b>	<b>273,051</b>	<b>90,814</b>	<b>2,145,892</b>

**Financial Performance Measures**

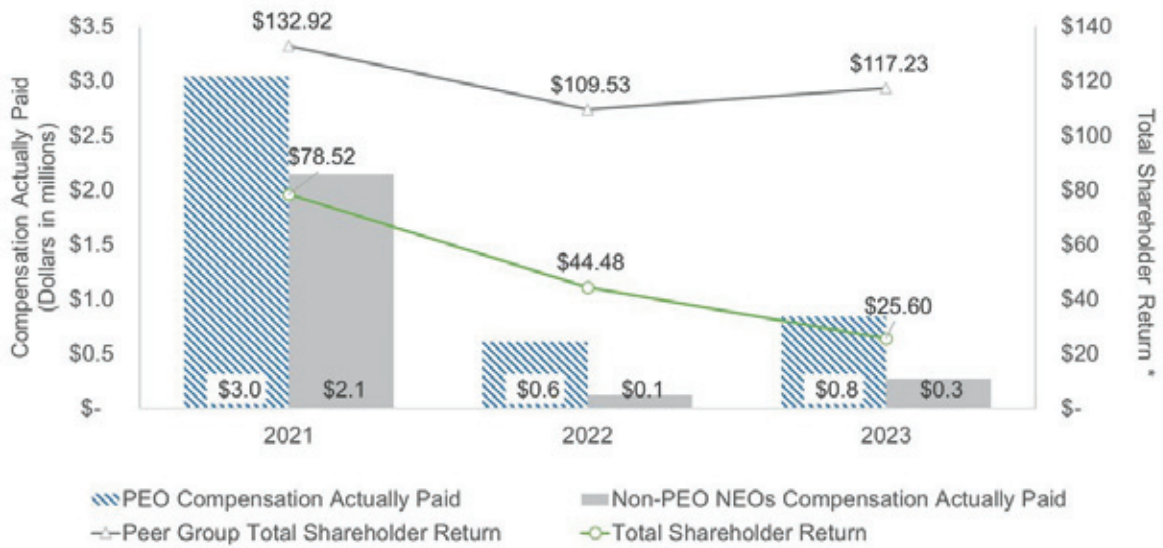
The Compensation Committee has determined that the most important Company financial performance measures used to link CAP to the Company's NEOs in fiscal 2023 to the Company's performance were:

- Adjusted EBITDA;
- Asia Adjusted EBITDA; and
- Adjusted Earnings Per Share.

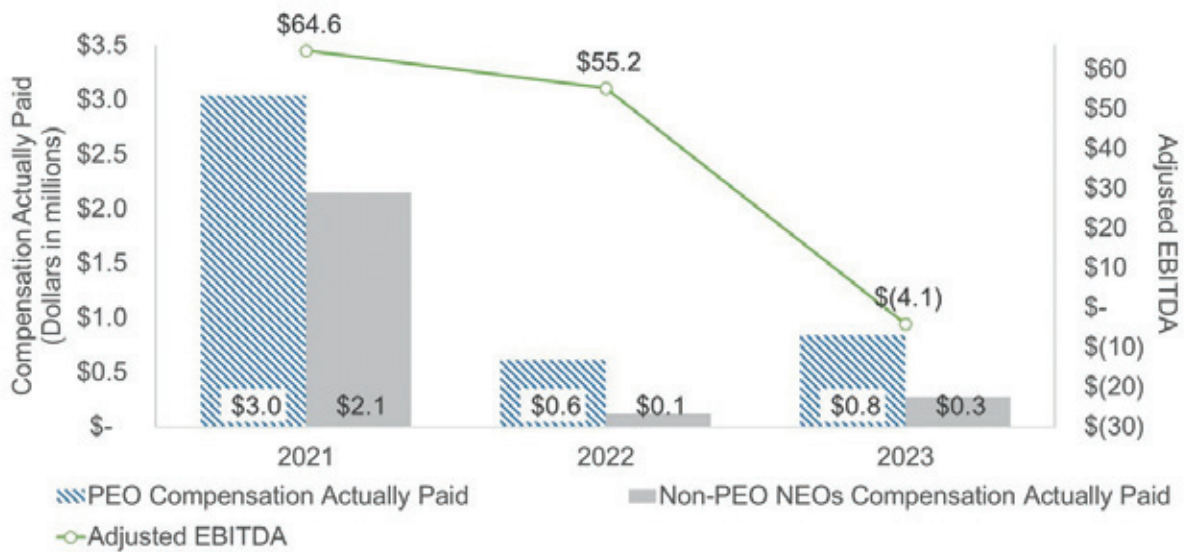
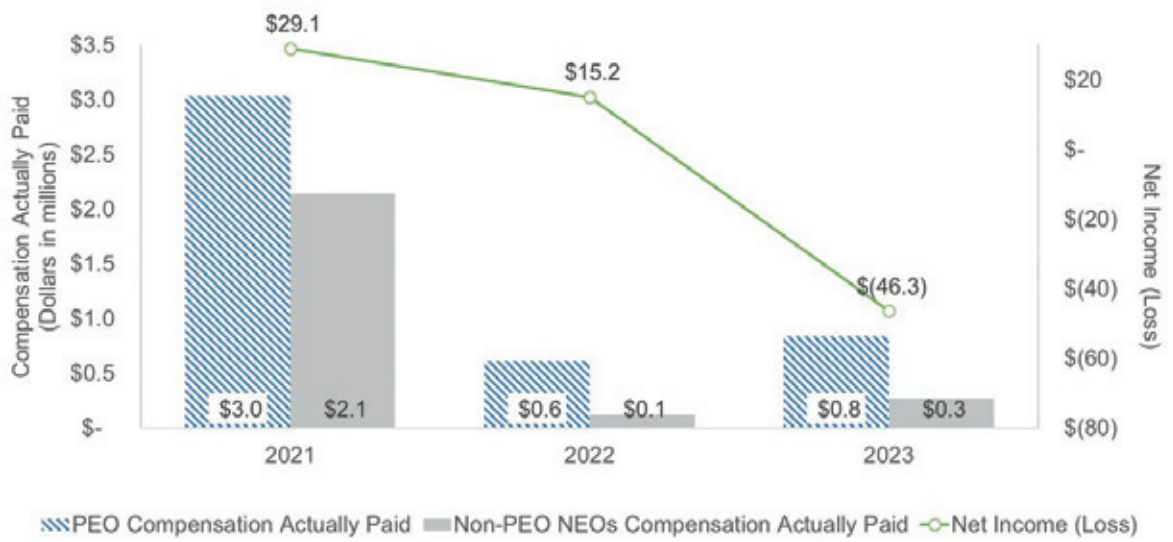
**Pay Versus Performance: Graphical Description**

The illustrations below provide a graphical description of CAP and the following measures for the fiscal years listed:

- the Company's cumulative TSR and the peer group's cumulative TSR;
- the Company's Net Income (Loss); and
- the Company Selected Measure, which for UNIFI is Adjusted EBITDA.



\* Value of initial fixed investment of \$100



## Equity Compensation Plan Information

The table below provides information as of July 2, 2023, with respect to the securities authorized for issuance to the Company’s directors, officers, and employees under the Second Amended 2013 Plan, the Amended 2013 Plan, the Unifi, Inc. 2013 Incentive Compensation Plan (the “2013 Plan”), and the 2008 Unifi, Inc. Long-Term Incentive Plan (the “2008 LTIP”). The Second Amended 2013 Plan, which was approved by the Company’s shareholders at the 2020 Annual Meeting of Shareholders, replaced the Amended 2013 Plan for purposes of all incentive awards issued to the Company’s directors, officers, and employees after October 28, 2020; the Amended 2013 Plan, which was approved by the Company’s shareholders at the 2018 Annual Meeting of Shareholders, replaced the 2013 Plan for purposes of all incentive awards issued to the Company’s directors, officers, and employees after October 24, 2018, and the 2013 Plan, which was approved by the Company’s shareholders at the 2013 Annual Meeting of Shareholders, replaced the 2008 LTIP for purposes of all incentive awards issued to the Company’s directors, officers, and employees after October 22, 2013. As a result, no further awards will be made under the Amended 2013 Plan, the 2013 Plan, or the 2008 LTIP after the date it was replaced by a successor plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights (#) (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights (\$) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#) (c)
Equity compensation plans approved by security holders	1,721,128 <sup>(1)</sup>	10.06 <sup>(1)</sup>	196,542
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>1,721,128 <sup>(1)</sup></b>	<b>15.55 <sup>(1)</sup></b>	<b>196,542</b>

(1) Includes securities issuable upon exercise of outstanding options and conversion of restricted stock units, performance share units, and vested share units (collectively, “units”) that were issued pursuant to the 2008 LTIP, the 2013 Plan, the Amended 2013 Plan, or the Second Amended 2013 Plan. As of July 2, 2023, (i) an aggregate of 941,541 options remained outstanding and (ii) an aggregate of 779,587 units remained outstanding, of which 299,778 were vested and 479,809 were unvested. The weighted-average exercise price excludes units, which do not have an exercise price.

## Compensation Committee Interlocks and Insider Participation

Emma S. Battle, Francis S. Blake, Archibald Cox, Jr., Kenneth G. Langone, and Rhonda L. Ramlo served on the Compensation Committee in fiscal 2023. None of the directors who served on the Compensation Committee in fiscal 2023 has ever served as one of the Company’s officers or employees or had any relationship with the Company or any of its subsidiaries since the beginning of fiscal 2023 pursuant to which disclosure would be required under the SEC rules pertaining to the disclosure of transactions with related persons, except for the transaction between a wholly owned subsidiary of Salem Holding Company and the Company described above under “Corporate Governance—Related Person Transactions.” Mr. Langone owns a non-controlling 33% equity interest in, and is a director and the Non-Executive Chairman of, Salem Holding Company. During fiscal 2023, none of the Company’s executive officers served as a director or a member of the compensation committee (or other committee performing equivalent functions) of any other entity of which an executive officer of such other entity served on the Board or the Compensation Committee.

## **Compensation Committee Report**

The Compensation Committee has reviewed and discussed the “Compensation Discussion and Analysis” section included in this Proxy Statement with management and, based on such review and discussions, recommended to the Board that the “Compensation Discussion and Analysis” section be included in this Proxy Statement and in the Company’s Annual Report on Form 10-K for fiscal 2023.

Respectfully submitted by the Compensation Committee of the Board,

Archibald Cox, Jr., Chair  
Emma S. Battle  
Francis S. Blake  
Kenneth G. Langone  
Rhonda L. Ramlo

## Audit Committee Report

The primary purpose of the Audit Committee is to act on behalf of the Board in its oversight of all material aspects of the accounting and financial reporting processes, internal controls, and internal audit function of the Company, including its compliance with Section 404 of the Sarbanes-Oxley Act of 2002. Management has primary responsibility for the Company's consolidated financial statements and reporting processes, including its internal controls and disclosure controls and procedures. The Company's independent registered public accounting firm, KPMG LLP, is responsible for performing an independent audit of the consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (the "PCAOB") and expressing an opinion on the conformity of those audited consolidated financial statements with generally accepted accounting principles and for auditing the effectiveness of the Company's internal control over financial reporting.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for fiscal 2023. This review included a discussion of the quality and acceptability of the Company's financial reporting and internal controls. During the past fiscal year, the Audit Committee discussed with the Company's independent registered public accounting firm the matters required to be discussed by applicable requirements of the PCAOB and the SEC. The Audit Committee also received during the past fiscal year the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm its independence.

Based on the reviews, discussions, and disclosures referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements of the Company for fiscal 2023 be included in its Annual Report on Form 10-K for such fiscal year.

Respectfully submitted by the Audit Committee of the Board,

Suzanne M. Present, Chair  
Rhonda L. Ramlo  
Eva T. Zlotnicka



## **Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation**

As required by Section 14A of the Exchange Act, this proposal, commonly known as a “say-on-pay” proposal, gives the Company’s shareholders the opportunity to vote to approve or not approve, on an advisory basis, the compensation of the Company’s NEOs, which is described in the “Compensation Discussion and Analysis” and “Executive Compensation Tables” sections of this Proxy Statement. This vote is not intended to address any specific item or element of compensation or the compensation of any particular officer, but rather the overall compensation of the Company’s NEOs and the philosophy, principles, and policies used to determine compensation.

Shareholders were most recently asked to approve the compensation of the Company’s NEOs at the 2022 Annual Meeting, and shareholders approved the Company’s NEO compensation with approximately 99% of the votes cast in favor. At the Company’s 2017 Annual Meeting of Shareholders, shareholders were asked to indicate whether future advisory say-on-pay votes should occur every one, two, or three years, with the Board recommending an annual advisory vote. Because the Board views it as a good corporate governance practice, and because at the 2017 Annual Meeting of Shareholders a majority of the votes cast were in favor of an annual advisory vote, shareholders will have the opportunity at the Annual Meeting to provide feedback to the Compensation Committee on the Company’s executive compensation program by endorsing or not endorsing the compensation of its NEOs. Shareholders will also have the opportunity at the Annual Meeting to cast an advisory vote on the frequency of future say-on-pay votes (see “Proposal 3: Advisory Vote on the Frequency of Future Advisory Votes to Approve Named Executive Officer Compensation”).

