



The CATO Corporation

April 22, 2024

Dear Shareholder:

We cordially invite you to attend the Annual Meeting of Shareholders to be held at the Corporate Office of the Company, 8100 Denmark Road, Charlotte, North Carolina 28273 on Thursday, May 23, 2024 at 11:30 A.M., Eastern Time.

The Notice of the Annual Meeting of Shareholders and Proxy Statement are attached. The matters to be acted upon by our shareholders are set forth in the Notice of Annual Meeting of Shareholders and discussed in the Proxy Statement.

Whether or not you expect to attend our shareholders meeting, we urge you to vote your shares. You may vote by phone, via the Internet, or by signing, dating and returning the enclosed proxy card at your earliest convenience.

INTERNET – Access www.voteproxy.com and follow the on screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.

TELEPHONE – Call toll-free **1-800-PROXIES** (1-800-776-9437) in the United States or **1-201-299-4446** from foreign countries from any touchtone telephone and follow the instructions. Have your proxy card available when you call.

Vote online/phone until 11:59 PM EST the day before the meeting.

MAIL – Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON – You may vote your shares in person by attending the Annual Meeting.

Sincerely yours,

A handwritten signature in black ink that reads "John P. D. Cato". The signature is written in a cursive, flowing style.

JOHN P. D. CATO
*Chairman, President and
Chief Executive Officer*

**8100 Denmark Road
P. O. Box 34216
Charlotte, NC 28234
(704) 554-8510**

The Cato Corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 23, 2024

TO THE SHAREHOLDERS OF
THE CATO CORPORATION

Notice is hereby given that the Annual Meeting of Shareholders of The Cato Corporation (the “Company”) will be held on Thursday, May 23, 2024 at 11:30 A.M., Eastern Time, at the Corporate Office of the Company, 8100 Denmark Road, Charlotte, North Carolina 28273, for the following purposes:

1. To elect as Directors of the Board John P. D. Cato, and Bailey W. Patrick, each for a term expiring in 2027 and until their successors are elected and qualified;
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending February 1, 2025;
3. To consider and act upon such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 25, 2024 as the record date for determination of shareholders entitled to notice of, and to vote, at the meeting or any adjournments thereof.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 23, 2024:**

**This Proxy Statement, the accompanying proxy card and The Cato Corporation Annual Report on
Form 10-K for the 2023 fiscal year is available at:**

www.catofashions.com/info/investor-relations

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "Steven M. Staes". The signature is fluid and cursive, with the first name "Steven" and last name "Staes" clearly legible.

Steven M. Staes
Secretary

Dated: April 22, 2024

**SHAREHOLDERS ARE URGED TO SIGN AND MAIL THE ENCLOSED PROXY IN THE ENCLOSED
POSTAGE PAID ENVELOPE OR VOTE ONLINE OR TELEPHONICALLY TO ENSURE A QUORUM
AT THE MEETING. THIS IS IMPORTANT WHETHER YOU OWN FEW OR MANY SHARES. DELAY
IN RETURNING YOUR PROXY MAY SUBJECT THE COMPANY TO ADDITIONAL EXPENSE.**

The Cato Corporation

8100 Denmark Road
Charlotte, North Carolina 28273

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board”) of The Cato Corporation (the “Company”) for use at the Annual Meeting of Shareholders of the Company (the “meeting”) to be held on May 23, 2024, and at any adjournment or adjournments thereof. This Proxy Statement and the accompanying proxy card are first being mailed to shareholders on or about April 22, 2024.

Only shareholders of record at the close of business on March 25, 2024 are entitled to notice of and to vote at the meeting. As of March 25, 2024, the Company had outstanding and entitled to vote 18,799,930 shares of Class A Common Stock (“Class A Stock”) and 1,763,652 shares of Class B Common Stock (“Class B Stock”). Holders of Class A Stock are entitled to one vote per share and holders of Class B Stock are entitled to ten votes per share. Holders of Class A Stock and holders of Class B Stock vote as a single class.

All proxies properly executed and received prior to the meeting will be voted at the meeting. If a shareholder specifies how the proxy is to be voted on any of the business to come before the meeting, the proxy will be voted in accordance with such specification. If no specification is made, the proxy will be voted **FOR** the election of nominees John P. D. Cato, and Bailey W. Patrick, and **FOR** the ratification of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the year ending February 1, 2025. A proxy may be revoked at any time prior to its exercise by written notice to the Secretary of the Company at the Corporate Office of the Company, by executing and delivering a proxy with a later date, or by voting in person at the meeting.

If you plan to attend and vote at the meeting and your shares are held in the name of a broker or other nominee, please bring with you a proxy or letter from the broker or nominee to confirm your ownership of shares.

In accordance with applicable Delaware law and the Company’s Bylaws, the holders of a majority of the combined voting power of Class A Stock and Class B Stock present in person or represented by proxy at the meeting will constitute a quorum. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum. Broker non-votes arise when beneficial shareholders do not give their banks, brokers or other nominees instructions for voting their shares and the banks, brokers or other nominees do not have authority to vote the shares on a matter because the matter is not considered routine. The only such routine item on the ballot for which uninstructed banks or other nominees may vote is the ratification of the selection of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm.

With regard to the election of directors, votes may either be cast in favor of or withheld and, assuming the presence of a quorum, directors will be elected by a plurality of the votes cast. Votes that are withheld will be excluded entirely from the vote and will have no effect on the outcome of the election. Abstentions and broker non-votes are not counted for purposes of election of directors. The ratification of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm requires the affirmative vote of a majority of the combined voting power of the Class A Stock and Class B Stock present in person or represented by proxy at the meeting and entitled to vote. On any proposal other than the election of directors, abstentions and broker non-votes will have the same effect as a vote against the proposal.

The Company will bear the cost of this solicitation, including the expense of preparing, printing, and mailing these proxy materials to shareholders. The Company will reimburse brokers, dealers, banks, and other custodians, nominees, and fiduciaries for their reasonable expenses in forwarding proxy solicitation materials to beneficial owners of the Company's Class A Stock and Class B Stock and securing their voting instructions.

The independent election inspector(s) appointed for the Annual Meeting will determine whether or not a quorum is present and will tabulate votes cast by proxy or in person at the Annual Meeting.

These proxy materials are available in PDF and HTML format at www.catofashions.com/info/investor-relations and will remain posted until the conclusion of the meeting. Information on the Company's website, however, does not form a part of this Proxy Statement.

SECURITY OWNERSHIP OF CERTAIN OWNERS AND MANAGEMENT

The following table sets forth, as of March 25, 2024, certain information regarding the ownership of the outstanding shares of Class A Stock and Class B Stock by (i) each director and nominee, (ii) each person who is known by the Company to own more than 5% of such stock, (iii) each executive officer listed in the Summary Compensation Table, and (iv) all directors and executive officers as a group. Unless otherwise indicated in the footnotes below, each shareholder named has sole voting and investment power with respect to such shareholder's shares. Unless otherwise indicated, the address of each shareholder listed below is 8100 Denmark Road, Charlotte, North Carolina 28273.

Name of Beneficial Owner	Shares Beneficially Owned (1)				Percent of Total Voting Power
	Class A Stock		Class B Stock		
	Number	Percent of Class	Number	Percent of Class	
John P. D. Cato (2)	1,260,712	6.7	1,763,652	100.0	51.9 (2)
Charles D. Knight	33,084	*	—	—	*
Gordon D. Smith	131,798	*	—	—	*
Thomas B. Henson	36,796	*	—	—	*
Bryan F. Kennedy, III	33,304	*	—	—	*
Thomas E. Meckley	34,808	*	—	—	*
Bailey W. Patrick	35,808	*	—	—	*
D. Harding Stowe	39,142	*	—	—	*
Pamela L. Davies	18,511	*	—	—	*
Theresa J. Drew	22,410	*	—	—	*
All directors, nominees and executive officers as a group (10 persons)	1,646,373	8.8	1,763,652	100.0	52.9
BlackRock, Inc. (3)	1,458,492	7.8	—	—	4.0
Dimensional Fund Advisors LP (4)	1,132,272	6.0	—	—	3.1

* Less than 1%

- (1) Includes the vested interest of executive officers in the Company's Employee Stock Ownership Plan and Employee Stock Purchase Plan. The aggregate vested amount credited to their accounts as of March 25, 2024 was 88,270 shares of Class A Stock.
- (2) The amount shown for Class A Stock and Class B Stock includes 13,011 shares and 3,000 shares, respectively, held by Mr. Cato's wife. Mr. Cato disclaims beneficial ownership of shares held directly or indirectly by his wife.
- (3) Based on an amended Schedule 13G filed by this shareholder with the Securities and Exchange Commission on or about January 26, 2024. The address of this shareholder is 50 Hudson Yards, New York, NY 10001. This shareholder reports sole voting power over 1,437,155 of the reported shares.
- (4) Based on an amended Schedule 13G filed by this shareholder with the Securities and Exchange Commission on or about February 14, 2024. The address of this shareholder is Building One 6300 Bee Cave Road, Austin, TX 78746. The shareholder reports sole voting power over 1,106,754 of the reported shares.

PROPOSAL 1 – ELECTION OF DIRECTORS

The Board of Directors, currently consisting of eight members, is divided into three classes with terms expiring alternately over a three-year period. The terms of three incumbent directors, John P. D. Cato, Bailey W. Patrick and Thomas E. Meckley, expire at this year's Annual Meeting. Mr. Meckley, who has been a member of the Board of Directors since 2009, will be retiring as a director at the 2024 Annual Meeting and has not been renominated for re-election. In connection with Mr. Meckley's retirement, the Board of Directors has adopted a resolution reducing the size of the Board from eight to seven effective at the commencement of the 2024 Annual Meeting. Mr. Cato and Mr. Patrick have been recommended by the Corporate Governance and Nominating Committee and nominated by the Board for re-election and to serve until the 2027 Annual Meeting and until their successors are elected and qualified. The Corporate Governance and Nominating Committee reviews and recommends, and the Board nominates, director candidates in accordance with the Company's Bylaws and the policies described below under "Corporate Governance Matters – Director Nomination Criteria and Process."

It is the intention of the persons named in the proxy to vote for John P. D. Cato and Bailey W. Patrick to serve until the 2027 Annual Meeting and until their successors are elected and qualified, except to the extent authority to so vote is withheld with respect to one or more nominees. Should any nominee be unable to serve, which is not anticipated, the proxy will be voted for the election of a substitute nominee selected by the Board of Directors. The two nominees shall be elected by a plurality of the votes of Class A Stock and Class B Stock voting as a single class.

The directors recommend that shareholders vote **FOR** the election of Mr. Cato and Mr. Patrick as members of the Board of Directors.

As discussed below under "Corporate Governance Matters – Director Nomination Criteria and Process," the Board believes its directors possess a diverse and extensive background of knowledge and both professional and life experience that can support growth, evaluate risk and provide sufficient oversight to the Company. The members of the Board were selected based on their professional achievements, broad experience, wisdom, character, integrity, ability to make independent, analytical inquiries and intelligent decisions, sound and mature business judgment, ability to understand the business environment and ability to collaborate in an effective manner at the Board level. In addition, individual directors were selected based on many factors including, but not limited to, the following:

- Experience at the director and executive level with publicly traded as well as private companies;
- Knowledge of and experience in the development and leasing of commercial real estate;
- Financial expertise, including experience in public accounting; and
- Knowledge of the retail industry.

In particular, for each director identified below, the Board believes that the sum of the experience, qualifications, attributes and skills described below in such director's biographical information qualifies that director for service on the Board of Directors.

Nominees

Information with respect to each nominee, including biographical data for at least the last five years, is set forth below.

John P. D. Cato, 73, has been employed as an officer of the Company since 1981 and has been a director of the Company since 1986. Since January 2004, he has served as Chairman, President and Chief Executive Officer. From May 1999 to January 2004, he served as President, Vice Chairman of the Board and Chief Executive Officer. From June 1997 to May 1999, he served as President, Vice Chairman of the Board and Chief Operating Officer. From August 1996 to June 1997, he served as Vice Chairman of the Board and Chief Operating Officer. From 1989 to 1996, he managed the Company's off-price concept, serving as Executive Vice President and as President and General Manager of the It's Fashion! concept from 1993 to August 1996. Mr. Cato previously served as a director

of Harris Teeter Supermarkets, Inc., formerly Ruddick Corporation. The Board nominated Mr. Cato based on his knowledge of all aspects of the Company's business and his substantial experience on and contributions to the Company's Board, among other skills and attributes.

