UNIFI INC
Form DEF 14A
September 13, 2018
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

UNIFI, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

UNIFI, INC.

Notice of Annual Meeting

and

Proxy Statement

2018 Annual Meeting of Shareholders

October 31, 2018

Table of Contents

UNIFI, INC.

7201 West Friendly Avenue

Greensboro, North Carolina 27410

September 13, 2018

Dear Shareholder:

On behalf of the Board of Directors and the management of Unifi, Inc., I invite you to attend the 2018 Annual Meeting of Shareholders (the Annual Meeting). The Annual Meeting will be held at 8:30 a.m., Eastern Time, on Wednesday, October 31, 2018 at the Lotte New York Palace located at 455 Madison Avenue at 50th Street, New York, New York 10022. Details regarding admission to the Annual Meeting and the business to be conducted are described in the accompanying Notice of 2018 Annual Meeting of Shareholders and Proxy Statement.

I hope that you will attend the Annual Meeting in person, but even if you are planning to come, I strongly encourage you to vote as soon as possible to ensure that your shares are represented at the meeting. The accompanying Proxy Statement explains more about voting. Please read it carefully.

Thank you for your continued support.

Sincerely,

Kevin D. Hall

Chairman of the Board and Chief Executive Officer

Table of Contents

UNIFI, INC.

7201 West Friendly Avenue

Greensboro, North Carolina 27410

(336) 294-4410

Notice of 2018 Annual Meeting of Shareholders

The 2018 Annual Meeting of Shareholders (the Annual Meeting) of Unifi, Inc. (the Company) will be held at 8:30 a.m., Eastern Time, on Wednesday, October 31, 2018 at the Lotte New York Palace located at 455 Madison Avenue at 50th Street, New York, New York 10022, for the purpose of voting on the following matters:

1. To elect the 11 directors nominated by the Board of Directors;

2. To approve, on an advisory basis, the Company s named executive officer compensation in fiscal 2018;

3. To approve the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan;

4. To ratify the appointment of KPMG LLP as the Company s independent registered public accounting firm for fiscal 2019; and

5. 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 FOR Items 1, 2, 3 and 4. The proxy holders will use their discretion to vote on other matters that may properly arise at the Annual Meeting or any adjournment or postponement thereof.

Only shareholders of record as of the close of business on September 4, 2018 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 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 via the Internet; (ii) vote by telephone; 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,

Ben Sirmons

Secretary and Deputy General Counsel

September 13, 2018

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting of Shareholders To Be Held on October 31, 2018:

The Notice of Annual Meeting and Proxy Statement and

the Annual Report on Form 10-K are available at *www.proxyvote.com*.

Table of Contents

Table of Contents

Table of Contents

Table of Contents

PROXY STATEMENT

The Board of Directors (the Board of Directors or the Board) of Unifi, Inc. (UNIFI or the Company) is provid these materials to you in connection with the 2018 Annual Meeting of Shareholders (the Annual Meeting). The Annual Meeting will be held at 8:30 a.m., Eastern Time, on Wednesday, October 31, 2018 at the Lotte New York Palace located at 455 Madison Avenue at 50th Street, New York, New York 10022.

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 13, 2018, 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 the fiscal year ended June 24, 2018, 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.

Table of Contents

What items will be voted on at the Annual Meeting?

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

- the election of the 11 directors nominated by the Board of Directors;
- the approval, on an advisory basis, of the Company s named executive officer compensation in fiscal 2018;
- the approval of the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan; and
- the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for fiscal 2019.

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 11 directors nominated by the Board of Directors;
- **FOR** the approval, on an advisory basis, of the Company s named executive officer compensation in fiscal 2018;
- **FOR** the approval of the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan; and
- **FOR** the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for fiscal 2019.

Who can attend the Annual Meeting?

Admission to the Annual Meeting is limited to:

- shareholders of record as of the close of business on September 4, 2018;

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.

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

The Board set September 4, 2018 as the record date. As of the record date, 18,373,375 shares of common stock, $0.10 par value per share, of UNIFI (Common Stock) were issued and outstanding. Shareholders are entitled to one vote per share of Common Stock outstanding on the record date on any matter properly presented at the Annual Meeting.

Table of Contents

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 you receive 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 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 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 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.

Table of Contents

What happens if I vote by proxy and do not give 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 completing, signing, dating and returning a proxy card, without giving 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 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 and 3, the election of directors, the advisory vote to approve the Company s named executive officer compensation in fiscal 2018 and the approval of the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan, respectively, are non-routine matters. Consequently, without your voting instructions, the organization that holds your shares cannot vote your shares on these proposals. Proposal 4, the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for fiscal 2019, 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 2018 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, Approval of the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan. Approval of the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan requires the affirmative vote of a majority of the votes cast (meaning that the number of shares voted for the proposal must exceed the aggregate of the number of shares voted against such proposal plus abstentions).

Proposal 4, Ratification of the Appointment of Independent Registered Public Accounting Firm. Ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for fiscal 2019 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).

Table of Contents

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 submitting a properly executed 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, 3 and 4, the advisory vote to approve the Company s named executive officer compensation in fiscal 2018, the approval of the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan and the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for fiscal 2019, respectively, you may vote for or against these proposals, or you may abstain from voting on these proposals. For Proposals 2 and 4, 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. For Proposal 3, under the New York Stock Exchange rules (the NYSE rules), abstentions are considered votes cast for the foregoing purpose and will therefore have the effect of votes against this proposal, whereas 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, Kevin D. Hall and Thomas H. Caudle, Jr., were selected by the Board and are officers and directors of the Company. If you are a shareholder of record and you return an 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 11 directors nominated by the Board of Directors;

- **FOR** the approval, on an advisory basis, of the Company s named executive officer compensation in fiscal 2018;

- **FOR** the approval of the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan; and

- **FOR** the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for fiscal 2019.

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.

Table of Contents

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 meeting.

Table of Contents

Security Ownership of Certain Beneficial Owners and Management

The table below provides information about the beneficial ownership of Common Stock as of September 4, 2018, 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, nominee for director 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 4, 2018 and (ii) restricted stock units that vest within 60 days of September 4, 2018. However, these shares or units are not deemed outstanding for the purposes of computing the ownership percentage of any other person. The ownership percentage is based on 18,373,375 shares of Common Stock outstanding as of September 4, 2018. 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
Principal Shareholders:		
BlackRock, Inc.	2,094,173(1)	11.40%
Dimensional Fund Advisors LP	1,538,440(2)	8.37%
Kenneth G. Langone	1,280,000(3)	6.97%
Impala Asset Management LLC	1,265,149(4)	6.89%
Victory Capital Management Inc.	1,093,908(5)	5.95%
ValueAct Spring Master Fund, L.P.	925,000(6)	5.03%
Directors, Director Nominees and Named Executive Officers:		
Jeffrey C. Ackerman	10,000(7)	*
Robert J. Bishop	1,520,690(8)	8.28%
Albert P. Carey	3,135(9)	*
Thomas H. Caudle, Jr.	105,687(10)	*
Paul R. Charron	24,003(11)	*
Archibald Cox, Jr.	129,885(12)	*
Richard E. Gerstein	10,000(13)	*
Kevin D. Hall	18,656(14)	*
James M. Kilts	15,288(15)	*
Kenneth G. Langone	1,280,000(3)	6.97%
James D. Mead	20,401(16)	*
Suzanne M. Present	29,545(17)	*
Christopher A. Smosna	13,334(18)	*
John D. Vegas	10,335(19)	*
Eva T. Zlotnicka	925,610(20)	5.04%
Directors and executive officers as a group (15 persons)	4,116,569	22.41%

* Less than 1%.

(1) This information is based upon a Schedule 13G/A filed with the SEC on January 19, 2018 by BlackRock, Inc. (BlackRock), whose address is 55 East 52nd Street, New York, New York 10055. The Schedule 13G/A reports that BlackRock has sole voting power over 2,063,486 shares, shared voting power over no shares and sole investment power over all of the shares shown.

7

Table of Contents

(2) This information is based upon a Schedule 13G/A filed with the SEC on February 9, 2018 by Dimensional Fund Advisors LP (Dimensional), whose address is Building One, 6300 Bee Cave Road, Austin, Texas 78746. The Schedule 13G/A reports that Dimensional has sole voting power over 1,483,955 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, 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.