As described in detail in the “Compensation Discussion and Analysis” section of this Proxy Statement, the Company’s executive compensation program is designed not only to attract and retain talented and experienced executives, but also to motivate them to contribute substantially to the Company’s future success for the long-term benefit of shareholders and to reward them for doing so. Accordingly, the Compensation Committee and the Board believe that there should be a strong relationship between pay and corporate performance (both financial results and stock price), and that the Company’s executive compensation program reflects this belief. Shareholders are urged to read the “Compensation Discussion and Analysis” and “Executive Compensation Tables” sections of this Proxy Statement, which more thoroughly discuss the Company’s compensation principles and policies. The Compensation Committee and the Board believe that these principles and policies are effective in implementing the Company’s overall compensation philosophy.

Accordingly, the Company is asking shareholders to vote, on an advisory basis, **“FOR”** the following resolution at the Annual Meeting:

RESOLVED, that the compensation paid to the Company’s NEOs, as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC, including the “Compensation Discussion and Analysis” section, the compensation tables, and the related narrative discussion, is hereby approved.

This vote is advisory, which means that the shareholder vote on this proposal will not be binding on UNIFI, the Compensation Committee, or the Board. However, the Compensation Committee and the Board value the opinions of UNIFI’s shareholders and will carefully consider the outcome of the vote when making future compensation decisions for the Company’s NEOs.

**The Board of Directors unanimously recommends that you vote “FOR” the approval, on an advisory basis, of the compensation of the Company’s NEOs in fiscal 2023 as disclosed in this Proxy Statement.** Unless otherwise specified, proxies will be voted **“FOR”** the approval, on an advisory basis, of the compensation of the Company’s NEOs in fiscal 2023 as disclosed in this Proxy Statement.

## **Proposal 3: Advisory Vote on the Frequency of Future Advisory Votes to Approve Named Executive Officer Compensation**

As required by Section 14A of the Exchange Act, the Company also is providing its shareholders with the opportunity to cast an advisory vote to express a preference regarding the frequency of future shareholder advisory votes to approve the compensation of the Company's NEOs. The Company currently holds its say-on-pay vote every year. In voting on this proposal, you will be asked to select from the following four options: whether the advisory vote should occur every one, two, or three years, or to abstain from voting on the proposal. For the reasons explained below, the Board unanimously recommends that you vote for a one-year frequency, a continuation of the Company's current policy.

After careful consideration, the Board of Directors has determined that holding an advisory vote to approve the compensation of the Company's NEOs every year is the most appropriate policy for the Company and its shareholders at this time. An annual say-on-pay vote provides shareholders with the opportunity to evaluate, on an annual basis, the Company's overall executive compensation program. As described in greater detail in the "Compensation Discussion and Analysis" section of this Proxy Statement, the Company believes its executive compensation program should attract top executive talent, follow a pay-for-performance compensation model, and link executive retention to long-term shareholder value. The Board of Directors believes that the annual say-on-pay vote has worked well, allowing shareholders to provide input on the Company's executive compensation philosophy, principles, and policies as disclosed in the proxy statement each year and giving the Compensation Committee and the Board the opportunity to evaluate executive compensation decisions each year in light of the shareholder feedback.

The option of every 1 year, 2 years, or 3 years that receives the highest number of votes cast by the shareholders will be considered to be the frequency for the advisory vote to approve NEO compensation that has been selected by the Company's shareholders. The Compensation Committee and the Board of Directors will consider the shareholder vote when deciding how often an advisory vote to approve NEO compensation will be requested from the Company's shareholders. Because this vote is advisory, and not binding on the Company, the Compensation Committee, or the Board of Directors, the Board may decide that it is in the best interests of the Company and its shareholders to hold an advisory vote to approve NEO compensation more or less frequently than the option selected by the Company's shareholders.

**The Board of Directors unanimously recommends that you vote in favor of a frequency of every "1 YEAR" for future advisory votes to approve the Company's NEO compensation.** Unless otherwise specified, proxies will be voted in favor of a frequency of every "1 YEAR" for future advisory votes to approve the Company's NEO compensation.

## **Proposal 4:**

# **Approval of the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan**

The Board of Directors proposes that shareholders approve the First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (the "First Amendment"). The Board adopted the First Amendment, subject to shareholder approval. The principal features of the Second Amended 2013 Plan, as amended by the First Amendment, are summarized below. This summary is not intended to be a complete description of the Second Amended 2013 Plan, as amended by the First Amendment, and is qualified in its entirety by reference to the full text of the First Amendment and the Second Amended 2013 Plan, which are attached to this Proxy Statement as Appendix B and Appendix C, respectively.

### **Introduction**

The Company currently maintains the Second Amended 2013 Plan under which the Company may award stock options, stock appreciation rights, restricted stock, restricted stock units, and performance shares to the Company's directors, officers, and key employees. The Second Amended 2013 Plan was originally approved by the Company's shareholders on October 29, 2020. The Second Amended 2013 Plan will terminate at the close of business on October 29, 2030, unless sooner terminated by the Board, and no awards may be made under the Second Amended 2013 Plan after its termination.

The share reserve in Section 4(a) of the Second Amended 2013 Plan (the "Reserve") has been substantially depleted by equity grants issued to directors, officers, and key employees as described herein. The Board wishes to continue to utilize the Second Amended 2013 Plan as a tool to attract, retain, reward, and motivate directors, officers, and key employees and has therefore approved the Reserve replenishment described in the First Amendment, subject to shareholder approval. If the shareholders do not approve the First Amendment, the Board may be unable to utilize equity awards for directors, officers, and key employees.

The First Amendment makes the following, singular change to the Second Amended 2013 Plan:

- to increase the Reserve by 1,100,000 shares of Common Stock.

The Board believes that stock-based compensation is essential to align the interests of the Company's management and its shareholders in enhancing the long-term value of the Company's equity and to encourage executives to continue their employment with the Company. Accordingly, the Board proposes that shareholders approve the First Amendment. Outstanding awards previously granted under the Second Amended 2013 Plan will continue in effect in accordance with the terms and conditions of the Second Amended 2013 Plan and the agreements pursuant to which the awards were made. If the shareholders do not approve the First Amendment, the Company will continue to have the authority to grant awards under the Second Amended 2013 Plan until the sooner of (i) when the Reserve is completely depleted or (ii) the termination of the Second Amended 2013 Plan.

### **Overview of Features and Objectives**

The Second Amended 2013 Plan is designed to support the overall compensation philosophy and objectives of the Company's executive compensation program to:

- attract and retain persons eligible to participate in the Second Amended 2013 Plan;
- motivate participants in the Second Amended 2013 Plan, by means of appropriate equity-based incentives, to achieve performance goals;
- provide incentive compensation opportunities that are competitive with those of other similar companies; and

- provide the Company the ability to further align the interests of participants in the Second Amended 2013 Plan with the interests of the Company's shareholders through compensation that is based on performance criteria that target enhancement of the value of the Company.

Through the First Amendment, the Second Amended 2013 Plan will continue to promote the long-term financial interest of the Company, including the growth in value of the Company's equity and the enhancement of long-term shareholder return. The Second Amended 2013 Plan is also intended to allow for grants of stock incentives to compensate the Company's independent directors, and the First Amendment will help ensure the Reserve is adequate to do so.

The Board has reserved 1,100,000 additional shares of Common Stock to increase the Reserve pursuant to the First Amendment. The Common Stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "UFI." On August 31, 2023, the closing market price of the Common Stock was \$6.94 per share.

## **Eligibility and Administration**

All present and future employees and other service providers of the Company and its related companies are eligible to receive awards under the Second Amended 2013 Plan. An employee or other service provider who receives an award becomes a participant in the Second Amended 2013 Plan. Also, all present and future independent directors of the Company are eligible to receive awards for their service on the Board under the Second Amended 2013 Plan. The Company currently has approximately 2,836 employees (five of whom are executive officers) and seven independent directors who may be eligible to receive awards under the Second Amended 2013 Plan.

Unless otherwise determined by the Board, the Compensation Committee (which is referred to in this Proposal as the "Committee") will administer the Second Amended 2013 Plan with respect to awards for employees and other service providers. The Committee has the power and complete discretion to select employees and other service providers to receive awards and to determine for each employee or other service provider the nature of the award and the terms and conditions of each award. The Board has these same powers and responsibilities with respect to awards for independent directors, and reference to the Committee herein with respect to awards for independent directors shall mean the Board.

The Second Amended 2013 Plan is intended to comply with the provisions of Rule 16b-3 of the Exchange Act. Awards under the Second Amended 2013 Plan that constitute nonqualified deferred compensation are intended to meet the requirements of Code Section 409A, as discussed below under "—Federal Income Tax Consequences."

## **Types of Awards that may be Granted**

The Second Amended 2013 Plan authorizes a variety of equity-based awards to provide flexibility in the Company's compensation program.

Employees and other service providers may receive the following types of awards under the Second Amended 2013 Plan: performance shares, shares of restricted stock, restricted stock units, performance share units, incentive stock options, nonstatutory stock options, and stock appreciation rights.

Independent directors may receive the following types of awards under the Second Amended 2013 Plan: shares of restricted stock, restricted stock units, performance share units, vested shares, vested share units, nonstatutory stock options, and stock appreciation rights.

A description of each of these types of awards is provided below.

## **Amount of Stock Available**

The Board has reserved 1,100,000 additional shares of Common Stock to increase the Reserve pursuant to the First Amendment. Any shares of Common Stock covered by an award that are not delivered to a participant because the award is forfeited or canceled, or because the award is settled in cash, will not be deemed to have been delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Second Amended 2013 Plan.

The number of shares of Common Stock that may be issued under the Second Amended 2013 Plan will be proportionately adjusted in the event of a recapitalization event such as a stock dividend, stock split, or other similar event affecting the Common Stock. The Second Amended 2013 Plan prohibits stock option repricing without shareholder approval, except in connection with a recapitalization event.

In addition, any shares of Common Stock delivered under the Second Amended 2013 Plan in settlement, assumption, or substitution of outstanding awards (or obligations to grant future awards) under the plans or arrangements of another entity will not reduce the maximum number of shares of Common Stock available for delivery under the Second Amended 2013 Plan, to the extent that such settlement, assumption, or substitution is a result of the Company acquiring another entity (or an interest in another entity).

The Committee may adopt reasonable counting procedures to ensure appropriate counting of the number of shares of Common Stock available for awards under the Second Amended 2013 Plan if the number of shares actually delivered differs from the number of shares previously counted in connection with an award. Shares of Common Stock subject to an award that is canceled, expired, forfeited, settled in cash, or otherwise terminated without a delivery of shares to the participant will again be available for future awards. Shares of Common Stock withheld or surrendered in payment of the exercise price or taxes relating to an award will be considered delivered to the participant and will not be available for future awards under the Second Amended 2013 Plan. In addition, if the amount payable upon exercise of a stock appreciation right is paid in shares of Common Stock, the total number of shares subject to the stock appreciation right will be considered delivered to the participant (regardless of the number of shares actually paid to the participant) and will not be available for future awards under the Second Amended 2013 Plan.

## **Restricted Stock and Vested Share Awards**

Restricted stock awards are shares of Common Stock that are issued subject to service-based and/or performance-based restrictions on transferability. The Committee determines the restrictions as well as the conditions under which the restrictions may lapse. Restricted stock awards that vest based on the achievement of performance goals or other performance conditions, generally may not vest less than one year from the date of grant. Restricted stock awards that vest based on factors other than the achievement of performance goals or other performance conditions, such as continued service to the Company or its related companies, generally may not have a vesting period that is less than three years from the date of grant. However, the Committee may, in its discretion, provide for accelerated removal of the restrictions upon the occurrence of certain events such as the participant's "Disability," death, or "Retirement," or a "Change of Control" of the Company (as each term is defined in the Second Amended 2013 Plan).

Holders of restricted stock have all the rights of shareholders during the restricted period, including the right to vote the shares and to receive dividends thereon. However, dividends and other distributions paid with respect to the shares subject to a restricted stock award may be paid to the holder only to the extent the restrictions on the shares of restricted stock have lapsed or been removed, and any dividends and other distributions paid with respect to shares that are not earned or do not become vested will be forfeited.

Independent directors may receive vested share awards. Vested shares are shares of Common Stock that are issued without any restrictions on transferability, other than restrictions necessary to comply with applicable securities laws.

## **Restricted Stock Units, Performance Share Units, and Vested Share Units**

Restricted stock units and performance share units are rights to receive shares of Common Stock (or cash in lieu of the shares) subject to service-based and/or performance-based vesting conditions. Restricted stock units and performance share units are similar to restricted stock, except that shares of Common Stock are not issued (or cash in lieu of the shares is not paid) until on or after the time when the vesting conditions are satisfied, as determined by the Committee. Restricted stock units and performance share units may be settled in cash or in shares of Common Stock or in a combination of both, or the Committee may reserve the right to determine the method of settlement at the time the units are settled.

Restricted stock unit or performance share unit awards that vest based on the achievement of performance goals or other performance conditions, generally may not vest less than one year from the date of grant. Restricted stock unit or performance share unit awards that vest based on factors other than the achievement of performance goals or other performance conditions, such as continued service to the Company or its related companies, generally may not have a vesting period that is less than three years from the date of grant. However, the Committee may, in its discretion, provide for accelerated removal of the restrictions upon the occurrence of certain events such as the participant's Disability, death, or Retirement, or a Change of Control of the Company.