Bailey W. Patrick, 62, has been a director of the Company since May 2009. Since October 2010, Mr. Patrick has been a Managing Partner of MPV Properties LLC, formerly Merrifield Patrick Vermillion, LLC, a privately held company specializing in real estate brokerage and development services. Mr. Patrick served as a Managing Partner of Merrifield Patrick from February to October 2010 and President of Bissell-Patrick, LLC from 1999 to 2010, both predecessor firms to Merrifield Patrick Vermillion, LLC, holding various other positions with Bissell-Patrick since 1984. He also serves on the board of directors for the John Crosland School, as a trustee for the YMCA of Greater Charlotte and trustee of Queens University of Charlotte. He previously served on the board of directors of Harris Teeter Supermarkets, Inc., formerly Ruddick Corporation. The Board nominated Mr. Patrick based on his experience in commercial real estate leasing and development and experience gained in service on other boards, among other skills and attributes.

Continuing Directors

Information with respect to the five continuing members of the Board of Directors, including biographical data for at least the last five years, is set forth below.

Theresa J. Drew, 66, has been a director of the Company since May 2019. Ms. Drew was the Managing Partner for the Carolinas practice of Deloitte LLP from 2011 to 2019. Previously, she served as the Managing Partner in San Diego, California, from 2001 to 2011, and as the Partner in Charge of the Audit practice in Phoenix, Arizona, from 1998 to 2001. Ms. Drew started her career with Deloitte in 1979, and primarily served audit clients in the retail, manufacturing and hospitality industries. She is a licensed Certified Public Accountant. Ms. Drew has served on the board of directors of Sonoco Products Company since 2018 and is a member of its Financial Policy Committee and Chair of its Audit Committee. Ms. Drew is the past Chair of the board of directors of the YMCA of Greater Charlotte and Chair-Elect of the board of directors of the Carolinas Chapter of NACD. The Board nominated Ms. Drew based on her experience in public accounting and public company board service, among other skills and attributes.

D. Harding Stowe, 68, has been a director of the Company since February 2005. Mr. Stowe was the President and Chief Executive Officer of R.L. Stowe Mills, Inc. from 1994 to 2009. Mr. Stowe also has been the Chairman and Chief Executive Officer of New South Pizza (Brixx Wood Fired Pizza) since 1997. Additionally, he serves as the Secretary and Treasurer of The Stowe Foundation, Inc., as the President of the Daniel J. Stowe Botanical Garden, and as the Vice President of Seven Oaks Farm Foundation. The Board concluded that Mr. Stowe is qualified to serve as a Board member based on his experience in senior management and leadership positions with several companies and boards, among other skills and attributes.

Dr. Pamela L. Davies, 67, has been a director of the Company since April 2018. Dr. Davies is President Emerita and Professor of Strategy at Queens University of Charlotte, Charlotte, North Carolina, where she served as President from 2002 to 2019. Prior to that, she was Dean of the McColl School of Business at Queens University of Charlotte from 2000 to 2002. Dr. Davies serves on the board of directors of Sonoco Products Company, Advocate Health (formerly Atrium Health), YMCA of the USA, and The Center for Creative Leadership. Dr. Davies is also a trustee of the Duke and Princeton Theological Seminary Endowment. She was previously a director of Charming Shoppes from 1998 to 2009, C&D Technologies, Inc. from 1998 to 2010, and Family Dollar Stores, Inc. from 2009 to 2015. The Board concluded that Dr. Davies is qualified to serve as a Board member based on her background in business education and Board experience with other retailers and public companies, among other skills and attributes.

Thomas B. Henson, 69, has been a director of the Company since May 2011. Mr. Henson is a licensed attorney and is a founder and has served as CEO of American Spirit Media, LLC, which owns network-affiliated television stations in the south and mid-west. Mr. Henson practiced law at the firm of Robinson, Bradshaw & Hinson in Charlotte, North Carolina, from 1980 to 1999. Mr. Henson is an investor in several privately owned real estate, hospitality and leisure related businesses. Mr. Henson served on the boards of Portrait Innovations from

2002 to 2017, and Park Sterling Bank from 2006 to 2017. The Board concluded Mr. Henson is qualified to serve as a Board member based on his experience in electronic and print media and legal experience with retail companies, among other skills and attributes.

Bryan F. Kennedy, III, 66, has been a director of the Company since August 2009. Mr. Kennedy served as the President-Northern Banking Group (formally South State Bank) from June 2020 until his retirement in December 2023. Prior to that Mr. Kennedy served as the North Carolina/Virginia Division President for South State Bank since the sale of Park Sterling Corporation (holding company for Park Sterling Bank) to South State Corporation on November 30, 2017. Prior to that, Mr. Kennedy served as President of Park Sterling Bank from 2006 until November 2017 and was a member of its board from 2006 until 2010. Mr. Kennedy also served as the President of Park Sterling Corporation from January 2011 until 2017, and carried the additional title of Chief Executive Officer of Park Sterling Bank from January 2006 until August 2010. Mr. Kennedy was the North Carolina Market President of Regions Bank, located in Charlotte, North Carolina, from January 2004 to January 2006. The Board concluded that Mr. Kennedy is qualified to serve as a Board member based on his experience in banking and finance, among other skills and attributes.

The five continuing members of the Board of Directors are divided into two classes with current terms expiring in 2025 and 2026. On the expiration of each director's term, his or her successor in office will be elected for a three-year term. The terms of Ms. Drew and Mr. Stowe expire in 2025. The terms of Dr. Davies and Messrs. Henson and Kennedy expire in 2026.

MEETINGS AND COMMITTEES

During the fiscal year ended February 3, 2024, the Company's Board of Directors held four meetings. The Board typically schedules a meeting in conjunction with the Company's Annual Meeting of Shareholders and expects that all directors will attend the Annual Meeting absent a schedule conflict or other valid reason. All directors attended the Company's 2023 Annual Meeting.

The Board of Directors, pursuant to authority granted in the Company's Bylaws, has established a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. During the fiscal year ended February 3, 2024, the Audit Committee held seven meetings; the Compensation Committee held three meetings and the Corporate Governance and Nominating Committee held three meetings.

All directors attended 100% of the scheduled Board of Directors meetings and applicable Committee meetings during fiscal 2023.

Audit Committee

The Board of Directors established the Audit Committee in accordance with Section 3(a) (58) (A) of the Exchange Act. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities regarding the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the safeguarding of the Company's assets, the independence, qualifications, and performance of the independent auditors, the performance of the Company's internal audit function, the Company's internal control over financial reporting and such other matters as the Committee deems appropriate or as delegated to the Committee by the Board of Directors from time to time. See "Corporate Governance Matters - Board of Directors Risk Management Oversight" below for the Committee's role in that process. During the fiscal year ended February 3, 2024, the Audit Committee held seven meetings.

Ms. Theresa J. Drew (Chair) and Messrs. Thomas B. Henson and Bryan F. Kennedy, III, are the members of the Audit Committee. The Board of Directors has determined that each member of the Audit Committee is an independent director in accordance with the independence requirements of the New York Stock Exchange ("NYSE"). In addition, the Board has determined that each member of the Audit Committee meets the heightened standards of independence for audit committee members under the Exchange Act and that each is "financially literate" in accordance with the requirements of the NYSE. No member of the Audit Committee simultaneously serves on the audit committee of more than one other public company. The Board of Directors has determined that Ms. Drew and Messrs. Henson and Kennedy qualify as audit committee financial experts within the meaning

of SEC rules. The Audit Committee operates under a Board-approved charter, a copy of which is available on the Company's website at www.catofashions.com/info/investor-relations. Additional information concerning the Audit Committee is set forth below under "Proposal 2 – Ratification of Independent Registered Public Accounting Firm."

Compensation Committee

The Compensation Committee assesses the Company's overall compensation programs and philosophies. The Committee reviews and approves, on an annual basis, the Company's goals and objectives for compensation of the Chief Executive Officer and evaluates the Chief Executive Officer's performance in light of those goals and objectives at least annually. Based on this evaluation, the Compensation Committee determines and reports to the Board the Chief Executive Officer's compensation, including salary, incentive bonus and performance-based equity compensation.

The Compensation Committee also reviews and approves, on an annual basis, the evaluation process and compensation structure of the Company's other executive officers and evaluates those other officers' performance at least annually. Based on this evaluation, the Compensation Committee determines and reports to the Board the other executive officers' compensation, including salary, incentive bonus and equity compensation. The Compensation Committee also reviews on an annual basis and recommends to the Board the form and amount of director compensation. In addition, the Compensation Committee grants restricted stock and other awards to associates of the Company and its subsidiaries pursuant to the Company's benefit and incentive compensation plans and reports such actions to the Board of Directors. See "Corporate Governance Matters - Board of Directors Risk Management Oversight" below for the Committee's role in that process.

The Compensation Committee has the power to delegate its authority to subcommittees. The chair of any such subcommittee must report regularly to the full Compensation Committee.

Messrs. D. Harding Stowe (Chair) and Bailey W. Patrick and Dr. Pamela Davies are the members of the Compensation Committee. The Board of Directors has determined that each member of the Compensation Committee is an independent director in accordance with the independence requirements of the NYSE. Under such rules, the Board has reviewed the source of compensation of each committee member and whether each member is affiliated with the Company, any subsidiary of the Company or an affiliate of a subsidiary of the Company.

The Compensation Committee held three meetings during the fiscal year ended February 3, 2024. The Compensation Committee operates under a Board-approved charter, a copy of which is available on the Company's website at www.catofashions.com/info/investor-relations.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee reviews, evaluates and recommends nominees for the Board of Directors. In addition, the Corporate Governance and Nominating Committee monitors and evaluates the performance of the directors on a periodic basis, individually and collectively. The Committee also periodically reviews the Company's Governance Guidelines, Code of Business Conduct and Ethics and Code of Ethics and recommends changes to the Board of Directors.

Messrs. Bryan F. Kennedy, III (Chair), Thomas B. Henson, Bailey W. Patrick, D. Harding Stowe, and Thomas E. Meckley and Dr. Pamela L. Davies are the members of the Corporate Governance and Nominating Committee. The Board of Directors has determined that each member of the Corporate Governance and Nominating Committee is an independent director in accordance with the independence requirements of the NYSE. The Corporate Governance and Nominating Committee held three meetings during the fiscal year ended February 3, 2024. The Corporate Governance and Nominating Committee operates under a Board-approved charter, a copy of which is available on the Company's website at www.catofashions.com/info/investor-relations.

CORPORATE GOVERNANCE MATTERS

Corporate Governance Guidelines

In furtherance of its longstanding goal of providing effective governance of the Company's business and affairs for the benefit of shareholders, the Board of Directors has approved Corporate Governance Guidelines for the Company. The Guidelines are available on the Company's website at www.catofashions.com/info/investor-relations.

Director Independence

We qualify for exemption as a "controlled company" from compliance with certain New York Stock Exchange corporate governance rules because more than 50% of the combined voting power of our common stock is beneficially owned by Mr. John P. D. Cato. See "Security Ownership of Certain Owners and Management." As such, although we are exempt from the requirements to have a majority of independent directors on our Board, an independent compensation committee and an independent corporate governance and nominating committee, our current Board and committee composition meets these standards. The Board of Directors made a determination as to the independence of each of its members. The Board of Directors determined that each of the following Board members is independent: Dr. Pamela L. Davies, Ms. Theresa J. Drew, Mr. Thomas B. Henson, Mr. Bryan F. Kennedy, III, Mr. Thomas E. Meckley, Mr. Bailey W. Patrick and Mr. D. Harding Stowe. The Board determined that Mr. John P. D. Cato, an employee of the Company, is not independent. The Board made these determinations based upon the definition of an "independent director" set forth in the NYSE listing standards (the "NYSE Independence Tests"). A director will be independent only if the director has no material relationship with the Company. For purposes of such determination, the Board must affirmatively determine whether a material relationship exists between the director and the Company. In connection with this determination, financial relationships are reviewed regarding a director's business and charitable affiliations, immediate family members and employers, and any transactions or arrangements between the Company and such persons or entities. This determination is in addition to the analysis under the NYSE Independence Tests and SEC Exchange Act Rules 10A-3 (for Audit Committee members) and 10C-1 (for Compensation Committee members) and must be based on the overall facts and circumstances specific to that director.

In order to assist the Board in making determinations of independence, and consistent with NYSE Independence Tests, a director will not be deemed independent if:

- (1) The director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company.
- (2) The director has received, or an immediate family member has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- (3) The director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; the director is a current employee of such a firm; the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time.
- (4) The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.

- (5) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

Additionally, the Board of Directors determines annually and at such time that a director is appointed to the Compensation Committee that the members of the Compensation Committee qualify as "Non-Employee Directors" under Rule 16b-3 of the Exchange Act.

