
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934. For the fiscal year ended December 30, 2023.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934. For the transition period of ____ to ____.

Commission File No.: 0-22684

UFP INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Michigan
(State or other jurisdiction of incorporation or organization)

2801 East Beltline, N.E., Grand Rapids, Michigan
(Address of principal executive offices)

38-1465835
(I.R.S. Employer Identification No.)

49525
(Zip Code)

Registrant's telephone number, including area code **(616) 364-6161**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$1 par value	UFPI	The NASDAQ Global Select Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company Emerging growth company If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with a new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes No Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. Yes No Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). Yes No Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the common stock held by non-affiliates of the registrant (i.e. excluding shares held by executive officers, directors, and control persons as defined in Rule 405, 17 CFR 230.405) on July 1, 2023 (which was the last trading day of the registrant's second quarter in the fiscal year ended December 30, 2023) was \$5,684,288,927 computed at the closing price of \$97.05 on that date.

As of February 3, 2024, 61,624,287 shares of the registrant's common stock, \$1 par value, were outstanding.

Documents incorporated by reference:

- (1) Certain portions of the registrant's Annual Report to Shareholders for the fiscal year ended December 30, 2023 are incorporated by reference into Part I and II of this Report.
- (2) Certain portions of the registrant's Proxy Statement for its 2024 Annual Meeting of Shareholders are incorporated by reference into Part III of this Report.

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Item 1. Business.

General Development of the Business.

UFP Industries, Inc. (“we” or “our”) is a holding company with subsidiaries throughout North America, Europe, Asia, and Australia that design, manufacture and supply products made from wood, composites, and other materials to three markets: retail, packaging, and construction. We are headquartered in Grand Rapids, Michigan. For more information about UFP Industries, Inc., or our affiliated operations, go to www.ufpi.com.

Information relating to current developments in our business is incorporated by reference from our Annual Report to Shareholders for the fiscal year ended December 30, 2023 ("2023 Annual Report") under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." Selected portions of the 2023 Annual Report are filed as Exhibit 13 with this Form 10-K Report.

Financial Information About Segments.

ASC 280, *Segment Reporting* (“ASC 280”) defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

Our business segments consist of UFP Retail Solutions, UFP Packaging and UFP Construction and align with the end markets we serve. Among other things, this structure allows for a specialized and consistent sales approach among Company operations, efficient use of resources and capital, and quicker introduction of new products and services. We manage the operations of our individual locations primarily through a market-centered reporting structure under which each location is included in a business unit and business units are included in our Retail, Packaging, and Construction segments. In the case of locations that serve multiple segments, results are allocated and accounted for by segment.

The exception to this market-centered reporting and management structure is our International segment, which comprises our Mexico, Canada, Europe, Asia and Australia operations, and sales and buying offices in other parts of the world. Our International segment and Ardellis, our insurance captive, are referred to as “All Other” throughout this report.

The Corporate segment includes purchasing, transportation, corporate ventures, and administrative functions that serve our operating segments. Operating results of Corporate primarily consists of over (under) allocated costs. The operating results of UFP Real Estate, Inc., which owns and leases real estate, and UFP Transportation Ltd., which owns, leases and operates transportation equipment, are also included in Corporate. Inter-company lease and services charges are assessed to our operating segments for the use of these assets and services at fair market value rates.

Narrative Description of Business.

Historically, we owned and operated a number of manufacturing facilities across North America that served our various markets, and we managed those operations primarily on a geographic basis. As part of that structure, the managers of those facilities and geographic business units were responsible for and compensated on the basis of each facility's, unit's, and region's respective financial performance. This structure fostered a strong entrepreneurial and sales culture, as well as significant revenue growth – from 2011 to 2019 our revenues increased from \$1.8 billion to \$4.4 billion. We believe that the duration and durability of our relationships with many of our customers, which extend over several decades with certain key customers, is a reflection of our strong sales culture and intense focus on providing custom solutions.

The growth in our business, and in the size and number of our customers, generated an increased need for a deeper understanding of the markets we serve, as well as the need to offer more complete solutions, services, and products for existing and prospective customers. That need, combined with our growth objectives, required a structure that would reorient the company's focus from geography to end markets. Our 2020 restructuring accomplished that objective and now allows us to better serve our customers, recognize and exploit market opportunities, enhance the efficiency of our operations, and improve the deployment of capital. At the same time, we continue to maintain our existing compensation philosophy and practices of rewarding the financial performance of our plants, business units, and segments, based upon pre-bonus operating profits and return on investment, to preserve our strong entrepreneurial and sales culture.