The Committee may, in its discretion, provide that a recipient of a restricted stock unit or performance share unit award will receive dividend equivalents on outstanding units. However, dividend equivalents paid with respect to the units subject to a restricted stock unit or performance share unit award may be paid to the holder only to the extent the units are earned and become vested, and any dividend equivalents paid with respect to units that are not earned or do not become vested will be forfeited.

Independent directors may receive vested share unit awards. Vested share units represent the vested right to receive shares of Common Stock at the time specified in the grant agreement for the vested share units. The holder of vested share units is entitled to receive dividend equivalents on the outstanding vested share units.

## **Stock Options and Stock Appreciation Rights**

The Second Amended 2013 Plan authorizes grants of incentive stock options or nonstatutory stock options. Incentive stock options are designed to qualify for favorable tax treatment under Code Section 422, while nonstatutory stock options are not. The exercise price of either type of stock option may not be less than 100% of the fair market value per share of Common Stock covered by the stock option on the date the stock option is granted. Fair market value is the mean between the lowest and highest reported sales prices per share of Common Stock, as reported by the NYSE, on the date on which the value of Common Stock must be determined (or, if the date is not a trading day, on the most recent prior trading day).

Stock options may be exercised at the times specified by the Committee. The maximum term of any stock option is 10 years from the date of grant. Incentive stock options may not be exercised after the first to occur of (i) 10 years from the date of grant, (ii) three months from the participant's termination of employment for reasons other than death or Disability, or (iii) one year from the participant's termination of employment due to death or Disability.

The value of incentive stock options, based on the exercise price, that can be exercisable for the first time in any calendar year under the Second Amended 2013 Plan (or any other similar plan the Company may maintain) is limited to \$100,000 for each participant. A participant may pay the purchase price of a stock option in cash or, if the participant's award agreement and applicable law so permit, by having the Company withhold shares sufficient to pay the exercise price, by delivering shares owned by the participant, or by exercising the stock option in a broker-assisted transaction pursuant to which the broker pays the withholding taxes from the simultaneous sale of the shares subject to the option.

Stock options may not be repriced without shareholder approval, except in connection with a recapitalization event, or otherwise materially modified after the date of grant or extended or renewed beyond their original terms. The Committee may suspend the right to exercise a stock option any time it determines that the issuance of Common Stock would violate any securities or other laws and may provide that the exercise period is tolled during any period of suspension.

Stock appreciation rights are similar to nonstatutory stock options except that, rather than the participant paying an exercise price to exercise the stock appreciation rights, the excess of the fair market value of Common Stock covered by the stock appreciation right on the date of settlement over the fair market value of Common Stock on the date of grant is distributed to the participant. Stock appreciation rights may be settled in cash or in shares of Common Stock or in a combination of both, or the Committee may reserve the right to determine the method of settlement at the time the rights are settled.

Stock appreciation rights may be granted in tandem with nonstatutory stock options. When the participant exercises either the stock option or the stock appreciation right, the other part of the tandem award is canceled without payment.

### **Transferability of Awards**

Participants' interests in awards of performance shares, restricted stock units, and performance share units are not transferable prior to payment, settlement, or exercise of the awards, as the case may be. Restricted stock is not transferable until the restrictions have lapsed or been removed. Incentive stock options are not transferable except by will or the laws of descent and distribution. Nonstatutory stock options and stock appreciation rights are transferable only to the extent provided by the Committee in the award agreement and permitted by applicable securities laws, but in no event are awards transferable to third-party financial institutions. Vested shares and vested share units are freely transferable, subject to restrictions necessary to comply with applicable securities laws.

### **Amendment of the Second Amended 2013 Plan and Awards**

The Board may further amend the Second Amended 2013 Plan from time to time as it deems advisable and may terminate the Second Amended 2013 Plan at any time. However, any amendment to increase the total number of shares of Common Stock reserved for issuance under the Second Amended 2013 Plan (as is being recommended by the Board in this Proposal), to materially modify the requirements as to eligibility for participation in the Second Amended 2013 Plan, or to effect any other change that otherwise constitutes a material change to the Second Amended 2013 Plan under applicable tax or securities laws or the NYSE rules, requires shareholder approval.

The Board must obtain the consent of a participant to an amendment that adversely affects the participant's rights under an outstanding award. However, the Board may unilaterally amend the Second Amended 2013 Plan and outstanding awards with respect to participants to ensure compliance with applicable laws and regulations.

The Committee may require in any award agreement that any participant reimburse the Company for all or any portion of any award; terminate any outstanding, unexercised, unexpired, or unpaid award; rescind any exercise, payment, or delivery pursuant to an award; or recapture any Common Stock (whether restricted or unrestricted) or proceeds from the participant's sale of Common Stock issued pursuant to an award to the extent required by the Clawback Policy or other similar policies adopted by the Committee or to comply with the requirements of any applicable laws and regulations.

## Federal Income Tax Consequences

Generally, a participant in the Second Amended 2013 Plan will not incur federal income tax when he or she initially receives a performance share, restricted stock unit, performance share unit, incentive stock option, nonstatutory stock option, or stock appreciation right. Additionally, a participant in the Second Amended 2013 Plan generally will not incur federal income tax when he or she is awarded a share of restricted stock unless the participant makes a valid election under Code Section 83(b) with respect to the award.

If a participant makes a valid election under Code Section 83(b) with respect to an award of restricted stock, the participant generally will recognize ordinary income equal to the fair market value of the stock subject to the award on the date of grant. The amount included in income will become the participant's basis in the shares. If the participant is an employee, this income is subject to applicable tax withholding. The participant generally will not recognize any additional income at the time or times the restrictions lapse. Any profit or loss realized on the later sale or exchange of the stock relative to the participant's basis in the shares will be treated as a capital gain or a capital loss.

If a participant does not make a valid election under Code Section 83(b) with respect to an award of restricted stock, the participant generally will recognize compensation income equal to the fair market value of the stock subject to the award at the time or times the restrictions lapse. The amount included in income will become the participant's basis in the shares. If the participant is an employee, this income is subject to applicable tax withholding. Any profit or loss realized on the later sale or exchange of the stock relative to the participant's basis in the shares will be treated as a capital gain or a capital loss.

A participant who is awarded one or more restricted stock units and/or performance share units will not recognize income, and the Company will not be allowed a deduction, at the time the award is made. When the participant receives payment for such awards in cash or shares of Common Stock, the amount of the cash and the fair market value of the shares of Common Stock received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company. The Company will be entitled to a deduction equal in amount to the ordinary income realized by the participant in the year paid.

Upon exercise of a nonstatutory stock option, a participant generally will recognize ordinary income equal to the difference between the fair market value of the stock acquired on the date of exercise and the exercise price. Generally, the amounts will be included in the participant's gross income in the taxable year in which exercise occurs. The purchase price paid by the participant plus the amount included in income will become the participant's basis in the shares. If the participant is an employee, this income is subject to applicable tax withholding. Any profit or loss realized on the later sale or exchange of the stock relative to the participant's basis in the shares will be treated as a capital gain or a capital loss.

Upon exercise of an incentive stock option, a participant generally will not recognize income subject to tax, unless the participant is subject to the alternative minimum tax. The purchase price paid by the participant will become the participant's basis in the shares. If the participant holds the stock purchased upon exercise of an incentive stock option until the later of two years after the stock option was awarded to the participant or one year after the stock was issued to the participant, then any profit or loss realized on the later sale or exchange of the stock relative to the participant's basis in the shares will be treated as a capital gain or a capital loss. If the participant sells or exchanges the stock prior to expiration of the holding period, then the participant generally will recognize ordinary income at the time of the sale or exchange equal to the excess of the fair market value of the shares at the time of exercise (or, if less, the amount realized upon the sale or exchange) over the exercise price. This income will become the participant's new basis in the shares. Any additional profit or loss relative to this basis will be treated as a capital gain or a capital loss.



If the grant agreement so provides, a participant may pay the exercise price of a nonstatutory stock option or an incentive stock option by delivery of shares of Common Stock. Usually when a participant delivers shares of Common Stock in satisfaction of all or any part of the exercise price, no taxable gain is recognized on any appreciation in the value of the delivered shares, unless the shares were previously acquired upon the exercise of an incentive stock option and the applicable holding period with respect to the shares has not expired. In that case, the participant will recognize ordinary income with respect to the delivered shares in accordance with the principles described above. Special rules apply to determine the basis of shares of Common Stock purchased upon the exercise of a stock option by the delivery of previously owned shares.

A vested share award will generally be treated as ordinary income to a participant at the time of the award. Payment under a performance share award, restricted stock unit award, or performance share unit award, or upon settlement of a stock appreciation right, will also generally be treated as ordinary income to a participant at the time of payment or settlement of the award or right. If payment or settlement is made in shares of Common Stock, the amount includable in income will be equal to the fair market value of the shares on the date of payment or settlement. The amount included in income will become the participant's basis in the shares. If the participant is an employee, this income is subject to applicable tax withholding. Any profit or loss realized on the later sale or exchange of the stock relative to the participant's basis in the shares will be treated as a capital gain or a capital loss.

Assuming that a participant's compensation is otherwise reasonable and that the statutory limitations on compensation deductions (including the limitations under Code Sections 162(m) and 280G) do not apply, the Company will usually be entitled to a business expense deduction when (and for the amount that) a participant recognizes ordinary compensation income in connection with an award, as described above. The Company generally does not receive a deduction in connection with the exercise of an incentive stock option, unless the participant disposes of the stock purchased on exercise in violation of the holding period requirements.

The discussion above is subject to the general federal tax doctrines of constructive receipt and economic benefit and to the applicable provisions of Code Section 409A. If at any time a participant is in constructive receipt of an award or receives the economic benefit of the award, the participant may incur federal income tax liabilities with respect to the award earlier than the times (and in a character other than the characters) described above.

In addition, if at any time the Second Amended 2013 Plan, any award under the Second Amended 2013 Plan, or any arrangement required to be aggregated with the Second Amended 2013 Plan or any award under the Second Amended 2013 Plan, fails to comply with the applicable requirements of Code Section 409A, then all amounts (including earnings) deferred under the Second Amended 2013 Plan or the award for the taxable year (and all preceding taxable years) by any participant with respect to whom the failure relates are includable in that participant's gross income for the taxable year, to the extent the amounts are not subject to a substantial risk of forfeiture and have not previously been included in the participant's gross income. These amounts are also subject to an additional income tax equal to 20% of the amount required to be included in gross income and to interest equal to the underpayment rate (as specified by the Internal Revenue Service, plus one percentage point) imposed on the underpayments that would have occurred had the compensation been included in income for the taxable year when first deferred, or if later, when no longer subject to a substantial risk of forfeiture.

The above description of tax consequences is general in nature and does not purport to be complete. Moreover, statutory provisions are subject to change, as are their interpretations, and their application may vary in individual circumstances. In addition, the consequences under applicable state and local income tax laws may not be the same as under federal income tax laws.

## Effective Date and Termination

The First Amendment will become effective as of October 31, 2023 if it is approved by the Company's shareholders. The Second Amended 2013 Plan will terminate at the close of business on October 29, 2030, unless sooner terminated by the Board, and no awards may be made under the Second Amended 2013 Plan after its termination.

## New Second Amended 2013 Plan Benefits

It is not possible at this time to determine the benefits that will be received by executive officers, by other employees or consultants, or by independent directors under the Second Amended 2013 Plan if the First Amendment is approved by the Company's shareholders. However, the Committee and the Board currently intend to continue to make future awards of stock options and restricted stock units under the Second Amended 2013 Plan generally consistent with past practice. The awards and the benefits received under the awards will depend on future actions of the Committee or the Board, the fair market value of the Common Stock at various future dates, the extent to which performance goals set by the Committee are met, and the individual performance of the particular award recipient.

## Historical Grant Data

The following table summarizes awards granted during fiscal 2021, fiscal 2022, and fiscal 2023 under the Second Amended 2013 Plan:

Fiscal Year	Grantee(s)	Type of Award			
		Stock Options	Common Stock, Restricted Stock, or Restricted Stock Units	Performance Share Units	Performance Share Units Vested
2021	Principal Executive Officer	—	—	—	—
	Named Executive Officers (other than the Principal Executive Officer)	69,632	30,724	—	—
	Other Employees	85,636	41,928	—	—
	Independent Directors	—	41,040	—	—
	<b>Total</b>	<b>155,268</b>	<b>113,692</b>	<b>—</b>	<b>—</b>
2022	Principal Executive Officer	—	16,284	16,284	—
	Named Executive Officers (other than the Principal Executive Officer)	—	21,356	21,356	—
	Other Employees	—	42,796	15,472	—
	Independent Directors	—	37,228	—	—
	<b>Total</b>	<b>—</b>	<b>117,664</b>	<b>53,112</b>	<b>—</b>
2023	Principal Executive Officer	—	45,996	45,996	—
	Named Executive Officers (other than the Principal Executive Officer)	—	62,320	62,320	—
	Other Employees	—	77,832	41,216	—
	Independent Directors	—	72,247	—	—
	<b>Total</b>	<b>—</b>	<b>258,395</b>	<b>149,532</b>	<b>—</b>

## **Historical Burn Rate and Potential Dilution**

Over the past three fiscal years, the rate at which the Company has granted equity awards relative to the diluted weighted-average shares of Common Stock outstanding (sometimes referred to as the “burn rate”) has averaged less than 4.7%. The potential dilution level under the First Amendment, if it is approved by the Company’s shareholders, is approximately 15.1%. The potential dilution level reflects the sum of the shares of Common Stock underlying outstanding stock options and restricted stock units as of July 2, 2023, plus the shares of Common Stock that would be available for future grants under the Second Amended 2013 Plan, as amended, if the First Amendment is approved by the Company’s shareholders, divided by the diluted weighted-average shares of Common Stock outstanding as of July 2, 2023.