Board Leadership Structure

Mr. John P. D. Cato has served in the combined role of Chairman of the Board of Directors and Chief Executive Officer ("CEO") since 2004. The Board annually considers his effectiveness in both capacities. The Board believes that its current governance structure provides independent Board leadership while deriving benefit from having the CEO serve as the Board chair. This structure provides an opportunity for the individual with primary responsibility for managing the Company's day-to-day operations in a historically volatile industry segment to chair meetings of the Board as it discusses key business and strategic issues. The Board also believes having the positions combined facilitates the implementation and execution of both the Company's short- and long-term strategies with a single vision.

As Lead Independent Director, Mr. Bryan Kennedy, III assists the Board in providing independent oversight of the Company's operations, short-term and long-term strategic plans and the Chairman and CEO's performance and compensation, among other duties. The Lead Independent Director, through his role as chair of the Corporate Governance and Nominating Committee, also manages the process of annual director self-assessment and evaluation of the Board as a whole.

Executive Sessions of Non-Management Directors

Non-management Board members meet without management at regularly scheduled executive sessions. In addition, to the extent that the group of non-management directors includes directors that are not independent, at least once a year there will be scheduled an executive session including only independent directors. The Lead Independent Director presides over meetings of the non-management or independent directors.

Board of Directors Risk Management Oversight

As the Company's principal governing body, the Board of Directors has the ultimate responsibility for overseeing the Company's risk management practices. As part of its oversight function, the Board reviews and monitors financial, strategic and operational risk through annual and periodic reviews with management.

Pursuant to its charter, the Audit Committee has primary responsibility for monitoring financial reporting risk. The Board has also delegated to the Audit Committee primary responsibility for oversight of risk assessment and risk management, including risks related to cybersecurity. As part of its responsibilities, the Committee reviews with management and the independent auditors the Company's policies in regard to risk assessment and management and assesses the steps management has taken to minimize risks to the Company. The Committee regularly meets with the independent auditor and management, as appropriate, to review significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements. The Audit Committee also reviews the effectiveness and integrity of the Company's financial reporting processes and the Company's internal control structure (including both disclosure controls and procedures and internal control over financial reporting).

The Audit Committee as part of its regular meetings reviews the Company's cybersecurity activities, including external assessment results, training results and discussion of cybersecurity risks and resolutions. The Committee meets with key members of management, including the Principal Financial Officer, Principal Accounting Officer and Chief Information Officer to review the Company's cybersecurity framework, as well as plans to mitigate cybersecurity risks and respond to data breaches. The Committee is responsible for elevating significant matters related to cybersecurity to the Board.

As part of its oversight responsibilities, the Board of Directors relies upon the Compensation Committee to monitor and assess the Company's compensation policies and practices as they relate to risk management and risk-taking incentives. On an annual basis, the Committee reviews the Company's compensation policies and practices to determine how it compensates and incentivizes its associates and whether these policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

Our Board of Directors maintains oversight responsibility for the work of its various committees by receiving regular reports from the Committee Chairs for committee meetings held outside the cycle of regular Board of Directors' meetings. Additionally, the Board of Directors conducts discussions regarding the Company's results, strategic plan, capital structure, and other business. These discussions include consideration of risks associated with the specific activity under discussion.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee consists of Messrs. D. Harding Stowe and Bailey W. Patrick and Dr. Pamela L. Davies. Since the beginning of the Company's last fiscal year, no member of the Compensation Committee is or has been an officer or employee of the Company and no executive officer of the Company served on the compensation committee or board of any company that employed any member of the Company's Compensation Committee or the Board.

Code of Ethics and Code of Business Conduct and Ethics

The Company has adopted a written Code of Ethics (the "Code of Ethics") that applies to the Company's Chief Executive Officer (principal executive officer), Chief Financial Officer (principal financial officer), and Controller (principal accounting officer). The Company has adopted a Code of Business Conduct and Ethics (the "Code of Conduct") that applies to all directors, officers, and associates of the Company. The Code of Ethics and Code of Conduct are available on the Company's website at www.catofashions.com/info/investor-relations, under the "Corporate Governance" link. Any amendments to the Code of Ethics or Code of Conduct with respect to directors or executive officers will be disclosed on the Company's website promptly following the date of such amendment. In addition, any waivers of the Code of Ethics, or waivers of the Code of Conduct with respect to directors or executive officers, will be made only by the Board or a designated committee thereof, and will be disclosed within four business days.

Insider Trading and Hedging Policies

The Company has established policies prohibiting directors, officers and associates from purchasing or selling the Company's securities while in possession of material, nonpublic information. The Company also has established policies that acknowledge Company associates may become aware of material nonpublic information of other companies in the course of their association with the Company. All directors, officers and associates are prohibited from purchasing or selling securities of other companies while they are in possession of, or aware of, such information and from passing such information on to other persons or entities who might purchase or sell the securities of such other companies.

In addition, no director, officer or associate of the Company may engage in any transaction in which they may profit from short-term speculative swings in the value of the Company's securities. This prohibition includes "short sales" (selling borrowed securities to profit if the market price of the Company's stock decreases), "put" or "call" options (publicly available rights to sell or buy securities within a certain period of time at a specified price) and hedging or any other type of derivative instrument designed to minimize the risk inherent in owning the Company's stock.

Communications with Directors

The Company provides various means for shareholders and other interested parties to communicate directly with any member or committee of the Board of Directors, or any group of directors. Such persons may write to: Chair of the Corporate Governance and Nominating Committee, c/o Office of the Corporate Secretary, The Cato Corporation, 8100 Denmark Road, Charlotte, North Carolina 28273. Depending on the subject matter, the Chair of the Corporate Governance and Nominating Committee, with the assistance of the Company's Vice President,

General Counsel will determine whether to forward it to the director or directors to whom it is addressed, attempt to handle the inquiry directly (for example, where it is a request for information about the Company or it is a stock-related matter), or not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

Shareholders and other interested parties may also communicate and report matters regarding improper activities by the Company or its associates via telephone or email under the Company's Whistleblower Policy. Instructions and contact information for reporting matters under the Whistleblower Policy are contained in the Whistleblower Policy, a copy of which is available on the Company's website under the "Whistleblower Policy" link, which is accessed through the "Corporate Governance" link at <https://www.catofashions.com/info/investor-relations>. All such complaints submitted via the Whistleblower Policy are reported to the Audit Committee, which generally determines the action to be taken regarding such complaints, subject to the procedures and exceptions outlined in the Whistleblower Policy. The Company's Senior Vice President, Chief Administrative Officer maintains a log of all such complaints, tracking their receipt, investigation, and resolution and prepares periodic summaries for the Board of Directors, and the Audit Committee, as appropriate.

Director Nomination Criteria and Process

Directors may be nominated by the Board of Directors in accordance with the Company's Bylaws or by shareholders in accordance with the procedures specified in Article II, Section 3 of the Company's Bylaws. The Company's Corporate Governance and Nominating Committee will consider all nominees, including any submitted by shareholders, for the Board of Directors. The assessment of a nominee's qualifications will include a review of Board of Director qualifications as described in the Company's Corporate Governance Guidelines.

As specified in Article II, Section 3 of the Company's Bylaws, notice of a shareholder nomination for a director nominee to be considered at an Annual Meeting must be in writing and received by the Secretary of the Company at the Company's principal executive offices, 8100 Denmark Road, Charlotte, North Carolina 28273-5975, no later than 90 days prior to the anniversary of the preceding year's Annual Meeting (no later than February 22, 2025 in the case of the Company's 2025 Annual Meeting). The shareholder's notice must also set forth, with respect to any director nominee, his or her name, age, business and residential addresses, principal occupation, the class and number of shares of the Company owned by the nominee, the nominee's consent to being named in the proxy statement and serving if elected, and any other information required by the proxy rules of the Securities and Exchange Commission pursuant to Regulation 14A of the Exchange Act. The notice must also include the name and address of the nominating shareholder as it appears on the Company's stock transfer records and the class and number of shares of the Company beneficially owned by the nominating shareholder. In addition to satisfying the foregoing requirements, any shareholders who intend to solicit proxies in support of director nominees other than the Company's nominees must also comply with all applicable requirements of Rule 14a-19 under the Exchange Act, though the advance notice requirement under Rule 14a-19 does not override or supersede the longer advance notice requirement under the Company's Bylaws as described above.

The Corporate Governance and Nominating Committee will select qualified candidates and review its recommendations for nominees with the full Board of Directors. Depending on the timing of consideration of a candidate and such other factors as it deems appropriate, the Board of Directors will decide whether to invite the candidate to join the Board or to stand for election as a nominee at an Annual Meeting of the Company. The Board believes that greater diversity leads to better corporate governance and that potential nominees should possess a diverse and extensive background of knowledge and both professional and life experience that can support growth, evaluate risk and provide sufficient oversight to the Company. Nominees for director will be selected on the basis of the diversity they bring to the Board, outstanding achievement in their professional careers, broad experience, wisdom, character, integrity, ability to make independent, analytical inquiries and intelligent decisions, sound mature business judgment, understanding of the business environment, willingness to devote adequate time to Board duties and ability to collaborate effectively at the Board level. The Board further believes that each director should have a basic understanding of (i) the principal operational and financial objectives and plans and strategies of the Company, (ii) the results of operations and financial condition of the Company and of any significant subsidiaries or business segments, and (iii) the relative standing of the Company and its business segments in relation to its competitors.

The Company’s current Corporate Governance Guidelines provide that the Board will have a majority of directors who meet the criteria for independence required by the NYSE. The Corporate Governance and Nominating Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics that the Board seeks in Board members as well as the composition of the Board as a whole. The Board will also evaluate on an annual basis whether members qualify as independent under applicable standards. During the course of a year, directors are expected to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as independent.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE INITIATIVES

We recognize the importance of environmental, social, and governance (“ESG”) issues and promote business practices that benefit our shareholders, associates, customers and communities in which we serve. We aim to promote diversity, provide opportunities for advancement, and treat all of our associates with dignity and respect. We strive to reduce our carbon footprint through initiatives for energy efficiency, sourcing more sustainable products and waste reduction.

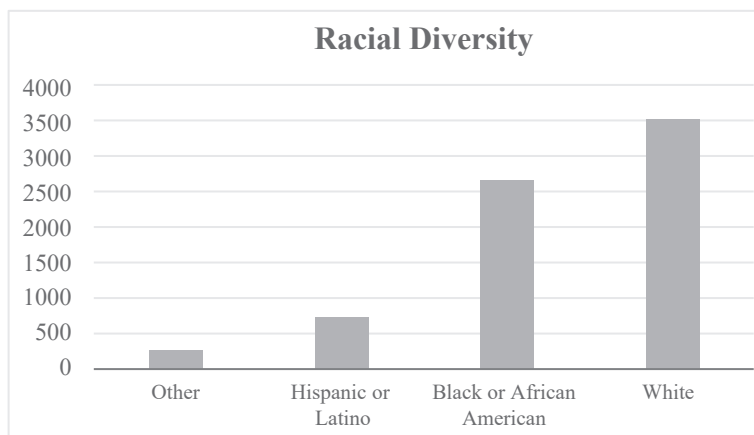
Our Board of Directors

Our Board believes that greater diversity leads to better corporate governance and that potential nominees should possess a diverse and extensive background of knowledge and both professional and life experience that can support growth, evaluate risk and provide sufficient oversight to the Company. Nominees for director will be selected on the basis of the diversity they bring to the Board, outstanding achievement in their professional careers, broad experience, wisdom, character, integrity, ability to make independent, analytical inquiries and intelligent decisions, sound mature business judgment, understanding of the business environment, willingness to devote adequate time to Board duties and ability to collaborate effectively at the Board level.

Our Board is made up of 25% female and 75% male Directors. We believe the background, knowledge and experience that these individuals possess broaden the Board’s perspective and strengthen the quality of its decision-making.

Our Associates

We have approximately 7,300 associates and endeavor to have a diverse and inclusive workplace environment. Over 97% of our associates are female and over 50% of our workforce are ethnically diverse.



Source: December 2023 EEO-1 report.

