

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

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 Under §240.14a-12

Crown Crafts, Inc.

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee paid previously with preliminary materials.
  - Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a(6)(i)(1) and 0-11.
-



June 29, 2022

Dear Stockholders:

It is my pleasure to invite you to this year's Annual Meeting of Stockholders, which will be held on Tuesday, August 16, 2022, at 9:30 a.m., local time, at our executive offices located at 916 South Burnside Avenue, Third Floor, Gonzales, Louisiana.

Details regarding the Annual Meeting and the business to be conducted are described in the Notice of Internet Availability of Proxy Materials you received in the mail and in the accompanying proxy statement. We have also made available a copy of our 2022 Annual Report to Stockholders with this proxy statement. We encourage you to read these materials, which include our audited financial statements and provide information about our business.

We have elected to provide access to our proxy materials over the Internet in accordance with the U.S. Securities and Exchange Commission's "notice and access" rules. Accordingly, most stockholders will not receive paper copies of our proxy materials. The Notice of Internet Availability of Proxy Materials provides information on how stockholders may obtain paper copies of our proxy materials if they so choose.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible to ensure that your shares will be represented and voted at the Annual Meeting. You may vote over the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card. If you attend the Annual Meeting, then you may vote your shares in person even though you have previously voted your proxy.

Thank you for your ongoing support of, and continued interest in, Crown Crafts.

Sincerely,

A handwritten signature in black ink that reads "Zenon S. Nie".

Zenon S. Nie  
Chairman of the Board of Directors

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**NOTICE OF 2022 ANNUAL MEETING OF STOCKHOLDERS**

The 2022 Annual Meeting of Stockholders of Crown Crafts, Inc. will be held at our executive offices, located at 916 South Burnside Avenue, Third Floor, Gonzales, Louisiana, on August 16, 2022, at 9:30 a.m., Central Daylight Time, for the following purposes:

- (i) To elect one Class I director to the Board of Directors to serve until the Company's annual meeting of stockholders to be held in 2025 and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal from office;
- (ii) To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending April 2, 2023;
- (iii) To approve, on an advisory basis, the compensation of the Company's named executive officers; and
- (iv) To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors has fixed June 17, 2022 as the record date to determine the stockholders entitled to notice of, and to vote at, the Annual Meeting. Only those stockholders of record of Crown Crafts Series A common stock as of the close of business on that date will be entitled to vote at the Annual Meeting or at any adjournment or postponement thereof.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read the accompanying proxy statement and submit your proxy as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail, the section of the accompanying proxy statement titled "Proxy Solicitation and Voting Information" or, if you requested to receive printed proxy materials, the included proxy card. To obtain directions to attend the Annual Meeting and vote in person, please contact our Corporate Secretary at (225) 647-9100.

June 29, 2022

By Order of the Board of Directors,

A handwritten signature in black ink that reads "Craig J. Demarest".

Craig J. Demarest  
Vice President, Chief Financial Officer and Corporate Secretary

**IMPORTANT NOTICE REGARDING INTERNET  
AVAILABILITY OF PROXY MATERIALS**

The proxy statement and our 2022 Annual Report to Stockholders, which includes our Annual Report on Form 10-K for the fiscal year ended April 3, 2022, are available free of charge at <https://materials.proxyvote.com/228309>.

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916 South Burnside Avenue  
Gonzales, Louisiana 70737

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**PROXY STATEMENT  
FOR  
2022 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON AUGUST 16, 2022**

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**PROXY SOLICITATION AND VOTING INFORMATION**

***Why am I receiving these proxy materials?***

The Board of Directors (the "Board") of Crown Crafts, Inc. ("Crown Crafts", the "Company", or "we") has made these proxy materials available to you on the Internet or, upon your request, has delivered printed versions of these proxy materials to you by mail, in connection with the solicitation of proxies by and on behalf of the Board for use at the Company's 2022 Annual Meeting of Stockholders to be held at the Company's executive offices, located at 916 South Burnside Avenue, Third Floor, Gonzales, Louisiana, on August 16, 2022, at 9:30 a.m., Central Daylight Time, and any adjournment or postponement thereof (the "Annual Meeting"). Stockholders of the Company are invited to attend the Annual Meeting and are requested to vote on the proposals described in this proxy statement for the Annual Meeting (this "Proxy Statement").

These proxy materials were first made available to stockholders on or about June 29, 2022.

***What is included in these materials?***

These materials include:

- This Proxy Statement; and
- The Company's 2022 Annual Report to Stockholders (the "2022 Annual Report"), which includes the Company's Annual Report on Form 10-K for the fiscal year ended April 3, 2022 (the "fiscal year 2022").

If you request printed versions of these proxy materials by mail, then they will also include the proxy card for the Annual Meeting.

***Why did I receive a one-page notice in the mail or email notification regarding the Internet availability of proxy materials instead of a full set of proxy materials?***

Pursuant to rules adopted by the U.S. Securities and Exchange Commission (the "SEC"), the Company has provided access to its proxy materials over the Internet. Accordingly, the Company is sending a Notice of Internet Availability of Proxy Materials (the "Notice") to stockholders. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice, free of charge, or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy of the proxy materials may be found in the Notice. In addition, stockholders may request to receive proxy materials electronically by email on an ongoing basis.

***How can I get electronic access to the proxy materials?***

The Notice provides you with instructions regarding how to:

- View proxy materials for the Annual Meeting on the Internet and execute a proxy; and
- Instruct the Company to send future proxy materials to you electronically by email.

Choosing to receive future proxy materials by email will save the Company the cost of printing and mailing documents to you and will reduce the impact of the Annual Meetings on the environment. If you choose to receive future proxy materials by email, then you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

***What is being voted on at the Annual Meeting?***

Stockholders are being asked to vote on the following proposals, which are more fully described in this Proxy Statement:

- To elect one Class I director to the Board to serve until the Company’s annual meeting of stockholders to be held in 2025 and until such director’s successor is elected and qualified or until such director’s earlier death, resignation or removal from office (“Proposal 1”);
- To ratify the appointment of KPMG LLP (“KPMG”) as the Company’s independent registered public accounting firm for the fiscal year ending April 2, 2023 (“Proposal 2”); and
- To approve, on an advisory basis, the compensation of the Company’s named executive officers (“Proposal 3”).

In addition to the above matters, we will transact any other business that may properly come before the Annual Meeting. As of the date of this Proxy Statement, the Board knows of no other matters that will be brought before the Annual Meeting. However, if other matters are properly presented at the Annual Meeting, then the persons named as proxies will vote in their discretion with respect to those matters.

***Who can vote at the Annual Meeting?***

You may vote if you are a stockholder of record of the Company’s Series A common stock, par value \$0.01 per share (the “Common Stock”), as of the close of business on June 17, 2022, the record date for the Annual Meeting (the “Record Date”). As of the Record Date, there were 10,069,084 shares of Common Stock outstanding and entitled to vote at the Annual Meeting, held by 154 holders of record. A list of the Company’s stockholders will be available for review at the Company’s executive offices during regular business hours for a period of ten days before the Annual Meeting.

If you are a beneficial owner of the Common Stock as of the close of business on the Record Date, then you will receive voting instructions from the brokerage firm, bank or other nominee that holds your shares as the holder of record. You must follow the voting instructions of the holder of record in order for your shares to be voted.

As of the Record Date, the Company's directors and executive officers as a group beneficially owned, and were entitled to vote, 1,158,534 shares of Common Stock, or approximately 11.5% of the outstanding shares of Common Stock on that date.

***How many votes am I entitled to cast?***

Each holder of record of the Common Stock is entitled to one vote for each share of Common Stock held by such holder on the Record Date. Cumulative voting is not permitted, and stockholders are not entitled to appraisal or dissenters' rights with respect to any matter to be voted on at the Annual Meeting.

Your shares can be voted at the Annual Meeting only if you are present or represented by a valid proxy.

***How does the Board recommend I vote?***

The Board has unanimously determined to recommend that stockholders vote:

- **"FOR"** the Class I director nominee;
- **"FOR"** the ratification of the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending April 2, 2023; and
- **"FOR"** the approval, on an advisory basis, of the compensation of the Company's named executive officers.

***What is the difference between holding shares as a stockholder of record and as a beneficial owner?***

Most of our stockholders hold their shares in an account at a brokerage firm, bank or other nominee holder, rather than holding shares in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

**Stockholder of Record.** If, on the Record Date, your shares were registered directly in your name with our transfer agent, Broadridge Corporate Issuer Solutions, Inc. ("Broadridge"), then you are a "stockholder of record" who may vote at the Annual Meeting, and we are providing these proxy materials directly to you.

**Beneficial Owner.** If, on the Record Date, your shares were held in an account at a brokerage firm, bank or other nominee holder, then you are considered the beneficial owner of shares held in "street name," and these proxy materials are being forwarded to you by your brokerage firm, bank or other nominee holder who is considered the stockholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to direct your brokerage firm, bank or other nominee holder how to vote your shares and to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you receive a valid proxy from your brokerage firm, bank or other nominee holder. To obtain a valid proxy, you must make a special request of your brokerage firm, bank or other nominee holder. Obtaining a valid proxy may take several days.

***How do I vote my shares?***

**If you are a stockholder of record,** then you may vote using one of the following four methods:

- Over the Internet, which you are encouraged to do if you have access to the Internet;



- By telephone;
- By completing, signing and returning the included proxy card, for those who requested to receive printed proxy materials in the mail; or
- By attending the Annual Meeting and voting in person.

The Notice provides instructions on how to access your proxy, which contains instructions on how to vote via the Internet or by telephone. For stockholders who request to receive a paper proxy card in the mail, instructions for voting via the Internet, by telephone or by mail are set forth on the proxy card.

**If you hold your shares in street name** then your brokerage firm, bank or other nominee who holds your shares is considered the stockholder of record for purposes of voting at the Annual Meeting. The stockholder of record will provide you with instructions on how to vote your shares. Internet and telephone voting will be offered to stockholders owning shares through most brokerage firms and banks. As discussed above, if you would like to vote in person at the Annual Meeting, then you must contact the brokerage firm, bank or other nominee who holds your shares to obtain a valid proxy from them and bring it with you to the Annual Meeting. You will not be able to vote at the Annual Meeting unless you have a valid proxy from your brokerage firm, bank or other nominee holder.

***Can I change my mind after I vote?***

If you are a stockholder of record and vote by proxy, then you may revoke that proxy at any time before it is voted at the Annual Meeting. You may do this by using one of the following methods:

- Voting again by telephone or over the Internet until 11:59 p.m., Eastern Daylight Time, on August 15, 2022;
- Giving written notice to the Company's Corporate Secretary at Crown Crafts, Inc., P.O. Box 1028, Gonzales, Louisiana 70707, Attn.: Corporate Secretary;
- Delivering a later-dated proxy; or
- Voting in person at the Annual Meeting.

If you hold your shares in street name, then you may change your vote by submitting new voting instructions to your brokerage firm, bank or other nominee holder. You must contact your brokerage firm, bank or other nominee holder to find out how to do so. However, since you are not the stockholder of record, you may not change your vote by voting those shares in person at the Annual Meeting unless you receive a valid proxy from your brokerage firm, bank or other nominee holder authorizing you to vote at the Annual Meeting.

***How many votes must be present to hold the Annual Meeting?***

In order for the Company to conduct the Annual Meeting, the holders of a majority of the shares of Common Stock issued and outstanding and entitled to vote must be present, in person or by proxy, at the Annual Meeting. This is referred to as a quorum. Your shares will be counted as present at the Annual Meeting if you do one of the following:

- Vote via the Internet or by telephone;
- Return a properly executed proxy by mail; or

- Attend the Annual Meeting and vote in person.

Shares represented by valid proxies received but marked as abstentions, and shares represented by valid proxies received but reflecting broker non-votes, will be counted as present at the Annual Meeting for purposes of establishing a quorum.

If a quorum is not present at the Annual Meeting, then it is expected that the Annual Meeting will be adjourned or postponed to solicit additional proxies.

**What are broker non-votes?**

Under certain circumstances, including the election of directors, matters involving executive compensation and other matters considered non-routine, brokerage firms and banks are prohibited from exercising discretionary authority for beneficial owners who have not provided voting instructions to the brokerage firm or broker. This is generally referred to as a “broker non-vote.” In these cases, as long as a routine matter is also being voted on, and in cases where the stockholder does not vote on such routine matter, those shares will be counted for the purpose of determining if a quorum is present, but will not be included as votes cast with respect to those matters. Whether a brokerage or bank has authority to vote its shares on uninstructed matters is determined by stock exchange rules. We expect that brokerage firms and brokers will be allowed to exercise discretionary authority for beneficial owners who have not provided voting instructions only with respect to Proposal 2 but not with respect to any of the other proposals to be voted on at the Annual Meeting.