Our business segments are functionally interdependent and are supported by common corporate services, such as accounting and finance, information technology, human resources, legal and compliance, and others. We regularly invest in automation and create best practices to improve the efficiency of our manufacturing facilities across each of the segments. The results and improvements from these investments are shared among the segments. This exchange of improvements and ideas has also prompted better and faster innovation for new products, processes, and product improvements.

Importantly, the restructuring allows us to better evaluate market conditions and opportunities, while effectively allocating capital and resources to the appropriate segments and business units. Also, we believe that the diversification and manner in which we operate our business provides an inherent hedge against the inevitable business cycles that our markets experience and over which we have little control. Accordingly, our goal is to provide stable earnings and cash flows to our shareholders. Our diversification and operating practices also mitigate the impact of volatile lumber market conditions experienced by traditional lumber companies.

Retail Solutions segment. Our Retail Solutions segment is comprised of the following business units: ProWood, Deckorators and UFP-Edge. The segment is focused on distinct product offerings which are grouped by brands and business units. These groupings may change periodically as opportunities to gain efficiencies occur or development of products that deliver increased scale and synergy are developed.

ProWood. Our ProWood business unit manufactures and sells pressure-treated lumber products, including decking, fencing, and lattice, as well as decorative and functional lawn and garden products to building products retailers across the nation. This business unit includes our branded ProWood line of pressure-treated and fire-retardant products used primarily for outdoor decking environments, including associated accessories. It also includes our branded Outdoor Essentials line of lawn and garden products, consisting of wood and vinyl fencing and lattice, garden beds and planters, pergolas, picnic tables, and other landscaping products. Numerous pressure-treaters exist on local and regional scales with none approaching the volume sold by UFP. We estimate we produce approximately 28% of all residential treated wood, 9% of all wood fencing, and 8% of all fire-retardant wood products.

Deckorators. This business unit includes the manufacture of wood plastic composite and our patented Surestone mineral based composite decking and related decking accessories, including aluminum railing systems, balusters, post caps, and similar products, as well as customized, aluminum fencing. Customers include big box home improvement retailers, regional home centers and wholesale distributors. We estimate we manufacture 6% of all composite decking and railing in the U.S.

UFP-Edge. This business unit manufactures and sells exterior siding, pattern, trim and fascia products. These products include traditional wood, engineered wood and modified wood siding with a variety of finish and profile alternatives as well as primed wood trim boards and fascia. It also includes interior pattern and trim products, as well as pre-painted and primed shiplap and project boards. UFP-Edge is sold to home improvement retailers and two-step distributors.

UFP Retail Solutions has numerous competitive advantages. We are not aware of any competitor that currently manufactures, treats and distributes a full line of both value-added and commodity-based products, on a national basis, as we do within this segment. We believe the breadth of our product offering, scale and geographic dispersion, proximity of our plants to core customers and key vendors, product innovation initiatives, purchasing and manufacturing expertise, procurement advantages, and service capabilities provide us a competitive edge in this market.

We supply customers in this segment from many of our locations. Our facilities supply mixed truckloads of products, delivered to customers with rapid turnaround. Freight costs are a factor in the ability to competitively service this market, especially with treated wood products due to their weight. The proximity of our manufacturing facilities to customer locations is factored into annual sales programs. The Retail segment services two of our largest customers, The Home Depot and Lowes, which accounted for approximately 17% and 12%, respectively, of our total net sales in fiscal 2023, 15% and 11%, respectively, in 2022, and 16% and 10%, respectively, in 2021.

See Note M "Segment Reporting" of our Annual Report to Shareholders for the fiscal year ended December 30, 2023 for our disaggregated net sales by business unit for our Retail Solutions segment.

Packaging segment. Formerly known as our Industrial segment, it is comprised of the following business units: Structural Packaging, PalletOne, and Protective Packaging Solutions.

Structural Packaging. This business unit designs, engineers, manufactures and tests custom packaging products primarily made of wood and metal. These products are custom designed, often including mixed materials, and manufactured based upon specific customer needs and requirements. We serve a wide variety of regional, national, and global customers in several end markets such as building materials, durable goods, agricultural, moving and storage, heavy equipment and automotive. We utilize combinations of various materials through industrial engineering and testing to promote the best value and functionality for our customers. In Structural Packaging there are regional companies that produce similar product lines, and small single-location competitors in most of our markets. We estimate our domestic market share in Structural Packaging to be 10-12%.