(3) Includes (i) 130,000 shares owned by Invemed Associates LLC, in which Mr. Langone owns an 81% interest and of which Mr. Langone serves as President and Chief Executive Officer, as to which Mr. Langone has shared voting and investment power and of which Mr. Langone disclaims beneficial ownership, except to the extent of his pecuniary interest therein; (ii) 30,000 shares owned by Mr. Langone s wife, as to which Mr. Langone has shared voting and investment power and of which Mr. Langone disclaims beneficial ownership; and (iii) 31,353 shares that Mr. Langone has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of his services as a director.

(4) This information is based upon a Schedule 13G/A filed with the SEC on February 12, 2018 by Impala Asset Management LLC, whose address is 107 Cherry Street, New Canaan, Connecticut 06840. The Schedule 13G/A reports that Impala Asset Management LLC has sole voting and investment power over all of the shares shown. Impala Asset Management LLC, in its capacity as the investment adviser or manager to various private funds, has the power to direct the investment activities of each of the private funds.

(5) This information is based upon a Schedule 13G filed with the SEC on February 9, 2018 by Victory Capital Management Inc. (Victory Capital), whose address is 4900 Tiedeman Road, 4th Floor, Brooklyn, Ohio 44144. The Schedule 13G reports that Victory Capital has sole voting power over 1,069,358 shares, shared voting power over no shares and sole investment power over all of the shares shown. The Schedule 13G further reports that (i) clients of Victory Capital, including investment companies registered under the Investment Company Act of 1940 and separately managed accounts, have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Stock; and (ii) no client of Victory Capital has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, more than 5% of the Common Stock, except the Victory Sycamore Small Company Opportunity Fund, an investment company registered under the Investment Company Act of 1940, which has an interest of 5.05% of the Common Stock.

(6) This information is based upon a Schedule 13D/A filed jointly with the SEC on August 1, 2018 by ValueAct Spring Master Fund, L.P., VA Partners I, LLC, ValueAct Capital Management, L.P., ValueAct Capital Management, LLC, ValueAct Holdings, L.P. and ValueAct Holdings GP, LLC (collectively, ValueAct Capital), each of whose address is One Letterman Drive, Building D, 4th Floor, San Francisco, California 94129. The Schedule 13D/A reports that ValueAct Capital has sole voting and investment power over all of the shares shown.

(7) Consists of (i) 5,000 shares that Mr. Ackerman has the right to purchase pursuant to stock options that are currently exercisable; and (ii) 5,000 shares that Mr. Ackerman has the right to receive pursuant to restricted stock units that will vest on October 5, 2018 and that will automatically convert into shares of Common Stock following termination of his employment with the Company.

(8) Consists of (i) 1,510,402 shares owned by Impala Asset Management LLC and Impala Asset Advisors LLC, which are investment manager and general partner, respectively, to funds that hold such securities; and (ii) 10,288 shares that Mr. Bishop has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of his services as a director. Mr. Bishop is the founder, the Managing Principal and a member of Impala Asset Management LLC and Impala Asset Advisors LLC and a limited partner in some of the funds that hold the securities owned by Impala Asset Management LLC and Impala Asset Advisors LLC, as to which Mr. Bishop has shared voting and investment power and of which Mr. Bishop disclaims beneficial ownership, except to the extent of his pecuniary interest therein.

Table of Contents

(9) Consists of 3,135 shares that Mr. Carey has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of his services as a director.

(10) Includes (i) 83,500 shares that Mr. Caudle has the right to purchase pursuant to stock options that are currently exercisable; and (ii) 7,500 shares that Mr. Caudle has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of his employment with the Company.

(11) Includes 11,503 shares that Mr. Charron has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of his services as a director.

(12) Includes (i) 6,666 shares that Mr. Cox has the right to purchase pursuant to stock options that are currently exercisable; and (ii) 31,353 shares that Mr. Cox has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of his services as a director.

(13) Consists of (i) 5,000 shares that Mr. Gerstein has the right to purchase pursuant to stock options that are currently exercisable; and (ii) 5,000 shares that Mr. Gerstein has the right to receive pursuant to restricted stock units that vested and converted into shares of Common Stock on September 13, 2018.

(14) Includes 8,334 shares that Mr. Hall has the right to purchase pursuant to stock options that are currently exercisable.

(15) Includes 6,200 shares that Mr. Kilts has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of his services as a director.

(16) Includes (i) 5,849 shares owned by Mr. Mead s wife, as to which Mr. Mead has shared voting and investment power and of which Mr. Mead disclaims beneficial ownership; and (ii) 10,108 shares that Mr. Mead has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of his services as a director.

(17) Consists of 29,545 shares that Ms. Present has the right to receive pursuant to restricted stock units that will automatically convert into shares of Common Stock following termination of her services as a director.

(18) Consists of 13,334 shares that Mr. Smosna has the right to purchase pursuant to stock options that are currently exercisable.

(19) Includes (i) 5,000 shares that Mr. Vegas has the right to purchase pursuant to stock options that are currently exercisable; and (ii) 5,000 shares that Mr. Vegas has the right to receive pursuant to restricted stock units that will

vest and convert into shares of Common Stock on September 20, 2018.

(20) Includes 925,000 shares held by ValueAct Spring Master Fund, L.P., which may be deemed to be indirectly beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Spring Master Fund, L.P.; (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Spring Master Fund, L.P.; (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P.; (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC; and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P. (the foregoing entities, collectively, the ValueAct Entities). Ms. Zlotnicka and each of the ValueAct Entities disclaim beneficial ownership of the reported securities except to the extent of her or its pecuniary interest therein.

Table of Contents

Proposal 1:

Election of Directors

The Board of Directors currently consists of 11 members. The Board has nominated the 11 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 2019 Annual Meeting of Shareholders or until his or her successor is duly elected and qualified. Each nominee has agreed to be named in this Proxy Statement and to serve if elected.

All of the nominees are currently serving as directors. Except for Albert P. Carey, who was elected to the Board of Directors in January 2018, and Eva T. Zlotnicka, who was elected to the Board of Directors in August 2018, all of the nominees were elected to the Board at the 2017 Annual Meeting of Shareholders. Mr. Carey and Ms. Zlotnicka were initially identified to the Board as potential directors by non-management directors of the Company.

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. At the Annual Meeting, proxies cannot be voted for a greater number of individuals than the 11 nominees named in this Proxy Statement.

The Board of Directors unanimously recommends that you vote FOR the election of each of the 11 nominees listed below.

Unless a proxy card (or voting instruction properly submitted by telephone or via the Internet) is marked to give a different direction, the persons named as attorneys-in-fact in the proxy card will vote **FOR** the election of each of the 11 nominees listed below.

Nominees for Director

Listed below are the 11 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
Robert J. Bishop	61	Managing Principal, Impala Asset Management LLC	2016
Albert P. Carey	67	Chief Executive Officer, PepsiCo North America	2018
Thomas H. Caudle, Jr.	66	President & Chief Operating Officer of UNIFI	2016
Paul R. Charron	76	Independent Management Consultant	2016
Archibald Cox, Jr.	78	Chairman, Sextant Group, Inc.	2008
Kevin D. Hall	59	Chairman of the Board and Chief Executive Officer of UNIFI	2017
James M. Kilts	70	Founding Partner, Centerview Capital	2016
Kenneth G. Langone	82	President and Chief Executive Officer, Invemed Associates LLC	1969
James D. Mead	74	President, James Mead & Company	2015
Suzanne M. Present	59	Principal, Gladwyne Partners, LLC	2011

Eva T. Zlotnicka	35	Vice President, ValueAct Capital	2018

Robert J. Bishop

Mr. Bishop founded Impala Asset Management LLC, a private investment management company, in 2004 and is the Managing Principal of the firm and manages the Impala, Waterbuck, Alpha and Resource Funds and other managed accounts. From 2002 to 2003, he was Chief Investment Officer at

10

Soros Fund Management overseeing the Quantum Endowment Fund. From 1998 to 2002, he was a principal at Maverick Capital. Mr. Bishop was a portfolio manager at Kingdon Capital from 1995 to 1998 and, from 1992 to 1995, he was a managing director of Tiger Management. From 1986 to 1992, Mr. Bishop was an equity analyst at Salomon Brothers and, from 1980 to 1984, he worked as a legislative assistant/director for Congressmen Toby Roth and Don Ritter.