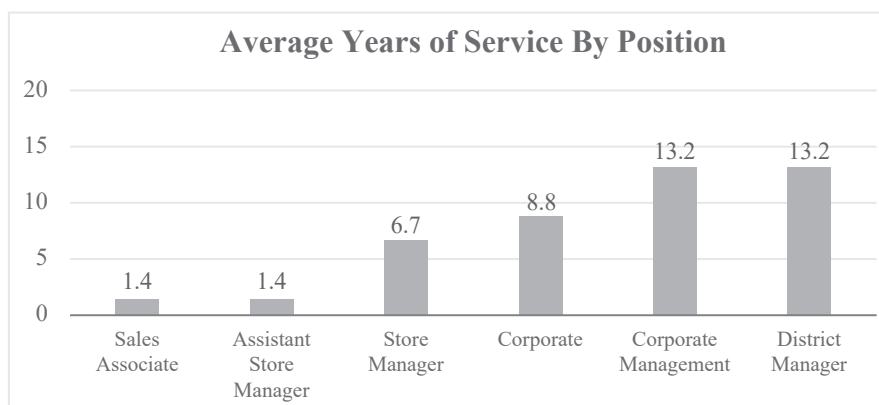
We encourage a healthy workplace by offering a supportive and safe work environment and culture. We offer confidential professional services to help our associates improve their quality of life, including counseling and referrals in a variety of areas such as work-related, mental health, family, financial and legal concerns. In our retail stores and distribution facility, we regularly conduct safety audits and training.

We work to maintain an environment and culture in which our associates are treated with fairness and respect and strive to develop our associates and aim to promote from within.

Policies and procedures in place to promote a supportive and safe environment and culture include, but are not limited to:

- Our Code of Conduct includes policies on, among other topics, conflict of interest, acceptance of gifts, confidential and proprietary information and protection against retaliation for reporting suspected violations of the Code of Conduct. All associates must review and attest to their acknowledgement of the Code of Conduct.
- Our corporate management and supervisors are provided training regarding diversity, discrimination and harassment.
- A Whistleblower Policy that gives guidance to report any improper activities by the Company or any associate. The policy prohibits retaliation against associates who report suspected violations.

Despite generally high rates of employee turnover in the retail industry, we believe that our Company culture helps to retain our associates. We have several associates with more than 40 years of service. The Average Years of Service By Position graph is for active associates as of December 31, 2023.



Social Responsibility

We have policies that require our vendors to conduct business in a socially responsible manner. The Company’s Vendor Code of Conduct includes the vendor and also extends to its employees, agents, contractors, factories, and any third party acting on its behalf and requires all vendors to attest to compliance with the following:

- Must not use child labor in the manufacturing of the merchandise we purchase and all factories must be in compliance with the laws of the country where our merchandise is produced.
- Must pay factory wages that meet or exceed the minimum requirements.
- Must maintain reasonable work hours in accordance with local laws.
- Must not use forced labor.
- Must provide all employees with safe and healthy work conditions.
- Must promote an environment of dignity and respect, free from abuse or harassment of workers.
- Must recognize and respect lawful rights of freedom of association and the right of employees to seek or not to seek representation from outside third parties for the purposes of collective bargaining under local law.

Our Customers and Community

The Company has a long history of charitable giving in the communities in which it serves.

The Company has made cash donations of more than \$17 million to charities over the past 20 years. Many of these donations are health and education focused scholarships, as well as other endowments. More specifically:

- Our Grassroots program allows stores to directly sponsor local charities in the communities in which they serve.
- We recognize the need for quality healthcare for all and have sponsored scholarships to those seeking their nursing and other allied health professional degrees, as well as the advancement of continuing education and training of current health care professionals.
- The Cato Education Center at the YMCA of Greater Charlotte supports expanded youth education programs and provides scholarships to enable participation.
- The Cato Scholarship for Education sponsors scholarships for students seeking to become educators. We understand that to have great education for our children, we must have great teachers.
- The Cato Opportunity Scholarship Fund benefits low-income students from minority populations traditionally underrepresented in higher education and from high schools with high poverty enrollments.
- The Cato Award for Faculty Excellence retains high quality faculty in the education field, rewarding excellence in teaching, research and community engagement.
- The Cato Adult Career Enhancement Scholarship Fund supports adult students who are at least five years past high school graduation and have a significant need.

We contribute merchandise to local charities in the communities we serve, as well as national charities that provide new clothes to those in need, from school clothes for children to professional clothing for job seekers. Since 2011, we have donated clothing valued at over \$160 million.

Our Environment

We are pursuing a number of initiatives to lower our environmental impact throughout our supply chain, by lowering energy consumption, sourcing more sustainable products, and increasing our recycling program. Our environmental initiatives include, but are not limited to:

- Sustainable Product Offerings - We are collaborating with our vendors to offer sustainable merchandise in our stores. Approximately 20% of our denim products include recycled materials.
- LED Lighting Initiative - We continue installing LED lighting in our stores, signs and home office to reduce energy usage. Over 60% of our stores have LED lighting as of the end of 2023.
- Energy Management Systems - Our corporate office and larger stores have energy management systems to efficiently manage energy needs and reduce energy usage.
- Packaging Reduction - We are investing in technology and infrastructure to reduce packaging and transportation in an effort to decrease our carbon footprint.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information regarding the shares of the Company's Class A Stock issuable under all of the Company's equity compensation plans as of February 3, 2024:

<u>Plan Category</u>	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	—	—	3,305,360
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	3,305,360

- (1) This category includes 3,147,393 shares of Class A Stock available for future issuance under The Cato Corporation 2018 Incentive Compensation Plan and 157,967 shares of Class A Stock available for future issuance under The Cato Corporation 2021 Employee Stock Purchase Plan.

2023 EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Program for Named Executive Officers

Pay for performance and retention, both at the corporate and individual levels, is the overriding philosophy behind the design of the compensation program for Named Executive Officers (“NEOs” – *see* “Summary Compensation Table”) at The Cato Corporation. The Compensation Committee has established this philosophy to motivate superior individual and team performance among the executives. The elements of the compensation program are designed to reward higher levels of performance, which the Compensation Committee believes will attract and retain qualified and high-performing executives and, in turn, result in increased productivity and more effective execution of strategic decisions, leading ultimately to maintaining a competitive edge within the retail industry.

NEOs receive a base salary that recognizes the value of executive talent within the retail marketplace, and these salaries generally increase annually based upon individual and Company performance. The Company also provides NEOs with an annual cash incentive opportunity designed to reward achievement of annual business objectives, which the Compensation Committee believes will translate into long-term shareholder value.

The Company grants annual equity incentive awards that allow NEOs the opportunity to accumulate long-term capital in the form of Company stock, in order to align NEOs with shareholder interests and to encourage retention through five-year vesting schedules, with vesting not beginning until year three. The Compensation Committee’s intent is to continue including annual equity incentive awards as an element of NEO compensation. The Compensation Committee also imposes strong stock ownership requirements under which all long-term incentive (“LTI”) eligible associates, including NEOs, must continue to maintain a multiple of their base salaries in Company stock after giving effect to any sale of vested restricted stock.

The Company maintains a nonqualified deferred compensation plan as a competitive measure that the Company believes will assist in attracting and retaining qualified and high-performing associates and to allow associates whose ability to contribute to the Company’s 401(k) plan are limited under discrimination testing to defer current compensation. The plan is generally open to associates in management, including NEOs and all members of the Board of Directors. The Company does not make contributions to the plan.

The Company provides its NEOs with the same core benefits that are offered to all full-time salaried associates. NEOs do not have employment or change of control agreements (*see* “Executive Agreements and Potential Payments on Termination or Change of Control”).

Say-on-Pay Results

The Compensation Committee reviewed the results of the non-binding “say-on-pay” proposal in last year’s proxy statement, which was the most recent advisory “say-on-pay” vote by the shareholders. The Company also has conversations from time to time with its shareholders, including its larger outside shareholders, about its compensation practices. The Compensation Committee considers this shareholder feedback in assessing the Company’s compensation programs, but did not implement changes for fiscal 2023 as a direct result of the vote. The Compensation Committee will continue to review feedback from its shareholders, including the results of the next “say-on-pay” vote at the 2026 Annual Meeting, and will determine if any changes should be made to the compensation program, as a result of the vote or otherwise.

External Benchmarking for Named Executive Officers

In reviewing the NEOs’ compensation structure, the Compensation Committee relies on multiple external benchmarking sources, including (1) a customized peer group of competitors and other retail companies within a reasonable revenue range, geography, or store size and (2) web-based data to stay abreast of current compensation practices and to determine geographic cost of living differences.

Peer Group

In 2023, the Compensation Committee utilized the following peer group:

Boot Barn Holdings, Inc.	The Children's Place, Inc.	J.Jill, Inc.
The Buckle, Inc.	Citi Trends, Inc.	Shoe Carnival, Inc.
Chico's FAS, Inc.	Express, Inc.	

For 2024, the Compensation Committee assessed and decided to maintain the same peer group above from 2023.

Competitive Positioning of Named Executive Officers

The CEO is compared to the industry peer group based on compatible title match, while the other NEOs are compared to retail survey matches based upon job content. The Compensation Committee believes annual equity awards allow it to employ a leveraged pay strategy for NEOs. The CEO's base salary in 2023 comprised approximately 26% of his target total direct compensation, while the other NEOs' base salaries ranged from 45% to 47% of their target total direct compensation. The CEO's base salary in 2024 will comprise approximately 26% of his target total direct compensation, while the other NEOs' base salaries will comprise approximately 45% to 46% of their target total direct compensation.

Target total direct compensation is defined as base salary plus target annual cash incentive opportunity plus target annual equity opportunity. For 2023, total direct compensation of NEOs was between the 25th and 75th percentiles of the appropriate market. In 2024, the Compensation Committee also established target total direct compensation of NEOs between the 25th and 75th percentiles of the appropriate market.

Total direct compensation for any particular NEO may fall above or below the percentiles discussed above, depending upon the Company's financial performance and the NEO's individual performance, experience in the function and/or tenure with the Company.

Components of Compensation

Our compensation program is designed around attracting and retaining talented leadership and rewarding them for achieving key strategic and financial metrics. The compensation program provides a base salary, a cash incentive bonus linked to pre-tax, pre-bonus income targets, and a long-term equity program designed to align executives' interests with shareholder interests and the long-term performance of the Company. The following discussion summarizes compensation components, objectives and certain details for fiscal 2023.

Annual Base Salary

The Compensation Committee believes that annual base salaries should be competitive within the retail industry for jobs of similar size and scope in order to attract and retain talented NEOs. Base salaries serve as the foundation for annual cash incentives (discussed below), which express incentive opportunity as a percentage of annual base salary. NEO base salary levels and potential increases are linked to individual performance. Furthermore, Company financial performance is a consideration when determining salary budgets, which determine annual salary increases for the NEOs and other members of management.

The Compensation Committee uses a formal job evaluation methodology to evaluate both the internal and external equity of the NEOs' base salary levels. Internal equity is considered in order to ensure that NEOs are compensated at an appropriate level relative to other members of executive management, while external equity is a measure of how NEO compensation compares to compensation for comparable jobs at similar companies. The Compensation Committee, with the assistance of an outside consultant, intends to periodically review the Company's NEO positions to assess the relative size of each position, specifically evaluating scope of responsibilities, complexity of the role, and its impact on the success of the business. Once the jobs are valued independently, the next step is to compare them to determine relative relationships. The final step then relates the job evaluation data to market-based pay opportunities.

Base salary represented 48% of the CEO's total compensation for 2023 (as reported in the Summary Compensation Table), and 72% for the other NEOs.

Annual Benefit / Bonus Programs

The Compensation Committee establishes a consolidated pre-tax, pre-bonus income target as the performance metric for the benefit / bonus pool. Pre-tax, pre-bonus income is calculated by adding back income tax expense and incentive bonus and benefit expense to net income. The targeted benefit / bonus pool varies each year based primarily on the targeted cash incentive bonus payout percentage, which ranges from a 20% to 100% payout of each participant's annual cash incentive opportunity. From this benefit / bonus pool the Company funds its charitable contributions, 401(k) match, profit sharing contributions, and its annual cash incentive bonus. The Compensation Committee also sets percentages that determine any amounts that will be added to the benefit / bonus pool based on achievement of consolidated pre-tax, pre-bonus income in excess of the targeted amounts or subtracted from the pool based on the failure to achieve the targeted amounts. For 2023, percentages were set so that any pre-tax, pre-bonus income in excess of the targeted amounts would result in 50% of such excess being added to the pool and any shortfall would result in 60% of such shortfall being subtracted from the pool.

Once the actual benefit / bonus pool is established based on actual performance, the amounts for the Company's charitable, 401(k) match and profit sharing contributions are calculated. Once the contributions are established, the annual cash incentive bonus is calculated based on the amount remaining in the benefit / bonus pool up to the maximum of 100% of the annual cash incentive target. Any remaining amounts in excess of the annual cash incentive bonus and contribution in the benefit / bonus pool are contributed to the Company's Employee Stock Ownership Plan ("ESOP").