PalletOne. This business unit designs and manufactures pallets primarily made of wood and heat-treated wood. Our pallets are designed and manufactured in numerous sizes and configurations and are used by our customers for shipping a wide assortment of consumer and industrial products. This business unit also includes a recycling operation of previously used pallets. Keys to our success in this business unit are low-cost production through expanded automation, including robotics and high efficiency pallet machines, and the procurement of competitively priced industrial grade wood fiber. In 2022 the company acquired a 50% equity stake in Dempsey Wood Products, LLC, which produces pallet lumber and other industrial wood products in Orangeburg, South Carolina. The lumber Dempsey produces is a crucial product for pallet operations and has been in short supply as larger mills produce less of this type of lumber. PalletOne's investment in Dempsey helps it secure and grow a critical long-term supply source. There are numerous local and regional pallet manufacturers that compete with PalletOne. We estimate that, as the largest supplier, we manufacture approximately 10% of new machine-built pallets nationally.

Protective Packaging Solutions. This business unit consists of a wide variety of products, such as corrugate, foam, labels, strapping and films. These products are primarily sold as additional offerings to our structural packaging products and pallets and are generally sold as a means of providing a more complete solution to our customers' packaging needs and requirements. Over the last five years, we have added additional products and services to this business unit to meet the increasing demand of our customers to provide a wider array of innovative solutions to their packaging and shipping needs. Through the acquisitions of Advantage Label in Grand Rapids, MI, and Titan Manufacturing, a highly-automated corrugate converter in Flower Mound, TX, UFP has become a manufacturer of labels and corrugate boxes, two significant growth categories for UFP Packaging.

Competitive advantages for UFP Packaging include: being a low cost pallet producer due to our supply agreements, investments in vertical integration, and level of automation in our manufacturing plants; our scale and ability to serve large global, national and regional customers; design and engineering expertise, coupled with our ability to manufacture structural packaging with mixed materials, allowing us to provide creative, value-added solutions to our customers; single-source supplier offering a wide breadth of products, allowing customers to buy more efficiently.

We plan to acquire companies across the industrial packaging spectrum with capabilities in product categories that allow us to fill geographical gaps that enhance our ability to offer valuable packaging solutions to our customers.

See Note M "Segment Reporting" of our Annual Report to Shareholders for the fiscal year ended December 30, 2023 for our disaggregated net sales by business unit for our Packaging segment.

Construction segment. Our construction segment is comprised of the following business units – Factory-Built Housing, Site-Built Construction, Commercial Construction, and Concrete Forming.

Factory-Built Housing. This business unit designs and manufactures roof trusses, cut-to-size dimensional and board lumber, plywood, and oriented strand board, all intended for use in the construction of manufactured housing. Our customers in this market are producers of mobile, modular and prefabricated homes and, to a lesser extent, recreational vehicles (RV) and cargo trailers. Our principal competitive advantages include our product knowledge, the strength of our engineering support services, the proximity of our regional facilities to our customers, our purchasing and manufacturing expertise and our ability to provide national sales programs to certain customers. As a result of these advantages, we estimate we produce approximately 45% of all roof trusses used in factory-built housing in the United States. We also distribute products such as siding, electrical, plumbing, and many other specialty products to factory-built housing and RV customers. Customer vertical integration strategies have affected us in certain regions, and we've taken steps to mitigate this risk by increasing our value as a supplier through innovation and low cost production.

Site-Built Construction. This business unit designs and manufactures roof and floor trusses, wall panels, I-joists and lumber packages as well as engineered wood components used to frame residential and light commercial projects. Recent acquisitions, including Atlantic Prefab, Inc., Exterior Designs, LLC, and Patriot Building Systems, LLC, and Endurable Building Products have given the company manufacturing capability in alternate material components such as metal trusses, sheathed and pre-finished light gauge metal wall panels and aluminum balconies, decks and rail accessories. We've made a variety of investments in automation, allowing us to enhance efficiency and capacity in numerous UFP Construction operations. Our recently launched proprietary smartphone application, TrussTrax, provides a convenient, simple way for builders to track orders, shipments and engineered documents 24 hours a day, and has enjoyed wide customer adoption. Our customers in this market are primarily large-volume, multi-tract builders and smaller volume custom builders. We also supply builders engaged in multi-family and light commercial construction. We currently estimate that approximately 65% of the unit's business is for single-family homes while 35% is for multi-family structures.