**What vote is required, and how will the votes be counted, to elect directors and to adopt each of the other proposals?**

The following chart describes the proposals to be considered at the Annual Meeting, the vote required to elect directors and to adopt each of the other proposals, and the manner in which votes will be counted:

| Proposal   | Voting Options          | Vote Required to Adopt Proposal   | Effect of Abstentions | Effect of Broker Non-Votes      |
|--|-------------------------|---|-----------------------|---------------------------------|
| Election of Class I Director (Proposal 1)  | For or Withhold         | A nominee will be elected by a plurality of votes cast at the Annual Meeting, meaning that the Class I nominee receiving the most votes will be elected as the Class I director | No effect             | No effect                       |
| Ratification of KPMG (Proposal 2)  | For, Against or Abstain | The affirmative vote of a majority of the votes cast at the Annual Meeting  | No effect             | Brokers have discretion to vote |
| Approval, on an Advisory Basis, of the Compensation of the Company’s Named Executive Officers (Proposal 3) | For, Against or Abstain | The affirmative vote of a majority of the votes cast at the Annual Meeting  | No effect             | No effect                       |

***How many votes are needed for other matters that may be brought before the Annual Meeting?***

In the event that any other matter is properly brought before the Annual Meeting, the affirmative vote of a majority of the votes cast in respect of such matter will be required for its approval. The Board knows of no other matters that will be brought before the Annual Meeting. If other matters are properly introduced, then the persons named in the proxy as the proxy holders will vote on such matters in their discretion.

***Will my shares be voted if I do not provide my proxy?***

If you are a stockholder of record, then your shares will not be voted if you do not vote them or provide a proxy.

If you hold your shares in street name and if your brokerage firm or bank signs and returns a proxy on your behalf that does not contain voting instructions, then your shares will count as present at the Annual Meeting for quorum purposes, but your shares will not count as a vote cast in respect of any proposal.

***What if my shares are registered in more than one person's name?***

If you own shares that are registered in the name of more than one person, then each person must sign the proxy. If an attorney, executor, administrator, trustee, guardian or any other person signs the proxy in a representative capacity, then the full title of the person signing the proxy should be given and a certificate should be furnished showing evidence of appointment.

***What does it mean if I receive more than one Notice?***

If you receive more than one Notice, then you have multiple accounts with brokers or Broadridge, the Company's transfer agent. Please vote all of these shares. It is recommended that you contact your broker or Broadridge, as applicable, to consolidate as many accounts as possible under the same name and address. Broadridge may be contacted by telephone at (877) 830-4936.

***How are proxies solicited and what is the cost?***

The Company will bear all costs incurred on behalf of the Board in connection with its solicitation of proxies from the holders of Common Stock for the Annual Meeting, including any costs associated with printing and mailing proxy materials for those stockholders who request to receive printed versions of them.

In addition, directors, officers and employees of the Company and its subsidiaries may solicit proxies by mail, personal interview, telephone, email or facsimile transmission without additional compensation. The Company may also solicit proxies through press releases and postings on its website at [www.crownrafts.com](http://www.crownrafts.com). Arrangements will be made with brokerage houses, voting trustees, banks, associations and other custodians, nominees and fiduciaries, who are record holders of Common Stock not beneficially owned by them, for forwarding these proxy materials to, and obtaining proxies from, the beneficial owners of such stock entitled to vote at the Annual Meeting. The Company will reimburse these persons for their reasonable expenses incurred in doing so.

***How will votes be counted?***

All votes will be tabulated by the inspector of elections for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

***Where do I find the voting results for the Annual Meeting?***

The Company will announce preliminary voting results at the Annual Meeting. The final voting results will be tallied by the inspector of elections at the Annual Meeting and subsequently published in the Company's Current Report on Form 8-K, which the Company is required to file with the SEC within four business days following the Annual Meeting.

***Who can help answer my questions?***

You can contact our Corporate Secretary, Craig J. Demarest, by telephone at (225) 647-9100 or by writing to Crown Crafts, Inc., P.O. Box 1028, Gonzales, Louisiana 70707, Attn.: Corporate Secretary, with any questions about the proposals described in this Proxy Statement or how to execute your vote.

The Board is committed to maintaining sound and effective corporate governance principles and believes that strong corporate governance is critical to achieving our performance goals and to maintaining the trust and confidence of stockholders, employees, suppliers, customers and regulatory agencies. The Board regularly reviews the Company's corporate governance practices in light of proposed and adopted laws and regulations, the practices of other leading companies, the recommendations of various corporate governance authorities and the expectations of our stockholders.

**Board of Directors**

The Board is responsible for establishing broad corporate policies of the Company, monitoring the Company's overall performance and ensuring that the Company's activities are conducted in a responsible and ethical manner. However, in accordance with well-established corporate legal principles, the Board is not involved in the Company's day-to-day operating matters. Members of the Board are kept informed about the Company's business by participating in Board and committee meetings, by reviewing analyses and reports provided to them by the Company and through discussions with the Chairman of the Board and officers of the Company.

**Director Independence**

Each non-employee member of the Board is "independent," as defined for purposes of the rules of the SEC, the listing standards of The Nasdaq Stock Market ("Nasdaq") and Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). For a director to be considered independent, the Board must determine that the director does not have a relationship with the Company that would interfere with the exercise of his or her independent judgment in carrying out his or her responsibilities of a director. In making this determination, the Board considers all relevant facts and circumstances, including any transactions or relationships between the director and the Company or its subsidiaries.

**Code of Business Conduct and Ethics; Code of Conduct for Directors**

The Company has adopted a Code of Business Conduct and Ethics that is applicable to all directors and employees, including the Company's Chief Executive Officer and Chief Financial Officer. The Code of Business Conduct and Ethics covers topics such as conflicts of interest, insider trading, competition and fair dealing, discrimination and harassment, health and safety, confidentiality, payments to governmental personnel and compliance procedures. The Code of Business Conduct and Ethics is posted on the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com). In addition, the Company has also adopted a Code of Conduct for Directors, which is also posted on the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com).

**Board Committees**

During fiscal year 2022, the Board had the following standing committees: Audit Committee, Compensation Committee, Nominating and Governance Committee, and Capital Committee. The responsibilities assigned by the Board to each of these committees are briefly described below.

*Audit Committee.* The Audit Committee is currently comprised of three directors, none of whom is a current or former employee of the Company or any of its subsidiaries and all of whom are, in the opinion of the Board, free from any relationship that would interfere with the exercise of their independent judgment in the discharge of the Audit Committee's duties. See "Report of the Audit Committee." The current members of the Audit Committee are Donald Ratajczak (Chair), Sidney Kirschner and Patricia Stensrud. The Audit Committee has adopted a formal, written charter, which has been approved by the full Board and which specifies the scope of the Audit Committee's responsibilities and how it should carry them out. The complete text of the Audit Committee charter is available on the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com).

The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries. Its primary functions include monitoring the integrity of the Company's financial statements and system of internal controls and the Company's compliance with regulatory and legal requirements; monitoring the independence, qualifications and performance of the Company's independent auditor; and providing a line of communication among the independent auditor, management and the Board.

*Compensation Committee.* The Compensation Committee is currently comprised of three directors, Zenon S. Nie (Chair), Sidney Kirschner and Patricia Stensrud, none of whom is a current or former employee of the Company or any of its subsidiaries and all of whom are, in the opinion of the Board, free from any relationship that would interfere with the exercise of their independent judgment in the discharge of the Compensation Committee's duties. The Compensation Committee has adopted a formal, written charter, which has been approved by the full Board and which specifies the scope of the Compensation Committee's responsibilities and how it should carry them out. The complete text of the Compensation Committee charter is available on the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com).

The duties of the Compensation Committee are generally to establish the compensation for the Company's executive officers and to act on such other matters relating to compensation as it deems appropriate, including an annual evaluation of the Company's Chief Executive Officer and the design and oversight of all compensation and benefit programs in which the Company's employees and officers are eligible to participate.

*Nominating and Governance Committee.* The Nominating and Governance Committee is currently comprised of three directors, Zenon S. Nie (Chair), Sidney Kirschner and Donald Ratajczak, none of whom is a current or former employee of the Company or any of its subsidiaries and all of whom are, in the opinion of the Board, free from any relationship that would interfere with the exercise of their independent judgment in the discharge of the Nominating and Governance Committee's duties. The Nominating and Governance Committee has adopted a formal, written charter, which has been approved by the full Board and which specifies the scope of the Nominating and Governance Committee's responsibilities and how it should carry them out. The complete text of the Nominating and Governance Committee charter is available on the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com).

The Nominating and Governance Committee has the general responsibility for overseeing the Company's corporate governance practices and for identifying, reviewing and recommending to the Board individuals to be nominated for election to the Board. The Nominating and Governance Committee will also consider any director candidate proposed in good faith by a stockholder of the Company. To do so, a stockholder should send the director candidate's name, credentials, contact information and his or her consent to be considered as a candidate to the Company's Corporate Secretary. The proposing stockholder should also include his or her contact information and a statement of his or her share ownership (i.e., how many shares of Common Stock the proposing stockholder owns and how long such shares have been held), as well as any other information required by the Company's bylaws.

*Capital Committee.* The Capital Committee is currently comprised of three directors, Patricia Stensrud (Chair), Zenon S. Nie and Donald Ratajczak. E. Randall Chestnut was a member of the Capital Committee until his resignation from the Board effective May 1, 2022. None of the current members of the Capital Committee is a current or former employee of the Company or any of its subsidiaries, and such directors, in the opinion of the Board, are free from any relationship that would interfere with the exercise of their independent judgment in the discharge of the Capital Committee's duties. The Capital Committee has adopted a formal, written charter, which has been approved by the full Board and which specifies the scope of the Capital Committee's responsibilities and how it should carry them out. The complete text of the Capital Committee charter is available on the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com).

The Capital Committee is responsible for overseeing and making recommendations with respect to certain capital market transactions, including stock repurchases and dividend payments.

### Board and Committee Meetings

The following table provides a summary of the membership of the Board and its committees since the beginning of fiscal year 2022, together with information regarding the number of meetings held during fiscal year 2022.

| Director Name                   | Independent Director | Audit Committee  | Compensation Committee | Nominating and Governance Committee | Capital Committee |
|---------------------------------|----------------------|------------------|------------------------|-------------------------------------|-------------------|
| Randall Chestnut <sup>(1)</sup> | No                   |                  |                        |                                     | ✓                 |
| Sidney Kirschner                | Yes                  | ✓                | ✓                      | ✓                                   |                   |
| Zenon S. Nie                    | Yes                  |                  | ✓*                     | ✓*                                  | ✓                 |
| Donald Ratajczak                | Yes                  | ✓*               |                        | ✓                                   | ✓                 |
| Patricia Stensrud               | Yes                  | ✓                | ✓                      |                                     | ✓*                |
| Number of Meetings              |                      | 4 <sup>(2)</sup> | 11 <sup>(3)</sup>      | 7 <sup>(3)</sup>                    | 4                 |

\* Chair

(1) Mr. Chestnut resigned from the Board effective May 1, 2022.

(2) Executive sessions were held with the Company's independent auditor at each of these meetings.

(3) The number of meetings of the Compensation Committee and the Nominating and Governance Committee each include five joint meetings of the two committees.

The Board met six times during fiscal year 2022. Each director attended all of the meetings of the Board and committees of which he or she was a member during fiscal year 2022. All Board members attended the Company's annual meeting of stockholders held in 2021, and all members of the Board have been requested to attend the Annual Meeting. Although the Company has no formal policy with respect to Board members' attendance at the Company's annual meeting of stockholders, it is customary for all Board members to attend.

On April 14, 2022, the Company and Mr. Chestnut agreed that he would retire from the Company effective May 1, 2022 and, in connection therewith, he resigned his position as a director of the Company, and all other positions he held with the Company, effective as of such date. Also on April 14, 2022, the Board appointed: (i) Olivia W. Elliott, the Company's President and Chief Executive Officer, as a director of the Company, effective May 1, 2022, to fill the vacancy created by Mr. Chestnut's resignation; and (ii) Mr. Nie, then the Lead Director of the Board, to serve as Chairman of the Board, effective May 1, 2022, replacing Mr. Chestnut in such role. Mr. Nie ceased serving as the Lead Director upon commencing his service as Chairman of the Board.

## Identifying and Evaluating Nominees

With respect to the nomination process, the Nominating and Governance Committee reviews the composition and size of the Board to ensure that it has the proper expertise and independence; determines the criteria for the selection of Board members and Board committee members; establishes criteria for qualifications as independent directors, consistent with applicable laws and listing standards; maintains a file of suitable candidates for consideration as nominees to the Board; reviews Board candidates recommended by stockholders in compliance with all director nomination procedures for stockholders; and recommends to the Board the slate of nominees of directors to be elected by the stockholders and any directors to be elected by the Board to fill vacancies.

The Nominating and Governance Committee will evaluate candidates for election to the Board based on their financial literacy, business acumen and experience, independence and willingness, ability and availability for service. This may include consideration of factors such as the following:

- Whether the potential nominee has leadership, strategic or policy-setting experience in a complex organization, including not only a corporate organization but also any governmental, educational or other non-profit organization;
- Whether the potential nominee has experience and expertise that is relevant to the Company's business, including any specialized business experience, technical expertise or industry expertise, and whether the potential nominee has knowledge regarding issues affecting the Company;
- Whether the potential nominee is highly accomplished in his or her respective field;
- Whether the potential nominee has high ethical character and a reputation for honesty, integrity and sound business judgment;
- Whether the potential nominee is free of any conflict of interest or the appearance of any conflict of interest and whether he or she is willing and able to represent the interests of all stockholders;
- Any factor affecting the ability or willingness of the potential nominee to devote sufficient time to the Board's activities and to enhance his or her understanding of the Company's business; and
- How the potential nominee would contribute to diversity, with a view toward the needs of the Board as a whole.

Additionally, with respect to an incumbent director whom the Nominating and Governance Committee is considering as a potential nominee for re-election, the Nominating and Governance Committee will review and consider the incumbent director's service during his or her term, including the number of meetings attended, level of participation and overall contribution to the Company. The manner in which the Nominating and Governance Committee evaluates a potential nominee will not differ based on whether the potential nominee is recommended by a stockholder.