Annual Cash Incentive Program

Pursuant to the Company's 2018 Incentive Compensation Plan (the "Plan"), which allows for a variety of cash and equity-based incentive awards, the Company provides NEOs with annual cash incentive opportunities conditioned upon achievement of consolidated pre-tax, pre-bonus income relative to a pre-established target, provided the Company is profitable. NEOs' annual cash incentives are determined based upon two factors: (1) the degree to which the overall Company's pre-tax, pre-bonus income performance target is achieved, and (2) the NEO's individual performance. The Compensation Committee believes establishing annual consolidated pre-tax, pre-bonus income targets focuses NEOs on achieving profitability through top-line revenue growth and margin improvement coupled with expense management.

NEOs have the opportunity to earn an annual incentive that is a percentage of their base salary. The CEO's 2023 maximum annual incentive opportunity was set at 150% of base salary and other NEOs' was set at 60% to 75% based on pre-defined performance goals. Unlike many of our peer group, we cap NEO annual incentive payout at the top end of these ranges so that achievement of Company performance goal over target (maximum) does not result in payouts in excess of the maximum bonus potential. However, NEOs may receive less than their maximum potential (as would normally be calculated solely based upon Company financial performance) if their individual performance does not meet objective goals and expectations during the fiscal year. The Compensation Committee believes these maximum bonus opportunities provide sufficient motivation for the NEOs to strive to increase consolidated net income.

For fiscal 2023, the performance goals established by the Compensation Committee were \$11.2 million pre-tax, pre-bonus income as the target level of performance (50% of bonus potential), positive net income including the bonus as the threshold for the payment of a 20% bonus (the minimum), and \$27.9 million for an incentive bonus payment of 100% (the maximum).

For fiscal 2024, the Compensation Committee again established consolidated pre-tax, pre-bonus income goals for determining target, minimum and maximum bonus payouts.

Employee Stock Ownership Program / Profit Sharing

The Compensation Committee believes that associates should share in the profits and ownership of the Company and has an ESOP/Profit Sharing plan. All associates are automatically enrolled if they are over 21, worked at least 1,000 hours, and are employed on the last day of the plan year. Each year the Company contributes 1% of pre-tax, pre-bonus income to the plan, which is contributed to every associate's individual ESOP account. The plan has a 5-year vesting schedule, with 20% vesting each year.

As discussed above with regard to the bonus / benefit pool and the annual incentive program, the Company caps the NEO annual incentive payout at the top end of the incentive bonus ranges, so that achievement of Company performance goals in excess of target results in broader sharing through additional Company payments under its ESOP/Profit Sharing program for the benefit of all qualified associates rather than enhancement of NEO incentive payouts. When the Company's bonus / benefit pool performs above the maximum target for any given year, any additional amount above the maximum target is contributed to the ESOP/Profit Sharing plan for distribution to all associates' accounts.

Long-Term Equity Incentives and Ownership Requirements

The Compensation Committee believes that LTI equity awards offer balance among the following goals of the Company's LTI strategy:

- Incent creation of long-term shareholder value;
- Promote retention through the five-year vesting schedule and full-value nature of the equity award;
- Promote ownership and long-term capital accumulation with full-value stock awards; and
- Facilitate improved market-competitive total direct compensation by adding an equity component to the NEO target total cash compensation.

The Compensation Committee currently grants restricted stock to NEOs other than the CEO with a five-year, time-based vesting requirement, with 33%, 33% and 34% of the grant vesting on the third, fourth and fifth anniversaries of the grant date, respectively, to link NEO compensation with creation of long-term shareholder value, align management focus with shareholder interests and increase retention of key employees. The Compensation Committee believes that relying on meaningful stock ownership requirements with a range of 300% to 600% of base salary (details discussed below), along with time-based vesting (when coupled with the annual cash incentive) that does not begin until the third year, incentivizes performance to increase stock appreciation through higher net income, promotes ownership and long-term capital accumulation and enhances the long-term retention of key associates by increasing the value of shares subject to the time-based vesting requirements. If an NEO terminates employment for any reason, the LTI award is forfeited to the extent it is not vested. Discretionary exceptions to forfeiture may be approved by the Compensation Committee (e.g., upon normal retirement).

To encourage management ownership of Company stock and thus further align their interests with shareholders, the Compensation Committee has established stock ownership requirements for LTI awards (i.e., a recipient cannot sell vested stock unless his/her ownership requirement is achieved and maintained, except for the payment of tax exception noted below). NEOs (as well as other LTI-eligible associates) can satisfy these requirements through ownership of stock acquired with personal funds (including the exercise of stock options and stock held in the Employee Stock Purchase Plan) or by retaining vested restricted stock.

The Company's current stock ownership requirements vary depending upon position. The CEO cannot sell vested stock unless he continues to own vested Company stock with a fair market value equal to at least 600% of his then base salary, and the other NEOs cannot sell vested stock unless they continue to own Company stock with a fair market value equal to at least 300% of their then base salary. The single exception to this ownership requirement is that up to 45% of vesting restricted stock may be sold to meet tax liabilities associated with that vesting. Only vested shares, shares owned directly, and shares owned in the Company's Employee Stock Purchase Plan are used to calculate the ownership requirement. In setting these ownership requirements, the Compensation Committee relied upon prevalent market data from its outside compensation consultant. While the Compensation

Committee chose to set the CEO's ownership requirement higher than what was most prevalent for the general market, the other NEOs' ownership requirements were established based upon the most prevalent multiples in the survey. The CEO has achieved the ownership requirements.

LTI award targets are expressed as a percent of base salary – 140% for the CEO, and range from 50% to 60% for the remaining NEOs. Under the Plan, the number of restricted shares granted to NEOs and other eligible associates are determined using the rolling average 90-day price set within the 30 days prior to the Compensation Committee meeting where the broad-based annual LTI award is approved. This methodology generally mitigates the impact of short-term fluctuations in stock price that could otherwise significantly impact the share calculation.

At its March 2023 meeting, the Compensation Committee granted LTI awards based on 75% of LTI award targets to NEOs and non-NEOs that are subject to five-year time-based vesting, with vesting not beginning until year three and previously described ownership requirements. The Compensation Committee determined that these amounts of LTI awards were appropriate based on the Company's financial performance and the impact of the dilutive effect of issuing restricted shares on existing shareholders, while balancing the Compensation Committee's LTI strategy objectives to retain key associates, promote associate ownership and create long-term shareholder value.

At its March 2024 meeting, the Compensation Committee granted LTI awards based on 50% of LTI award targets (70% of CEO base annual salary and a range of 25% to 30% of based salary for the remaining NEOs) to NEOs and non-NEOs that are subject to five-year time-based vesting, with vesting not beginning until year three and previously described ownership requirements. The Committee determined these LTI awards were appropriate based on several factors, including a pre-tax loss of \$13.8 million and the impact of this loss on the stock price, the number of shares to be granted, the dilutive effect of issuing restricted shares on existing shareholders while balancing the Committee's LTI strategy objectives to retain key associates, promote associate ownership and create long-term shareholder value.

The grant date for all broad-based LTI awards occurs on a pre-established future date set by the Compensation Committee. However, within guidelines established by the Compensation Committee, the CEO may make LTI awards in the case of new hires and promotions not involving NEOs, and the Compensation Committee will ratify such awards provided they are consistent with established guidelines.

Nonqualified Deferred Compensation

The Company offers certain associates, generally management level and above, including NEOs and all members of the Board of Directors, the opportunity to participate in a nonqualified deferred compensation plan, which is an unsecured nonqualified defined contribution plan. The Deferred Compensation Plan allows participants to defer a maximum of 50% of their base salary and 100% of any bonuses paid, or in regard to Directors, 100% of the fees earned for board and committee services. Elections to participate in the Deferred Compensation Plan and the percentage of compensation to defer are made by participants on an annual basis, prior to the beginning of the year in which the compensation is earned. The Company does not currently make any contributions to the Deferred Compensation Plan.

The aggregate balance of each participant's account consists of amounts that have been deferred by the participant plus earnings (or minus losses). In accordance with tax requirements, the assets of the Deferred Compensation Plan are subject to claims of our creditors. Account balances are deemed invested in accordance with investment elections designated by the participant. Investment option transfers may be made daily. The plan offers investment options similar to those available to participants in the Company's 401(k) plan, including fixed income funds, domestic and international equity funds, blended funds and pre-allocated lifestyle fund investments. Earnings and gains or losses on each deemed investment are credited or debited to each participant's account on a monthly basis based on the actual performance of the funds in which the participant is deemed invested. The participants are 100% vested in their contributions and all earnings on those contributions.

A "Rabbi Trust" was established to provide a funding vehicle for the nonqualified obligations to the participants, and this trust holds life insurance policies on some of the plan participants. The Company contributes cash to these life insurance policies in amounts equal to the compensation deferred by plan participants. The cash

value of the life insurance policies is allocated among funds that are similar to the funds offered to participants as investments under the plan. Distributions from the plan may be made from the cash surrender value investments or from Company funds.

Deferred account balances are distributed to the plan participants in accordance with elections made by the participant at the time the deferral is made, subject to Section 409A of the Internal Revenue Code (the “Code”). A participant may elect to receive distributions, either in a lump sum or in installments, upon his or her termination of employment with the Company, disability, death, an unforeseeable emergency or a change of control, each of the last two events as defined in Section 409A of the Code. A participant may also elect to receive distributions while still employed by the Company if he or she elects to have in-service or education distributions, made at a date specified by the participant.

Benefits and Perquisites

The Company provides NEOs with core benefits offered to its other full-time associates (e.g., medical, dental, vision care, prescription drugs, basic life insurance, short-term disability, long-term disability, 401(k), profit sharing, employee stock ownership plan, and employee stock purchase plan). The Company does not provide any other perquisites including, for example, country club memberships, airplane usage or car allowances.

The Committee’s overall benefits philosophy for NEOs focuses on providing basic core benefits, with NEOs using their own cash compensation to obtain such other services as they individually determine appropriate.

Benefits and perquisites provided to the NEOs are summarized in the Summary Compensation Table. No NEO received perquisites in 2023 with a total value equal to or greater than \$10,000.

Compensation Clawback Policy

We have an executive compensation clawback policy adopted effective as of December 1, 2023 to address new requirements under rules recently adopted by the SEC and NYSE mandating the clawback of incentive compensation upon the restatement of the Company’s financial statements. This policy applies with respect to a restatement of the Company’s financial statements even in the absence of any fraud or misconduct by an executive officer. The policy generally requires the recovery by the Company, in the event of a required accounting restatement (including a “little-r” restatement) of the Company’s financial statements, of incentive-based compensation that is based wholly or in part upon the attainment of any financial reporting measure and is received by current or former executive officers after December 1, 2023, to the extent that such compensation based on the erroneously reported financial information exceeds the amount derived from the restated financial information. Clawback under the policy is required for any such excess compensation received during the three completed fiscal years immediately preceding the date the Company is required to prepare an accounting restatement. The policy provides for mandatory clawback by the Company of such excess compensation, with exceptions applicable only if (a) the direct expense paid to a third party to assist in enforcing the policy would exceed the amount to be recovered (provided that we must make a reasonable attempt to recover such erroneously awarded compensation, document our reasonable attempts to effect a recovery, and provide that documentation to the NYSE) or (b) a recovery from certain tax-qualified retirement plans would likely cause such plans to fail to meet the statutory requirements for tax exemption. To facilitate the application of the policy, we require recipients of awards of incentive compensation based wholly or in part upon the attainment of any financial reporting measure, including total shareholder return, to agree to repay any such excess compensation in accordance with this policy.

Executive Agreements and Potential Payments on Termination or Change of Control

The Company does not have individual employment agreements with NEOs, and the Compensation Committee does not intend to commence this practice in the future. No NEO has specific change of control benefits or protection different from any other salaried associate. Change of control treatment for NEOs will follow standard Company policies as outlined in LTI award agreements and the Plan (see “Potential Payments Upon Termination or Change in Control” below).

Tax and Accounting Implications

The Committee, with the assistance of management, has considered other tax and accounting provisions in developing the pay programs for our NEOs, including the CEO. These include the accounting treatment of various types of equity-based compensation under Financial Accounting Standards Board Accounting Standards Codification Topic 718, as well as the overall income tax rules applicable to various forms of compensation. Nevertheless, the focus in the design of the NEO compensation program has been to retain and motivate NEOs, not to achieve potential tax, accounting or other regulatory advantages. Therefore, while the Compensation Committee considers the potential deductibility of awards and accounting considerations as a factor in determining executive compensation, the Compensation Committee also looks at other factors in making its decisions, as noted above, and retains the flexibility to award compensation that it determines to be consistent with the goals of the Company's executive compensation program even if the awards are not deductible for income tax purposes or do not provide favorable accounting treatment.