## **Vote Recommendation**

**The Board of Directors unanimously recommends that you vote “FOR” the approval of the First Amendment.** Unless otherwise specified, proxies will be voted “FOR” the approval of the First Amendment.

## Proposal 5: Ratification of the Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has appointed KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2024. KPMG LLP has served as the Company's independent registered public accounting firm since 2011. The Audit Committee reviewed and discussed the performance of KPMG LLP for fiscal 2023 prior to its appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2024.

The Company expects that representatives of KPMG LLP will be present at the Annual Meeting, and the representatives will have an opportunity to make a statement if they desire to do so. The Company also expects that representatives of KPMG LLP will be available to respond to appropriate questions from shareholders.

Shareholder ratification of the Audit Committee's appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2024 is not required by the Company's Amended and Restated By-laws or otherwise. Nevertheless, the Board is submitting the appointment of KPMG LLP to the Company's shareholders for ratification as a matter of good corporate governance. If the Company's shareholders fail to ratify the appointment, the Audit Committee will reconsider its appointment of KPMG LLP. Even if this appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the fiscal year if the Audit Committee determines that such a change would be in the best interests of the Company and its shareholders.

**The Board of Directors unanimously recommends that you vote "FOR" the ratification of the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2024.** Unless otherwise specified, proxies will be voted "FOR" the ratification of the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2024.

### Fees Paid to Independent Registered Public Accounting Firm

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of the Company's consolidated financial statements for fiscal 2023 and fiscal 2022 and fees billed for other services rendered by KPMG LLP during those periods.

	Fiscal 2023 (\$)	Fiscal 2022 (\$)
Audit Fees <sup>(1)</sup>	1,293,217	1,126,169
Audit-Related Fees	—	—
Tax Fees <sup>(2)</sup>	166,154	131,943
All Other Fees	—	—
<b>Total</b>	<b>1,459,371</b>	<b>1,258,112</b>

- (1) Audit Fees consists of fees billed for the respective fiscal year for professional services associated with the annual financial statement audit and quarterly financial statement reviews, services related to compliance with Section 404 of the Sarbanes-Oxley Act of 2002, and consultations in connection with statutory and regulatory filings or engagements.
- (2) Tax Fees consists of fees billed for the respective fiscal year for tax compliance, consultation, and related matters.

## **Audit Committee Pre-Approval of Audit and Non-Audit Services**

The Audit Committee has implemented procedures under the Unifi, Inc. Audit Committee Pre-Approval Policy for Audit and Non-Audit Services (the "Pre-Approval Policy") to ensure that all audit and permitted non-audit services to be provided to the Company have been pre-approved by the Audit Committee. Specifically, the Audit Committee pre-approves the use of the Company's independent registered public accounting firm for specific audit and non-audit services, within pre-approved monetary limits. If a proposed service has not been pre-approved pursuant to the Pre-Approval Policy, then it must be specifically pre-approved by the Audit Committee before the service may be provided by the Company's independent registered public accounting firm. Any pre-approved services exceeding the pre-approved monetary limits require specific pre-approval by the Audit Committee. For fiscal 2023, all of the audit fees were pre-approved by the Audit Committee in accordance with the above procedures. All of the other fees billed by KPMG LLP to the Company for fiscal 2023 were pre-approved by the Audit Committee by means of specific pre-approvals. All non-audit services provided in fiscal 2023 were reviewed with the Audit Committee, which concluded that the provision of such services by KPMG LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

## Additional Information

### Shareholder Proposals for the 2024 Annual Meeting of Shareholders

Any shareholder proposal intended to be included in UNIFI's proxy statement and form of proxy relating to the 2024 Annual Meeting of Shareholders must be in writing and received by the Company no later than May 11, 2024. Any such shareholder proposal must also comply with Rule 14a-8 of the Exchange Act, which lists the requirements for the inclusion of shareholder proposals in company-sponsored proxy materials. Shareholder proposals should be addressed to the attention of the Company's Corporate Secretary at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410. Pursuant to the SEC rules, submitting a proposal will not guarantee that it will be included in the Company's proxy materials.

In addition, any shareholder proposal intended to be presented at the 2024 Annual Meeting of Shareholders, but that will not be included in the Company's proxy statement and form of proxy relating to the 2024 Annual Meeting of Shareholders, must be in writing and received by the Company's Corporate Secretary at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410 no earlier than July 3, 2024 and no later than August 2, 2024. However, if the date of the 2024 Annual Meeting of Shareholders is more than 30 days before or more than 90 days after October 31, 2024, then the written notice must be received by the Company's Corporate Secretary no earlier than 120 days prior to the date of the 2024 Annual Meeting of Shareholders and no later than the close of business on the later of (i) 90 days prior to the date of such annual meeting or (ii) 10 days following the day on which the Company first announced publicly (or mailed notice to the shareholders of) the date of such meeting. Shareholder proposals must include the specified information concerning the proposal and the shareholder submitting the proposal as set forth in the Company's Amended and Restated By-laws. A copy of the Company's Amended and Restated By-laws may be obtained by writing to the Company's Corporate Secretary at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410.

### 2023 Annual Report to Shareholders

This Proxy Statement is accompanied by the Annual Report on Form 10-K for fiscal 2023, and these materials are also available at [www.proxyvote.com](http://www.proxyvote.com) and the investor relations portion of the Company's website at [www.unifi.com](http://www.unifi.com). The Annual Report on Form 10-K for fiscal 2023, which contains the audited consolidated financial statements and other information about the Company, is not incorporated in this Proxy Statement and is not to be deemed a part of the proxy soliciting material.

### Annual Report on Form 10-K

**The Company will provide without charge to each person solicited pursuant to this Proxy Statement, upon the written request of any such person, a copy of the Company's Annual Report on Form 10-K for fiscal 2023, including the financial statements and the financial statement schedules, required to be filed with the SEC, or any exhibit thereto. Requests should be in writing and addressed to the attention of the Company's Corporate Secretary at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410.**

### Householding

The SEC has adopted rules permitting companies to mail one proxy statement and annual report, or notice of internet availability of proxy materials, as applicable, in one envelope to all shareholders residing at the same address if certain conditions are met. This is called "householding" and can result in significant savings of paper and mailing costs. The Company has not implemented householding with respect to its shareholders of record; however, a number of brokerage firms have instituted householding that may impact certain beneficial owners of shares held in street name. If members of your household have multiple accounts through which they hold Common Stock, you may have received a householding notification from the shareholder of record (e.g., your bank, broker, or other nominee).

Please contact the shareholder of record directly if you have any questions or wish to revoke your decision to household or to receive an additional copy of this Proxy Statement, the Annual Report on Form 10-K for fiscal 2023, or the Notice of Internet Availability for members of your household.

## Appendix A

### Non-GAAP Financial Performance Measures

Unifi, Inc. (“UNIFI”) prepares its consolidated financial statements and reports in accordance with U.S. generally accepted accounting principles (“GAAP”). UNIFI’s executive compensation program uses Adjusted EBITDA, which represents net loss before net interest expense, income tax expense, and depreciation and amortization expense, adjusted to exclude certain operating or non-operating income or expense items necessary to understand and compare the underlying results of UNIFI, as a measure of UNIFI’s financial performance for purposes of determining the annual incentive compensation earned by executives under the program. UNIFI’s methods of determining Adjusted EBITDA may differ from the methods used by other companies. Accordingly, this non-GAAP financial performance measure may not be comparable to measures used by other companies.

The Compensation Committee uses Adjusted EBITDA as a performance measure for annual incentive compensation purposes because the Compensation Committee believes that Adjusted EBITDA serves as a high-level proxy for cash generated from operations, which is a key performance indicator used by the Board of Directors and management to assess UNIFI’s operating results generally. However, this financial performance measure is not calculated in accordance with GAAP and should not be considered in isolation from, or as a substitute for, net loss and other financial results reported in UNIFI’s consolidated financial statements prepared in accordance with GAAP.

The following table sets forth the reconciliation of the amounts reported under GAAP for net loss to Adjusted EBITDA for fiscal 2023 (in thousands):

Net loss	\$ (46,344)
Interest expense, net <sup>(1)</sup>	5,468
Provision for income taxes	901
Depreciation and amortization expense <sup>(1)</sup>	27,020
EBITDA	(12,955)
Asset abandonment <sup>(2)</sup>	8,247
Contract modification costs <sup>(3)</sup>	623
<b>Adjusted EBITDA</b>	<b>\$ (4,085)</b>

- (1) Within this reconciliation, depreciation and amortization expense excludes the amortization of debt issuance costs, which are reflected in interest expense, net. Within the consolidated statements of cash flows, amortization of debt issuance costs are reflected in depreciation and amortization expense. In fiscal 2023, interest expense, net includes \$273 of loss on debt extinguishment.
- (2) In fiscal 2023, UNIFI abandoned certain specialized machinery and recorded an impairment charge.
- (3) In fiscal 2023, UNIFI amended certain existing contracts related to future purchases of texturing machinery by delaying the scheduled receipt and installation of such equipment for approximately 18 months. UNIFI paid the associated vendor \$623 to establish the 18-month delay.



## Appendix B

### FIRST AMENDMENT TO THE UNIFI, INC. SECOND AMENDED AND RESTATED 2013 INCENTIVE COMPENSATION PLAN

This First Amendment to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (this "First Amendment") is made and adopted by the Board of Directors of Unifi, Inc. (the "Company") on August 22, 2023, effective as of the date of the 2023 Annual Meeting of Shareholders, provided that it is approved by the Company's shareholders on that date (the "First Amendment Date"). Capitalized terms used in this First Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (the "Plan").

#### RECITALS

- a. The Company currently maintains the Plan.
- b. The Board believes it is in the best interests of the Company and its shareholders to amend the Plan to increase the number of shares of Company Stock reserved for issuance thereunder.

#### AMENDMENT

The Plan is hereby amended as follows, effective as of the First Amendment Date, provided that it is approved by the Company's shareholders on that date.

1. *Section 4(a)*. Section 4(a) of the Plan is hereby deleted and replaced in its entirety with the following:
  - "a. *Reserve*. Subject to Section 15, the number of shares of Company Stock with respect to which Awards may be granted under the Plan during the term of the Plan beginning on the Effective Date shall be equal to the sum of (i) one million one hundred thousand (1,100,000) shares of Company Stock and (ii) the number of shares of Company Stock which as of October 31, 2023 remained available for issuance under the Plan, the sum of which shall be authorized but unissued shares."
2. This First Amendment shall be and, as of the First Amendment Date, is hereby incorporated in and forms a part of the Plan.
3. Except as expressly provided herein, all terms and conditions of the Plan shall remain in full force and effect.

**UNIFI, INC.  
SECOND AMENDED AND RESTATED 2013 INCENTIVE  
COMPENSATION PLAN**

UNIFI, INC.  
SECOND AMENDED AND RESTATED 2013 INCENTIVE COMPENSATION PLAN

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**UNIFI, INC.  
SECOND AMENDED AND RESTATED 2013 INCENTIVE  
COMPENSATION PLAN**

1. Purpose. This Plan is an amendment and restatement of the Unifi, Inc. 2013 Incentive Compensation Plan. The effective date of this Plan is October 29, 2020, subject to shareholder approval of the amended and restated Plan. The Plan is designed to support the overall compensation philosophy and objectives of the Company to (a) attract and retain persons eligible to participate in the Plan; (b) motivate Participants, by means of appropriate equity-based incentives, to achieve performance goals; (c) provide incentive compensation opportunities that are competitive with those of other similar companies; and (d) provide the Company the ability to further align Participants' interests with those of the Company's shareholders through compensation that is based on the Company's common stock; and thereby promote the long-term financial interest of the Company, including the growth in value of the Company's equity and the enhancement of long-term shareholder return. The Plan is also intended to allow for grants of stock incentives to compensate non-employee members of the Company's Board of Directors.
2. Definitions. As used in the Plan, the following terms have the meanings indicated:
  - a. "Act" means the Securities Exchange Act of 1934, as amended.