The Nominating and Governance Committee has not adopted a formal policy with regard to the consideration of diversity in identifying director nominees, although the committee and the Board are committed to a diversified membership. When identifying and recommending director nominees, the members of the committee generally view diversity expansively to include, without limitation, concepts such as race, gender, national origin, differences of viewpoint and perspective, professional experience, education, skill and other qualities or attributes that together contribute to the functioning of the Board.



The following table provides information about the diversity of the Board in a standardized matrix as required by Nasdaq Rule 5606:

| Board Diversity Matrix<br>As of June 17, 2022 |               |             |                   |                                |
|---|---------------|-------------|-------------------|--------------------------------|
| Total Number of Directors – 5                 |               |             |                   |                                |
| <b>Part I: Gender Identity</b>                | <b>Female</b> | <b>Male</b> | <b>Non-Binary</b> | <b>Did Not Disclose Gender</b> |
| Directors                                     | 2             | 2           |                   | 1                              |
| <b>Part II: Demographic Background</b>        |               |             |                   |                                |
| African American or Black                     |               |             |                   |                                |
| Alaskan Native or American Indian             |               |             |                   |                                |
| Asian   |               |             |                   |                                |
| Hispanic or Latinx                            |               |             |                   |                                |
| Native Hawaiian or Pacific Islander           |               |             |                   |                                |
| White   | 2             | 2           |                   |                                |
| Two or More Races or Ethnicities              |               |             |                   |                                |
| LGBTQ+  |               |             |                   |                                |
| Did Not Disclose Demographic Background       |               |             | 1                 |                                |

#### Board Leadership Structure

The Board is currently led by Mr. Nie, as Chairman of the Board, who is an independent director. Upon the resignation of Mr. Chestnut as the Chairman of the Board, the Board determined to separate the positions of Chief Executive Officer and Chairman of the Board in recognition of the differences between the two roles. The Chief Executive Officer is responsible for our strategic direction, day-to-day leadership and performance while the Chairman of the Board, in consultation with the Chief Executive Officer, sets the agenda for and presides over meetings of the Board, oversees the flow of information to the Board and acts as a liaison between the non-employee directors and management.

In addition, we believe that the separation of the positions of Chief Executive Officer and Chairman of the Board at this time will facilitate the transition of the Company's new Chief Executive Officer who was appointed effective March 1, 2022, and provide for more effective monitoring and objective evaluation of the Chief Executive Officer's performance. The separation of these leadership roles also allows the Chairman of the Board to strengthen the Board's independent oversight of our performance and governance standards. With the separation of the positions of Chief Executive Officer and Chairman of the Board, the Board has eliminated the role of Lead Director, which was previously held by Mr. Nie during fiscal year 2022.

Another important component of the Board's leadership structure is the role of its committees. The Board has delegated certain oversight functions to its four standing committees — the Audit Committee, the Compensation Committee, the Nominating and Governance Committee, and the Capital Committee. These committees regularly report back to the Board with specific findings and recommendations in their areas of oversight and also consult and work with the Chief Executive Officer. Further information about these four committees is provided above in “ – Board Committees.”

We believe that the Board's leadership structure, policies, and practices, when combined with our other governance policies and procedures, function well in:

- Strengthening Board leadership;
- Fostering cohesive decision making at the Board level;
- Solidifying director collegiality;
- Improving problem solving; and
- Enhancing strategy formulation and implementation.

#### **Role in Risk Oversight**

As noted above, the Company's business and affairs are managed under the direction of its Board. This includes the Board's overseeing the type and amount of risk undertaken by the Company. In discharging its oversight responsibilities, the Board relies on a combination of the business experience of its members and the expertise and business experience of the Company's officers and employees, as well as, from time to time, advice of various consultants and experts. An appropriate balancing of risks and potential rewards with the long-term goals of the Company is, and historically has been, implicit in the decisions and policies of the Board. Because risk oversight is so thoroughly made a part of all Board deliberations and discussions, no special provision has been made for that oversight in the Board's leadership structure, except in connection with (i) the role of the Audit Committee, which has responsibility for overseeing the Company's risk management programs and policies; and (ii) the role of the Compensation Committee, which has responsibility for assessing the risks associated with the Company's compensation programs.

The Audit Committee focuses on financial reporting risk, oversees the entire audit function and evaluates the effectiveness of internal and external audit efforts. It receives reports from management regularly regarding the Company's assessment of risks and the adequacy and effectiveness of internal control systems. The Audit Committee reports regularly to the full Board and is required by its charter to discuss at least annually with management and the Company's independent auditor the adequacy of the Company's risk management programs and policies, including any recommendations the committee may have for improvements in those areas.

#### **Compensation Committee Interlocks and Insider Participation**

During the fiscal year 2022, Messrs. Nie and Kirschner and Ms. Stensrud served as members of the Compensation Committee. None of them is or has been an officer or employee of the Company.

#### **Communication with the Board and its Committees**

Any stockholder may communicate with the Board by directing correspondence to the Board, any of its committees or one or more of its individual members, in care of the Company's Corporate Secretary, at Crown Crafts, Inc., P.O. Box 1028, Gonzales, Louisiana 70707.

**Election of Director**

The Company has a classified Board currently consisting of one Class I director (Olivia W. Elliott), two Class II directors (Sidney Kirschner and Zenon S. Nie) and two Class III directors (Donald Ratajczak and Patricia Stensrud). At each annual meeting of stockholders, directors are elected to the Board to serve until the third ensuing annual meeting of stockholders and until their successors are elected and qualified or until their earlier death, resignation or removal from office.

The Class I director currently serves until the Annual Meeting, and the Class II and Class III directors currently serve until the Company’s annual meetings of stockholders to be held in 2024 and 2023, respectively. Pursuant to the Company’s bylaws, the Board has fixed its membership at five directors.

At the Annual Meeting, one Class I director will be elected to the Board to serve until the Company’s annual meeting of stockholders to be held in 2025 and until such director’s successor is elected and qualified or until such director’s earlier death, resignation or removal from office. The Board has nominated Olivia W. Elliott for election to the Board as the Class I nominee. Ms. Elliott has consented to serve and be named in this Proxy Statement and will serve as director, if elected, for her term and until her successor shall be elected and shall qualify, except as otherwise provided in the Company’s bylaws.

If you properly grant your proxy and submit it to the Company in time to vote, the proxy holder will vote your shares “for” the election of Ms. Elliott unless you have specifically indicated by proper proxy that your shares should be withheld from voting for her. Proxies cannot be voted at the Annual Meeting for a greater number of persons than the number of nominees named.

**Class I Nominee**

The following person is the nominee for a Class I directorship with a term ending in 2025:

| Name              | Age | Director Service      |
|-------------------|-----|-----------------------|
| Olivia W. Elliott | 53  | May 1, 2022 – present |

*Olivia W. Elliott* was appointed to the Board, effective May 1, 2022. She is a Certified Public Accountant and assumed the role of the Company’s President and Chief Executive Officer in March 2022, after serving as the Company’s President and Chief Operating Officer since January 2021, and the Company’s Vice President and Chief Financial Officer since September 2008. She continued to serve as the Company’s Chief Financial Officer until February 2021. She joined the Company in November 2001 as Secretary and Treasurer. She began her career in public accounting in 1991 with Deloitte & Touche LLP, where she worked for more than three years, after which she worked for seven years in finance and treasury functions with two public companies.

**Recommendation of the Board of Directors**

The Board unanimously recommends a vote “**FOR**” the Class I nominee discussed above. Proxies will be voted “**FOR**” the election of this nominee unless otherwise specified.

## Continuing Directors

The following persons are the Class II and Class III directors of the Company, with terms expiring as set forth below:

| Director             | Age | Director Service | Director Class | Expiration of Current Term |
|----------------------|-----|------------------|----------------|----------------------------|
| Sidney Kirschner     | 87  | 2001 – present   | II             | 2024                       |
| Zenon S. Nie         | 71  | 2001 – present   | II             | 2024                       |
| Dr. Donald Ratajczak | 79  | 2001 – present   | III            | 2023                       |
| Patricia Stensrud    | 74  | 2011 – present   | III            | 2023                       |

**Sidney Kirschner** has served as Executive Vice President of Piedmont Healthcare and Chief Philanthropy Officer of the Piedmont Healthcare Foundation since 2010. Mr. Kirschner previously served as Head of School at the Alfred & Adele Davis Academy from 2007 to 2010 and as Chairman of the Board, President and Chief Executive Officer of Northside Hospital, Atlanta, Georgia, from 1992 to 2004. From 1987 to 1992, he served as Chairman of the Board, Chief Executive Officer and President of National Service Industries, Inc., formerly a Fortune 500 company listed on the New York Stock Exchange. Mr. Kirschner has served on the board of directors of numerous community organizations. He is a member of the board of directors of Superior Uniform Group, Inc. and Cleveland Group, Inc.

**Zenon S. Nie** was appointed Chairman of the Board of the Company, effective May 1, 2022. Mr. Nie served as Lead Director from August 2009 until he commenced serving as Chairman of the Board. He has served since 2001 as Chairman of the Board, President and Chief Executive Officer of the CEO Advisory Board LLC, a management consulting firm he founded in 2000, and since 2001 has also been an operating partner in Tri-Artisan Partners, which merged with Morgan Joseph to form Morgan Joseph TriArtisan LLC in January 2011. From 1993 to 2000, he was Chairman of the Board, President, Chief Executive Officer and Chief Operating Officer of Simmons Company, a billion-dollar international manufacturer and distributor of mattresses. From 1991 to 1993, he was President of the Consumer Home Fashion division of the Bibb Company, which included the Juvenile Products textile division. Prior to that, he was President of Serta Incorporated and held other senior executive positions at both Serta and Sealy Incorporated over the previous 13 years. Mr. Nie has earned the CERT Certificate in Cybersecurity Oversight for directors from the Software Engineering Institute at Carnegie Mellon University and is a National Association of Corporate Directors (“NACD”) Board Leadership Fellow.

**Dr. Donald Ratajczak** retired as a consulting economist, having served in such role from 1983 until 2018 for various financial institutions/investment banks, most recently Raymond James. He served from 2000 to 2003 as the Chairman and Chief Executive Officer of Brainworks Ventures, Inc., an enterprise development company he founded in 2000. He is also Regent’s Professor Emeritus at the Robinson College of Business at Georgia State University. From 1997 to 2000, he was Regent’s Professor of Economics at Georgia State University, and from 1973 to 1997, he was a Professor or Associate Professor in that department. He is also the founder, and from 1973 to 2000 was the Director of the Economic Forecasting Center at Georgia State University. He was a director of AssuranceAmerica from 2003 until 2015, Citizens Bancshares from 2003 until 2014, and Ruby Tuesday from 1981 until 2012.

*Patricia Stensrud* has served since 2016 as a Managing Director with Avalon Securities LLC, a New York-based boutique investment bank where she provides financial and strategic business advisory services to lower- and middle-market companies with clients encompassing a mix of private and public companies as well as private equity funds in domestic and international markets. She is also the Founder and Managing Partner of Hudson River Partners, LLC, an advisory and real estate investment firm. Her C-suite operating background covers a range of industry sectors. From May 2011 through November 2015, Ms. Stensrud served as President of A&H Worldwide, a leading packaging company with global operations in the United States, China and the United Kingdom. Between December 2005 and December of 2010, through Hudson River Partners, her focus was on M&A activity within the fashion and accessories industry. From January 2005 until November 2005, she worked with Tommy Hilfiger USA where she served as President of the Women's Sportswear Division prior to relocation of the company's headquarters to Amsterdam. Prior to that she was Chief Executive Officer of Victoria + Co, a division of Jones Apparel Group in addition to having held leadership positions with Avon Products and IBM. Ms. Stensrud served as a member of the board of directors of Christopher & Banks Corporation from 2011 through June of 2016, and is Board Chair Emeritus for the Girl Scouts Council of Greater New York. She is a recognized NACD Board Leadership Fellow.

#### **Director Qualifications**

The directors believe that their combined business and professional experience and expertise make them a valuable resource to management and qualify them for service on the Board. Many of the Company's current directors, including Messrs. Kirschner, Nie and Ratajczak, have served on the Board since the reorganization of Crown Crafts in 2001. Ms. Elliott has been with the Company for over 20 years and was appointed to the Board in May of 2022. During their tenures, these directors and nominee have gained considerable institutional knowledge about the Company, its operations and its industry, which has made them effective directors. Continuity of service and this development of institutional knowledge help make the Board more efficient and effective at developing long-range plans than it would be if there were frequent turnover in Board membership.

As noted above, Ms. Elliott has been with the Company since November 2001, serving in both financial and operational leadership positions. Her perspective with respect to the Company's progress and past challenges is essential when the Board is evaluating issues and risks facing the Company. Her knowledge and understanding of the industry and its key players, including suppliers and customers, make Ms. Elliott a valuable resource for the Board.

Mr. Kirschner brings to the Company a valuable understanding of its opportunities and the challenges it faces. During a successful and varied career, he has held top executive officer positions with a former Fortune 500 company and has served on the boards of other successful companies, including companies in the textile and manufacturing industries.

Mr. Nie is a key voice on the Board with respect to strategy and growth. During his varied career, he has gained valuable perspective on management matters, having served in top executive positions with other manufacturing companies.