Engagement and Use of Independent Compensation Consultants

The Compensation Committee's charter provides the Compensation Committee with the authority to engage compensation consultants (and other advisors) as it deems appropriate to assist with the performance of its duties.

The Compensation Committee has retained Aon Hewitt, an external compensation consultant, to advise them on executive compensation issues. At the direction of the Compensation Committee, Aon Hewitt advised the Committee on the composition of the peer group and provided comparative market data based on analyses of the practices of the peer group. Aon Hewitt provided guidance on industry best practices and advised the Compensation Committee on the structure of the executive compensation program for the CEO and other senior executive positions. The consultant's primary contact with management is the Senior Vice President, Chief Administrative Officer, who serves as the liaison with other members of management, as needed. Interaction with management occurs mainly to provide the consultant with Company data and a better understanding of the Company's pay policies and practices, which will assist them with the consulting engagement. The Compensation Committee has assessed the independence of Aon Hewitt pursuant to SEC rules and concluded that no conflict of interest exists that would prevent Aon Hewitt from independently advising the Compensation Committee.

Role of Executives in Establishing Compensation

Members of management are essential in providing input to the Compensation Committee throughout the year concerning the effectiveness of the executive compensation program, selection of performance criteria, financial performance of the Company, and performance of individual executives. The Chief Executive Officer, Chief Financial Officer and Senior Vice President, Chief Administrative Officer are the key members of management who advise the Compensation Committee and supply needed and accurate information. The Compensation Committee regularly invites them to attend Compensation Committee meetings, participate in the presentation of materials, and facilitate discussions concerning management's perceptions of the executive compensation programs and general views concerning a variety of compensation issues. Additional senior members of management participate in meetings as requested by the Committee. However, the Compensation Committee makes final decisions concerning all aspects of NEO compensation, including the design, structure and levels of NEO compensation, including salary increases, performance measures and targets, variable pay targets as a percent of base salaries, determination of annual incentive bonus payouts based upon individual and Company performance, and determination of LTI awards.

Compensation Committee Report

The Compensation Committee of the Board of Directors of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with the management of the Company and, based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Company's Annual Report on Form 10-K for the year ended February 3, 2024.

Compensation Committee Members:

D. Harding Stowe (Chair)

Bailey W. Patrick

Dr. Pamela L. Davies

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
				(\$) (1), (2)	(\$)	(\$) (3)	(\$) (4)	(\$) (5)
John P. D. Cato	2023	1,416,816	—	1,190,909	—	—	337,580	2,945,305
Chairman, President & Chief Executive Officer	2022	1,373,925	—	1,508,226	—	—	307,989	3,190,140
	2021	1,330,617	—	1,883,682	—	2,008,173	244,068	5,466,540
Charles D. Knight (5)	2023	437,500	—	147,333	—	—	18,625	603,458
Executive Vice President & Chief Financial Officer	2022	400,000	—	193,123	—	—	90,254	683,377
	2021	16,923	—	—	—	—	—	—
Gordon D. Smith.	2023	400,858	—	119,230	—	—	39,148	559,236
Executive Vice President Chief Real Estate & Store Development Officer	2022	385,148	—	151,002	—	—	39,397	575,547
	2021	373,008	—	188,585	—	281,473	77,231	920,297

- (1) The amounts shown in this column represent the aggregate grant date fair value of current year grants of restricted shares of Cato Class A Stock, as computed in accordance with FASB ASC Topic 718. Grants were made under the 2018 Incentive Compensation Plan. Grants were not subject to performance criteria but are subject to a five-year vesting schedule. Plan participants have the right to all dividends during the restricted period and current year dividends are included under All Other Compensation.
- (2) Assumptions related to the valuation of restricted stock and options are incorporated by reference to the footnotes of the Company’s financial statements in its Annual Report on Form 10-K.
- (3) The amounts shown in this column in 2021 constitute the cash Annual Incentive opportunity earned by each Named Executive Officer based on established criteria under the 2018 Incentive Compensation Plan.
- (4) The amounts shown in this column represent amounts of Company matching contributions and profit sharing contributions to the Named Executive Officer’s 401(k) accounts, Company contributions to the Named Executive Officer’s account under the Company’s Employee Stock Ownership Plan (the “ESOP”), dividends received during the year by the Named Executive Officer on unvested restricted stock and amounts imputed to the Named Executive Officer for life insurance coverage under the Company’s Group Term Life Insurance plan. The amount of 401(k) matching contributions were determined according to provisions as outlined in the Company’s 401(k) Plan documents and as approved by the Compensation Committee. The amount of ESOP contributions were determined according to provisions as outlined in the ESOP plan documents. The cumulative contributions to the ESOP were determined pursuant to each annual performance criteria approved by the Compensation Committee under the 2013 Incentive Compensation Plan and 2018 Incentive Compensation plan. The amounts imputed under the Group Term Life Insurance plan are calculated under IRS guidelines and are based on life insurance coverage of two times the annual salary of the Named Executive Officer capped at a coverage limit of \$350,000. See table below for quantification of 2023 items reported in this column.
- (5) Mr. Knight became Executive Vice President and Chief Financial Officer effective January 17, 2022.

The amount of each component of All Other Compensation for each Named Executive Officer is as follows:

Fiscal 2023 All Other Compensation

Name	401(k) Matching Contributions (\$)	ESOP Contributions (\$)	Imputed Group Term Life Insurance Costs (\$)	Restricted Stock Dividends (\$)	Total All Other Compensation (\$)
John P. D. Cato	2,830	—	2,657	332,093	337,580
Charles D. Knight	—	—	—	18,625	18,625
Gordon D. Smith	2,830	—	2,705	33,613	39,148

Grants of Plan-Based Awards in Fiscal 2023

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			Grant Date Fair Value of Stock and Option Awards (\$) (3)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
John P. D. Cato	3/22/2023	428,162	2,140,812	2,140,812				1,190,909
	5/1/2023				-0-	143,483	143,483	
Charles D. Knight . . .	3/22/2023	54,000	270,000	270,000				147,333
	5/1/2023				-0-	17,751	17,751	
Gordon D. Smith . . .	3/22/2023	60,750	303,750	303,750				119,230
	5/1/2023				-0-	14,365	14,365	

- (1) The amounts shown constitute the cash Annual Incentive Bonus potential for each Named Executive Officer based on established criteria under the 2018 Incentive Compensation Plan. Because threshold levels were not met, no bonus was paid.
- (2) The amounts shown represent Class A restricted stock awards under the 2018 Incentive Compensation Plan. These awards will vest 33% in 2026, 33% in 2027 and 34% in 2028.
- (3) The fair market value of the Company's stock on the grant date of May 1, 2023 was determined by averaging the high of the day (\$8.39) and the low of the day (\$8.20).

All restricted stock awards made during fiscal year 2023 were of Class A Stock. All of the awards are subject to a five-year vesting requirement with 33%, 33% and 34% of the grant vesting on the third, fourth and fifth anniversaries of the grant date, respectively. The unvested awards are subject to forfeiture if the named executive terminates employment with the Company. Each grantee is required to own a certain multiple of his base salary before being able to sell the restricted stock. However, each grantee may sell up to 45% of vesting restricted stock to meet associated tax liabilities.

Outstanding Equity Awards at 2023 Fiscal Year-End

<u>Name</u>	<u>Stock Awards</u>	
	<u>Number of Shares or Units of Stock That Have Not Vested (#) (1)</u>	<u>Market Value of Shares or Units of Stock That Have Not Vested (\$) (2)</u>
John P. D. Cato	501,097	3,447,547
Charles D. Knight.....	31,827	218,970
Gordon D. Smith.....	50,168	345,156

- (1) All stock awards shown are restricted stock grants and are Class A Stock. The restricted shares vest over five years with 33% of the shares vesting in years three and four and 34% vesting in year five. The expected restricted shares vesting over the next five years is 22% in 2024, 23% in 2025, 27% in 2026, 18% in 2027 and 10% in 2028.
- (2) The closing market value of the Company’s stock was \$6.88 on the last trading day of the fiscal year, February 2, 2024.

Option Exercises and Stock Vested in Fiscal 2023

<u>Name</u>	<u>Stock Awards</u>	
	<u>Number of Shares Acquired on Vesting (#)</u>	<u>Value Realized on Vesting (\$)(1)</u>
John P. D. Cato	92,582	768,431
Charles D. Knight	—	—
Gordon D. Smith	11,418	94,769

- (1) The fair market value of the Company’s stock on the vesting date of May 1, 2023, was determined by averaging the high of the day (\$8.39) and the low of the day (\$8.20).

Nonqualified Deferred Compensation for Fiscal 2023

Name	Executive Contributions in Last FY (\$) (1)	Company Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$) (2)	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at Last FYE (\$)
John P. D. Cato	—	—	—	—	—
Charles D. Knight	—	—	—	—	—
Gordon D. Smith	—	—	—	—	—

- (1) There were no NEO deferrals to the Nonqualified Deferred Compensation Plan for fiscal 2023. When applicable, these amounts are included in the Summary Compensation Table under “Salary” and “Non-Equity Incentive Compensation” or both, as applicable.
- (2) These amounts are not reported in the Summary Compensation Table as the earnings included in this column are based on the investment options selected by the NEO, and do not constitute above-market or preferential earnings.

Please see “Compensation Discussion and Analysis – Nonqualified Deferred Compensation” for a description of the Company’s Nonqualified Deferred Compensation Plan.

Potential Payments Upon Termination or Change in Control

Under the terms of our 2018 Incentive Compensation Plan and 2013 Incentive Compensation Plan, upon any “change in control,” all unvested restricted stock awards would immediately vest. For this purpose, any of the following events would be a change in control: (1) any person, entity or group becomes the beneficial owner of more than 50% of the combined voting power of the Company’s then outstanding securities (subject to certain exceptions, including an exception for shares acquired directly from the Company); (2) a merger, reorganization, consolidation or sale or other disposition of all or substantially all of the Company’s assets occurs, after which our shareholders as a group do not retain at least 50% of the voting power of the surviving entity; (3) the complete liquidation or dissolution of the Company; or (4) a change in the majority of our directors in any two-year period that our directors have not approved. However, in the event any holder of restricted stock is materially affiliated with the person, entity or group that effects the transaction that would otherwise constitute a change in control, that holder’s unvested restricted stock awards do not become immediately vested in connection with that transaction. If any change in control had occurred on February 3, 2024 (and assuming none of the NEOs was materially affiliated with the person, group or entity effecting the change in control transaction), the following table shows the number of shares that would have vested and the value of those shares for each NEO based on the closing market value of the Company’s stock of \$6.88 on the last trading day of the fiscal year, February 2, 2024.

Name	Shares That Would Have Vested Upon a Change in Control #	Vesting Value (\$)
John P. D. Cato	501,097	3,447,547
Charles D. Knight	31,827	218,970
Gordon D. Smith	50,168	345,156

Chief Executive Officer Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of the Securities and Exchange Commission’s Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. John P. D. Cato, our Chief Executive Officer. The pay ratio included below is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described below. Because the SEC rules for identifying the median-compensated employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices, the amount of compensation of the median-compensated employee and the pay ratio reported by other companies may not be comparable to our estimates reported below, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

For our fiscal year ended February 3, 2024 (“fiscal 2023”) the total compensation of the Company’s Chief Executive Officer of \$2,945,305, as presented in the Summary Compensation Table, was approximately 177 times the total compensation of the Company’s median employee of \$16,599 calculated in the same manner. The median employee is a part-time employee and was identified by reviewing the total cash compensation for all employees, excluding the Company’s Chief Executive Officer, who were employed by the Company on December 31, 2023. All of the Company’s employees were included, whether employed on a full-time or part-time basis. Adjustments were made to annualize the compensation of employees who were not employed by the Company for the entire year. After identifying the median employee based on total cash compensation, the 2023 annual total compensation was calculated for the median employee using the same methodology used for the Company’s Chief Executive Officer as presented in the Summary Compensation Table.

As additional information, the total compensation of the Company’s Chief Executive Officer was approximately 90 times the total compensation of the Company’s median full-time employee of \$32,571 calculated in the same manner as the Chief Executive Officer’s total compensation. The median full-time employee is a store manager and was identified by reviewing the total cash compensation for all full-time employees, excluding the Company’s Chief Executive Officer, who were employed on a full-time basis for the entire year.