- b. "Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.
- c. "Applicable Withholding Taxes" means the aggregate amount of federal, state and local income and employment taxes that an Employer is required to withhold in connection with any award of Performance Shares, any lapse of restrictions on Restricted Stock, any compensatory dividends paid on Restricted Stock, any vesting of Restricted Stock Units or Performance Share Units, or any exercise of a Nonstatutory Stock Option or Stock Appreciation Right.
- d. "Award" means any Incentive Award or Director Award.
- e. "Beneficial Owner" (and variants thereof) has the meaning given in Rule 13d-3 promulgated under the Act and, only to the extent such meaning is more restrictive than the meaning given in Rule 13d-3, the meaning determined in accordance with Code section 318(a).
- f. "Board" means the Board of Directors of the Company.
- g. "Cause" shall have the meaning ascribed to it in any agreement to which a Participant and the Company are parties, and if the Participant and the Company are not parties to an agreement in which "cause" is defined, the term "Cause" means (i) the continued willful failure by the Participant to substantially perform the Participant's duties to the Company, (ii) the willful engaging by the Participant in gross misconduct materially and demonstrably injurious to the Company or (iii) the Participant's material breach of any noncompetition, nonsolicitation, confidentiality or similar covenant to which the Participant may be subject from time to time in connection with the Participant's employment with the Company.
- h. "Change of Control" means, the occurrence of any of the following events:
  - i. any Person is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of either (A) the combined fair market value of the then outstanding stock of the Company (the "Total Fair Market Value") or (B) the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the Company (the "Total Voting Power"); excluding, however, the following: (1) any acquisition by the Company or any of its Controlled Affiliates, (2) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Controlled Affiliates, (3) any Person who becomes such a Beneficial Owner in connection with a transaction described in the exclusion within subsection (iv) below and (4) any acquisition of additional stock or securities by a Person who owns more than 50% of the Total Fair Market Value or Total Voting Power of the Company immediately prior to such acquisition;
  - ii. any Person is or becomes the Beneficial Owner, directly or Indirectly, of securities of the Company that, together with any securities acquired directly or indirectly by such Person within the immediately preceding twelve-consecutive month period, represent 30% or more of the Total Voting Power of the Company; excluding, however, any acquisition described in subclauses (1) through (4) of subsection (i) above;
  - iii. a change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such individuals shall be hereinafter referred to as the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this definition, that any individual who becomes a director subsequent to the Effective Date, whose election, or nomination for election by the Company's shareholders, was made or approved by a vote of at least a majority of the Incumbent Directors (or directors whose election or nomination for election was previously so approved) shall be considered an Incumbent Director; but, provided, further, that any such individual whose initial

assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person or legal entity other than the Board shall not be considered an Incumbent Director; provided finally, however, that, as of any time, any member of the Board who has been a director for at least twelve (12) consecutive months immediately prior to such time shall be considered an Incumbent Director for purposes of this definition, other than for the purpose of the first proviso of this definition;

- iv. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company or a sale or other disposition of the assets of the Company that have a total gross fair market value equal to or greater than 40% of the total gross fair market value of the assets of the Company immediately prior to such acquisition ("Corporate Transaction"); excluding, however, such a Corporate Transaction pursuant to which all or substantially all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding Company Stock and Total Voting Power immediately prior to such Corporate Transaction will Beneficially Own, directly or indirectly, more than 50%, respectively, of the outstanding Company Stock and the combined voting power of the then outstanding Company Stock and the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the company resulting from such Corporate Transaction (including, without limitation, a company that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Transaction of the outstanding Company Stock and Total Voting Power, as the case may be.

Notwithstanding anything in this Section 2(h) to the contrary, an event that does not constitute a change in the ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, each as defined in Section 1.409A-3(i)(5) of the Treasury Regulations, shall not constitute a Change of Control for purposes of this Plan.

- i. "Code" means the Internal Revenue Code of 1986, as amended.
- j. "Consultant" means a Service Provider who is not an Employee or Independent Director.
- k. "Control" (and variants thereof) has the meaning specified in Rule 12b-2 promulgated under the Act.
- l. "Committee" means the Compensation Committee of the Board (or any successor Board committee designated by the Board to administer the Plan), provided that, if any member of the Compensation Committee does not qualify as (i) a non-employee director for purposes of Rule 16b-3 promulgated under the Act, and (ii) an independent director for purposes of the rules of the principal exchange on which Company Stock is traded, the remaining members of the Committee who do so qualify (but not less than two members) shall be constituted as a subcommittee to act as the Committee for purposes of the Plan.
- m. "Company" means Unifi, Inc., a New York corporation, and any successor corporation.
- n. "Company Stock" means the common stock of the Company, par value \$0.10 per share. In the event of a change in the capital structure of the Company (as provided in Section 15), the shares resulting from the change shall be deemed to be Company Stock within the meaning of the Plan.
- o. "Date of Grant" means (i) with respect to a Non-Option Award, the date on which the Committee (or, with respect to a Director Award, the Board) grants the award; (ii) with respect to a Nonstatutory Option or Stock Appreciation Right, the date on which the Committee (or, with respect to a Director Award, the Board) completes the corporate action necessary to create a legally binding right constituting the Nonstatutory Stock Option or Stock Appreciation Right; or (iii) with respect to an Incentive Stock Option, the date on

which the Committee completes the corporate action constituting an offer of stock for sale to a Participant under the terms and conditions of the Incentive Stock Option. With respect to any Award, the Committee (and, with respect to any Director Award, the Board) may specify a future date on which the Award is to be granted or to become effective.

- p. "Director Award" means any Nonstatutory Option, Stock Appreciation Right, share of Restricted Stock, Vested Share, Vested Share Unit, Restricted Stock Unit or Performance Share Unit awarded to an Independent Director under the Plan.
- q. "Disability" means, as to an Incentive Stock Option, a Disability within the meaning of Code section 22(e)(3). As to all other Awards, Disability (or variants thereof) means, unless otherwise provided in the Grant Agreement with respect to the Award,
  - i. the Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or entitlement to and receipt of disability benefits under a disability insurance program of the Company that pays benefits on the basis of the foregoing definition;
  - ii. the Participant is, by reason of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving either (A) income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company or (B) disability benefits under a disability insurance program that pays benefits on the basis of the foregoing definition; or
  - iii. the Participant is determined to be totally disabled by the Social Security Administration.

The Committee (or, with respect to a Director Award, the Board) shall determine whether a Disability exists and the determination shall be conclusive.

- r. "Effective Date" means the date described in Section 22.
- s. "Employee" means an individual employed by the Company or a Related Company as a common-law employee.
- t. "Employer" means the Company or Related Company with respect to which an Employee provides services.
- u. "Fair Market Value" means:
  - i. if the Company Stock is at the time listed or admitted to trading on any stock exchange, the "Fair Market Value" shall be the mean between the lowest and highest reported sale prices of the Company Stock on the date in question on the principal exchange on which the Company Stock is then listed or admitted to trading. If no reported sale of Company Stock takes place on the date in question on the principal exchange, then the mean between the lowest and highest reported sale prices of the Company Stock on the closest date prior to the date in question on the principal exchange shall be determinative of "Fair Market Value";
  - ii. if the Company Stock is not at the time listed or admitted to trading on a stock exchange, the "Fair Market Value" shall be the mean between the lowest and highest reported sale prices of the Company Stock on the date in question in the over-the-counter market, as such prices are reported in a publication of general circulation selected by the Committee and regularly reporting the market price of Company Stock in such market; or

- iii. if the Company Stock is not listed or admitted to trading on any stock exchange or traded in the over-the-counter market, the “Fair Market Value” shall be as determined in good faith by the Committee.
- v. “Fiscal Year” means the fiscal period used by the Company for reporting taxes on its income under the Code.
- w. “Grant Agreement” means the written agreement between the Company and a Participant containing the terms and conditions with respect to an Award.
- x. “Good Reason” shall have the meaning ascribed to it in any agreement to which a Participant and the Company are parties, and if the Participant and the Company are not parties to an agreement in which “good reason” is defined, the term “Good Reason” means (i) a material reduction (without the Participant’s express written consent) in the Participant’s title or responsibilities; (ii) a material reduction in the Participant’s base salary or annual incentive compensation opportunity; or (iii) the Company’s requiring the Participant to relocate to an employment location that is more than fifty (50) miles from the Participant’s then current employment location.
- y. “Independent Director” means a member of the Board who satisfies the requirements for a non-employee director as provided in Section 16(b) of the Act.
- z. “Incentive Award” means any Performance Share, Option, Stock Appreciation Right, share of Restricted Stock, Vested Share, Vested Share Unit, Restricted Stock Unit or Performance Share Unit awarded to a Service Provider under the Plan.
- aa. “Incentive Stock Option” means an Option (i) intended to meet the requirements of, and qualify for favorable federal income tax treatment under, Code section 422 and (ii) that meets such requirements.
- bb. “Non-Option Award” means an Award other than an Option or Stock Appreciation Right.
- cc. “Nonstatutory Stock Option” means an Option that does not meet the requirements of Code section 422, or, even if meeting the requirements of Code section 422, is not intended to be an Incentive Stock Option and is so designated.
- dd. “Option” means a right to purchase Company Stock granted under the Plan, at a price determined in accordance with Section 9.
- ee. “Participant” means any Service Provider or Independent Director who receives an Award under the Plan.
- ff. “Performance Criteria” means the performance of the Company, any Related Company, any subsidiary, division, business unit thereof, or any individual using one or more of the following measures or any other measures selected by the Committee, in each case, either on an operating or GAAP basis where applicable (or on the basis of such other standards as may replace or succeed GAAP), adjusted to include or exclude one or more nonrecurring, operating, non-operating or other items as applicable, and including measuring the performance of any of the following relative to a defined peer group of companies or an index: market value of the Company Stock; pre-tax profits; unit production costs; asset growth; pre-tax earnings; debt to equity ratio; earnings per share; revenues; operating income; operating costs and efficiencies; operating cash flow; net income, before or after taxes; net income before income taxes, incentive payments and accounting for minority interest; return on total capital, equity, revenue or assets; market share; unit production and sales volume; earnings before interest, taxes, depreciation, rent and amortization expenses; earnings before interest, taxes, depreciation and amortization; earnings before interest and taxes; any of the prior measures or earnings before taxes and unusual or nonrecurring items as measured either against the annual budget or as a ratio to revenue or return on total capital; net earnings; profit margin; operating margin; operating income; net worth; cash flow; cash flow per share; total shareholder return; revenues; capital expenditures; improvements in capital structure; industry indices;

expenses and expense ratio management; debt reduction; profitability of an identifiable business unit or product; or levels of expense, cost or liability by category, operating unit or any other delineation. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Performance Criteria unsuitable, the Committee may in its discretion modify such Performance Criteria or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable.

- gg. "Performance Goal" means an objectively determinable performance goal established by the Committee that relates to one or more Performance Criteria.
- hh. "Performance Share" means a right to receive a share of Company Stock subject to the satisfaction of performance conditions as set forth in Section 6.
- ii. "Performance Share Unit" means a right to receive Company Stock or cash awarded upon the terms and subject to grant and vesting conditions as set forth in Section 8.
- jj. "Person" shall have the meaning given in Section 3(a)(9) of the Act, as modified by Sections 13(d) and 14(d) of the Act, and only to the extent such meaning is more restrictive than the meaning given in Section 3(a)(9) of the Act (as modified above), the meaning determined in accordance with Sections 1.409A-3(i)(5)(v)(B), (vi)(D) or (vii)(C) of the Treasury Regulations (or any successor provisions), as applicable.
- kk. "Plan" means this Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, as it may be amended from time to time.
- ll. "Related Company" means, (i) for purposes of determining eligibility to receive an Incentive Stock Option, any "parent corporation" with respect to the Company within the meaning of Code section 424(e) or any "subsidiary corporation" with respect to the Company within the meaning of Code section 424(f); (ii) for purposes of determining eligibility to receive a Nonstatutory Stock Option or Stock Appreciation Right, any corporation or other entity in a chain of corporations or other entities in which each corporation or other entity has a controlling interest (within the meaning of Section 1.409A-1(b)(5)(E)(1) of the Treasury Regulations (or any successor provision)) in another corporation or other entity in the chain, beginning with a corporation or other entity in which the Company has a controlling interest; and (iii) for all other purposes under the Plan, any corporation, trade or business that would be required to be treated as a single employer with the Company under Code sections 414(b) or (c), provided that, in applying Code sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations, or in applying Section 1.414(c)-2 of the Treasury Regulations for purposes of determining trades or businesses under common control, the phrase "at least 50%" shall replace the phrase "at least 80%" each time it appears in those sections.
- mm. "Repricing" means, with respect to an Option or Stock Appreciation Right, any of the following: (i) the lowering of the exercise price after the Date of Grant; (ii) the taking of any other action that is treated as a repricing under generally accepted accounting principles; or (iii) the cancellation of the Option or Stock Appreciation Right at a time when its exercise price (or, with respect to the Stock Appreciation Right, the Fair Market Value of the Company Stock covered by the Stock Appreciation Right on the Date of Grant) exceeds the Fair Market Value of the underlying Company Stock in exchange for any other Award, unless the cancellation and exchange occurs in connection with a Corporate Event (as defined in Section 16 below).
- nn. "Restricted Stock" means Company Stock awarded upon the terms and subject to restrictions as set forth in Section 7.
- oo. "Restricted Stock Unit" means a right to receive Company Stock or cash awarded upon the terms and subject to vesting conditions as set forth in Section 8.