Dr. Ratajczak is a leading economist who is regularly called on to provide advice and guidance with respect to financial and economic matters. His considerable expertise and experience in these areas combine with his understanding of the Company's operations to make him a significant contributor to the Board.

Ms. Stensrud brings to the Company extensive experience in the consumer goods and apparel industries. Her experience provides the Company with added insight into the views of retailers and suppliers alike and enables Ms. Stensrud to offer a unique and valuable perspective to the Board.

## COMPENSATION OF DIRECTORS

Each non-employee director is paid an annual cash retainer of \$40,000 (paid monthly) for the period through July 2022. Commencing in August 2022, each non-employee director will be paid an annual cash retainer of \$50,000 (paid monthly). No additional Board meeting fees are paid.

The Lead Director position was paid a supplemental annual cash retainer of \$30,000 (paid monthly) until the position was eliminated as of May 1, 2022. Effective May 1, 2022, the non-executive Chairman of the Board is paid a supplemental annual cash retainer of \$50,000 (paid monthly). Additional annual retainers are paid to committee chairs as follows: (i) Audit Committee Chair, \$12,000; (ii) Compensation Committee Chair, \$10,000; and (iii) Nominating and Governance Committee Chair and Capital Committee Chair, \$4,500 each. Each non-employee director receives a cash fee of \$1,000 for each committee meeting attended.

Each non-employee director also received a restricted stock grant in August 2021 of 8,033 shares of Common Stock. The number of shares was determined by dividing \$60,000 by the closing price of the Common Stock as reported on Nasdaq on the date of the grant. In August of 2022 (and annually thereafter), each non-employee director will receive an annual restricted stock grant on the date of the annual meeting of stockholders with the number of shares determined by dividing \$75,000 by the average closing price of the Common Stock as reported on Nasdaq for the twenty trading days prior to the date of the annual meeting of stockholders. The restricted shares granted to non-employee directors have a one year vesting period.

Directors who are employees of the Company or its subsidiaries do not receive any compensation for their service as directors. However, in accordance with the terms of Mr. Chestnut's employment agreement, he received an annual grant of shares of restricted stock in August 2021 on the same terms as the annual grant of shares made to non-employee members of the Board. These shares vested upon his retirement and resignation from the Board on May 1, 2022.

The following table sets forth information regarding compensation earned by or paid to the Company's directors for fiscal year 2022.

| Name                | Fees Earned or Paid<br>in Cash (1) | Stock<br>Awards (2) | All Other<br>Compensation | Total     |
|---------------------|------------------------------------|---------------------|---------------------------|-----------|
| E. Randall Chestnut | -                                  | \$60,000            | -                         | \$60,000  |
| Sidney Kirschner    | \$58,125                           | \$60,000            | -                         | \$118,125 |
| Zenon S. Nie        | \$99,833                           | \$60,000            | -                         | \$159,833 |
| Donald Ratajczak    | \$67,000                           | \$60,000            | -                         | \$127,000 |
| Patricia Stensrud   | \$63,500                           | \$60,000            | -                         | \$123,500 |

(1) Includes fees earned in fiscal year 2022 but paid in fiscal years 2022 and 2023.

(2) Stock awards consist of awards of unvested stock granted on August 11, 2021. The dollar amounts reported in the table above reflect the aggregate grant date fair value of these shares computed in accordance with Financial Accounting Standards Board ("FASB") ASC Topic 718 using the closing price of Common Stock of \$7.47 per share as reported on Nasdaq on the date of grant. These amounts may not correspond to the actual value that will be recognized by the directors. The shares vest over a one-year period, except that Mr. Chestnut's shares vested upon his retirement from the Company on May 1, 2022.

## EXECUTIVE COMPENSATION

### Executive Officers

Executive officers of the Company are elected or appointed by the Board and hold office until their successors are elected or until their earlier death, resignation or removal, subject to the terms of applicable employment agreements. See “ – Compensation Discussion and Analysis – Employment, Severance and Compensation Arrangements.” The executive officers of the Company during fiscal year 2022 are as follows:

| Name                    | Age | Position With Company  |
|-------------------------|-----|--|
| E. Randall Chestnut (1) | 74  | Chairman of the Board and Chief Executive Officer                      |
| Olivia W. Elliott (2)   | 53  | Director, President and Chief Executive Officer                        |
| Craig J. Demarest (3)   | 56  | Vice President and Chief Financial Officer                             |
| Donna E. Sheridan (4)   | 58  | President and Chief Executive Officer, NoJo Baby & Kids, Inc. (“NoJo”) |

- (1) Mr. Chestnut joined the Company in January 1995 as Vice President, Corporate Development. In July 2001, he was elected President, Chief Executive Officer and Chairman of the Board. He continued to serve as President until January 4, 2021, as Chief Executive Officer until March 1, 2022, and as Chairman of the Board until his retirement effective May 1, 2022.
- (2) Ms. Elliott, a Certified Public Accountant, assumed the role of the Company’s President and Chief Executive Officer on March 1, 2022 after serving as the Company’s President and Chief Operating Officer since January 2021, and the Company’s Vice President and Chief Financial Officer since September 2008. She continued to serve as the Company’s Chief Financial Officer until February 2021. She joined the Company in November 2001 as Secretary and Treasurer. She began her career in public accounting in 1991 with Deloitte & Touche LLP, where she worked for more than three years, after which she worked for seven years in finance and treasury functions with two public companies. Ms. Elliott was appointed to the Board effective May 1, 2022.
- (3) Mr. Demarest joined the Company in February 2021 as its Chief Financial Officer. He previously served as the Chief Financial Officer of Carbo Ceramics Inc., a global technology company that provides products and services to the oil and gas, industrial and environmental markets, from September 2020 to February 2021. Prior to that, he served almost 15 years in various positions at Tidewater Inc., an NYSE listed company providing offshore marine support and transportation services to the global offshore energy industry. At Tidewater, he advanced to Vice President, Controller and Principal Accounting Officer, a position that he held from June 2008 to December 2018. He also spent almost 17 years with KPMG, serving as an Audit Partner of the firm from 1999 to 2004.
- (4) Ms. Sheridan joined NoJo in January 2019. She was previously Senior Vice President at Lambs & Ivy for eight years. Prior to that, she served as General Manager for Disney Consumer Products over Soft Lines for North America and had previously held numerous other roles with the Walt Disney Company over a fourteen-year period, including brand management, merchandising and director roles.

### Compensation Discussion and Analysis

The Compensation Committee has overall responsibility for establishing, implementing and monitoring the Company’s compensation structure, policies and programs. The Compensation Committee oversees the design and implementation of strategic compensation programs for the Company’s executive officers and is responsible for assessing and approving the total compensation paid to the Company’s Chief Executive Officer and the Chief Executive Officer’s compensation recommendations for other executive officers and for determining whether the compensation paid under the Company’s programs is fair, reasonable and competitive. The Compensation Committee Chair regularly reports to the Board on Compensation Committee actions and recommendations. The Compensation Committee has authority to retain (at the Company’s expense) outside counsel, compensation consultants and other advisors to assist as needed.

The individuals who served as the Company's Chief Executive and Chief Financial Officers during fiscal year 2022, as well as the other individuals included in the "- Summary Compensation Table" below, are referred to individually, as a "named executive officer," and collectively, as the "named executive officers." With respect to the named executive officers, this Compensation Discussion and Analysis identifies the Company's current compensation philosophy and objectives and describes the various methodologies, policies and practices for establishing and administering the compensation programs of the named executive officers.

### ***Compensation Philosophy and Objectives***

The Compensation Committee believes that the most effective executive compensation programs are those that align the interests of the Company's executive officers with those of its stockholders. The Compensation Committee further believes that a properly structured compensation program will attract and retain talented individuals and motivate them to drive stockholder value and achieve specific short- and long-term strategic objectives and that a significant percentage of executive pay should be based on the principle of pay-for-performance. However, the Compensation Committee also recognizes that the Company must maintain its ability to attract highly talented executives. For this reason, an important objective of the Compensation Committee is to ensure that the Company's compensation program is competitive with its peer-group companies (the "compensation peer group").

The Company's executive compensation program is designed to provide:

- Levels of base compensation that are competitive with comparable companies;
- Annual incentive compensation that varies in a manner consistent with the achievement of individual performance objectives and financial results of the Company;
- Long-term incentive compensation that focuses executive efforts on building stockholder value through meeting longer-term financial and strategic goals; and
- Executive benefits that are meaningful and competitive with comparable companies.

In designing and administering the Company's executive compensation program, the Compensation Committee attempts to strike an appropriate balance among these various elements. The Compensation Committee considers the pay practices of the compensation peer group to determine the appropriate pay mix and compensation levels. With respect to performance-based pay, the Compensation Committee believes that executive compensation should be closely tied to the financial and operational performance of the Company, as well as to the individual performance and responsibility level of the named executive officers. The Compensation Committee also believes that the Company's executive compensation program should include a significant equity-based component because it best aligns the executives' interests with those of the Company's stockholders. For purposes of retention, the Compensation Committee believes that the equity-based component should have meaningful conditions to encourage valued employees to remain in the employ of the Company. Finally, the Compensation Committee also considers other forms of executive pay as a means to attract, retain and motivate highly qualified executives.



### **Methodology for Establishing Compensation**

The Compensation Committee is comprised of three independent directors, all of whom satisfy Nasdaq listing requirements and relevant SEC regulations. There are no interlocking relationships between any member of the Compensation Committee and any of our executive officers. None of the Compensation Committee members is an officer, employee or former officer or employee of the Company.

The Compensation Committee is responsible for all compensation decisions for the Chief Executive Officer and other named executive officers. The Chief Executive Officer annually reviews the performance of the other named executive officers, including consideration of market pay practices of the compensation peer group in conjunction with both Company and individual performance. The conclusions and recommendations of the Chief Executive Officer are presented to the Compensation Committee for approval. The Compensation Committee has absolute discretion as to whether it approves the recommendations of the Chief Executive Officer or makes adjustments, as it deems appropriate.

### **The Elements of Compensation**

Total direct compensation includes cash, in the form of base salary and annual incentives, and long-term equity incentives. The Compensation Committee evaluates the mix between these three elements based on the pay practices of comparable companies.

The Compensation Committee reviews aggregate compensation data for each officer position from comparable companies based primarily on company size, as measured through annual revenue, market capitalization and other financial measures. Although the Compensation Committee also considers other relevant survey data, it particularly focuses on the compensation practices of such comparable companies in considering compensation levels for the Company's Chief Executive Officer and the other named executive officers. The Compensation Committee considers the opinions and recommendations of the Chief Executive Officer and outside advisers and strives to be fully informed in its determination of the appropriate compensation mix and award levels for the named executive officers. All compensation decisions take into consideration the Compensation Committee's guiding principles of fairness to employees, retention of talented executives and fostering improved Company performance, which it believes will ultimately benefit the Company's stockholders. With respect to the named executive officers, the following table and text describe in greater detail the objectives and policies behind the various elements of the compensation mix.

| <b>Component</b>              | <b>Type</b> | <b>Objectives</b>   |
|-------------------------------|-------------|---|
| Base Salary                   | Fixed       | <ul style="list-style-type: none"><li>• Attract and retain executives</li><li>• Compensate executive for level of responsibility and experience</li></ul>   |
| Annual Incentive Bonus        | Variable    | <ul style="list-style-type: none"><li>• Reward meaningful contributions to the Company's profitability</li><li>• Reward achievement of the Company's annual financial and operational goals</li><li>• Promote accountability and strategic decision-making</li></ul>  |
| Long-Term Incentive Awards    | Variable    | <ul style="list-style-type: none"><li>• Align management and stockholder goals by linking management compensation to stock price over extended period</li><li>• Encourage long-term, strategic decision-making</li><li>• Reward achievement of long-term company performance goals</li><li>• Promote accountability</li><li>• Retain key executives</li></ul> |
| Broad-Based Benefits Programs | Fixed       | <ul style="list-style-type: none"><li>• Foster the health and well-being of executives</li><li>• Attract and retain executives</li><li>• Reward employee loyalty and long-term service</li></ul>  |

Base Salary. It is the Company's philosophy that employees be paid a base salary that is competitive with the salaries paid by comparable organizations based on each employee's experience, performance and geographic location. Generally, the Company has chosen to position cash compensation at close to market median levels in order to remain competitive in attracting and retaining executive talent. The allocation of total cash between base salary and incentive bonus awards is based on a variety of factors. The Compensation Committee considers a combination of the executive's performance, the performance of the Company and the individual business or corporate function for which the executive is responsible, the nature and importance of the position and role within the Company, the scope of the executive's responsibility and the current compensation package in place for the executive, including the executive's current annual salary and potential bonus awards under the Company's short-term incentive plan.

The Compensation Committee generally evaluates executive salaries annually. An analysis of the Company's executive compensation indicated that base salaries for the named executive officers were generally positioned at the market median. During fiscal year 2022, based in part on information provided by an independent compensation consultant, as well as the Compensation Committee's own assessment of the information and factors described above, the Compensation Committee determined to increase the base salaries of Ms. Elliott and Ms. Sheridan incrementally to maintain market median levels.

Annual Incentive Bonus. The Company intends to continue its strategy of compensating the named executive officers through programs that emphasize performance-based incentive compensation. The Company's short-term incentive compensation program is designed to recognize and reward executive officers and other employees who contribute meaningfully to the Company's profitability and increase in stockholder value.