Mr. Bishop brings valuable financial and managerial expertise to the Board through his extensive experience in investment and asset management.

Albert P. Carey

Mr. Carey has served as Chief Executive Officer of PepsiCo North America, a consumer products company, since April 2016. In this role, he is responsible for leading PepsiCo s beverages, Frito-Lay and Quaker Foods businesses in North America. Previously, he was Chief Executive Officer of PepsiCo North America Beverages from July 2015 to April 2016, Chief Executive Officer of PepsiCo Americas Beverages from 2011 to July 2015 and President and Chief Executive Officer of Frito-Lay North America from 2006 to 2011. Mr. Carey began his career with PepsiCo in 1981 and has served in a number of other positions during his career with the company, including President of PepsiCo Sales from 2003 to 2006, Chief Operating Officer of PepsiCo Beverages and Foods North America from 2002 to 2003 and Senior Vice President of Sales and Retailer Strategies from 1998 to 2002. Prior to joining PepsiCo, Mr. Carey spent seven years at The Procter & Gamble Company. He also currently serves on the board of directors of The Home Depot, Inc.

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.

Thomas H. Caudle, Jr.

Mr. Caudle has served as President & Chief Operating Officer of UNIFI since August 2017. Previously, he was President of the Company from April 2016 to August 2017, Vice President of Manufacturing of the Company from October 2006 to April 2016 and Vice President of Global Operations of the Company from April 2003 to October 2006. Mr. Caudle joined UNIFI in 1982 and, since that time, has served in a variety of other leadership roles, including Senior Vice President in charge of manufacturing for the Company and Vice President of Manufacturing Services.

Mr. Caudle s more than 35 years of experience with UNIFI give him a comprehensive knowledge of the Company and the textile industry. He also brings important managerial and operational expertise to the Board.

Paul R. Charron

Mr. Charron has been a management consultant since 2007. He served as Chairman and Chief Executive Officer of Liz Claiborne Inc., a global fashion company, from 1996 to 2006 and was President and Chief Executive Officer in 1995 and Vice Chairman and Chief Operating Officer in 1994. Before joining Liz Claiborne Inc., Mr. Charron held executive positions with each of V.F. Corporation (between 1988 and 1994), Brown & Bigelow (between 1983 and 1987) and Cannon Mills Company (between 1981 and 1983), after beginning his business career in positions with The Procter & Gamble Company (1971 to 1978) and General Foods Corporation (1979 to 1981). Mr. Charron served as a director of Campbell Soup Company from 2003 to 2015 and as Chairman of its board of directors from 2009 to 2015. He served as Senior Advisor at Warburg Pincus, a global private equity firm, from 2008 to 2012. Mr. Charron has also been a member of Escada SE s (Germany) Supervisory Board since 2013.

Table of Contents

Mr. Charron brings to the Board extensive experience in a number of critical areas, including leadership, strategic management and corporate strategy. Mr. Charron also brings to the Board valuable experience with global consumer product companies.

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, zirconium and magnetic materials, from September 2005 to September 2006. Mr. Cox also serves on the boards of several private companies and as Chairman of two of these companies. Since July 2012, Mr. Cox has served on the board of trustees of St. Paul s School, a secondary educational institution located in Concord, New Hampshire, where he currently serves as board president. Mr. Cox has served as Lead Independent Director of UNIFI since October 2017.

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 brings to the Board considerable experience with financial and strategic planning matters critical to the oversight of the Company s financial reporting, compensation practices and business strategy implementation.

Kevin D. Hall

Mr. Hall has served as Chief Executive Officer of UNIFI since May 2017 and as Chairman of the Board since October 2017. Prior to joining UNIFI, Mr. Hall served as Chief Executive Officer of NatPets LLC, a high-growth natural/organic premium pet company, from September 2016 to May 2017. From 2014 to 2015, Mr. Hall was President and Chief Executive Officer of Geneva Watch Group, a global fashion watch and accessories business. Between 2012 and 2014, Mr. Hall ran the KDH Advisory Group, a strategic marketing, branding and consulting firm, where he served as a consultant/advisor to a number of companies, including Pact at Revelry Brands, Vogue International and Inmar, Inc. From 2006 to 2011, Mr. Hall served as Chief Marketing Officer at Hanesbrands Inc. and then was promoted to President of the Outerwear strategic business unit of Hanesbrands Inc., a business unit that included Champion Activewear, Just My Size and Hanes Casualwear. From 2001 to 2006, Mr. Hall was Senior Vice President of Marketing at Fidelity Investments Retirement Services Company. Prior to that, Mr. Hall held various brand marketing and general manager positions at The Procter & Gamble Company from 1985 to 2001.

Mr. Hall brings to the Board more than 30 years of strategic marketing and brand development experience. In addition, Mr. Hall brings to the Board his substantial leadership and managerial experience in the apparel industry.

James M. Kilts

Mr. Kilts is the founding partner of Centerview Capital, a private equity firm which was founded in 2006. Mr. Kilts served as Chairman and Chief Executive Officer of The Gillette Company from 2001, and as President from 2003, until it merged with The Procter & Gamble Company in 2005, at which time he became Vice Chairman of The Procter & Gamble Company. Prior to Gillette, Mr. Kilts served as President and Chief Executive Officer of Nabisco Group Holdings Corporation from 1998 until its acquisition by the Philip Morris Companies in 2000. Before joining Nabisco, Mr. Kilts was an Executive

Table of Contents

Vice President of the Philip Morris Companies from 1994 to 1997 and headed the Worldwide Food Group. In that role, Mr. Kilts was responsible for integrating Kraft and General Foods and for shaping the group s domestic and international strategy. Mr. Kilts has served as a member of the board of directors of MetLife, Inc. since 2005, Pfizer Inc. since 2007 and The Simply Good Foods Company (formerly known as Conyers Park Acquisition Corp.) since 2016. Mr. Kilts was also Chairman of Nielsen Holdings N.V. until 2013, Chairman of Nielsen Company B.V. until 2014, Chairman of Big Heart Pet Brands until 2015 and a director of MeadWestvaco Corporation until 2014 and Nielsen Holdings plc until 2017.

As Chief Executive Officer of Gillette and Nabisco and as Vice Chairman of Procter & Gamble, Mr. Kilts developed valuable business, leadership and strategic management skills, including expertise in cost management, value creation and resource allocation, which he brings to the Board. Mr. Kilts also brings to the Board valuable experience with consumer product companies.

Kenneth G. Langone

Mr. Langone has been President and Chief Executive Officer of Invemed Associates LLC, an investment banking firm, since he founded the firm in 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 the Board with a valuable historical perspective through which it can contextualize and direct the Company s performance and strategic planning.

James D. Mead

Mr. Mead is the founder, owner and President of James Mead & Company, an executive search and management consulting firm. Since founding James Mead & Company in 1988, Mr. Mead has handled executive search and management consulting assignments for numerous major publicly held companies and for several portfolio companies of major private equity firms. Prior to that, Mr. Mead held several positions with The Procter & Gamble Company from 1970 to 1984, including serving as the head of Procter & Gamble s worldwide sales personnel and as a multi-division manager in Europe and North America.

Mr. Mead brings to the Board extensive experience in a number of critical areas, including leadership and strategic management.

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. She has also served, since 2014, 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. Ms. Present currently serves on the board of directors of Anshe Chung Studios, Limited, a privately held Chinese-based developer of content for virtual worlds, and she served on the board of directors of Geeknet, Inc. until 2010.

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.

Table of Contents

Eva T. Zlotnicka

Ms. Zlotnicka is a Vice President of ValueAct Capital, an investment adviser. Prior to joining ValueAct Capital in February 2018, Ms. Zlotnicka was an Environmental, Social and Governance (ESG) equity research analyst for nearly seven years. Most recently, Ms. Zlotnicka was US 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 also co-founded Women Investing for a Sustainable Economy (WISE), a global professional community.