- pp. "Retirement" means, unless otherwise provided in the Grant Agreement for a particular Award, a Participant's termination of employment or other separation from service on or after age 65.
  - qq. "Rule 16b-3" means Rule 16b-3 promulgated under the Act, as amended from time to time.
  - rr. "Service Provider" means an Employee, Consultant or other natural person employed by or providing bona fide services to the Company or a Related Company, excluding any Independent Director.
  - ss. "Stock Appreciation Right" means a right to receive Company Stock or cash granted under Section 10.
  - tt. "Tandem Right" means a kind of Stock Appreciation Right granted in connection with a Nonstatutory Stock Option as described in Section 10.
  - uu. "Ten Percent Shareholder" means a person who owns, directly or indirectly, stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company or any Related Company. Indirect ownership of stock shall be determined in accordance with Code section 424(d).
  - vv. "Treasury Regulations" mean the final, temporary or proposed regulations issued by the Treasury Department and/or Internal Revenue Service as codified in Title 26 of the United States Code of Federal Regulations. Any references made in the Plan to specific Treasury Regulations shall also refer to any successor or replacement regulations thereto.
  - ww. "Vested Share" means a share of Company Stock awarded upon the terms set forth in Section 11.
  - xx. "Vested Share Unit" means a right to receive a share of Company Stock awarded upon the terms set forth in Section 11.
3. General. The following types of Awards may be granted under the Plan: Performance Shares, shares of Restricted Stock, Vested Shares, Vested Share Units, Restricted Stock Units, Performance Share Units, Options, or Stock Appreciation Rights. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options.
4. Stock.
- a. *Reserve*. Subject to Section 15, the number of shares of Company Stock with respect to which Awards may be granted under the Plan during the term of the Plan beginning on the Effective Date shall be eight hundred fifty thousand (850,000) shares of Company Stock, which shall be authorized but unissued shares.
  - b. *Share Use*. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments in the number of shares of Company Stock available under Section 4(a) or in any award granted hereunder if the number of shares of Company Stock actually delivered differs from the number of shares previously counted in connection with an award, provided such counting procedures comply with the requirements of this Section 4(b). Shares of Company Stock subject to an award that is canceled, expired, forfeited, settled in cash or is otherwise terminated without a delivery of shares of Company Stock to a Participant will again be available for awards. Shares of Company Stock withheld in payment of the exercise price or taxes relating to an award and shares of Company Stock surrendered in payment of any exercise price or taxes relating to an award shall be considered shares of Company Stock delivered to the Participant and shall not be available for awards under the Plan. In addition, if the amount payable upon exercise of a Stock Appreciation Right is paid in Company Stock, the total number of shares of Company Stock subject to the Stock Appreciation Right shall be considered shares of Company Stock delivered to the Participant (regardless of the number of shares actually delivered to the Participant) and shall not be available for awards under the Plan.

Shares of Company Stock delivered under the Plan in settlement, assumption or substitution of outstanding awards under the plans or arrangements of another entity shall not reduce the maximum number of shares of Company Stock available for delivery under the Plan, to the extent that such settlement, assumption or substitution is a result of the Company acquiring another entity (or an interest in another entity).

Shares of Company Stock may be issued under this Plan without cash consideration.

5. Eligibility.

- a. *Incentive Awards.* All present and future Service Providers of the Company or any Related Company (whether now existing or hereafter created or acquired) who have contributed or who can be expected to contribute significantly to the Company or a Related Company shall be eligible to receive Incentive Awards under the Plan. The Committee shall have the power and complete discretion, as provided in Section 18, to select eligible Service Providers to receive Incentive Awards and to determine for each Service Provider the nature of the award and the terms and conditions of each Incentive Award.
- b. *Director Awards.* All present and future Independent Directors shall be eligible to receive Director Awards under the Plan. The Board shall have the power and complete discretion to select eligible Independent Directors to receive Director Awards and to determine for each Independent Director the nature of the award and the terms and conditions of each Director Award.
- c. *No Contract of Employment or Services.* The grant of an Award shall not obligate the Company or any Related Company to pay any Service Provider or Independent Director any particular amount of remuneration, to continue the employment or services of the Service Provider or Independent Director after the grant or to make further grants to the Service Provider or Independent Director at any time thereafter.
- d. *Awards to International Employees.* When granting Awards to Service Providers or Independent Directors who are not United States residents, the Committee (or with respect to Director Awards, the Board) shall have complete discretion and authority to grant such Awards in compliance with all present and future laws of the country or countries with laws that may apply to the grant of the Award or the issuance of Company Stock pursuant to the Award. Such authorization shall extend to and include establishing one or more separate sub-plans that include provisions not inconsistent with the Plan that comply with statutory or regulatory requirements imposed by the country or countries in which the Participant resides.

6. Performance Shares.

- a. The Committee may grant Performance Shares to eligible Service Providers. Whenever the Committee grants Performance Shares, a Grant Agreement shall be given to the Service Provider stating the number of Performance Shares granted and the terms and conditions to which the Award of Performance Shares is subject, and, at that time, the Service Provider shall become a Participant.
- b. The Committee may reserve the right in a Grant Agreement to settle all or any portion of an award of Performance Shares in cash instead of shares of Company Stock, with the cash portion to be determined based on the Fair Market Value as of the date of payment of the shares of Company Stock otherwise payable under the award, or to allow the Participant to defer payment under the award, subject to such terms as the Committee may determine in accordance with Code section 409A.
- c. A Participant shall have no rights as a shareholder until shares of Company Stock are issued under the Performance Share award and all requirements with respect to the issuance of such shares have been satisfied.

- d. A Participant's interest in an award of Performance Shares may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered.
- e. Each Participant who is an Employee may be required to agree at the time of receiving an Award of Performance Shares, and as a condition thereof, to pay to the Employer, or make arrangements satisfactory to the Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, the Employer may delay issuing a stock certificate to the Participant. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the Participant has good title, free and clear of all liens and encumbrances; the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

7. Restricted Stock Awards.

- a. The Committee may grant Restricted Stock to eligible Service Providers. Whenever the Committee deems it appropriate to grant Restricted Stock, a Grant Agreement shall be given to the Service Provider stating the number of shares of Restricted Stock granted and the terms and conditions to which the Restricted Stock is subject, and, at that time, the Service Provider shall become a Participant.
- b. The Committee shall establish as to each award of Restricted Stock the terms and conditions upon which the restrictions set forth in paragraph (c) below shall lapse. The terms and conditions may include the continued performance of services or the achievement of performance conditions measured on an individual, corporate or other basis, or any combination thereof. A Restricted Stock Award, the vesting of which is not conditioned on the achievement Performance Goals or other performance conditions, shall have a vesting period of not less than three (3) years from the Date of Grant of the Restricted Stock Award. A Restricted Stock Award, the vesting of which is conditioned on the achievement of Performance Goals or other performance conditions, shall not vest less than one (1) year from the Date of Grant. Notwithstanding the preceding two sentences, the Committee may, in its discretion and without limitation, provide in the Grant Agreement that restrictions will lapse prior to the expiration of the service or performance period as a result of the Disability, death or Retirement of the Participant or the occurrence of a Change of Control.
- c. No shares of Restricted Stock may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of until the restrictions on the shares established by the Committee have lapsed or been removed.
- d. Upon the acceptance by a Participant of an award of Restricted Stock, the Participant shall, subject to the restrictions set forth in subsection (c) above, have all the rights of a shareholder with respect to the shares of Restricted Stock, including, but not limited to, the right to vote the shares of Restricted Stock and the right to receive all dividends and other distributions paid thereon; provided, however, dividends and other distributions paid with respect to shares of Restricted Stock may be paid to the Participant only to the extent the restrictions on the shares of Restricted Stock have lapsed or been removed, and any dividends and other distributions paid with respect to shares of Restricted Stock that do not become vested shall be forfeited. Certificates representing Restricted Stock may be held by the Company until the restrictions lapse and, upon request, the Participant shall provide the Company with appropriate stock powers endorsed in blank.

- e. Each Participant who is an Employee may be required to agree at the time of receiving an Award of Restricted Stock, and as a condition thereof, to pay to the Employer, or make arrangements satisfactory to the Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, the Employer may delay issuing a stock certificate to the Participant. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.
8. Performance Share Units and Restricted Stock Units.
- a. The Committee may grant Performance Share Units and Restricted Stock Units to eligible Service Providers. Whenever the Committee deems it appropriate to grant Performance Share Units or Restricted Stock Units, a Grant Agreement shall be given to the Service Provider stating the number of Performance Share Units or Restricted Stock Units granted and the terms and conditions to which the Performance Share Units or Restricted Stock Units are subject, and, at that time, the Service Provider shall become a Participant.
  - b. The Committee shall establish as to each award of Performance Share Units the terms and conditions upon which the Performance Share Units shall be earned, vest and be paid. The issuance and vesting of Performance Share Units may be conditioned on the achievement of performance conditions measured on an individual, corporate, or other basis, or any combination thereof and on the continued performance of services. The Committee shall establish as to each award of Restricted Stock Units the terms and conditions upon which the Restricted Stock Units shall vest and be paid. Vesting may be conditioned on the continued performance of services or the achievement of performance conditions measured on an individual, corporate, or other basis, or any combination thereof. A Restricted Stock Unit, the vesting of which is not conditioned on the achievement of Performance Goals or other performance conditions, shall not have a vesting period of less than three (3) years from the Date of Grant of the Restricted Stock Unit. A Performance Share Unit or Restricted Stock Unit, the vesting of which is conditioned on the achievement of Performance Goals or other performance conditions, shall not vest less than one (1) year from the Date of Grant. Notwithstanding the foregoing, the Committee may, in its discretion and without limitation, provide in the Grant Agreement that restrictions will expire as a result of one or more of the Disability, death or Retirement of the Participant or the occurrence of a Change of Control.
  - c. Performance Share Units and Restricted Stock Units may be paid in cash, Company Stock, or a fixed combination of Company Stock or cash as provided in the Grant Agreement, or the Committee may reserve the right to determine the manner of payment at the time the Performance Share Units or Restricted Stock Units become payable. The delivery of Company Stock in payment of Performance Share Units or Restricted Stock Units may be subject to additional conditions established in the Grant Agreement.
  - d. A Participant who receives Performance Share Units or Restricted Stock Units payable in Company Stock shall have no rights as a shareholder until the Company Stock is issued pursuant to the terms of the Grant Agreement and all requirements with respect to the issuance of such shares have been satisfied. The Committee may, in its discretion, provide that a Participant shall be entitled to receive dividend equivalents on outstanding Performance Share Units or Restricted Stock Units. Dividend equivalents may be (i) paid

in cash, (ii) credited to the Participant as additional Performance Share Units or Restricted Stock Units, or (iii) a fixed combination of cash and additional Performance Share Units or Restricted Stock Units as provided in the Grant Agreement; provided, however, dividend equivalents with respect to Performance Share Units may be paid to the Participant only to the extent the Performance Goals or other performance conditions applicable to the Performance Share Units are achieved and dividend equivalents with respect to Restricted Stock Units may be paid to the Participant only if the Restricted Stock Units become vested, and any dividends and other distributions paid with respect to Performance Share Units or Restricted Stock Units that are not earned or become vested shall be forfeited.

- e. A Participant's interest in Performance Share Units or Restricted Stock Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered.
- f. Whenever payments under Performance Share Units or Restricted Stock Units are to be made in cash to a Participant who is an Employee, his or her Employer shall be entitled to withhold therefrom an amount sufficient to satisfy any Applicable Withholding Taxes. Each Participant who is an Employee may be required to agree as a condition of receiving Performance Share Units or Restricted Stock Units payable in the form of Company Stock to pay to his or her Employer, or make arrangements satisfactory to the Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, the Employer may delay issuing a stock certificate to the Participant. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, (i) payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

9. Stock Options.

- a. The Committee may grant Options to eligible Service Providers. Whenever the Committee grants Options, a Grant Agreement shall be given to the Service Provider stating the number of shares for which Options are granted, the Option exercise price per share, whether the Options are Incentive Stock Options or Nonstatutory Stock Options, the extent, if any, to which associated Stock Appreciation Rights are granted, and the conditions to which the grant and exercise of the Options are subject, and, at that time, the Service Provider shall become a Participant.
- b. The exercise price of shares of Company Stock covered by an Option shall not be, and shall never become, less than 100% of the Fair Market Value of the shares on the Date of Grant, except as may be provided in Section 15 (regarding certain changes affecting Company Stock). If the Participant is a Ten Percent Shareholder and the Option is intended to qualify as an Incentive Stock Option, the exercise price shall be not less than 110% of the Fair Market Value of such shares on the Date of Grant.
- c. Options may be exercised in whole or in part at the times as may be specified by the Committee in the Participant's Grant Agreement; provided that no Option may be exercised after the expiration of ten (10) years from the Date of Grant. If the Participant is a Ten Percent Shareholder and the Option is intended to qualify as an Incentive Stock Option, the Option may not be exercised after the expiration of five (5) years from the Date of Grant.