In general, the funding of the annual incentive bonus pool is dependent upon earnings before interest, taxes, depreciation and amortization (after deducting incentive compensation) of the Company and its subsidiaries. If the plan is fully funded, each named executive officer has the ability to receive the target bonus payout. The percentage of the target bonus actually paid to each named executive officer depends on the goal attainment levels. The threshold level of performance for funding the bonus pool is 90% of target, at which point the annual bonus pool is 5% funded.

For fiscal year 2022, the Company and two of its wholly-owned subsidiaries, NoJo Baby and Kids, Inc. and Sassy Baby, Inc., achieved the maximum level of the performance target. Bonus amounts will be paid in the first quarter of the fiscal year ending April 2, 2023 ("fiscal year 2023"), but were expensed in fiscal year 2022, the fiscal year in which the bonuses were earned and to which the payments relate.

Long-Term Incentive Awards. Long-term incentive awards are the third component of the Company's total compensation package. The Compensation Committee believes that equity-based compensation ensures that the Company's officers have a continuing stake in the long-term success of the Company. Accordingly, the Company's officers and certain other employees may participate in the 2021 Incentive Plan (the "2021 Plan") which provides for grants of equity incentive awards, including stock options, stock units, stock awards, stock appreciation rights and other stock-based awards. Awards may be granted under the 2021 Plan from time to time until August 20, 2031, unless the 2021 Plan is terminated or replaced prior to that date. The Compensation Committee approves all awards under the 2021 Plan and acts as the administrator of the 2021 Plan.

Award levels under the 2021 Plan are determined based on the compensation practices of the compensation peer group. In general, long-term incentive awards are targeted at the median of the compensation peer group with appropriate adjustments for individual and Company performance, although past awards have generally been below market levels. Stock options granted under the 2021 Plan, as well as under the Company's prior equity compensation plans, vest and become exercisable over terms determined by the Compensation committee, have a ten-year term and have an exercise price equal to the fair market value of Common Stock on the date of grant; restricted stock awards have been subject to cliff vesting on the first, second, fourth or fifth anniversary of the date of grant. In the case of restricted stock, the shares are held by the Company's transfer agent in escrow until restrictions lapse and the participant pays taxes on the value of the shares. Participants are entitled to vote their shares and are entitled to any dividends payable on their restricted stock once the vesting restrictions lapse. Restricted stock cannot be sold or transferred until the shares vest. Should a named executive officer leave the Company prior to the completion of the applicable vesting schedule, the unvested portion of the grant is forfeited.

Historically, the determination of whether equity compensation awards will be granted is made promptly following the preparation of the prior year's audited financial statements because the awards are made (or not) based upon the Compensation Committee's assessment of the Company's overall performance for such period, as well as the Compensation Committee's assessment of the individual's overall performance over the same time. This determination is generally made considering the totality of the circumstances and not necessarily on the basis of one or more specified performance metrics.

*Broad-Based Benefits Programs.* The named executive officers are entitled to participate in the benefits programs that are available to all full-time employees. These benefits include health, dental, vision, disability and life insurance, paid vacation and Company contributions to a 401(k) profit-sharing retirement plan. The Company's 401(k) plan provides for matching contributions by the Company in an amount equal to 100% of the first 2% of employee compensation deferred, plus 50% of the next 3% of employee compensation deferred. All employees age 18 and older are eligible to participate in the plan after two months of service.

#### ***Evaluation of Chief Executive Officer Compensation and Executive Performance***

*Compensation of Chief Executive Officer.* The Compensation Committee meets with the other independent directors each year in an executive session to evaluate the performance of the Company's Chief Executive Officer. The Compensation Committee does not confer with the Chief Executive Officer or any other members of management when setting the Chief Executive Officer's base salary. The Compensation Committee does not rely solely on predetermined formulas or a limited set of criteria when it evaluates the performance of the Chief Executive Officer and the other named executive officers.

*Compensation of Other Named Executive Officers.* The Chief Executive Officer met with the Compensation Committee to review her compensation recommendations for the other named executive officers for 2022. She described the findings of her performance evaluation of all such persons and provided the basis of her recommendations with the Compensation Committee, including the scope of each person's duties, oversight responsibilities and individual objectives and goals against results achieved. In its analysis of the other named executive officers, the Compensation Committee applied the same rationale to this group as it applied when considering the Chief Executive Officer's base salary. The Compensation Committee also considered the pay practices of the compensation peer group and information previously provided to the Company by an independent compensation consultant.

*Administrative Policies and Practices.* To evaluate and administer the compensation programs of the Chief Executive Officer and other named executive officers, the Compensation Committee meets periodically each year in conjunction with regularly scheduled Board meetings. The Compensation Committee also holds special meetings and meets telephonically to discuss extraordinary items.

### ***Employment, Severance and Compensation Arrangements***

The Company has entered into agreements with each of Mr. Chestnut, Ms. Elliott, Mr. Demarest and Ms. Sheridan. A summary of the terms of these agreements is set forth below.

***E. Randall Chestnut*** The Company and Mr. Chestnut entered into an Amendment to Amended and Restated Employment and Severance Protection Agreement, dated as of April 14, 2022, which amends the Amended and Restated Employment and Severance Protection Agreement, dated as of December 16, 2020, between the Company and Mr. Chestnut, to reflect Mr. Chestnut's retirement. Pursuant to the amendment: (i) Mr. Chestnut continued to receive the salary and benefits pursuant to his agreement through May 1, 2022; (ii) in lieu of the compensation and benefits Mr. Chestnut would otherwise have been entitled to receive under his agreement through its termination on April 2, 2023, the Company paid Mr. Chestnut \$155,692.15 on May 1, 2022; (iii) the 8,033 shares of restricted stock granted to Mr. Chestnut on August 11, 2021 under the 2021 Plan, which would have vested on the earlier of August 11, 2022 and the date immediately preceding the date of the Annual Meeting, accelerated and vested on May 1, 2022; and (iv) the term of his agreement ended on May 1, 2022.

Pursuant to his agreement, the Company employed Mr. Chestnut as President until January 4, 2021 and as Chief Executive Officer until March 1, 2022, when the Board appointed Ms. Elliott as Chief Executive Officer, and thereafter he continued to be employed by the Company until his retirement on May 1, 2022. Mr. Chestnut also continued to serve as the Chairman of the Board until his retirement and resignation from the Board on May 1, 2022.

Pursuant to his agreement, Mr. Chestnut: (i) received an annual salary equal to \$463,500 through March 28, 2021, an annual salary of \$231,750 from March 29, 2021 through April 3, 2022, and compensation at the rate of \$154,484.66 per annum from April 4, 2022 through May 1, 2022; (ii) received a cash bonus with respect to the fiscal year ended March 28, 2021 ("fiscal year 2021") consistent with past bonuses paid by the Company to him, but not with respect to any subsequent fiscal year; (iii) received a grant of 8,033 shares of Common Stock in August 2021 on the same terms as the annual grant of shares made to non-employee members of the Board; (iv) was entitled to participate in any medical, dental, hospitalization, disability, accident, life insurance and 401(k) plans or arrangements of the Company for which he was eligible; and (v) received \$24,470 of moving expenses paid on his behalf.

In addition, pursuant to his agreement: (i) the Company purchased from Mr. Chestnut, on December 16, 2020, 250,000 shares of Common Stock owned by him for an aggregate purchase price of \$1,885,875.00, or \$7.5435 per share (which represents the trailing 10-trading day volume weighted average closing price of the Common Stock ending, and including, December 16, 2020); (ii) the Company transferred to Mr. Chestnut title to the 2016 Ford F-150 used by him in connection with his employment; and (iii) paid to Mr. Chestnut all accrued but unpaid vacation and other paid time off earned under the Company's vacation and paid time off policies through March 28, 2021.

Mr. Chestnut's agreement also contains: (i) post-employment non-competition and customer non-solicitation provisions which end on May 1, 2023; and (ii) two-year post-employment employee non-solicitation provisions. Mr. Chestnut's agreement also provided Mr. Chestnut with certain benefits upon the termination of his employment in certain circumstances.

Pursuant to the amendment, upon his termination, Mr. Chestnut received the compensation and benefits described above in lieu of any other compensation or benefits under his agreement.

Olivia W. Elliott The Company entered into an employment agreement with Ms. Elliott effective as of November 6, 2008, pursuant to which Ms. Elliott served as the Company's Vice President and Chief Financial Officer. On December 16, 2020, the Board appointed Ms. Elliott to serve as the Company's President and Chief Operating Officer, effective January 4, 2021. On February 8, 2022, the Board appointed Ms. Elliott to serve as Chief Executive Officer and President, effective March 1, 2022. The initial term of Ms. Elliott's agreement expired on November 6, 2009; however, the agreement renews automatically on a daily basis unless either party gives the other party one year's advance notice of non-renewal.

Ms. Elliott's agreement provides for an annual salary, subject to annual review and upward adjustment, and cash bonuses based on the Company's achievement of performance criteria established by its Board, as well as other benefits under programs adopted by the Company from time to time. Ms. Elliott's agreement also contains one-year post-employment non-competition provisions, one-year post-employment customer non-solicitation provisions and two-year post-employment employee non-solicitation provisions. The agreement also provides Ms. Elliott with certain benefits upon the termination of her employment. These benefits are discussed under " — Potential Payments Upon Termination or Change in Control." On June 7, 2022, Ms. Elliott's employment agreement was amended to reflect that she is serving as President and Chief Executive Officer and to remove provisions that entitled her to terminate her employment and receive severance in the event of a change in control if at the time of the change in control, or during the 150-day period thereafter, Mr. Chestnut is no longer employed by the Company.

In connection with Ms. Elliott's appointment as President and Chief Operating Officer: (i) effective January 4, 2021, Ms. Elliott's salary increased to \$325,000 per annum, and she is eligible to receive a target annual cash bonus equal to 60% of her salary; and (ii) on January 4, 2021, the Company granted Ms. Elliott, pursuant to the Company's 2014 Omnibus Equity Compensation Plan (the "2014 Plan"), an option to purchase 50,000 shares of Common Stock with an exercise price per share equal to the fair market value of the Common Stock on such date, which option vested and became exercisable as to one-half of the underlying shares on January 4, 2022 and will vest and become exercisable as to one-half of the underlying shares on January 4, 2023.

In connection with Ms. Elliott's appointment as Chief Executive Officer: (i) effective March 1, 2022, Ms. Elliott's salary increased to \$400,000 per annum; (ii) on March 1, 2022, the Company granted Ms. Elliott, pursuant to the 2021 Plan, a performance award consisting of 125,000 shares of Common Stock, of which: (a) 50,000 shares shall be earned if the closing price per share of the Common Stock equals or exceeds \$8.00 on ten trading days within any period of twenty consecutive trading days prior to March 1, 2027; and (b) 75,000 shares shall be earned if the closing price of the Common Stock equals or exceeds \$9.00 on ten trading days within any period of twenty consecutive trading days prior to March 1, 2027.

Craig J. Demarest The Company entered into an employment agreement with Mr. Demarest effective as of February 22, 2021, pursuant to which Mr. Demarest has agreed to serve as the Company's Vice President and Chief Financial Officer. The initial term of Mr. Demarest's agreement expired on February 28, 2022; however, beginning on March 1, 2021, and continuing on the first day of each calendar month thereafter, such term has been and will be extended automatically for one additional calendar month so that the term of Mr. Demarest's agreement will always be for one full year, unless either party provides notice to the other at any time that the term shall not be further extended and shall terminate at the end of the one-year period following such notice.

Under Mr. Demarest's agreement, he: (i) will receive a minimum base salary of \$237,500, subject to annual review and upward adjustment; (ii) commencing with the fiscal year 2022, is eligible to receive a target bonus of up to 40% of his base salary amount and as much as 60% of his base salary amount if certain earnings goals are met; and (iii) is entitled to receive other benefits under programs adopted by the Company from time to time. Upon the execution of the agreement, Mr. Demarest also received a grant of 10,000 shares of Common Stock pursuant to the 2014 Plan, which shares are subject to vesting on February 22, 2023. Mr. Demarest's employment agreement also contains one-year post-employment non-competition provisions, one-year post-employment customer non-solicitation provisions and one-year post-employment employee non-solicitation provisions. The agreement also provides Mr. Demarest with certain benefits upon the termination of his employment. These benefits are discussed under " — Potential Payments Upon Termination or Change in Control."

Donna E. Sheridan. NoJo entered into an employment agreement with Ms. Sheridan effective as of January 18, 2019, pursuant to which Ms. Sheridan has agreed to serve as President and Chief Executive Officer of NoJo. The initial term of Ms. Sheridan's employment agreement expired on December 31, 2019; however, beginning on February 1, 2019, and continuing on the first day of each calendar month thereafter, the term of the agreement will be extended automatically for one additional calendar month so that such term will always be for one full year, unless either party provides notice to the other at any time that the term shall not be further extended and shall terminate at the end of the one-year period following such notice.

Ms. Sheridan's employment agreement provides for an annual salary, subject to annual review and upward adjustment, and cash bonuses based on the Company's achievement of performance criteria established by the Compensation Committee, as well as other benefits under programs adopted by the Company from time to time. It also contains one-year post-employment non-competition, customer non-solicitation and employee non-solicitation provisions. The agreement also provides Ms. Sheridan with certain benefits upon the termination of her employment. These benefits are discussed under " — Potential Payments Upon Termination or Change in Control."