Ms. Zlotnicka brings to the Board valuable expertise in sustainability and sustainable investing. 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 & Treasurer, Vice President of Finance 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 and executive officers; 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

All 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*. These materials are also available in print free of charge to any shareholder upon request by contacting the Company 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*. By referring to the Company s website, *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 both the applicable NYSE rules and the applicable 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*, as an appendix to the Corporate Governance Guidelines.

In August 2018, 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

15

and transactions between each director (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. Hall s and Caudle 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. Bishop, Carey, Charron, Cox, Kilts, Langone and Mead and Mses. Present and Zlotnicka is 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 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

Kevin D. Hall currently holds the positions of Chairman of the Board and Chief Executive Officer of the Company. 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 Chief Executive Officer, but rather that this decision is made depending on what the Board determines to be in the best interests of the Company and its shareholders at any given point in time. 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 2017, the independent directors appointed Archibald Cox, Jr. to serve as Lead Independent Director.

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.

Table of Contents

Board Committees

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

Name	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Robert J. Bishop	Member		
Albert P. Carey			Member
Thomas H. Caudle, Jr.			
Paul R. Charron	Member		Chair
Archibald Cox, Jr.		Chair	
Kevin D. Hall			
James M. Kilts		Member	
Kenneth G. Langone		Member	
James D. Mead			Member
Suzanne M. Present	Chair		
Eva T. Zlotnicka			

Table of Contents

Each 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 2018
Audit Committee	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. Appoints, compensates, retains and oversees the Company s independent registered public accounting firm. Reviews and discusses with management and the Company s independent registered public accounting firm the annual and quarterly financial statements. Reviews and discusses with management the quarterly earnings releases. Reviews and pre-approves all audit and non-audit services proposed to be performed by the Company s independent registered public accounting firm. Reviews and, if appropriate, approves or ratifies related person transactions. 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.	9

	Assists the Board in its oversight of enterprise risk management. The Board of Directors has determined that each of Ms. Present and Mr. Charron is an audit committee financial expert within the meaning of the SEC rules and that each of Ms. Present and Messrs. Bishop and Charron is financially literate and has accounting or related financial management expertise, in each case as determined by the Board, in its business judgment.	
Compensation Committee	Oversees the administration of the Company s compensation plans. Reviews and approves the compensation of the executive officers and oversees decisions concerning compensation of other officers. 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. Conducts annual performance evaluation of management. Oversees regulatory compliance regarding compensation matters.	6

18

Table of Contents

Committee	Key Functions and Additional Information	Number of Meetings in Fiscal 2018
Corporate Governance and Nominating Committee	Identifies, evaluates and recommends director candidates to the Board. Determines the criteria for membership on the Board and its committees and recommends such criteria to the Board for approval. Makes recommendations to the Board concerning committee appointments and Board and committee leadership. Makes recommendations to the Board with respect to determinations of director independence. Reviews and recommends to the Board the form and amount of director compensation. 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. Oversees director education and new director onboarding. Considers and recommends to the Board other actions relating to corporate governance.	5

The Board may also establish other committees from time to time as it deems necessary.

Director Meeting Attendance

The Board of Directors held six meetings during fiscal 2018. 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 2018. It is the Board s policy that the directors should attend the Company s annual meeting of shareholders absent extenuating circumstances. All of the Company s nine directors in office at the time attended the 2017 Annual Meeting of Shareholders.

Pursuant to the Company s Corporate Governance Guidelines, the independent directors meet in regularly scheduled executive sessions without management. Mr. Cox, 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.

Table of Contents

Neither the Corporate Governance and Nominating Committee nor the Board has a specific policy with regard to the consideration of diversity in identifying director nominees. However, 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, and, 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.

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

Shareholder Recommendations of Director Candidates

Recommendations by shareholders for director candidates to be considered for the 2019 Annual Meeting of Shareholders must be in writing and received by the Company s Secretary at Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410 no earlier than July 3, 2019 and no later than August 2, 2019. However, if the date of the 2019 Annual Meeting of Shareholders is more than 30 days before or more than 90 days after October 31, 2019, then the written notice must be received by the Company s Secretary no earlier than 120 days prior to the date of the 2019 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 both 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 residential 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, conflicts 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

20

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 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.

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 and the Board of Directors. 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.

No Hedging, Pledging or Short Selling

UNIFI maintains policies that apply to all directors, officers and employees that prohibit hedging, pledging or short selling (profiting if the market price decreases) of the Company s securities.

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*, 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 the development and implementation of 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*, 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 2018, the Company paid Salem Leasing Corporation, a wholly owned subsidiary of Salem Holding Company, approximately $3.979 million in connection with leases of tractors and trailers and for related services. In addition, the Company earned income from Salem Global Logistics, Inc., a wholly owned subsidiary of Salem Holding Company, of approximately $147,000 in connection with providing for-hire freight services for Salem Global Logistics, Inc. Mr. 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 terms of payment to the Company by Salem Global Logistics, Inc. for the freight services were, 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 transactions were 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 compromised solely of independent directors) that report back to the full Board. In general, the committees oversee the following risks:

Audit Committee oversees risks related to internal financial and accounting controls, legal, regulatory 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;

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 beginning on page 37; and

Corporate Governance and Nominating Committee oversees issues that may create governance risks, such as Board composition and structure, director selection and director succession planning.

Table of Contents

The Board believes that its ability to oversee risk is enhanced by having one person serve as the Chairman of the Board and the Chief Executive Officer. With his in-depth knowledge and understanding of the Company s operations and the apparel industry, the Board believes Mr. Hall, as Chairman of the Board and Chief Executive Officer, is better able to bring key strategic and business issues and risks to the Board s attention than would a Non-Executive Chairman of the Board or a non-director Chief Executive Officer.

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 person.

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 Secretary, 7201 West Friendly Avenue, Greensboro, North Carolina 27410. Shareholders and other interested parties wishing to communicate with Mr. Cox, 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.

Table of Contents

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 2018, the Company s non-independent directors were Messrs. Thomas H. Caudle, Jr., and Kevin D. Hall. The following table sets forth the compensation paid to each independent director who served on the Board in fiscal 2018:

2018 Director Compensation Table

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)[1]	Total ($)
Robert J. Bishop		150,000	150,000
Albert P. Carey[2]		113,514	113,514
Paul R. Charron	10,000	150,000	160,000
Archibald Cox, Jr.	30,000	150,000	180,000
James M. Kilts		150,000	150,000
Kenneth G. Langone		150,000	150,000
James D. Mead	50,000	100,000	150,000
Suzanne M. Present		165,000	165,000

(1) Represents the full grant date fair value of either (i) Common Stock, in the case of Mr. Kilts, or (ii) restricted stock unit awards, in the case of all independent directors other than Mr. Kilts, 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 schedule. 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 the fiscal year ended June 24, 2018. These amounts reflect the accounting expense and

do not correspond to the actual value that will be recognized by the directors.

As of June 24, 2018, Mr. Cox held 6,666 unexercised options to purchase shares of Common Stock and Mr. Mead held 3,944 unvested restricted stock units, scheduled to vest and convert to shares of Common Stock on July 25, 2018, in connection with executive recruiting services rendered by Mr. Mead in fiscal 2017. As of June 24, 2018, no other independent director held any unexercised options to purchase shares of Common Stock or any unvested restricted stock units.

(2) Mr. Carey was elected to the Board on January 24, 2018.

The Corporate Governance and Nominating Committee reviews the form and amount of director compensation and makes recommendations to the Board for its consideration and approval. The Corporate Governance and Nominating Committee and the Board of Directors approved the Company s Director Compensation Policy on October 25, 2017. The compensation for UNIFI s independent directors is as follows:

- $150,000 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;

- $20,000 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;

Table of Contents

- $10,000 annual retainer for the Chairs of the Compensation Committee and the Corporate Governance and Nominating Committee, payable (at such 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.

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.