- d. Options shall not be transferable except to the extent specifically provided in the Grant Agreement in accordance with applicable securities laws, provided in no event shall Options be transferable to third-party financial institutions. Incentive Stock Options, by their terms, shall not be transferable except by will or the laws of descent and distribution and shall be exercisable, during the Participant's lifetime, only by the Participant.
- e. Options that are intended to qualify as Incentive Stock Options shall be granted only to Employees who meet the eligibility requirements of Section 5.
- f. Options that are intended to qualify as Incentive Stock Options shall, by their terms, not be exercisable after the first to occur of (i) ten (10) years from the Date of Grant (five (5) years if the Participant to whom the Option has been granted is a Ten Percent Shareholder), (ii) three (3) months following the date of the Participant's termination of employment with the Company and all Related Companies for reasons other than Disability or death, or (iii) one (1) year following the date of the Participant's termination of employment on account of Disability or death.
- g. Options that are intended to qualify as Incentive Stock Options shall, by their terms, be exercisable in any calendar year only to the extent that the aggregate Fair Market Value (determined as of the Date of Grant) of the Company Stock with respect to which Incentive Stock Options are exercisable for the first time during the Plan Year does not exceed \$100,000 (the "Limitation Amount"). Incentive Stock Options granted under the Plan and all other plans of the Company and all Related Companies shall be aggregated for purposes of determining whether the Limitation Amount has been exceeded. The Committee may impose any conditions as it deems appropriate on an Incentive Stock Option to ensure that the foregoing requirement is met. If Incentive Stock Options that first become exercisable in a Plan Year exceed the Limitation Amount, the excess Options shall be treated as Nonstatutory Stock Options to the extent permitted by law.
- h. A Participant who purchases shares of Company Stock under an Option shall have no rights as a shareholder until the Company Stock is issued pursuant to the terms of the Grant Agreement and all requirements with respect to the issuance of such shares have been satisfied.
- i. Options may be exercised by the Participant giving written notice of the exercise to the Company, stating the number of shares the Participant has elected to purchase under the Option. The notice shall be effective only if accompanied by the exercise price in full in cash; provided, however, the Participant (i), unless prohibited by law, may deliver a properly executed exercise notice together with irrevocable instructions to a broker to deliver promptly to the Company, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the exercise price and, if required by the terms of the Option or the Committee in its discretion, Applicable Withholding Taxes, (ii) may deliver shares of Company Stock for which the holder thereof has good title, free and clear of all liens and encumbrances (valued at their Fair Market Value on the date of exercise) in satisfaction of all or any part of the exercise price, (iii) may cause to be withheld from the Option shares, shares of Company Stock (valued at their Fair Market Value on the date of exercise) in satisfaction of all or any part of the exercise price, or (iv) may use any other methods of payment as the Committee, at its discretion, deems appropriate. Until the Participant has paid the exercise price and any Applicable Withholding Taxes, no stock certificate shall be issued.
- j. Each Participant who is an Employee may be required to agree as a condition of the exercise of an Option to pay to his or her Employer, or make arrangements satisfactory to his or her Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, no stock certificate shall be issued upon the exercise of an Option. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, (i) payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment)

to which the Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

- k. Unless specifically provided in the discretion of the Committee in a writing that references and supersedes this Section 9(k), (i) no Modification shall be made in respect to any Option if such Modification would result in the Option constituting a deferral of compensation, and (ii) no Extension shall be made in respect to any Option if such Extension would result in the Option having an additional deferral feature from the Date of Grant, in each case within the meaning of applicable Treasury Regulations under Code section 409A. Subject to the remaining part of this paragraph (k), (A) a "Modification" means any change in the terms of the Option (or change in the terms of the Plan or applicable Grant Agreement) that may provide the holder of the Option with a direct or indirect reduction in the exercise price of the Option, regardless of whether the holder in fact benefits from the change in terms; and (B) an "Extension" means any of (1) the provision to the holder of an additional period of time within which to exercise the Option beyond the time originally prescribed, (2) the conversion or exchange of the Option for a legally binding right to compensation in a future taxable year, (3) the addition of any feature for the deferral of compensation to the terms of the Option, or (4) any renewal of the Option that has the effect of any of (1) through (3) above. Notwithstanding the preceding sentence, it shall not be a Modification or an Extension, respectively, to change the terms of an Option in accordance with Section 18, or in any of the other ways or for any of the other purposes provided in applicable Treasury Regulations or other generally applicable guidance under Code section 409A as not resulting in a Modification or Extension for purposes of that section. In particular, it shall not be an Extension to extend the exercise period of an Option to a date no later than the earlier of (x) the latest date upon which the Option could have expired by its original terms under any circumstances or (y) the tenth (10th) anniversary of the original Date of Grant.

10. Stock Appreciation Rights.

- a. The Committee may grant Stock Appreciation Rights to eligible Service Providers. Whenever the Committee grants Stock Appreciation Rights, a Grant Agreement shall be given to the Service Provider stating the number of shares with respect to which Stock Appreciation Rights are granted, the extent, if any, to which the Stock Appreciation Rights are granted in connection with all or any part of a Nonstatutory Stock Option ("Tandem Rights"), and the conditions to which the grant and exercise of the Stock Appreciation Rights are subject, and, at that time, the Service Provider shall become a Participant.
- b. Stock Appreciation Rights (other than Tandem Rights) shall entitle the Participant, upon exercise of all or any part of the Stock Appreciation Rights, to receive in exchange from the Company an amount equal to the excess of (i) the Fair Market Value on the date of exercise of the Company Stock covered by the surrendered Stock Appreciation Right over (ii) the Fair Market Value of the Company Stock on the Date of Grant of the Stock Appreciation Right.
- c. Tandem Rights shall entitle the Participant, upon exercise of all or any part of the Tandem Rights, to surrender to the Company unexercised that portion of the underlying Nonstatutory Stock Option relating to the same number of shares of Company Stock as is covered by the Tandem Right (or the portion of the Tandem Right so exercised) and to receive in exchange from the Company an amount equal to the excess of (i) the Fair Market Value on the date of exercise of the Company Stock covered by the surrendered portion of the underlying Nonstatutory Stock Option over (ii) the exercise price of the

Company Stock covered by the surrendered portion of the underlying Nonstatutory Stock Option.

- d. Upon the exercise of a Tandem Right and surrender of the related portion of the underlying Nonstatutory Stock Option, the Nonstatutory Stock Option, to the extent surrendered, shall not thereafter be exercisable.
- e. Subject to any further conditions upon exercise imposed by the Committee, a Tandem Right shall be granted on the same Date of Grant as the related Nonstatutory Stock Option, be transferable only to the extent that the related Nonstatutory Stock Option is transferable, be exercisable only to the extent that the related Nonstatutory Stock Option is exercisable and shall expire no later than the date on which the related Nonstatutory Stock Option expires.
- f. The Committee may limit the amount that the Participant will be entitled to receive upon exercise of Stock Appreciation Rights.
- g. Stock Appreciation Rights shall not be transferable except to the extent specifically provided in the Grant Agreement in accordance with applicable securities laws, provided in no event shall Stock Appreciation Rights be transferable to third-party financial institutions.
- h. Stock Appreciation Rights may be exercised in whole or in part at the times as may be specified by the Committee in the Participant's Grant Agreement; provided that no Stock Appreciation Right may be exercised after the expiration of ten (10) years from the Date of Grant.
- i. A Stock Appreciation Right may only be exercised at a time when the Fair Market Value of the Company Stock covered by the Stock Appreciation Right exceeds the Fair Market Value of the Company Stock on the Date of Grant of the Stock Appreciation Right (or, in the case of a Tandem Right, only to the extent it exceeds the exercise price of the Company Stock covered by the underlying Nonstatutory Stock Option).
- j. The manner in which the Company's obligation arising upon the exercise of a Stock Appreciation Right shall be paid shall be determined by the Committee and shall be set forth in the Grant Agreement. The Grant Agreement may provide for payment in Company Stock or cash, or a fixed combination of Company Stock or cash, or the Committee may reserve the right to determine the manner of payment at the time the Stock Appreciation Right is exercised. Shares of Company Stock issued upon the exercise of a Stock Appreciation Right shall be valued at their Fair Market Value on the date of exercise.
- k. A Participant who acquires shares of Company Stock upon exercise of a Stock Appreciation Right shall have no rights as a shareholder until the Company Stock is issued pursuant to the terms of the Grant Agreement and all requirements with respect to the issuance of such shares have been satisfied.
- l. Stock Appreciation Rights may be exercised by the Participant giving written notice of the exercise to the Company, stating the number of Stock Appreciation Rights the Participant has elected to exercise.
- m. Whenever payments upon exercise of Stock Appreciation Rights are to be made in cash to a Participant who is an Employee, the Employer will withhold therefrom an amount sufficient to satisfy any Applicable Withholding Taxes. Each Participant who is an Employee shall agree as a condition of receiving Stock Appreciation Rights payable in the form of Company Stock to pay to his or her Employer, or make arrangements satisfactory to his or her Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, no stock certificate shall be issued to the Participant. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, (i) payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the



Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

- n. Unless specifically provided in the discretion of the Committee in a writing that references and supersedes this Section 10(n), (i) no Modification shall be made in respect to any Stock Appreciation Right if such Modification would result in the Stock Appreciation Right constituting a deferral of compensation, and (ii) no Extension shall be made in respect to any Stock Appreciation Right if such Extension would result in the Stock Appreciation Right having an additional deferral feature from the Date of Grant, in each case within the meaning of applicable Treasury Regulations under Code section 409A. Subject to the remaining part of this subsection (n), (A) a "Modification" means any change in the terms of the Stock Appreciation Right (or change in the terms of the Plan or applicable Grant Agreement) that may provide the holder of the Stock Appreciation Right with a direct or indirect reduction in the exercise price of the Stock Appreciation Right, regardless of whether the holder in fact benefits from the change in terms; and (B) an "Extension" means any of (1) the provision to the holder of an additional period of time within which to exercise the Stock Appreciation Right beyond the time originally prescribed, (2) the conversion or exchange of the Stock Appreciation Right for a legally binding right to compensation in a future taxable year, (3) the addition of any feature for the deferral of compensation to the terms of the Stock Appreciation Right, or (4) any renewal of the Stock Appreciation Right that has the effect of any of (1) through (3) above. Notwithstanding the preceding sentence, it shall not be a Modification or an Extension, respectively, to change the terms of a Stock Appreciation Right in accordance with Section 18, or in any of the other ways or for any of the other purposes provided in applicable Treasury Regulations or other generally applicable guidance under Code section 409A as not resulting in a Modification or Extension for purposes of that section. In particular, it shall not be an Extension to extend the exercise period of a Stock Appreciation Right to a date no later than the earlier of (x) the latest date upon which the Stock Appreciation Right could have expired by its original terms under any circumstances or (y) the tenth (10th) anniversary of the original Date of Grant.

11. Director Awards.

- a. *General.* The Board may grant Director Awards to Independent Directors in the form of shares of Restricted Stock, Restricted Stock Units, Performance Share Units, Nonstatutory Options or Stock Appreciation Rights as provided in Sections 7 through 10 above, or in the form of Vested Shares or Vested Shares Units as provided in paragraph (b) below. The Board may also grant to Consultants awards in the same forms as Director Awards. Whenever the Board grants shares of Restricted Stock, Restricted Stock Units, Performance Share Units, Nonstatutory Options or Stock Appreciation Rights to an Independent Director, notice shall be given to the Independent Director stating the type of award being made, the number of shares with respect to which the award is granted and the terms and conditions to which the award and (where applicable) the exercise of the award is subject. This notice shall become the Grant Agreement between the Company and the Independent Director and, at that time, the Independent Director shall become a Participant. Restricted Stock, Restricted Stock Units, Performance Share Units, Nonstatutory Options or Stock Appreciation Rights granted to Independent Directors shall otherwise be subject to the terms of the Plan applicable to each type of award as set forth in Sections 7 through 10 above; provided, however, that, notwithstanding anything in Section 7(b) or 8(b) to the contrary, any service or performance period with respect to Restricted Stock, Restricted Stock Units or Performance Share Units granted to

Independent Directors or Consultants shall not be less than six (6) consecutive months in length; and provided further, that where context reasonably requires, references throughout Sections 7 through 10 above to the "Committee" shall be read instead as references to the Board wherever the award is to be granted to an Independent Director. The Board shall have all the same rights and powers with respect to the administration of Director Awards as the Committee has with respect to Incentive Awards as provided in Section 18 below (provided that the Board may not delegate its authority with respect to the granting of Director Awards pursuant to Section 18(a)(viii)), and the Board shall be subject to the same limitations with respect to the modification and Repricing of outstanding Director Awards as provided therein.