#### ***Stock Ownership Guidelines***

The Board has implemented stock ownership guidelines for directors, the Company's Chief Executive Officer and Chief Financial Officer. Under those guidelines: (i) directors are expected to hold shares of Common Stock having a value equal to not less than three times their retainer; (ii) the Chief Executive Officer is expected to hold shares of Common Stock having a value equal to not less than two times the Chief Executive Officer's annual salary; and (iii) the Chief Financial Officer is expected to hold shares of Common Stock having a value equal to not less than the amount of the Chief Financial Officer's annual salary. Neither the Board nor the Compensation Committee has implemented stock ownership guidelines for other officers. The Compensation Committee, however, continues to periodically review best practices and re-evaluate whether additional stock ownership guidelines are consistent with the compensation philosophy of the Company and with the interests of its stockholders.

#### ***Insider Trading Policy***

The Board has adopted an insider trading policy which is applicable to Board members and the officers and other employees of the Company and its subsidiaries. Under the policy, no Board member or any officer or other employee (or any other person designated by the policy or by the Company's Compliance Officer as subject to the policy) who is aware of material nonpublic information relating to the Company may, directly or indirectly through family members or other persons or entities:

- (i) Engage in transactions in the Company's securities, except as otherwise specified in the policy;
- (ii) Recommend the purchase or sale of any of the Company's securities;
- (iii) Disclose material nonpublic information about us to other persons, including friends, business associates and investors, unless any such disclosure is made in accordance with our policies regarding the protection, or authorized external disclosure, of such information; or

- (iv) Assist anyone engaged in any of the above activities.

In addition, no Board member or any officer or other employee (or any other person designated by the policy or by the Company's Compliance Officer as subject to the policy) who, in the course of working for us, learns of material nonpublic information about a company with which we do business, including one of our customers or suppliers, may trade in that company's securities until the information becomes public or is no longer material.

To further ensure adherence with the policy, procedures applicable to Board members and our officers have been established for blackout periods with respect to quarterly trading restrictions as well as event-specific trading restriction periods. The policy provides guidance as to what constitutes material information and when information becomes public. The policy addresses transactions by family members and controlled entities, as well as other transactions which are prohibited, such as short-term trading, short sales, publicly trading in options, margin purchases and pledging. The policy discusses the consequences of an insider trading violation and additional procedures applicable to Board members and our officers. The policy requires all persons subject to the policy to provide written certification of their understanding of, and intent to comply with, the policy.

The policy also strongly discourages Board members and the officers and other employees of the Company and its subsidiaries from engaging in hedging or monetization transactions (including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds). Any person wishing to enter into such an arrangement must first submit the proposed transaction for approval by the Company's Compliance Officer. Any request for pre-clearance of a hedging or similar arrangement must set forth the justification for the proposed transaction. The Company's Compliance Officer has never approved, nor has received, a request for pre-clearance of a hedging or similar arrangement.

#### **Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with the Company's management and, based on such review and discussions, has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by the  
Compensation Committee:

Zenon S. Nie (Chair)  
Sidney Kirschner  
Patricia Stensrud

## Summary Compensation and Other Tables

**Summary Compensation Table.** The following table sets forth all compensation paid or accrued during fiscal year 2022 and the fiscal year 2021 to the named executive officers.

| Name and Principal Position   | Fiscal Year | Salary     | Stock Awards              | Option Awards             | Non-Equity Incentive Plan Compensation | All Other Compensation    | Total        |
|---|-------------|------------|---------------------------|---------------------------|--|---------------------------|--------------|
| E. Randall Chestnut <sup>(1)</sup><br>Chairman of the Board and<br>Chief Executive Officer,<br>former President     | 2022        | \$ 232,860 | \$ 60,000                 | \$ -                      | \$ -                                   | \$ 7,069 <sup>(2)</sup>   | \$ 299,929   |
|   | 2021        | \$ 465,728 | \$ -                      | \$ -                      | \$ 417,150 <sup>(3)</sup>              | \$ 75,396 <sup>(4)</sup>  | \$ 958,274   |
| Olivia W. Elliott<br>President and Chief Operating<br>Officer, former Vice President<br>and Chief Financial Officer | 2022        | \$ 337,115 | \$ 628,950 <sup>(5)</sup> | \$ 46,551 <sup>(6)</sup>  | \$ 310,500 <sup>(7)</sup>              | \$ 27,784 <sup>(8)</sup>  | \$ 1,350,900 |
|   | 2021        | \$ 309,904 | \$ 49,200 <sup>(9)</sup>  | \$ 64,842 <sup>(10)</sup> | \$ 212,625 <sup>(3)</sup>              | \$ 24,467 <sup>(11)</sup> | \$ 661,038   |
| Craig J. Demarest <sup>(16)</sup><br>Vice President and Chief<br>Financial Officer                                  | 2022        | \$ 237,500 | \$ -                      | \$ 16,052 <sup>(6)</sup>  | \$ 142,500 <sup>(7)</sup>              | \$ 16,673 <sup>(12)</sup> | \$ 412,725   |
|   | 2021        | \$ 22,837  | \$ 76,000 <sup>(9)</sup>  |                           |  | \$ 1,038 <sup>(13)</sup>  | \$ 99,875    |
| Donna E. Sheridan<br>President and Chief Executive<br>Officer, NoJo   | 2022        | \$ 316,154 | \$ 334,425 <sup>(5)</sup> | \$ 30,499 <sup>(6)</sup>  | \$ 192,750 <sup>(7)</sup>              | \$ 27,070 <sup>(14)</sup> | \$ 900,898   |
|   | 2021        | \$ 306,442 | \$ 49,200 <sup>(9)</sup>  | \$ 32,421 <sup>(10)</sup> | \$ 186,000 <sup>(3)</sup>              | \$ 27,374 <sup>(15)</sup> | \$ 601,437   |

(1) Mr. Chestnut served as Chief Executive Officer until March 1, 2022 and as Chairman of the Board until May 1, 2022.

(2) Represents matching contributions to Mr. Chestnut's account under the Company's 401(k) retirement savings plan.

(3) Represents incentive bonus amounts earned in fiscal year 2021 but paid in fiscal year 2022.

(4) Represents amounts paid by the Company on behalf of Mr. Chestnut as follows: (i) \$9,065 in automobile expenses; (ii) \$10,677 in matching contributions to Mr. Chestnut's account under the Company's 401(k) retirement savings plan; (iii) \$35,654 in accrued but unpaid vacation; and (iv) \$20,000 value associated with the company vehicle transferred to Mr. Chestnut pursuant to the terms of his amended and restated employment and severance protection agreement. The "All Other Compensation" does not include the aggregate purchase price of \$1,885,875.00 the Company paid to Mr. Chestnut on December 16, 2020 to purchase 250,000 shares of his Common Stock pursuant to Mr. Chestnut's amended and restated employment and severance protection agreement. See "– Compensation Discussion and Analysis – Employment, Severance and Compensation Arrangements – E. Randall Chestnut."

(5) Represents the aggregate grant date fair value of restricted stock and performance shares granted in fiscal year 2022 computed in accordance with FASB ASC Topic 718.

(6) Reflects the aggregate grant date fair value of stock options granted in fiscal year 2022 computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of this amount are included in Note 8 to the Company's audited consolidated financial statements for the fiscal year ended April 3, 2022, included in the Company's Annual Report on Form 10-K filed with the SEC on June 8, 2022.

(7) Represents incentive bonus amounts earned in fiscal year 2022 but paid in fiscal year 2023.

(8) Represents amounts paid by the Company on behalf of Ms. Elliott as follows: (i) \$17,351 in automobile expenses; and (ii) \$10,433 in matching contributions to Ms. Elliott's account under the Company's 401(k) retirement savings plan.

(9) Represents the aggregate grant date fair value of restricted stock granted in fiscal year 2021 computed in accordance with FASB ASC Topic 718.



- (10) Reflects the aggregate grant date fair value of stock options granted in fiscal year 2021 computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of this amount are included in Note 8 to the Company's audited consolidated financial statements for the fiscal year ended April 3, 2022, included in the Company's Annual Report on Form 10-K filed with the SEC on June 8, 2022.
- (11) Represents amounts paid by the Company on behalf of Ms. Elliott as follows: (i) \$14,644 in automobile expenses; and (ii) \$9,823 in matching contributions to Ms. Elliott's account under the Company's 401(k) retirement savings plan.
- (12) Represents amounts paid by the Company on behalf of Mr. Demarest as follows: (i) \$9,000 in automobile allowance; and (ii) \$7,673 in matching contributions to Mr. Demarest's account under the Company's 401(k) retirement savings plan.
- (13) Represents \$1,038 paid by the Company to Mr. Demarest as an automobile allowance.
- (14) Represents amounts paid by the Company on behalf of Ms. Sheridan as follows: (i) \$16,799 in automobile expenses; and (ii) \$10,271 in matching contributions to Ms. Sheridan's account under the Company's 401(k) retirement savings plan.
- (15) Represents amounts paid by the Company on behalf of Ms. Sheridan as follows: (i) \$17,671 in automobile expenses; and (ii) \$9,703 in matching contributions to Ms. Sheridan's account under the Company's 401(k) retirement savings plan.
- (16) Mr. Demarest joined the Company in February 2021.

**Outstanding Equity Awards at Fiscal Year-End.** The following table sets forth information regarding the outstanding equity awards held by the named executive officers at April 3, 2022, the last day of fiscal year 2022.

| Name                | Option Awards   |   |                               |                                   | Stock Awards   |  |
|---------------------|---|---|-------------------------------|-----------------------------------|--|--|
|                     | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options (#) | 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 (\$) |
| E. Randall Chestnut | -   | -   | -                             | -                                 | 8,033 <sup>(1)</sup>   | \$ 52,215  |
| Olivia W. Elliott   | 25,000 <sup>(2)</sup>   | 25,000 <sup>(2)</sup><br>29,000 <sup>(4)</sup>          | \$ 7.11<br>\$ 7.98            | 1/4/2031<br>6/9/2031              | 10,000 <sup>(3)</sup><br>15,000 <sup>(5)</sup><br>125,000 <sup>(6)</sup> | \$ 65,000<br>\$ 97,500<br>\$ 812,500                               |
| Craig J. Demarest   | -   | 10,000 <sup>(4)</sup>                                   | \$ 7.98                       | 6/9/2031                          | 10,000 <sup>(7)</sup>  | \$ 65,000  |
| Donna E. Sheridan   | 15,000 <sup>(8)</sup><br>12,500 <sup>(2)</sup>                      | -<br>12,500 <sup>(2)</sup><br>19,000 <sup>(4)</sup>     | \$ 4.76<br>\$ 7.11<br>\$ 7.98 | 6/13/2029<br>1/4/2031<br>6/9/2031 | 10,000 <sup>(3)</sup><br>10,000 <sup>(5)</sup><br>62,500 <sup>(6)</sup>  | \$ 65,000<br>\$ 65,000<br>\$ 406,250                               |

- (1) Amount shown is the number of shares of unvested stock granted on August 11, 2021. These shares vested on May 1, 2022, in connection with Mr. Chestnut's retirement.
- (2) Amounts shown are the number of shares underlying the options granted to the named executive officer on January 4, 2021. The options vest and become exercisable in equal installments over a two-year period.

- (3) Amount shown is the number of shares of unvested stock granted on June 10, 2020. These shares vested on June 10, 2022.
- (4) Amounts shown are the number of shares underlying the options granted to the named executive officer on June 9, 2021. The options vest and become exercisable in equal installments over a two-year period.
- (5) Amount shown is the number of shares of unvested stock granted on June 9, 2021. These shares vested on June 9, 2022.
- (6) Amount shown is the number of shares underlying a performance based award granted on March 1, 2022. These shares are earned based upon achievement of stock price hurdles and shares earned will vest in three equal installments beginning on the date earned and on each of the first and second anniversaries of the date earned.
- (7) Amount shown is the number of shares of unvested stock granted on February 22, 2021. These shares vest on February 22, 2023.
- (8) Amounts shown are the number of shares underlying the options granted to the named executive officer on June 13, 2019.
- (9) Market values shown are based on the closing price of Common Stock of \$6.50 per share as of April 1, 2022, as reported on Nasdaq.

**Option Exercises and Stock Vested.** During fiscal year 2022, our named executive officers did not exercise any stock option awards and no stock awards held by them vested.

#### **Potential Payments Upon Termination or Change in Control**

Each of the applicable agreements between the Company (which, for purposes of this discussion, includes NoJo in the case of Ms. Sheridan's employment agreement) and the named executive officers (other than Mr. Chestnut) requires the Company to make severance payments and provide severance benefits to the executive under certain circumstances if his or her employment with the Company is terminated other than for "cause" or for "good reason" (each as defined in the applicable agreement and discussed under " – Definitions of Cause and Good Reason") or upon the executive's death or disability. Mr. Chestnut retired and resigned his positions with the Company effective May 1, 2022 and, as a result, is no longer entitled to any payments upon termination or change in control. As of his retirement on May 1, 2022, pursuant to the terms of the amendment to his amended and restated employment and severance protection agreement, his employment terminated and he received a payment of \$155,692.15, and the 8,033 shares of restricted stock granted to Mr. Chestnut on August 11, 2021, under the 2021 Plan, accelerated and vested.

The Compensation Committee has determined that the severance and change in control benefits discussed below are an important part of a competitive overall compensation arrangement for the named executive officers; consistent with the objective of attracting, motivating and retaining highly talented executives and important as a recruitment and retention device. The Compensation Committee also has concluded that change in control benefits, where applicable, help to secure the continued employment and dedication of the applicable named executive officer, mitigate concern that such officer might have regarding such officer's continued employment prior to or following a change in control and encourage independence and objectivity when considering possible transactions that may be in the best interests of the Company's stockholders but may possibly result in the termination of such officer's employment. Finally, the Compensation Committee has concluded that post-termination non-competition and non-solicitation covenants to which the named executive officers have agreed in their employment agreements in consideration for the Company providing the benefits discussed below are highly beneficial to the Company.