Table of Contents

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 2018:

Kevin D. Hall	Chairman of the Board and Chief Executive Officer
Jeffrey C. Ackerman	Executive Vice President & Chief Financial Officer
Thomas H. Caudle, Jr.	President & Chief Operating Officer
Richard E. Gerstein	Executive Vice President, Global Branded Premium Value-Added Products & Chief Marketing Officer
John D. Vegas	Executive Vice President & Global Chief Human Resources Officer
Christopher A. Smosna	Vice President & Treasurer (Former Interim Chief Financial Officer from June 26, 2017 to September 5, 2017)

- 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

Completion of Previously Announced Executive Team Additions

In fiscal 2018, the Company focused on enhancing its global supply chain, growing the market for its premium value-added (PVA) products and using cash flow from operations to fund select capital projects and strategic growth opportunities while also building out its commercial and management team through talent recruitment. As part of these efforts, the Company completed a multi-year senior leadership team transition with the addition of Jeffrey C. Ackerman as Executive Vice President & Chief Financial Officer, Richard E. Gerstein as Executive Vice President, Global Branded Premium Value-Added Products & Chief Marketing Officer and John D. Vegas as Executive Vice President & Global Chief Human Resources Officer. These additional appointments provide a talented and deeply experienced team to capitalize on the strategic investments the Company has made across its business for sustainable growth and increases in shareholder value.

Company Performance Highlights

The Company s net sales for fiscal 2018 increased 4.9% primarily due to the continued emphasis on global sales of the

Company s PVA products (including REPREVE®). However, despite the relative growth in PVA sales and overall sales, the Company experienced profitability challenges in fiscal 2018 during which operating income decreased from $43.8 million to $28.8 million. The primary challenges related to (i) persistently rising raw material costs and an inherent lag in implementing responsive price increases against cost-competitive imports, (ii) suppressed yarn demand in the Polyester and Nylon Segments, (iii) a less-profitable sales mix and (iv) increased selling, general and administrative expenses for talent acquisition, marketing and commercial expansion.

26

For purposes of executive officer performance evaluation, the Company achieved Adjusted EBITDA[1] (as hereinafter defined) of $56.2 million and Global PVA Revenue[2] of $302.2 million.

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 2018 with respect to compensation of its NEOs:

- awarded cash bonus payments to the NEOs at threshold payout levels based on the Company s performance for fiscal 2018; and

- entered into an employment agreement with each of Messrs. Ackerman, Gerstein and Vegas in connection with their recruitment to the Company that provides them compensation and benefits (including stock option and restricted stock unit awards) in-line with the market and their respective positions with the Company.

Compensation Philosophy, Principles and Policies

The Company s executive compensation philosophy is to:

Attract Top Executive Talent	**Follow a Pay-for-Performance Compensation Model**	**Link Executive Retention to Long-Term Shareholder Value**
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;

[1] Adjusted EBITDA is a non-GAAP financial performance measure. A reconciliation of Net income attributable to Unifi, Inc., which is the most directly comparable GAAP measure, to Adjusted EBITDA is presented in Appendix A to this Proxy Statement.

[2] Global PVA Revenue represents the Company s aggregate net sales of PVA products in fiscal 2018.

Table of Contents

- 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 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.

What the Company Does

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.

The Company s stock ownership guidelines align the interests of the Company s executives with those of its shareholders.

The Company uses an objective financial performance measure in the annual incentive plan closely tied to the Company s business strategy.

The Company has caps on payouts for annual incentive compensation.

The Company has a robust clawback policy for annual and long-term incentive awards.

What the Company Doesn t Do

The Company doesn t discount, reload or reprice stock option awards.

The Company doesn t pay gross-ups for golden parachute excise taxes.

The Company doesn t permit hedging, pledging or short selling (profiting if the market price decreases) of UNIFI securities.

The Company doesn t design compensation plans that encourage unnecessary or excessive risk.

The Company doesn t provide guaranteed minimum payouts of annual incentive opportunities.

The Company doesn t provide excessive perquisites.

The Company has engaged an independent compensation consultant.

Table of Contents

Overview of Compensation Components

The Compensation Committee views executive compensation in four component parts:

A brief description of each of these components is provided below, together with a summary of its objectives:

Compensation Element	Description	Objectives
Base Salary	Fixed compensation that is reviewed annually based on performance.	Provide a base level of compensation that fairly accounts for the job and scope of the role being performed. Attract, retain, reward and motivate talented and experienced executives.
Annual Incentives	At-risk variable compensation earned based on performance measured against pre-established annual goals.	Provide incentives for achieving annual operating goals that ultimately contribute to long-term value for shareholders.
Long-Term Incentives	At-risk variable compensation in the form of equity awards whose value fluctuates according to shareholder value and that vest based on continued service. Supplemental retirement contributions based on executives respective base salaries earned over time subject to continued service.	Align the economic interests of the Company s executives with its shareholders by rewarding executives for stock price improvement. Promote retention (through time-based vesting schedules).
Other Personal Benefits	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.	Provide a competitive total compensation package to attract and retain key executives.

Table of Contents

Compensation Mix

Consistent with the philosophy, principles and policies of the 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 cash bonus incentive program and equity-based long-term incentive awards. The Company currently uses the Unifi, Inc. 2013 Incentive Compensation Plan (the 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 2018 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 2017 operating and Adjusted EBITDA results, along with the current economic climate. Based on this information and these factors, the Compensation Committee set executive compensation for fiscal 2018.

During fiscal 2018, the Compensation Committee engaged Korn Ferry as an independent advisor to assist the Compensation Committee with developing market-based compensation and benefit levels for newly recruited members of the Company s senior leadership team. 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 consults with Korn Ferry to gain a general understanding of compensation practices and trends of similarly situated companies. 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.

Detailed Review of Compensation Components

Base Salaries

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;

Table of Contents

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 base salaries for the NEOs for fiscal 2018 are set forth in the table below:

Name	Fiscal 2018 Base Salary ($)	Fiscal 2017 Base Salary ($)	Percentage Change
Kevin D. Hall	775,000	775,000	0.0%
Jeffrey C. Ackerman	480,000	N/A	N/A
Thomas H. Caudle, Jr.	770,000	770,000	0.0%
Richard E. Gerstein	400,000	N/A	N/A
John D. Vegas	400,000	N/A	N/A
Christopher A. Smosna	227,115	220,500	3.0%

The Compensation Committee made no adjustments to the base salaries of the NEOs (other than Mr. Smosna) during fiscal 2018, because the base salary for Mr. Hall was set when he joined the Company during the latter part of fiscal 2017, and Mr. Caudle received a salary increase in connection with his appointment as President of the Company in April 2016. The base salaries for Messrs. Ackerman, Gerstein and Vegas were set when they joined the Company s senior management team. The Compensation Committee approved a 3.0% increase in Mr. Smosna s base salary which matched the average salary increase granted to other employees of the Company.

Annual Incentive Compensation

To encourage executives to achieve near-term operating performance goals, the Company has established an annual incentive compensation program in the form of a cash bonus. All NEOs employed as of the beginning of the fiscal year or who are employed by January 1 of the fiscal year are eligible to earn annual bonuses based on the Company s fiscal year performance. Any bonus payouts for NEOs employed after the beginning of a fiscal year but prior to January 2 of the fiscal year are prorated.

For fiscal 2018, the Compensation Committee established a performance target of $70.2 million of EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), adjusted to exclude certain items, such as equity in earnings of Parkdale America, LLC, and other operating or non-operating income or expense items necessary to understand and compare the underlying results of the Company (Adjusted EBITDA). The target Adjusted EBITDA level was based on the Board-approved business plan for fiscal 2018 and represented an increase of approximately $0.9 million above the fiscal 2017 Adjusted EBITDA target of $69.3 million.

The Compensation Committee uses Adjusted EBITDA as a measure for annual incentive compensation purposes because the Compensation Committee believes Adjusted EBITDA serves as a high-level proxy for cash generated from operations, which is a key performance indicator used by the

Board and management to assess the Company s operating results generally. The Compensation Committee also believes that a Company-wide performance measure, such as Adjusted EBITDA, is appropriate for each NEO because each NEO plays a vital role in the overall success of the Company. Therefore, the Compensation Committee believes that the annual variable compensation received by the NEOs should reflect the Company s near-term operating performance.

The incentive program included Global PVA Revenue as a performance target for a portion of Mr. Gerstein s 2018 annual incentive compensation. The Compensation Committee included this measure for Mr. Gerstein because it measures the performance of the business for which he has primary operating responsibility.

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 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 bonus program 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, 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. The Compensation Committee did not use discretion in fiscal 2018 to award any additional bonus compensation.