Pay Versus Performance

In accordance with rules adopted by the SEC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are providing the following disclosure regarding executive “Compensation Actually Paid” (“CAP”), as calculated under applicable SEC rules, for our principal executive officer (“PEO”) and our other named executive officers (“non-PEO NEOs”) and certain financial performance measures for fiscal years 2023, 2022, 2021 and 2020.

In determining the CAP to our PEO and the CAP to our non-PEO NEOs, we are required to make various adjustments to the total compensation amounts that have been reported in the Summary Compensation Table (“SCT”), as the SEC’s valuation methods for this section differ from those required in the SCT. Information regarding the methodology for calculating CAP to our PEO and the CAP to our non-PEO NEOs, including details regarding the amounts that were deducted from, and added to, the SCT totals to arrive at the values presented for CAP, are provided in the footnotes to the table. Note that for non-PEO NEOs, compensation is reported as an average. As identified in the footnotes to the table, the determination of CAP includes adjustments to reflect, among other things, period-to-period changes in the value of unvested equity awards. Accordingly, such amounts do not reflect the value of compensation actually delivered to, or received by the PEO or the Non-PEO NEOs, in the period reported in the table, as the amount of actual compensation received by any executive officers depends on whether the executive officer satisfies the conditions for vesting of any such award and the value of our common stock on the date such awards vest.

The Compensation Discussion & Analysis (“CD&A”) describes the compensation setting process for our named executive officers, which is done independently from the disclosure requirements shown in this section. Accordingly, the Compensation Committee did not consider the pay versus performance disclosure below in making its pay decisions for any of the years shown.

Pay Versus Performance Table

Fiscal Year (1)	Summary Compensation Table Total for PEO (\$)	Compensation Actually Paid to PEO (\$) (2)	Average Summary Compensation Table Total for Non-PEO Named Executive Officers (\$)	Average Compensation Actually Paid to Non-PEO Named Executive Officers (\$) (3)	Value of Initial Fixed \$100 Investment Based on:			Pre-tax, Pre-bonus Income (Loss) (\$) (in thousands) (5)
					Total Shareholder Return (\$) (4)	Peer Group Total Shareholder Return (\$) (4)	Net Income (Loss) (\$) (in thousands)	
2023	2,945,305	2,408,141	581,347	479,421	60.69	161.22	(23,941)	(12,351)
2022	3,190,140	2,408,943	495,217	418,992	81.82	144.08	29	3,251
2021	5,466,540	6,360,497	714,357	820,325	127.81	131.90	36,844	80,312
2020	2,814,652	2,338,868	539,985	482,439	85.53	119.16	(47,483)	(72,556)

(1) During 2023, our PEO was John P. D. Cato, and our remaining NEOs were Charles D. Knight and Gordon D. Smith.

During 2022, our PEO was John P. D. Cato, and our remaining NEOs were Charles D. Knight, Gordon D. Smith and John R. Howe. Mr. Howe was a NEO until his retirement on May 1, 2022.

During 2021, our PEO was John P. D. Cato, and our remaining NEOs were John R. Howe, Gordon D. Smith and Charles D. Knight. Mr. Knight joined the Company on January 17, 2022.

During 2020, our PEO was John P. D. Cato, and our remaining NEOs were John R. Howe, Gordon D. Smith and M. Tim Greer. Mr. Greer was a NEO until his retirement on May 20, 2020.

- (2) The following table sets forth the adjustments made to arrive at CAP to our PEO during each of the years presented:

Adjustments to determine Compensation “Actually Paid” for PEO	2023	2022	2021	2020
Deduction for Amounts Reported under the “Stock Awards” Column in the SCT	(1,190,909)	(1,508,226)	(1,883,682)	(1,167,561)
Increase for Fair Value of Awards Granted during year that Remain Unvested as of Year end.	987,163	1,112,481	2,256,785	1,194,885
Increase/Deduction for Change in Fair Value from Prior Year-end to current Year-end of Awards Granted Prior to year that were Outstanding and Unvested as of Year-end	(464,885)	(662,872)	667,952	(490,775)
Increase/Deduction for Change in Fair Value from Prior Year-end to Vesting Date of Awards Granted Prior to year that Vested during year	131,466	277,420	(147,098)	(12,333)
Total Adjustments.	(537,165)	(781,197)	893,957	(475,784)

- (3) The following table sets forth the adjustments made to arrive at CAP to our Non-PEO NEOs during each of the years presented:

Adjustments to determine Compensation “Actually Paid” for Non-PEO NEOs	2023	2022	2021	2020
Deduction for Amounts Reported under the “Stock Awards” Column in the SCT	(133,281)	(172,063)	(238,063)	(141,230)
Increase for Fair Value of Awards Granted during year that Remain Unvested as of Year end.	110,479	126,915	285,217	144,535
Increase/Deduction for Change in Fair Value from Prior Year-end to current Year-end of Awards Granted Prior to year that were Outstanding and Unvested as of Year-end	(95,338)	(75,622)	84,417	(59,365)
Increase/Deduction for Change in Fair Value from Prior Year-end to Vesting Date of Awards Granted Prior to year that Vested during year	16,214	44,545	(25,603)	(1,485)
Total Adjustments.	(101,926)	(76,225)	105,968	(57,545)

- (4) Total Shareholder Return (“TSR”) is determined based on the value of an initial fixed investment of \$100. The TSR peer group utilizes the Dow Jones US, Apparel Index, which we use in the stock performance graph required by Item 201(e) of Regulation S-K included in the Company’s Form 10-K for the years reflected in the table above.
- (5) Pre-tax, Pre-Bonus Income (Loss) is defined as Net income (Loss) before accrued incentive bonus, benefits, and income tax expense (benefit).

Financial Performance Measures Used to Link Performance to Executive Compensation

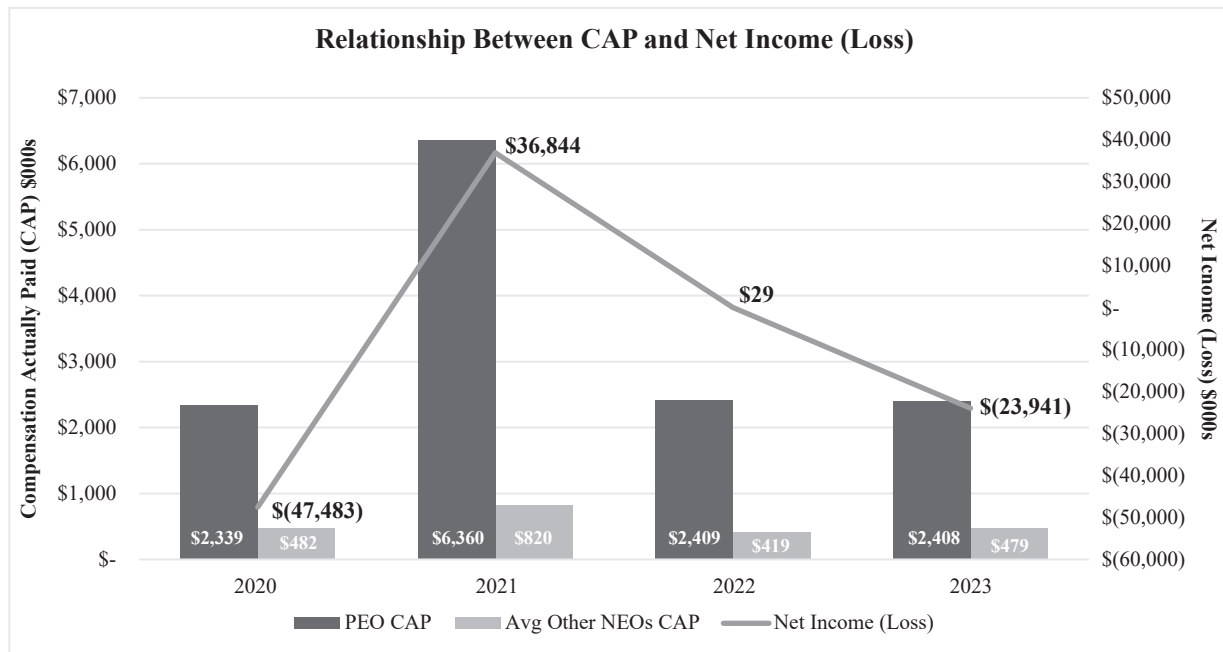
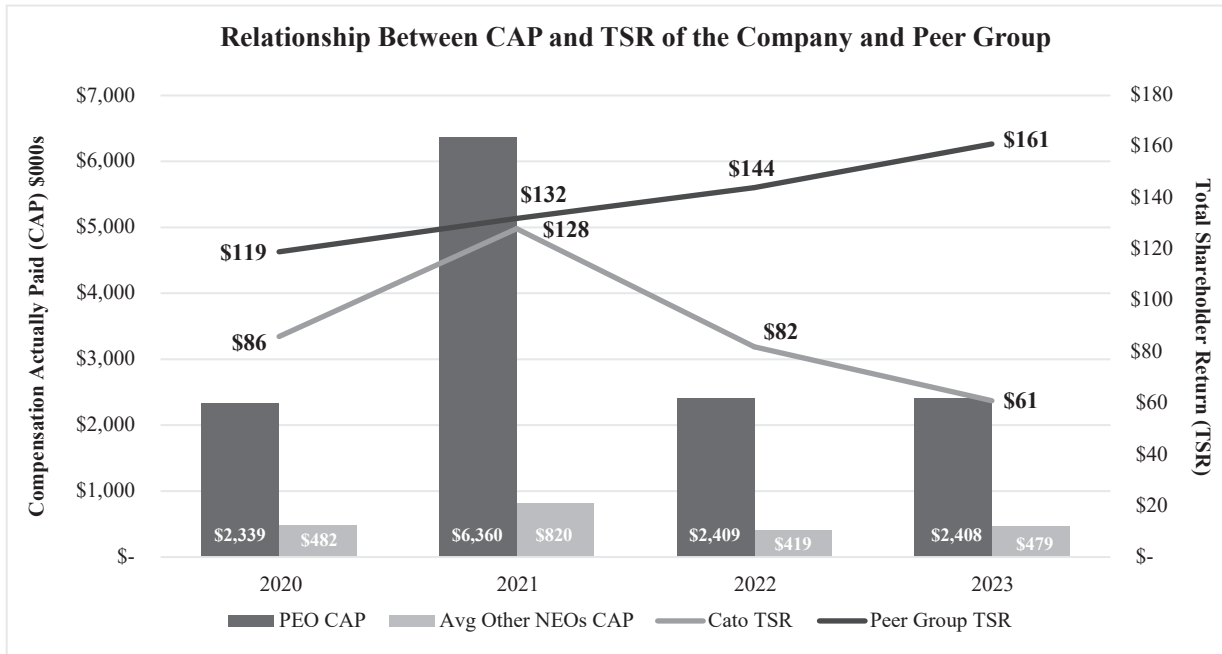
The following financial performance measures are the only financial performance measures the Company used to link CAP (as calculated in accordance with SEC rules) to Company performance.

- Pre-Tax, Pre-bonus Income (Loss)
- Net Income

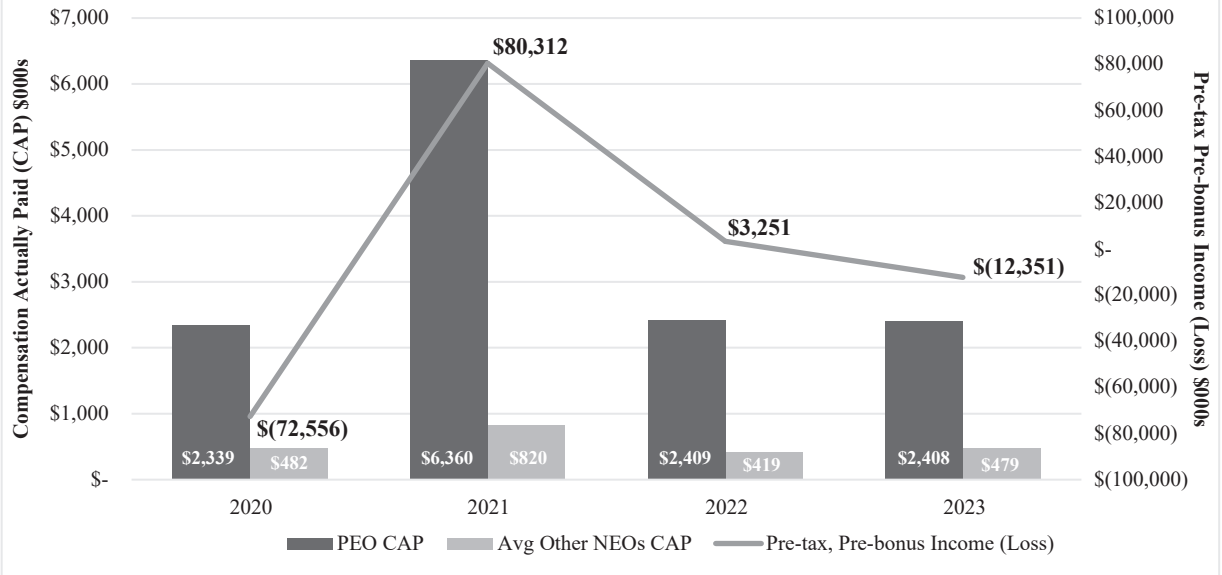
Pre-tax, Pre-bonus Income (Loss) is discussed in detail in “2023 Executive Compensation—Compensation Discussion and Analysis” in this proxy statement, including the use of this measure in annual cash incentive compensation awards.