The Compensation Committee has determined that the payment or provision of the benefits discussed below is consistent with competitive practices for positions at the level of the named executive officers. The potential amount of such benefits that an executive may receive in the event of a change in control, if any, did not influence the Compensation Committee's decisions regarding other compensation elements due to the fact that a change in control may never occur during the named executive officer's term of employment.

**E. Randall Chestnut.** Mr. Chestnut retired and resigned his position with the Company effective May 1, 2022 and, as a result, is no longer entitled to any payments upon termination or change in control. As of the end of fiscal year 2022, under Mr. Chestnut's amended and restated employment and severance protection agreement, if Mr. Chestnut's employment was terminated by the Company without cause or by Mr. Chestnut for good reason, then, in addition to salary and benefits accrued through the date of termination, the Company would have been required to: (i) continue to pay Mr. Chestnut his annual salary through April 2, 2023, which salary would have been paid in regular installments unless Mr. Chestnut terminated his employment for good reason, in which case, such salary would have been paid in one lump sum payment; (ii) issue to Mr. Chestnut any stock awards to which he would have been entitled under the agreement had his employment not been terminated; and (iii) pay or reimburse Mr. Chestnut for any group health insurance premiums paid or incurred through April 2, 2023. In all other instances of termination of Mr. Chestnut's employment, including by the Company for cause, by Mr. Chestnut without good reason or by reason of Mr. Chestnut's death or disability, the Company would have been required to pay to Mr. Chestnut all salary and benefits accrued through the date of the termination.

**Olivia W. Elliott.** Under Ms. Elliott's employment agreement, if her employment is terminated by the Company without cause or by her for good reason, then she is entitled to payment of the sum of: (i) her salary, perquisites and all other compensation other than bonuses for the greater of the remaining term of her employment agreement and one year; plus (ii) a bonus, which is required to be an amount equal to the highest annual bonus paid or payable to her in respect of any of the immediately preceding three full fiscal years. This amount is payable as well to Ms. Elliott if her employment agreement is not expressly assumed by any acquiror of the Company, whether by purchase, merger, consolidation or otherwise.

**Craig J. Demarest.** Under Mr. Demarest's employment agreement, if Mr. Demarest's employment is terminated by the Company without cause or by him for good reason, then then the Company will: (i) continue to pay Mr. Demarest equal installments, in accordance with the Company's normal payroll practices and cycles, totaling the sum of his annual base salary as then in effect, plus the highest annual bonus paid or payable to him in respect of any of the three full fiscal years ended immediately prior to the date of his termination; and (ii) pay to Mr. Demarest all salary accrued through the date of the termination, plus credit for any vacation earned but not taken, and any bonus earned for the prior fiscal year but not yet paid, as of the date of termination. In all other instances of termination of Mr. Demarest's employment, including by the Company for cause, by Mr. Demarest without good reason or by reason of Mr. Demarest's retirement, death or incapacity, the Company will pay to Mr. Demarest all salary accrued through the date of the termination, plus credit for any vacation earned but not taken or paid through the date of termination.

**Donna Sheridan.** Under Ms. Sheridan's employment agreement, if Ms. Sheridan's employment is terminated by NoJo without cause or by her for good reason, then she is entitled to payment of: (i) any accrued but unpaid salary through the end of the calendar month in which such termination occurs plus credit for any vacation earned but not taken, plus any bonus earned at the end of the prior fiscal year that has not been paid by the date of termination; and (ii) equal installment payments in accordance with normal payroll practices, which are in the aggregate equal to the sum of (a) her salary (at the rate in in effect as of the date of termination) and (b) the highest annual bonus paid or payable to her in respect of any of the three full fiscal years ended immediately prior to the date of termination.

**Definitions of Cause and Good Reason.** For purposes of Ms. Elliott’s agreement, a termination of employment is for “cause” if the executive has been convicted of a felony or if the termination is evidenced by a resolution adopted in good faith by two-thirds of the Board that the executive: (i) intentionally and continually failed substantially to perform her reasonably assigned duties for a period of at least thirty days after a written notice of demand for substantial performance has been delivered to the executive; or (ii) intentionally engaged in illegal conduct or gross misconduct which results in material economic harm to the Company.

For purposes of each of Mr. Demarest’s agreement and Ms. Sheridan’s agreement, “cause” exists if the executive: (i) is convicted of, pleads guilty or nolo contendere to, or confesses to any felony or any act of fraud, misappropriation, misrepresentation or embezzlement; (ii) has engaged in any dishonest act to the material damage or prejudice to the Company or its subsidiaries or in any conduct materially damaging to their property, business or reputation; (iii) has engaged in habitual substance abuse; (iv) breaches the terms of his or her employment agreement and fails, after notice, to timely cure such breach; (v) violates any rule, regulation or policy of the Company and fails, after notice, to timely cure such violation; or (vi) willfully and continually fails to substantially perform his or her duties and, fails, after notice, to timely cure such failure.

For purposes of Ms. Elliott’s agreement, “good reason” means a good faith determination by her that, without her consent, any one or more of the following events or conditions has occurred:

- The assignment to her of any duties inconsistent with her position, authority, duties or responsibilities;
- A material reduction by the Company of her base salary or an adverse change in the eligibility requirements or performance criteria under any bonus, incentive or compensation plan, program or arrangement;
- Any failure to pay her any compensation or benefits to which she is entitled within five days of the date due;
- The Company requiring her to be based anywhere other than within 50 miles of her job location, except for reasonably required travel;
- The insolvency or the filing of a petition for bankruptcy by the Company;
- Any purported termination of her employment for cause by the Company which does not comply with the specified provisions governing a termination for cause;
- Any breach by the Company of any material provision of her employment agreement;
- The failure by the Company to continue in effect any pension, bonus, incentive, stock ownership, purchase, option, life insurance, health, accident disability, or any other employee benefit plan, program or arrangement, in which she participates, or the taking of any action by the Company that would adversely affect her participation or materially reduce her benefits under any of such plans; or
- the taking of any action by the Company that would materially adversely affect the physical conditions in or under which she performs her employment duties.

For purposes of each of Mr. Demarest’s agreement and Ms. Sheridan’s agreement, “good reason” exists if, without the executive’s consent: (i) he or she is required to relocate or otherwise establish his or her principal daily work location more than 50 miles from his or her current principal work location (other than a change in such location to a location closer to his or her home residence); (ii) there is a material diminution in his or her authority, duties or responsibilities; or (iii) the employer (either the Company or NoJo) materially breaches the employment agreement.

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board is comprised of three directors, all of whom are independent, as defined by the listing standards of Nasdaq. The Board has determined that Donald Ratajczak is an Audit Committee financial expert within the meaning of regulations adopted by the SEC because of his accounting and related financial management expertise and experience. The Audit Committee has adopted a formal, written charter, which has been approved by the full Board and which specifies the scope of the Audit Committee's responsibilities and how it should carry them out. The complete text of the Audit Committee charter is available on the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com).

The Audit Committee oversees the Company's financial reporting process and internal control structure on behalf of the Board. Management is responsible for the preparation, presentation and integrity of the financial statements and the effectiveness of the Company's internal control over financial reporting. The Company's independent registered public accounting firm is responsible for expressing an opinion as to the conformity of the Company's consolidated financial statements with generally accepted accounting principles.

The Audit Committee has reviewed and discussed with the Company's management the audited financial statements of the Company for the fiscal year ended April 3, 2022. The Audit Committee has discussed with KPMG, the Company's independent registered public accounting firm, the matters required to be discussed by Auditing Standard No. 1301, as adopted by the Public Company Accounting Oversight Board. In addition, KPMG has provided the Audit Committee with the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding KPMG's communications with the Audit Committee concerning independence, and the Audit Committee has discussed with KPMG the firm's independence from management and the Company.

Based on the aforementioned review and discussions with management and KPMG, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be included in the Company's 2022 Annual Report for the fiscal year ended April 3, 2022.

This report has been submitted by the Audit Committee.

Donald Ratajczak (Chair)  
Sidney Kirschner  
Patricia Stensrud

*The Report of the Audit Committee is not deemed filed with the SEC and shall not be deemed incorporated by reference into any prior or future filings made by the Company under the Securities Act of 1933, as amended, or the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that the Company specifically incorporates such information by reference.*

**PROPOSAL 2 – RATIFICATION OF APPOINTMENT  
OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

KPMG currently serves as the Company’s independent registered public accounting firm and conducted the audit of the Company’s consolidated financial statements for fiscal years 2022 and 2021. Although appointment of the independent registered public accounting firm of the Company is not required to be submitted to a vote of the stockholders of the Company for ratification under the laws of Delaware, the Audit Committee has recommended that the Board submit this matter to the stockholders as a matter of good corporate practice. If the stockholders fail to ratify the appointment, then the Audit Committee of the Board will reconsider whether to retain KPMG and may retain that firm or another independent registered public accounting firm without resubmitting the matter to the stockholders of the Company for their approval. Even if the appointment is ratified, the Audit Committee of the Board may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

Representatives of KPMG are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

**Principal Accountant’s Fees and Services**

The following is a summary of the fees billed to the Company by KPMG for professional services rendered during the fiscal years 2022 and 2021:

| Fee Category          | Fiscal 2022 Fees  | Fiscal 2021 Fees  |
|-----------------------|-------------------|-------------------|
| Audit Fees(1)         | \$ 269,990        | \$ 225,000        |
| Audit-Related Fees(2) | \$ -              | \$ -              |
| Tax Fees(3)           | \$ 93,470         | \$ 147,950        |
| All Other Fees(4)     | \$ -              | \$ -              |
| <b>Total Fees</b>     | <b>\$ 363,460</b> | <b>\$ 372,950</b> |

- (1) Audit fees consist of fees billed for professional services rendered for the audit of the Company’s annual consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by such accountants in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s consolidated financial statements and are not reported under “Audit Fees.” These services include attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards. There were no audit-related fees billed to the Company by KPMG in fiscal years 2022 or 2021.
- (3) Tax fees consist of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and local tax compliance and customs and duties tax planning.
- (4) Other fees consist of fees for products and services other than the services reported above. There were no fees billed to the Company by KPMG in fiscal years 2022 or 2021 that are not included in the above classifications.

**Pre-Approval Policies and Procedures**

All services provided by KPMG are subject to pre-approval by the Audit Committee. Pre-approval may be provided for specific categories of services, limited to a specified budget amount, and may generally be given for up to one year. Before granting approval for additional services, or on a case-by-case basis as determined by the Audit Committee, the Audit Committee will require: (i) a detailed description of the proposed service; (ii) a statement from management as to why they believe KPMG is best qualified to perform the service; and (iii) an estimate of the fees to be incurred. Before granting its approval, the Audit Committee gives due consideration to whether approval of the relevant service will have a detrimental impact on the independence of KPMG.

All fees of KPMG in the preceding table were approved in accordance with the Audit Committee’s pre-approval policies and procedures.

**Recommendation of the Board of Directors**

|  |
|--|
| <p>The Board unanimously recommends a vote <b>“FOR”</b> the ratification of the appointment of KPMG as the Company’s independent registered public accounting firm for the fiscal year ending April 2, 2023. Proxies will be voted <b>“FOR”</b> the appointment of KPMG as the Company’s independent registered public accounting firm unless otherwise specified.</p> |
|--|

**PROPOSAL 3 – APPROVAL, ON AN ADVISORY BASIS, OF THE  
COMPENSATION OF THE COMPANY’S NAMED EXECUTIVE OFFICERS**

**Overview**

Pursuant to Section 14A of the Exchange Act, which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and the related rules of the SEC, stockholders of the Company are being asked to provide advisory approval of the compensation of the Company’s named executive officers, as it has been described in the “Executive Compensation” section of this Proxy Statement. This proposal, commonly known as a “say-on-pay” proposal, is not intended to address any specific item of compensation, but rather the overall compensation of the named executive officers and the philosophy, policies and practices described in this Proxy Statement. While this vote is advisory and not binding on the Company, it will provide the Company with information regarding investor sentiment about its executive compensation philosophy, policies and practices, which the Compensation Committee will be able to consider when determining executive compensation for the remainder of fiscal year 2023 and beyond.

At the Company’s annual meeting of stockholders held in 2019, the stockholders voted, on an advisory basis, on the frequency of holding future advisory votes on the compensation of the Company’s named executive officers. After considering the results of that vote, the Board determined to include a say-on-pay proposal in the Company’s proxy materials every year until the next required advisory vote on the frequency of stockholder advisory votes on named executive officer compensation.

As described in detail under the heading “Executive Compensation – Compensation Discussion and Analysis,” the Company’s executive compensation programs are designed to attract, motivate and retain the named executive officers, each of whom is critical to the Company’s success. Under these programs, the named executive officers are rewarded for the achievement of specific annual, long-term, strategic and corporate goals and the realization of increased stockholder value. Stockholders are encouraged to read the “Executive Compensation” section for additional details about the Company’s executive compensation programs, including information about the compensation of the named executive officers for fiscal year 2022.