For fiscal 2018, 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.

	Annual Incentive Opportunity (as a % of Base Salary)		
Name	**Threshold**	**Target**	**Maximum**
Kevin D. Hall	50.0%	100.0%	200.0%
Jeffrey C. Ackerman	37.5%	75.0%	150.0%
Thomas H. Caudle, Jr.	42.5%	85.0%	170.0%
Richard E. Gerstein	30.0%	50.0%	100.0%
John D. Vegas	30.0%	50.0%	100.0%
Christopher A. Smosna	20.0%	35.0%	50.0%

Name	**Performance Measure**	**Weight**	**Target Performance ($)**
Kevin D. Hall Jeffrey C. Ackerman Thomas H. Caudle, Jr. John D. Vegas Christopher A. Smosna	Adjusted EBITDA	100.0%	70.2 million
Richard E. Gerstein	Adjusted EBITDA	75.0%	70.2 million
	Global PVA Revenue	25.0%	280.0 million

Table of Contents

The following table shows the threshold, target and maximum performance levels for each of the performance measures established by the Compensation Committee for fiscal 2018 as well as the Company s actual performance in fiscal 2018.

Performance Metric	Threshold Performance ($)	Target Performance ($)	Maximum Performance ($)	Actual Fiscal 2018 Performance ($)
Adjusted EBITDA	56.2 million	70.2 million	84.2 million	56.2 million
Global PVA Revenue	224.0 million	280.0 million	336.0 million	302.2 million

The fiscal 2018 Adjusted EBITDA performance shown above reflects the Company s publicly reported results, with Adjusted EBITDA further adjusted to exclude approximately $4.7 million in nonrecurring charges that were not anticipated when the fiscal 2018 performance measures were approved at the beginning of the fiscal year. The excluded charges include officer recruitment and severance costs of approximately $2.9 million, special project costs of approximately $1.0 million, foreign currency transaction losses of approximately $0.5 million and unbudgeted director compensation expense of approximately $0.3 million. After the exclusion of these charges, the Company s Adjusted EBITDA for fiscal 2018 was approximately $57.0 million or approximately $0.8 million above the threshold performance level for fiscal 2018 Adjusted EBITDA.

After completing its review of the Company s fiscal 2018 performance, the Compensation Committee exercised its discretionary authority to reduce Adjusted EBITDA to the threshold performance level. The Compensation Committee concluded that the resulting threshold level payouts under the 2018 annual incentive plan for the Company s Adjusted EBITDA performance were more appropriate than an above-threshold payout level that would have resulted from excluding 100% of the nonrecurring charges described above from the calculation of Adjusted EBITDA.

Based on the performance measures established by the Compensation Committee for fiscal 2018 and the Company s actual performance (adjusted as described above), the NEOs earned 2018 annual incentive awards as follows:

	2018 Annual Incentive	Payout
Name	% of Base Salary	Amount ($)
Kevin D. Hall	50.0%	387,500
Jeffrey C. Ackerman[(1)]	30.1%	144,493
Thomas H. Caudle, Jr.	42.5%	327,200
Richard E. Gerstein[(1)]	34.4%	137,556
John D. Vegas[(1)]	25.3%	101,260
Christopher A. Smosna	20.0%	45,423

(1) The payouts for Messrs. Ackerman, Gerstein and Vegas were prorated because they were not employed for the entire 2018 fiscal year.

In addition to his 2018 annual incentive award, Mr. Smosna received a $10,000 bonus in recognition of his service as Interim Chief Financial Officer.

Long-Term Incentive Compensation

The Compensation Committee believes that stock-based performance compensation is essential to align the interests of the Company s management and its shareholders in enhancing the long-term

33

Table of Contents

value of the Company s equity and to encourage executives to retain their employment with the Company. Among the varied types of equity awards the Compensation Committee is authorized to use under the 2013 Plan, the Compensation Committee has determined that incentive stock options are preferable for use with NEOs, because their value depends upon a future increase in the value of the Common Stock. The Compensation Committee also has determined that restricted stock unit grants to NEOs should be used for more limited purposes, such as retention or recruiting incentives or to recognize outstanding performance. For vice president-level employees other than NEOs, the Compensation Committee has determined that an equal blend of incentive stock options and restricted stock units is preferable 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 and recruitment tool (restricted stock units). For other key employees, the Compensation Committee has determined that restricted stock units are preferable, because they serve as important retention and recruiting tools.

Consistent with those determinations, in fiscal 2018, the Compensation Committee awarded stock options and restricted stock units to Messrs. Ackerman, Gerstein and Vegas in connection with their recruitment to the Company and stock options and restricted stock units to Mr. Smosna in connection with the annual award process, all as shown in the table below. Messrs. Hall and Caudle did not receive equity awards in fiscal 2018 because each of them received awards during the second half of fiscal 2017 in connection with Mr. Hall s appointment as Chief Executive Officer of the Company and Mr. Caudle s appointment as Chief Operating Officer of the Company.

Name	Grant Date	Number of Stock Options (#)	Exercise Price of Stock Options ($)	Number of Restricted Stock Units (#)
Jeffrey C. Ackerman	9/5/2017	15,000	31.23	20,000
Richard E. Gerstein	8/14/2017	15,000	30.96	20,000
John D. Vegas	8/21/2017	15,000	30.23	20,000
Christopher A. Smosna	3/1/2018	1,538	35.09	550

The stock option awards vest and become exercisable in three equal installments beginning on the first anniversary of the grant date. As incentive stock options (to the applicable maximum permitted under the 2013 Plan), these stock options offer the NEO the opportunity to receive favorable tax treatment if he retains the shares acquired upon exercise for at least one year. 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. For additional information on the stock options and restricted stock units granted in fiscal 2018, see Executive Compensation Tables Grants of Plan-Based Awards below.

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 with perquisites, such as car allowances, reimbursements for car expenses or payment of country club dues.

Retirement Benefits. In order to provide employees at all levels with greater incentives, the Company makes available to all 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 2018, 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, with the remainder covered by the Company. Disability and life insurance benefits are paid by the Company for all salaried employees; however, the NEOs receive additional life insurance coverage provided by the Company.

Supplemental Key Employee Retirement Plan. As an additional means of attracting top executive talent and encouraging executives to remain employed with the Company, the Company maintains the Unifi, Inc. Supplemental Key Employee Retirement Plan (the SERP). Participation in the SERP is limited to a select group of management employees who are selected by the Compensation Committee. As described in greater detail preceding the Nonqualified Deferred Compensation table on page 44, the SERP provides additional retirement benefits payable to the Company s NEOs following their termination of employment.

Employment Agreements. The Company is party to an employment agreement with each of Messrs. Hall, Ackerman, Caudle, Gerstein and Vegas. Each employment agreement provides that each 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. The employment agreement also contains provisions regarding the termination of an executive s employment and related severance obligations. 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.

A calculation 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 beginning on page 45.

Policy on Executive Officer and Employee Incentive Compensation Recoupment

The Company has a written policy to address the recoupment of performance-based compensation awarded to or earned by an executive officer if there is a restatement of the Company s financial results due to material noncompliance of the Company with any financial reporting requirement under the federal securities laws. In the event of a restatement, the Board shall review the performance-based compensation awarded to or earned by the executive officers for the three-year period prior to the restatement event and, if the Board determines in its reasonable discretion that any such performance-based compensation would not have been awarded to or earned by an executive officer based on the restated financial results, the Board shall seek to recover from such executive officer any portion of the performance-based compensation that is greater than that which would have been awarded or earned had it been calculated on the basis of the restated financial results.

The Company s recoupment policy also addresses the recoupment of performance-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 unethical behavior that harms the Company s business, reputation or other employees). In such event, the Board may require reimbursement of compensation granted, earned or paid under any Company annual incentive or long-term incentive cash plans to such employee and cancellation of outstanding equity awards and reimbursement of any gains realized on the exercise, settlement or sale of equity awards held by such employee at any time during the three-year period ending on the date on which such misconduct is discovered.