Graphical Representations of the Relationship of Executive Compensation to Certain Performance Measures:

The following charts present the relationship for the periods presented in the foregoing table between the CAP for the PEO and the average CAP for the Non-PEO NEOs and each of the Company’s TSR, peer group TSR, net income and Pre-tax, Pre-bonus Income (Loss).



Relationship Between CAP and Pre-tax Pre-bonus Income (Loss)



FISCAL YEAR 2023 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) (1), (2)	All Other Compensation (\$)	Total (\$)
Dr. Pamela L. Davies	75,000	35,637	—	110,637
Theresa J. Drew	86,000	35,637	—	121,637
Thomas B. Henson	81,000	35,637	—	116,637
Bryan F. Kennedy, III	87,000	35,637	—	122,637
Thomas E. Meckley	84,500	35,637	—	120,137
Bailey W. Patrick	75,000	35,637	—	110,637
D. Harding Stowe	81,000	35,637	—	116,637

- (1) All stock awards shown are stock grants of Class A Stock.
- (2) The amount represents the fair market value of 4,438 shares, as computed in accordance with FASB ASC Topic 718, of the Company's stock granted on June 1, 2023, as traded on the New York Stock Exchange on June 1, 2023, and was determined by averaging the high of the day (\$8.15) and the low of the day (\$7.91).

Directors who are not employees of the Company receive a fee for their services of \$66,000 per year. Each non-employee director is paid \$1,500 for attending each Board of Directors meeting and each committee meeting scheduled other than in conjunction with a regularly scheduled Board of Directors meeting. The Committee Chairs of the Corporate Governance and Nominating Committee and the Compensation Committee receive an additional \$5,000 per year. The Committee Chair of the Audit Committee receives an additional \$10,000 per year.

The Compensation Committee approved stock awards valued at \$45,000. The number of shares granted on June 1, 2023 is determined using the rolling average 90-day price set within the 30 days prior to the Compensation Committee meeting. This methodology generally mitigates the impact of short-term fluctuations in stock price that could otherwise significantly impact the share calculation. The 90-day average price was \$10.14 and was calculated using the stock prices between October 11, 2022 and February 20, 2023. The resulting 4,438 shares per Director were not subject to vesting requirements or any other restrictions. The Compensation Committee intends to grant similar stock awards in future years. All subsequent grants will be effective June 1 each year.

Directors are reimbursed for reasonable expenses incurred in attending director meetings and committee meetings.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Review, Approval or Ratification of Related Person Transactions

The Company reviews all relationships and transactions in which the Company and its directors, executive officers, nominees or beneficial owners of more than 5% of any class of the Company's stock or their immediate family members have a direct or indirect material interest. The Company's internal controls and related written policy/policies require the Chief Financial Officer to review and approve all such related person transactions. Thereafter, the Company's Audit Committee, in accordance with its charter, reviews all related person transactions required to be disclosed.

Related Person Transactions

During fiscal 2023, there were no transactions between the Company and any related person that met the requirements for disclosure.

DELINQUENT SECTION 16(a) REPORTS

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common shares and other equity securities of the Company. Executive officers, directors and greater than 10% shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. To the Company's knowledge, during the fiscal year ended February 3, 2024, all Section 16(a) filing requirements applicable to its executive officers and directors and any greater than 10% beneficial owners were met.

PROPOSAL 2 – RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm to examine the Company’s financial statements for the fiscal year ending February 1, 2025, pending agreement over the terms of its engagement. This selection is being presented to the shareholders for their ratification at the Annual Meeting. PricewaterhouseCoopers LLP audited the Company’s financial statements for the fiscal years ended January 31, 2004 through February 3, 2024. A representative of PricewaterhouseCoopers LLP is expected to attend the meeting, respond to appropriate questions from shareholders present at the meeting and, if such representative desires, to make a statement. The affirmative vote of a majority of the votes present or represented at the Annual Meeting and entitled to vote by the holders of Class A Stock and Class B Stock, voting as a single class, is required to approve the proposal.

The directors recommend that shareholders vote **FOR** the proposal to ratify the selection of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm.

Audit Committee Report

Management is responsible for the Company’s system of internal control and the financial reporting process. PricewaterhouseCoopers LLP, the Company’s independent registered public accounting firm, is responsible for performing an independent audit of the Company’s consolidated financial statements in accordance with standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”) and issuing a report thereon. The Audit Committee, among other things, is responsible for monitoring and overseeing these processes and is directly responsible for the appointment, compensation, retention and oversight of the Company’s independent registered public accounting firm.

In recommending to the Board of Directors the reappointment of PricewaterhouseCoopers LLP, the Audit Committee took into consideration a number of factors, including the length of time PricewaterhouseCoopers LLP has been engaged, the quality of the Audit Committee’s discussions with representatives of PricewaterhouseCoopers LLP, reports of the PCAOB on PricewaterhouseCoopers LLP, PricewaterhouseCoopers LLP fees and the performance of the lead engagement audit partner. Under SEC rules and PricewaterhouseCoopers LLP practice, the lead engagement audit partner is required to rotate every five years.

The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibility for safeguarding the Company’s assets and for the integrity of the accounting and reporting practices of the Company and such other duties as directed by the Board. As set forth in the Audit Committee Charter, the Audit Committee is not responsible for conducting audits or preparing or determining whether the Company’s financial statements are accurate or complete or conform to accounting principles generally accepted in the United States of America. The Company’s independent registered public accounting firm is responsible for expressing an opinion on the conformity of audited financial statements to accounting principles generally accepted in the United States of America.

In the performance of its oversight function and in accordance with its responsibilities under its charter, the Audit Committee has reviewed and discussed the audited financial statements for the year ended February 3, 2024 with management and the Company’s independent registered public accounting firm. The Audit Committee also discussed with management and the independent registered public accounting firm the adequacy of the Company’s internal controls, and discussed with management the effectiveness of the Company’s disclosure controls and procedures used for periodic public reporting. The Audit Committee reviewed with the independent registered public accounting firm their audit plans, audit scope and identification of audit risks. The Audit Committee has discussed with the independent registered public accounting firm the communications required by the PCAOB and the Securities and Exchange Commission. In addition, the Audit Committee has received from the independent registered public accounting firm the written disclosures and letter required by the Ethics and Independence Rule 3526 titled “Communication with Audit Committees Concerning Independence” and discussed with the independent registered public accounting firm their independence from the Company and its management. The Audit Committee also has considered whether the independent registered public accounting firm’s provision of non-audit services to the Company is compatible with the auditor’s independence.

Based on the reviews and discussions mentioned above, the Audit Committee recommended to the Board of Directors that the audited financial statements for the year ended February 3, 2024 be included in the Company’s Annual Report to shareholders and Annual Report on Form 10-K to the Securities and Exchange Commission.

Audit Committee Members:

Theresa J. Drew (Chair)

Thomas B. Henson

Bryan F. Kennedy, III

Audit Fees

PricewaterhouseCoopers LLP audited the Company’s consolidated financial statements for the fiscal years ended February 3, 2024 and January 28, 2023. The aggregate fees paid to PricewaterhouseCoopers LLP for all professional services rendered for fiscal years ended February 3, 2024 and January 28, 2023 were:

	<u>Fiscal Year Ended February 3, 2024</u>	<u>Fiscal Year Ended January 28, 2023</u>
Audit Fees (1)	\$1,111,000	\$1,065,000
Audit-Related Fees (2)	0	0
Tax Fees (3)	59,000	72,000
All Other Fees (4)	<u>2,000</u>	<u>3,000</u>
	<u>\$1,172,000</u>	<u>\$1,140,000</u>

- (1) “**Audit Fees**” represent fees for professional services rendered by PricewaterhouseCoopers LLP for the audit of our annual financial statements included in our Annual Report on Form 10-K, the review of financial statements included in our Quarterly Reports on Form 10-Q and any services normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements.
- (2) “**Audit-Related Fees**” represent fees for assurance and related services rendered by PricewaterhouseCoopers LLP that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “**Audit Fees**.”
- (3) “**Tax Fees**” represent fees for professional services rendered by PricewaterhouseCoopers LLP for tax compliance related to the filing of the Company’s federal income tax return, assistance with a federal income tax audit, tax advice and tax planning related to foreign, state and local tax.
- (4) “**All Other Fees**” represent fees paid to PricewaterhouseCoopers LLP for Generally Accepted Accounting Practices software.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services by the Independent Registered Public Accounting Firm

The Audit Committee is responsible for the appointment, compensation and oversight of the work of the independent registered public accounting firm. As part of this responsibility, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent registered public accounting firm in order to assure that they do not impair the auditor’s independence from the Company. Accordingly, the Audit Committee has adopted procedures and conditions under which services proposed to be performed by the independent registered public accounting firm must be pre-approved.

Pursuant to this policy, the Audit Committee will consider annually and approve the terms of the audit engagement. Any proposed engagement relating to permissible non-audit services must be presented to the Audit Committee and pre-approved on a case-by-case basis. In addition, particular categories of permissible non-audit services that are recurring may be pre-approved by the Audit Committee subject to pre-set fee limits. If a category of services is so approved, the Audit Committee will be regularly updated regarding the status of those services and the fees incurred. The Audit Committee reviews requests for the provision of audit and non-audit services by the Company's independent registered public accounting firm and determines if they should be approved. Such requests could be approved either at a meeting of the Audit Committee or upon approval of the Chair of the Audit Committee, or another member of the Audit Committee designated by the Chair. If the Chair or his or her designee approves a permissible non-audit service, that decision is required to be presented at the next meeting of the Audit Committee. Prior to approving any services, the Audit Committee considers whether the provision of such services is consistent with the SEC's rules on auditor independence and is compatible with maintaining the auditor's independence. All of the Company's Audit-Related Fees, Tax Fees and All Other Fees were pre-approved by the Audit Committee.

SHAREHOLDER PROPOSALS

Shareholders who intend to present proposals for consideration at next year's Annual Meeting are advised that, pursuant to rules of the Securities and Exchange Commission, any such proposal must be received by the Secretary of the Company at the Company's principal executive offices, 8100 Denmark Road, Charlotte, North Carolina 28273-5975 no later than the close of business on December 23, 2024 if such proposal is to be considered for inclusion in the proxy statement and proxy appointment form relating to that meeting. Such proposals must also comply with the proxy rules of the Securities and Exchange Commission applicable to shareholder proposals intended for inclusion in the Company's proxy statement. In addition, the Company may direct the persons named in the Company's Annual Meeting proxy to exercise discretionary voting authority to vote against any matter, without any disclosure of such matter in the Company's proxy statement, unless a shareholder provides notice of the matter pursuant to the procedures specified in Article II, Section 4 of the Company's Bylaws (no later than February 22, 2025 in the case of the Company's 2025 Annual Meeting). Such notice must be received by the Secretary of the Company at the Company's principal executive offices as described above in this paragraph not later than ninety days prior to the anniversary date of the immediately preceding Annual Meeting. The shareholder's notice must set forth, as to each matter of business proposed for consideration, a brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting, the name and address, as they appear on the Company's stock transfer records, of the proposing shareholder, the class and number of shares of the Company's stock beneficially owned by the proposing shareholder, and any material interest of the proposing shareholder in the proposed business.

OTHER MATTERS

The Board of Directors of the Company knows of no matters that will be presented for consideration at the meeting other than those set forth in this Proxy Statement. However, if any other matters are properly presented for action, it is the intention of the persons named in the proxy to vote on them in accordance with their best judgment.

For the Board of Directors

THE CATO CORPORATION

A handwritten signature in black ink that reads "Steven M. Staes". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Steven M. Staes
Secretary

April 22, 2024