- b. *Vested Shares and Vested Share Units.* The Board may grant Vested Shares and Vested Shared Units to Independent Directors or Consultants. Vested Shares shall be immediately transferable (subject to compliance with any applicable securities laws), and the Participant receiving an award of Vested Shares shall have all the rights of a shareholder with respect to such shares as of the Date of Grant. Vested Share Units shall represent the vested right to receive shares of Company Stock at the time specified in the Grant Agreement for the Vested Share Units, and the Participant holding Vested Share Units shall be entitled to receive dividend equivalents on the outstanding Vested Share Units.
12. Recoupment of Awards. The Committee may require in any Grant Agreement that any current or former Participant reimburse the Company for all or any portion of any Award, terminate any outstanding, unexercised, unexpired or unpaid Award, rescind any exercise, payment or delivery pursuant to an Award or recapture any Company Stock (whether restricted or unrestricted) or proceeds from the Participant's sale of Company Stock issued pursuant to an Award to the extent required by any recoupment or clawback policy adopted by the Committee in its discretion or to comply with the requirements of any applicable laws.
13. Continuing Securities Law Compliance. If at any time on or after the Effective Date, the requirements of any applicable federal or state securities laws should fail to be met, no shares of Company Stock issuable under Non-Option Awards shall be issued and no Options or Stock Appreciation Rights shall be exercisable until the Committee (or, with respect to a Director Award, the Board) has determined that these requirements have again been met. The Committee (or, with respect to a Director Award, the Board) may suspend the right to exercise an Option or Stock Appreciation Right at any time when it determines that allowing the exercise and issuance of Company Stock would violate any federal or state securities or other laws, and may provide that any time periods to exercise the Option or Stock Appreciation Right are extended during a period of suspension.
14. Termination, Modification, Change. If not sooner terminated by the Board, this Plan shall terminate at the close of business on the date that immediately follows the tenth (10th) anniversary of the Effective Date. No new Awards shall be granted under the Plan after its termination. The Board may terminate the Plan at any time and may amend the Plan at any time in any respect as it shall deem advisable; provided that no change shall be made that increases the total number of shares of Company Stock reserved for issuance under the Plan (except pursuant to Section 15), materially modifies the requirements as to eligibility for participation in the Plan, or would otherwise be considered a material revision or amendment under Code section 422 or the listing standards of the principal exchange on which the Company Stock is traded, unless the change is approved by the shareholders of the Company. Notwithstanding the foregoing, the Board may unilaterally amend the Plan and outstanding Awards with respect to Participants as it deems appropriate to ensure compliance with Rule 16b-3 and other applicable federal or state securities laws and to meet the requirements of the Code and applicable regulations or other generally applicable guidance thereunder. Except as provided in the preceding sentence, a termination or amendment of the Plan shall not, without the consent of the Participant, adversely affect a Participant's rights under an Award previously granted to him or her.

15. Change in Capital Structure.

- a. The Committee (or, with respect to a Director Award, the Board) shall proportionately adjust the number and kind of shares of stock or securities of the Company to be subject to the Plan and to Awards then outstanding or to be granted thereunder, the maximum number of shares or securities that may be delivered under the Plan (including the maximum limit on Non-Option Awards or Incentive Stock Options under Section 4), the maximum number of shares or securities that can be granted to an individual Participant under Section 4, the exercise price of Options, the initial Fair Market Value of Company Stock under Stock Appreciation Rights, and other relevant terms of the Plan and any Awards whenever, in the event of a stock dividend, stock split or combination of shares, recapitalization or merger in which the Company is the surviving corporation, or other change in the Company's corporate structure or capital stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), it deems any such adjustment necessary or desirable to preserve the intended benefits of the Plan and any outstanding Awards for the Company and the Participants. The Committee's (or, with respect to a Director Award, the Board's) determination in this regard shall be binding on all persons. If the adjustment would produce fractional shares with respect to any unexercised Option or Stock Appreciation Right or fractional cents with respect to the exercise price thereof, the Committee (or, with respect to a Director Award, the Board) shall round down the number of shares covered by the Option or Stock Appreciation Right to the nearest whole share and round up the exercise price to the nearest whole cent.
- b. Notwithstanding anything in the Plan to the contrary, the Committee (or, with respect to a Director Award, the Board) may take the foregoing actions without the consent of any Participant, and its determination shall be conclusive and binding on all persons and for all purposes.

16. Corporate Events. In the event of a Change of Control as described in Sections 2(h)(i), (ii) or (iv), or if the Company is otherwise a party to a consolidation or a merger in which the Company is not the surviving corporation, a transaction that results in the acquisition of substantially all of the Company's outstanding stock by a single person or entity, or a sale or a transfer of substantially all of the Company's assets occurs (in any such case, a "Corporate Event"), notwithstanding anything contained in the Plan to the contrary, the provisions of this Section 16 shall apply.

a. *Replacement Awards; No Immediate Vesting.*

- i. An Award shall not vest upon the occurrence of a Change of Control and shall continue to the extent qualifying as a Replacement Award.
- ii. A "Replacement Award" includes an outstanding Award that continues upon and after the occurrence of a Change of Control and an Award provided to a Participant in replacement of an outstanding Award (such replaced Award, a "Replaced Award") in connection with a Change of Control that satisfies the following conditions:
  1. it has a value at least equal to the value of the Replaced Award;
  2. it relates to publicly traded equity securities of the Company or its successor in the Change of Control or another entity that is affiliated with the Company or its successor following the Change of Control;
  3. its other terms and conditions are not less favorable to the Participant than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change of Control); and
  4. upon an involuntary termination of employment or separation from service of a Participant by the Company other than for Cause (and not due to Disability), or a voluntary termination of employment or separation from service by the Participant for Good Reason (if applicable), occurring on or during the period

of twenty-four (24) months after the Change of Control, the Replacement Award, to the extent not vested and unrestricted as of such termination of employment or separation from service, shall become fully vested and (if applicable) exercisable and free of restrictions.

The Committee, as constituted immediately before the Change of Control, shall have the discretion to determine whether the conditions of this Section 16(a)(ii) are satisfied.

- b. *Vesting if No Replacement Award.* To the extent that a Replacement Award is not provided to the Participant, upon the occurrence of a Change of Control:
- i. any and all Options and Stock Appreciation Rights granted hereunder shall become immediately exercisable;
  - ii. any restrictions imposed on Restricted Stock shall lapse and become freely transferable, and all other Awards shall become fully vested; and
  - iii. except as otherwise provided in a Grant Agreement, the payout opportunities attainable at target or, if greater, in the amount determined by the Committee to have been earned thereunder based on performance through the date of the Change of Control, under all outstanding Awards of performance-based Awards shall be deemed to have been earned for the entire performance period(s) as of the effective date of the Change of Control. The vesting of all such earned Awards shall be accelerated as of the effective date of the Change of Control, and in full settlement of such Awards, there shall be paid out in cash, or in the discretion of the Committee, in shares of Company Stock with a Fair Market Value equal to the amount of such cash.

Except as otherwise determined by the Committee, the foregoing provisions of this Section 16(b) shall apply, and a Participant's outstanding Awards shall not become Replacement Awards, upon the occurrence of a Change of Control following an involuntary termination of employment or separation from service of the Participant by the Company other than for Cause (and not due to Disability), or a voluntary termination of employment or separation from service for Good Reason by the Participant (if applicable), occurring (A) at the request of a third party who was taking steps reasonably calculated to effect such Change of Control or (B) otherwise in contemplation of and within one hundred eighty (180) days before such Change of Control.

17. Dividend Equivalents. An Award may provide the Participant with dividends or dividend equivalents, payable in cash, shares of Company Stock, other securities or other property. In the event the Committee provides for dividends or dividend equivalents to be payable with respect to any Awards denominated in shares of Company Stock, any shares of Company Stock, cash or other property distributable as a dividend or otherwise with respect to such Awards as to which the restrictions have not yet lapsed (and/or performance goals have not been satisfied) shall be accumulated or credited, and shall be subject to the same restrictions and risk of forfeiture as such Awards with respect to which they relate and shall not be paid unless and only to the extent the underlying Awards vest or are earned. The total number of shares of Company Stock available for grant under Section 4(a) shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Company Stock or credited as Performance Shares or Performance Share Units. Notwithstanding the foregoing (but subject to Section 15), neither dividends nor dividend equivalents may be payable with respect to Options or Stock Appreciation Rights.
18. Administration of the Plan.
- a. The Plan shall be administered by the Committee. Subject to the express provisions and limitations set forth in this Plan or the Committee's charter or as otherwise established by the Board, the Committee shall be authorized and empowered to do all things necessary

or desirable, in its sole discretion, in connection with the administration of this Plan, including, without limitation, the following:

- i. to prescribe, amend and rescind policies relating to this Plan, and to interpret the Plan, including defining terms not otherwise defined;
- ii. to determine which persons are eligible Service Providers, to which of the Service Providers, if any, Incentive Awards shall be granted hereunder and the timing of any Incentive Awards;
- iii. to grant Incentive Awards to Service Providers and determine the terms and conditions thereof, including the number of shares of Company Stock subject to Incentive Awards and the exercise or purchase price of the shares of Company Stock and the circumstances under which Incentive Awards become exercisable or vested or are forfeited or expire, which terms may but need not be conditioned upon the passage of time, continued employment, the satisfaction of performance conditions (including Performance Goals), the occurrence of certain events, or other factors;
- iv. to establish or verify the extent of satisfaction of any Performance Goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Incentive Award;
- v. to prescribe and amend the terms of the Grant Agreements or other documents evidencing Incentive Awards made under this Plan (which need not be identical);
- vi. to determine whether, and the extent to which, adjustments are required pursuant to Section 15;
- vii. to interpret and construe this Plan, any policies under this Plan and the terms and conditions of any Incentive Award granted hereunder, and to make exceptions to any provisions for the benefit of the Company;
- viii. to delegate, to the extent permitted by the New York Business Corporation Law and the Company's Certificate of Incorporation and Bylaws, any portion of its authority under the Plan to make Incentive Awards to an executive officer of the Company, subject to any conditions that the Committee may establish (including but not limited to conditions on such officer's ability to make awards to "executive officers" within the meaning of Section 16 of the Act); and
- ix. to make all other determinations deemed necessary or advisable for the administration of this Plan.

The Committee may amend the terms of previously granted Incentive Awards so long as the terms as amended are consistent with the terms of the Plan and provided that the consent of the Participant is obtained with respect to any amendment that would be detrimental to him or her, except that such consent will not be required if the amendment is for the purpose of complying with applicable provisions of the Code or any federal or state securities laws.

The Committee is prohibited from Repricing any Option or Stock Appreciation Right without the prior approval of the shareholders of the Company with respect to the proposed Repricing.

- b. The interpretation and construction of any provision of the Plan by the Committee shall be final and conclusive as to any Participant. The Committee may consult with counsel, who may be counsel to the Company, and shall not incur any liability for any action taken in good faith in reliance upon the advice of counsel.
- c. A majority of the members of the Committee shall constitute a quorum, and all actions of the Committee shall be taken by a majority of the members present. Any action may be taken by the Committee in writing or by electronic transmission or transmissions as permitted by the Bylaws of the Company, and any action so taken shall be fully effective as if it had been taken at a meeting.

- d. The Committee may delegate the administration of the Plan to an officer or officers of the Company, and such officer(s) may have the authority to execute and distribute agreements or other documents evidencing or relating to Incentive Awards granted by the Committee under this Plan, to maintain records relating to the grant, vesting, exercise, forfeiture or expiration of Incentive Awards, to process or oversee the issuance of shares of Company Stock upon the exercise, vesting and/or settlement of an Incentive Award, to interpret the terms of Incentive Awards and to take any other actions as the Committee may specify, provided that in no case shall any such officer(s) be authorized to grant Incentive Awards under the Plan, except in accordance with Section 18(a)(viii) above. Any action by an administrator within the scope of its delegation consistent with this paragraph (d) shall be deemed for all purposes to have been taken by the Committee, and references in this Plan to the Committee shall include any such officer(s), provided that the actions and interpretations of any such officer(s) shall be subject to review and approval, disapproval or modification by the Committee.
19. Notice. All notices and other communications required or permitted to be given under the Plan shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first class, postage prepaid, as follows (a) if to the Company—at the principal business address of the Company to the attention of the Corporate Secretary of the Company; and (b) if to any Participant—at the last address of the Participant on file with (or in the business records of) the Company or as otherwise known to the sender at the time the notice or other communication is sent.
20. No Effect on Other Plans. Nothing contained in the Plan will be deemed in any way to limit or restrict the Company or any Related Company from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.
21. Interpretation. The Plan is intended to operate in compliance with the provisions of Rule 16b-3. The terms of the Plan are subject to all present and future regulations and rulings of the Secretary of the Treasury of the United States or his or her delegate relating to the qualification of Incentive Stock Options under the Code. The Plan and the individual Awards under the Plan are intended to comply with any applicable requirements of Code section 409A and shall be interpreted in accordance with such requirements. If any provision of the Plan conflicts with any such regulation or ruling, then that provision of the Plan shall be void and of no effect. The terms of the Plan shall be governed by the laws of the State of North Carolina.
22. Effective Date of the Plan; Limited Effect of Restatement. The Plan shall become effective as of October 29, 2020 subject to approval by the shareholders of the Company. Until (a) the Plan has been approved by the Company's shareholders, and (b) the requirements of any applicable federal or state securities laws have been met, no shares of Company Stock issuable under Non-Option Awards shall be issued and no Options or Stock Appreciation Rights shall be exercisable that, in either case, are not contingent on the occurrence of both such events. This instrument amends and restates the Plan effective as of the Effective Date. Nothing in this instrument shall in any way change, alter or affect the terms of any award made under the Plan prior to the Effective Date of this amendment and restatement or the amount of any Plan benefit or payment due with respect to awards made under the Plan prior to such date.

IN WITNESS WHEREOF, the Company hereby adopts the Plan as of the Effective Date.

UNIFI, INC.

By: /s/ EDMUND M. INGLE  
Name: Edmund M. Ingle  
Title: Chief Executive Officer