35

Table of Contents

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, any person who holds the position of Vice President, Treasurer or higher with the Company, its primary operating subsidiary and possible other significant operating subsidiaries (VP-Level Personnel), and to certain other persons below those levels who may be designated for coverage by the Compensation Committee (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, calculation of shares of Common Stock counted towards the ownership expectation and valuation of shares of Common Stock for purposes of the policy are as set forth below. All covered officers are in compliance with their respective stock ownership expectations under the terms of the policy.

Stock Ownership Expectation	Shares of Common Stock Counted Towards Ownership Expectation	Valuation of Shares of Common Stock
NEOs: At least three times annual base salary.	Shares owned directly by the officer, his or her spouse or minor children, or a trust for the exclusive benefit of one or more such persons.	Greater of (i) the closing price on the last trading day of the applicable fiscal period or (ii) the 30-day average closing price ending on such last trading day.
VP-Level Personnel (non-NEOs): At least one and one-half times annual base salary.	Shares covered by the portion of stock options or restricted stock units that are vested or not subject to forfeiture.	Shares underlying vested stock options, restricted stock units and other stock awards are calculated as if they were exercised using the current market price on the applicable measurement date and assuming shares are immediately sold to pay the exercise price and applicable taxes.
Other designated covered officers: In the discretion of the Compensation Committee, at least one times annual base salary.		

Tax Impact on Compensation

The Compensation Committee has considered the impact of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), on the Company s executive compensation program. Code Section 162(m) denies a public company a deduction, except in limited circumstances, for compensation paid to covered employees which includes the NEOs, other than the Company s principal financial officer to the extent such compensation exceeds $1 million. Based on its review of the likely impact of Code Section 162(m) and other factors, the Compensation Committee previously recommended to the Board, the Board adopted and the Company s shareholders approved, the 2013 Plan. The 2013 Plan allows the Company s annual cash incentive bonus program for the NEOs, as well as equity and equity-based awards to the NEOs, to qualify for an exception to the Code

Table of Contents

Section 162(m) deduction limitation. The Compensation Committee may in the future adopt or change benefit plans in order to cause the compensation paid to covered employees under the plans to qualify for the exception. In any event, the Compensation Committee may authorize payments or equity awards to retain and motivate key executives, in any situation it believes to be appropriate, without regard to tax deductibility considerations.

Legislation enacted at the end of 2017 expanded the number of individuals covered by Section 162(m) of the Code and eliminated the exception for performance-based compensation effective for fiscal 2019. Therefore, compensation in excess of $1 million paid to covered employees in fiscal 2019 and later years will not be deductible unless it qualifies for transition relief applicable to 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 programs 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 plan.

The Company has a compensation recoupment policy that allows the Company to recover certain compensation in the event of a restatement of its financial statements due to the material noncompliance of the Company with any financial reporting requirement under the federal securities laws or in the event of certain fraud or other misconduct by an 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 2017 Annual Meeting of Shareholders, 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 2017. This is referred to as a say-on-pay proposal. Approximately 96% of the votes cast at the 2017 Annual Meeting of Shareholders on the say-on-pay proposal were voted in favor of the proposal. The Compensation Committee believes this vote result reflects the general concurrence by the Company s shareholders with the Company s philosophy and approach to executive compensation. Therefore, the Company has continued its philosophy and approach to executive compensation as discussed above. At the Annual Meeting, shareholders will have the opportunity to indicate their views on the Company s NEO compensation for fiscal 2018. For additional information, see Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation. The Compensation Committee will continue to consider the vote results for say-on-pay proposals in future years when making compensation decisions for the Company s NEOs.

Table of Contents

Executive Compensation Tables

The following tables, narratives and footnotes describe the total compensation and benefits for the NEOs for fiscal 2018, as well as the total compensation and benefits for the NEOs for the two preceding fiscal years.

Summary Compensation Table

Name	Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)[2]	All Other Compensation ($)[3]	Total ($)
Kevin D. Hall	Chairman of the Board and Chief Executive Officer	2018	775,000				387,500	84,539	1,247,039
		2017	77,500		2,058,000	230,741		14,750	2,380,991
Jeffrey C. Ackerman[4]	Executive Vice President & Chief Financial Officer	2018	387,692		624,600	154,543	144,493	33,156	1,344,484
Thomas H. Caudle, Jr.	President & Chief Operating Officer	2018	770,000				327,250	164,000	1,261,250
		2017	836,884		2,090,250	206,026	638,138	94,718	3,866,016
		2016	370,785	108,449		152,036	274,312	58,543	964,125
Richard E. Gerstein[5]	Executive Vice President, Global Branded Premium Value-Added Products & Chief Marketing Officer	2018	350,062		619,100	154,107	137,556	49,442	1,310,267
John D. Vegas[6]	Executive Vice President & Global Chief Human Resources Officer	2018	338,462		604,500	150,420	101,260	56,132	1,250,774
Christopher A. Smosna[7]	Vice President & Treasurer (Former Interim Chief Financial Officer)	2018	223,807	10,000	19,300	19,323	45,423	23,584	341,437
		2017	210,000			51,506	71,925	22,294	355,725
		2016	191,571			101,357	67,795	21,073	381,796

(1) 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 the fiscal year ended June 24, 2018 for more information about the value of equity awards.

(2) Amounts are attributable to cash payments earned under the annual incentive plan for the applicable fiscal year, as described above under Compensation Discussion and Analysis with respect to the fiscal years noted.

(3) All Other Compensation for each of the NEOs for fiscal 2018 consists of the following:

	Kevin D. Hall	**Jeffrey C. Ackerman**	**Thomas H. Caudle, Jr.**	**Richard E. Gerstein**	**John D. Vegas**	**Christopher A. Smosna**
Life Insurance ($)	14,176	5,548	86,950	3,062	1,884	303
Matching 401(k) Plan Contribution ($)	15,569	14,254	11,300	14,002	8,921	11,142
Contributions to SERP ($)	39,525	12,554	65,450	12,423	11,769	11,839
Holiday Gift ($)[a]	300	300	300	300	300	300
Health Savings Account Contribution ($)		500				
Relocation Assistance Benefits ($)	10,600			14,771	27,265	
Tax Gross-Up on Relocation Assistance Benefits ($)	4,369			4,884	5,993	
Total ($)	84,539	33,156	164,000	49,442	56,132	23,584

(a) In December 2017, each NEO was awarded a nominal gift in connection with the holiday season.

(4) Mr. Ackerman was appointed Executive Vice President & Chief Financial Officer effective September 5, 2017.

Table of Contents

(5) Mr. Gerstein was appointed Executive Vice President, Global Branded Premium Value-Added Products & Chief Marketing Officer effective August 14, 2017.

(6) Mr. Vegas was appointed Executive Vice President & Global Chief Human Resources Officer effective August 21, 2017.

(7) Mr. Smosna served as Interim Chief Financial Officer from June 26, 2017 until Mr. Ackerman s appointment as Executive Vice President & Chief Financial Officer effective September 5, 2017. Mr. Smosna received a $10,000 bonus in recognition of his service as Interim Chief Financial Officer.

Table of Contents

Grants of Plan-Based Awards

Name	Grant Type	Grant Date	Date of Committee Action (If Different from Grant Date)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)[2]	All Other Option Awards: Number of Securities Underlying Options (#)[3]	Exercise or Base Price of Option Awards ($ / Share)	Grant Date Fair Value of Stock and Option Awards ($)(4)
Kevin D. Hall	Annual Cash Incentive			387,500	775,000	1,550,000				
Jeffrey C. Ackerman	Annual Cash Incentive			144,493	288,986	577,973				
	Stock Options	9/5/2017	8/30/2017					15,000	31.23	154,543
	Restricted Stock Units	9/5/2017	8/30/2017				20,000			624,600
Thomas H. Caudle, Jr.	Annual Cash Incentive			327,250	654,500	1,309,000				
Richard E. Gerstein	Annual Cash Incentive			103,562	172,602	345,205				
	Stock Options	8/14/2017						15,000	30.96	154,107
	Restricted Stock Units	8/14/2017					20,000			619,100
John D. Vegas	Annual Cash Incentive			101,260	168,767	337,534				
	Stock Options	8/21/2017						15,000	30.23	150,420
	Restricted Stock Units	8/21/2017					20,000			604,500
Christopher A. Smosna	Annual Cash Incentive			45,423	79,490	113,558				
	Stock Options	3/1/2018	1/23/2018					1,538	35.09	19,323
	Restricted Stock Units	3/1/2018	1/23/2018				550			19,300

(1)

Represents the threshold, target and maximum payments the NEOs were eligible to earn pursuant to the Company s fiscal 2018 annual cash incentive plan. The 2018 annual incentive plan, including the threshold, target and maximum payout amounts for each of the NEOs, the performance metrics, weightings and target performance levels and the Company s performance for fiscal 2018 are described under Compensation Discussion and Analysis Detailed Review of Compensation Components Annual Incentive Compensation beginning on page 31. The annual incentive awards earned by the NEOs for fiscal 2018 are reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. The annual incentive amounts reflected for each of Messrs. Ackerman, Gerstein and Vegas are prorated to reflect less than a full year of service in fiscal 2018.