This say-on-pay proposal gives stockholders the opportunity to endorse or not endorse the overall executive compensation program as described in this Proxy Statement by voting for or against the following resolution:

**“RESOLVED, that the Company’s stockholders approve the compensation of the named executive officers as described in this Proxy Statement under “Executive Compensation”, including the Compensation Discussion and Analysis, the compensation tables and related material.”**

The vote by the stockholders will be a non-binding, advisory vote, meaning that the voting results will not be binding on the Company, the Board or the Compensation Committee or overrule or affect any previous action or decision by the Board or the Compensation Committee or any compensation previously paid or awarded. However, the Board and the Compensation Committee will take the voting results into account when determining executive compensation matters in the future.



**Recommendation of the Board of Directors**

The Board unanimously recommends a vote **FOR** the approval, on an advisory basis, of the compensation of the Company's named executive officers as described in this Proxy Statement. Proxies will be voted **FOR** the approval of the compensation of the Company's named executive officers unless otherwise specified.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information, based upon publicly filed documents, regarding the number and percentage of shares of Common Stock that are deemed to be “beneficially owned” under the rules of the SEC, as of the Record Date, by: (i) each director of the Company; (ii) each nominee for election as a director; (iii) the named executive officers of the Company named in the “Summary Compensation Table” included elsewhere herein; (iv) all executive officers and directors as a group; and (v) all persons known to the Company who may be deemed beneficial owners of more than 5% of the outstanding shares of Common Stock.

| <b>Name of Beneficial Owner<sup>(1)</sup></b>   | <b>Number of Shares Beneficially Owned</b> | <b>Percentage of Outstanding Shares<sup>(2)</sup></b> |
|---|--|---|
| <b>North Star Investment Management Corporation<sup>(3)</sup></b><br>20 N. Wacker Drive<br>Suite #1416<br>Chicago, Illinois 60606 | 627,885                                    | 6.2%  |
| <b>Skylands Capital, LLC<sup>(4)</sup></b><br>1200 North Mayfair Road<br>Suite 250<br>Milwaukee, WI 53226                         | 558,484                                    | 5.6%  |
| <b>E. Randall Chestnut<sup>(5)</sup></b>  | 385,342                                    | 3.8%  |
| <b>Olivia W. Elliott<sup>(7)</sup></b>  | 188,262                                    | 1.7%  |
| <b>Donald Ratajczak</b>   | 167,175                                    | 1.7%  |
| <b>Zenon S. Nie<sup>(6)</sup></b>   | 162,387                                    | 1.6%  |
| <b>Sidney Kirschner</b>   | 106,024                                    | 1.1%  |
| <b>Patricia Stensrud</b>  | 72,774                                     | *   |
| <b>Donna E. Sheridan<sup>(8)</sup></b>  | 61,570                                     | *   |
| <b>Craig J. Demarest<sup>(9)</sup></b>  | 15,000                                     | *   |
| <b>All Executive Officers and Directors as a group (eight persons)</b>  | 1,158,534                                  | 11.5%   |

\* Less than 1%.

- (1) Under the rules of the SEC, the determination of “beneficial ownership” is based upon Rule 13d-3 under the Exchange Act. Under this rule, shares will be deemed to be “beneficially owned” where a person has, either solely or with others, the power to vote or to direct the voting of shares and/or the power to dispose, or to direct the disposition, of shares, or where a person has the right to acquire any such power within sixty days after the date such beneficial ownership is determined. Except as otherwise specified, each beneficial owner has sole beneficial voting and investment discretion with respect to all shares of Common Stock indicated.
- (2) Percentage calculated based on 10,069,084 shares of Common Stock outstanding as of the Record Date.
- (3) Based on information contained in the Form 13F filed by North Star Investment Management Corporation with the SEC on May 3, 2022, indicating sole investment discretion relative to 627,885 shares of Common Stock and sole voting authority relative to 589,000 shares of Common Stock as of March 31, 2022.
- (4) Based on information contained in the Form 13F filed by Skylands Capital, LLC with the SEC on May 5, 2022, indicating sole investment discretion relative to 558,484 shares of Common Stock and sole voting authority relative to 393,484 shares of Common Stock as of March 31, 2022.
- (5) Includes 236,206 shares owned individually by Mr. Chestnut and 149,136 shares owned by a trust for the estate of his late wife.

- (6) Includes 16,177 shares owned individually by Mr. Nie and 146,210 shares owned by his wife.
- (7) Includes 147,762 shares owned individually by Ms. Elliott and 1,000 shares owned by her husband; and options to purchase 39,500 shares of Common Stock.
- (8) Includes 24,570 shares owned individually by Ms. Sheridan and options to purchase 37,000 shares of Common Stock.
- (9) Includes 10,000 shares owned individually by Mr. Demarest and options to purchase 5,000 shares of Common Stock.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### Related Party Transactions Policy

The Company's written related party transactions policy provides that we will only enter into or ratify a transaction with a related party when the Board, acting through the Audit Committee, determines that the transaction is in the best interests of the Company and its stockholders.

For purposes of the policy, a "related party" means:

- An executive officer;
- A member of the Board (or a nominee to the Board);
- Any person who is known to be the beneficial owner of more than 5% of any class of our voting securities; or
- Any immediate family member of any of the persons listed above and any person (other than a tenant or employee) sharing the household of such persons.

A "related party transaction," for purposes of the policy, includes any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which: (i) the Company or any of its subsidiaries is or will be a participant, (ii) the aggregate amount involved will or may be expected to exceed \$120,000 in any fiscal year and (iii) any related party has or will have a direct or indirect interest.

We review all known relationships and transactions in which the Company and our directors, executive officers and significant stockholders or their immediate family members are participants to determine whether such persons have a direct or indirect interest. Our Corporate Secretary is primarily responsible for developing and implementing processes to obtain information regarding our directors, executive officers and significant stockholders with respect to related party transactions. In addition, the Company's directors, nominees for director and executive officers are required to notify us of any potential related party transactions and provide us with information regarding such transactions. If our Corporate Secretary determines that a transaction is a related party transaction, then the Audit Committee must review the transaction at its next regularly scheduled meeting and either approve or disapprove the transaction. If the Corporate Secretary determines that it is impractical or undesirable to wait until the next regularly scheduled committee meeting for the Audit Committee to review the transaction, then the Audit Committee Chair approve the transaction and report such approval (and the rationale for such approval) to the Audit Committee at its next regularly scheduled meeting.

In determining whether to approve or ratify a transaction with a related party, the Audit Committee will take into account all of the relevant facts and circumstances available to it, including, among any other factors it deems appropriate:

- whether the transaction was undertaken in the ordinary course of business of the Company;
- whether the transaction was initiated by the Company, a subsidiary or the related party;
- whether the transaction is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to the Company of, the transaction;
- the approximate dollar value of the amount involved in the transaction, particularly as it relates to the related party;
- the related party's interest in the transaction; and
- any other information regarding the transaction or the related party that would be material to investors in light of the circumstances of the particular transaction.

Any member of the Audit Committee who is a related party with respect to a transaction under review may not participate in the deliberations or vote on the approval of the transaction.

If a related party transaction will be ongoing, the Audit Committee may establish guidelines for the Company to follow in its ongoing dealings with the related party. Thereafter, the Audit Committee, on at least an annual basis, will review and assess ongoing relationships with the related party to monitor compliance with the Audit Committee's guidelines and to determine whether the related party transaction remains appropriate.

#### OTHER MATTERS

The Board does not contemplate bringing before the Annual Meeting any matter other than those specified in the accompanying Notice of Annual Meeting of Stockholders, nor does it have information that other matters will be presented at the Annual Meeting. If other matters come before the Annual Meeting, signed proxies will be voted upon such questions in the discretion of the persons acting under the proxies.

#### ADDITIONAL INFORMATION

##### Where You Can Find More Information

The Company is delivering with this Proxy Statement a copy of its 2022 Annual Report. The Company files annual, quarterly and current reports, proxy statements and other information with the SEC. The Company's SEC filings are available to the public from commercial document retrieval services and at the website maintained by the SEC at <http://www.sec.gov>.

Upon receipt of a written request, the Company will, without charge, provide any stockholder a copy of the Company's 2022 Annual Report, including financial statements and the footnotes thereto. Copies of exhibits to the annual report are also available upon specific request and payment of a reasonable charge for reproduction. Such requests should be directed to the Company's Corporate Secretary at Crown Crafts, Inc., P.O. Box 1028, Gonzales, Louisiana 70707, Attn.: Corporate Secretary.

### **Stockholder Proposals**

Under SEC rules, a stockholder who intends to present a proposal at the Company's 2023 annual meeting of stockholders and who wishes to have the proposal included in the proxy statement for that meeting must submit the proposal to the Company's Corporate Secretary. The proposal must be received no later than 5:00 p.m. Central Time on March 1, 2023, which is 120 calendar days prior to the anniversary of the date this Proxy Statement was first made available to stockholders, and must otherwise comply with applicable SEC rules for inclusion in the Company's 2023 proxy statement.

Stockholders who wish to propose a matter for action at the Company's 2023 annual meeting of stockholders, including the nomination of directors, but who do not wish to have the proposal included in the proxy statement for that meeting, must notify the Company in writing of the information required by the provisions of the Company's bylaws relating to stockholder proposals. Under the Company's bylaws, for proposed business to be considered at such meeting, a stockholder must notify the Company's Corporate Secretary of any proposals in writing not less than 90 days in advance of such meeting or, if later, the seventh day following the first public announcement of the date of such meeting.

Stockholder proposals may be submitted to the Company's Corporate Secretary at Crown Crafts, Inc., P.O. Box 1028, Gonzales, Louisiana 70707, Attn.: Corporate Secretary.

### **Householding of Proxy Materials**

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for annual reports and proxy statements with respect to two or more stockholders sharing the same address by delivering a single copy of each addressed to those stockholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for stockholders and cost savings for companies. It is anticipated that a number of brokers with account holders who are stockholders of the Company will be householding the 2022 Annual Report and this Proxy Statement. If you receive notice from your broker that it will be householding materials to your address, then householding will continue until you are notified otherwise or until you revoke your consent. If you wish to receive a separate copy of the Company's annual report or proxy statement currently or in the future, or if you are receiving multiple copies and wish to receive only one, please notify your broker or notify us by sending a written request to Crown Crafts, Inc., P.O. Box 1028, Gonzales, Louisiana 70707, Attn.: Corporate Secretary, or by calling (225) 647-9100.



CROWN CRAFTS, INC.  
 ATTN: CRAIG O'BANES  
 P.O. BOX 1028  
 GONZALES, LA 70737



SCAN TO  
 VIEW MATERIALS & VOTE



**VOTE BY INTERNET** - [www.proxyvote.com](http://www.proxyvote.com) or scan the QR Barcode above  
 Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on August 15, 2022. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**VOTE BY PHONE** - 1-800-690-6903  
 Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. Eastern Time on August 15, 2022. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**  
 Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

087419-P75839

KEEP THIS PORTION FOR YOUR RECORDS  
 DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

|   |  |                          |                          |                          |   |
|---|--|--------------------------|--------------------------|--------------------------|---|
| <b>CROWN CRAFTS, INC.</b>   |  | <b>For All</b>           | <b>Withhold All</b>      | <b>For All Except</b>    | To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below. |
| The Board of Directors recommends you vote FOR the following:   |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |   |
| 1.  | Election of Class I Director.  |                          |                          |                          | _____   |
|   | <b>Nominee</b>   |                          |                          |                          |   |
|   | 01) Olivia Elliott   |                          |                          |                          |   |
| The Board of Directors recommends you vote FOR proposals 2 and 3.   |  |                          |                          |                          | <b>For</b> <b>Against</b> <b>Abstain</b>  |
| 2.  | Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending April 2, 2023. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |   |
| 3.  | Approval, on an advisory basis, of the compensation of the Company's named executive officers.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |   |
| NOTE: The proxies are authorized to vote on any other business that properly comes before the Annual Meeting or any adjournment or postponement thereof, in their discretion.   |  |                          |                          |                          |   |
| Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer. |  |                          |                          |                          |   |
| <input type="text"/>  |  | <input type="text"/>     |                          | <input type="text"/>     |   |
| Signature [PLEASE SIGN WITHIN BOX]  |  | Date                     |                          | Signature (Joint Owners) |   |
|   |  |                          |                          | Date                     |   |

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**  
The Notice and Proxy Statement and 10K Wrap are available at [www.proxyvote.com](http://www.proxyvote.com).

D87420-P75839

**CROWN CRAFTS, INC.**  
**2022 Annual Meeting of Stockholders**  
**August 16, 2022 9:30 AM CDT**  
**This proxy is solicited on behalf of the Board of Directors.**

The undersigned, having received the Notice of 2022 Annual Meeting and Proxy Statement dated June 29, 2022, revoking any proxy previously given, hereby appoint(s) Zenon S. Nie and Craig J. Demarest as proxies (each with the power to act alone and with the power of substitution and revocation) to represent the undersigned and to vote, as designated on the reverse side, all shares of Series A common stock of Crown Crafts, Inc. (the "Company") which the undersigned is entitled to vote at the 2022 Annual Meeting of Stockholders to be held on August 16, 2022, at the Company's headquarters, located at 916 South Burnside Avenue, Gonzales, Louisiana 70737, at 9:30 a.m., Central Daylight Time, and at any adjournment or postponement thereof.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED "FOR" EACH OF THE DIRECTOR NOMINEES NAMED ON THE REVERSE SIDE, "FOR" PROPOSALS 2 AND 3 AND IN THE DISCRETION OF THE PROXIES ON ALL OTHER MATTERS.**

Continued and to be signed on reverse side