(2) Represents restricted stock units granted to Messrs. Ackerman, Gerstein and Vegas in connection with their recruitment by the Company and an annual equity incentive grant to Mr. Smosna. The restricted stock units become vested 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.

(3) Represents stock options granted to the NEOs pursuant to the 2013 Plan during fiscal 2018. The stock options become vested in one-third increments on the first, second and third anniversaries of the grant date.

(4) The amounts in this column do not represent amounts the NEOs received or are entitled to receive. As required by the SEC rules, this column represents the full grant date fair value of the stock options granted to the NEOs during fiscal 2018. The full grant date fair value is the amount that the Company will recognize in its consolidated financial statements over the award s vesting schedule, subject to any forfeitures. The grant date fair value was determined under FASB ASC Topic 718. See Note 16 to the consolidated financial statements included in the Company s Annual Report on Form 10-K for the fiscal year ended June 24, 2018.

Table of Contents

Outstanding Equity Awards at Fiscal Year-End

	Option Awards				Stock Awards	
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**
Kevin D. Hall	8,334	16,666	27.44	5/19/2027(1)		
					56,250(2)	1,773,000
Jeffrey C. Ackerman		15,000	31.23	9/5/2027(3)		
					20,000(4)	630,400
Thomas H. Caudle, Jr.	36,666		5.73	7/28/2019		
	6,000		12.47	7/27/2021		
	3,000		11.23	7/25/2022		
	6,000		22.08	7/24/2023		
	11,000		27.38	7/22/2024		
	5,000	2,500	32.36	7/22/2025(5)		
	6,667	13,333	29.09	10/26/2026(6)		
					56,250(7)	1,773,000
Richard E. Gerstein		15,000	30.96	8/14/2027(8)		
					20,000(9)	630,400
John D. Vegas		15,000	30.23	8/21/2027(10)		
					20,000(11)	630,400
Christopher A. Smosna	5,000		11.09	7/27/2022		
	5,000		22.08	7/24/2023		
	5,000		27.38	7/22/2024		
	3,334	1,666	32.36	7/22/2025(12)		
	1,667	3,333	29.09	10/26/2026(13)		
		1,538	35.09	3/1/2028(14)		
					550(15)	17,336

(1) Represents stock options granted on May 19, 2017, with one-third vested on May 19, 2018, one-third scheduled to vest on May 19, 2019 and one-third scheduled to vest on May 19, 2020, contingent upon Mr. Hall s continued service through the applicable vesting date.

(2) Represents the unvested portion of 75,000 restricted stock units granted on May 19, 2017, with 25% vested on June 18, 2018, 25% scheduled to vest on May 19, 2019 and 50% scheduled to vest on May 19, 2020, contingent upon Mr. Hall s continued service through the applicable vesting date.

(3) Represents stock options granted on September 5, 2017, scheduled to vest in one-third increments on each of September 5, 2018, September 5, 2019 and September 5, 2020, contingent upon Mr. Ackerman s continued service through the applicable vesting date.

(4) Represents restricted stock units granted on September 5, 2017, scheduled to vest 25% on October 5, 2018, 25% on September 5, 2019 and 50% on September 5, 2020, contingent upon Mr. Ackerman s continued service through the applicable vesting date.

(5) Represents stock options granted on July 22, 2015, with one-third vested on July 22, 2016, one-third vested on July 22, 2017 and one-third scheduled to vest on July 22, 2018, contingent upon Mr. Caudle s continued service through the applicable vesting date.

(6) Represents stock options granted on October 26, 2016, with one-third vested on October 26, 2017, one-third scheduled to vest on October 26, 2018 and one-third scheduled to vest on October 26, 2019, contingent upon Mr. Caudle s continued service through the applicable vesting date.

(7) Represents the unvested portion of 75,000 restricted stock units granted on February 21, 2017, with 25% vested on February 21, 2018, 25% scheduled to vest on February 21, 2019 and 50% scheduled to vest on February 21, 2020, contingent upon Mr. Caudle s continued service through the applicable vesting date.

(8) Represents stock options granted on August 14, 2017, scheduled to vest in one-third increments on each of August 14, 2018, August 14, 2019 and August 14, 2020, contingent upon Mr. Gerstein s continued service through the applicable vesting date.

(9) Represents restricted stock units granted on August 14, 2017, scheduled to vest 25% on September 13, 2018, 25% on August 14, 2019 and 50% on August 14, 2020, contingent upon Mr. Gerstein s continued service through the applicable vesting date.

(10) Represents stock options granted on August 21, 2017, scheduled to vest in one-third increments on each of August 21, 2018, August 21, 2019 and August 21, 2020, contingent upon Mr. Vegas continued service through the applicable vesting date.

(11) Represents restricted stock units granted on August 21, 2017, scheduled to vest 25% on September 20, 2018, 25% on August 21, 2019 and 50% on August 21, 2020, contingent upon Mr. Vegas continued service through the applicable vesting date.

(12) Represents stock options granted on July 22, 2015, with one-third vested on July 22, 2016, one-third vested on July 22, 2017 and one-third scheduled to vest on July 22, 2018, contingent upon Mr. Smosna s continued service through the applicable vesting date.

(13) Represents stock options granted on October 26, 2016, with one-third vested on October 26, 2017, one-third scheduled to vest on October 26, 2018 and one-third scheduled to vest on October 26, 2019, contingent upon Mr. Smosna s continued service through the applicable vesting date.

(14) Represents stock options granted on March 1, 2018, scheduled to vest in one-third increments on each of March 1, 2019, March 1, 2020 and March 1, 2021, contingent upon Mr. Smosna s continued service through the applicable vesting date.

(15) Represents restricted stock units granted on March 1, 2018, scheduled to vest 25% on April 1, 2019, 25% on March 1, 2020 and 50% on March 1, 2021, contingent upon Mr. Smosna s continued service through the applicable vesting date.

Table of Contents

Option Exercises and Stock Vested

Name	Option Awards Number of Shares Acquired on Exercise (#)	Option Awards Value Realized on Exercise ($)	Stock Awards Number of Shares Acquired on Vesting (#)[(1)]	Stock Awards Value Realized on Vesting ($)[(2)]
Kevin D. Hall			18,750	607,041
Jeffrey C. Ackerman				
Thomas H. Caudle, Jr.			18,750	657,563
Richard E. Gerstein				
John D. Vegas				
Christopher A. Smosna				

(1) Shares included in this column represent the shares of Common Stock underlying restricted stock units that vested during fiscal 2018.

(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 date of vesting.

Nonqualified Deferred Compensation

The Company maintains the SERP to provide additional retirement benefits to a select group of highly compensated employees, including each of its NEOs. On an annual basis, the Company credits to the participant s account an amount equal to 8.5% for executive officers or 5.5% for non-executive officers (as was the case for Mr. Smosna due to his position in the Company as a non-NEO at the time of the credit), multiplied by the participant s base salary. Each participant is always 100% vested in the participant s SERP account and earns a return on the participant s account balance as if it had been invested in a money market fund. Participants are not entitled to a distribution from the SERP 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 ($)	Company Contributions in Last Fiscal Year ($)[(1)]	Aggregate Earnings (Loss) in Last Fiscal Year ($)	Aggregate Withdrawals and/or Distributions ($)	Aggregate Balance at Last Fiscal Year-End ($)
Kevin D. Hall		39,525	566		40,091
Jeffrey C. Ackerman		12,554	180		12,734