Competition in site-built construction consists of numerous national and regional building products dealers who also manufacture components and/or provide framing services, as well as regional manufacturers of engineered wood components. We believe our primary competitive advantages relate to the engineering and design capabilities of our staff, purchasing and manufacturing expertise, product quality, timeliness of delivery, and financial strength, as well as providing a comprehensive turn-key package, including installation in selected markets. As a result of these strengths, we estimate we produce approximately 12% of all engineered wood components used in housing in the United States. Generally, terms of sale and pricing are determined based on contracts we enter into with our customers. We currently supply customers in these markets from manufacturing facilities in many different states, primarily located in the non-urban Northeast, mid-Atlantic, Southeast, Texas, and Colorado. We have intentionally avoided markets that have experienced more severe demand volatility for housing. Also, the states in which we have a presence are forecast to continue to benefit from migration trends in the United States. Freight costs are a factor in the ability to competitively service this market due to the space requirements of these products on each truckload. We also provide framing services for builders in certain regional markets in which we erect the wood structure.

Commercial Construction. Our commercial construction business unit primarily includes the operations of idX Holdings, Inc. idX is a designer, manufacturer and installer of highly customized interior fixtures, casework and architectural millwork used in a variety of retail and commercial structures. This business unit serves customers throughout North America and to a lesser extent, Asia and Europe, in healthcare, hospitality, quick service restaurants, retail, and financial, offering comprehensive, streamlined solutions and customized products while managing programs from concept through completion, on a global scale. We believe we are one of the top five custom interior environment providers globally and the largest diversified custom solutions provider.

Concrete Forming. This business unit designs, manufactures and supplies wood forms and related products that are used by our customers to set or form concrete for various structures, including large parking garages, stadiums, commercial structures, and infrastructure projects such as bridges. Our customers in this business unit include general contractors as well as distributors. We believe we are unique in our ability to deliver highly engineered, factory-built solutions to job sites.

We believe the diversification of the end markets we serve in our Construction segment as well as the breadth of our products and services represent a competitive advantage.

See Note M "Segment Reporting" of our Annual Report to Shareholders for the fiscal year ended December 30, 2023 for our disaggregated net sales by business unit for our Construction segment.

UFP Purchasing/Suppliers. Our purchasing team manages and purchases wood fiber for each of our segments. The three main end markets for softwood lumber in North America – retail, construction, and packaging – align with our three business segments. We are the largest converter of solid sawn softwood lumber from North American primary producers (lumber mills). For 2023, we estimate we purchased approximately 8% of the 51.5 billion board feet of North America softwood lumber production. The volume and variety of lumber dimensions purchased allows us to consume all grades and dimensions of what many of our mill suppliers produce, effecting and maintaining long-term, beneficial relationships with many of those suppliers. In turn, this has allowed us to better manage our raw materials inventory (including vendor-managed inventory), lower our costs, and mitigate the volatility of lumber prices.

We use primarily southern yellow pine in our pressure-treating operations and our site-built housing, structural packaging, and machine-built pallet operations in the Southeastern United States. Southern yellow pine is sourced from mills ranging from Texas to the Carolinas. We also use spruce-pine-fir from both Eastern and Western Canada; hemlock, douglas fir and cedar from the Pacific Northwest; inland species of pine, plantation grown radiata and southern yellow pines from South America; and various European softwoods. During 2023 our annual purchases of lumber totaled approximately \$2.2 billion and consisted of the following species and their respective percent of total lumber purchases: southern yellow pine (69%), spruce-pine-fir (13%), and douglas fir (2%), while the remaining 16% of lumber purchases comprise various other species and imports outside of North America. Additionally, we purchased approximately \$571.7 million in plywood in 2023. There are numerous primary producers for all varieties we use, and we are not dependent on any particular source of supply.

Intellectual Property. We own numerous patents and have several patents pending on technologies related to our business. Examples include our Deckorators brand of composite decking and railing and its proprietary, patented Surestone technology used to produce mineral-based composite decking; Trusstrax, mobile application offered to our Site-Built customers; and the ProWood brand of pressure-treated lumber and outdoor living products. In addition, we own numerous registered trademarks and claim common law trademark rights to several others. As we develop proprietary brands, we may pursue registration or other formal protection. While we believe our patent and trademark rights are valuable, the loss of a patent or any trademark would not be likely to have a material adverse impact on our competitive position.

Backlog. Due to the nature of our retail and industrial businesses, backlog information is not meaningful. The maximum time between receipt of a firm order and shipment does not usually exceed a few days. Therefore, we would not normally have a backlog of unfilled orders in a material amount. The relationships with our major customers are such that we are either the exclusive supplier of certain products and/or certain geographic areas, or the designated source for a specified portion of a customer's requirements. In such cases, either we are able to forecast the customer's requirements, or the customer may provide an estimate of its future needs. In neither case, however, will we receive firm orders until just prior to the anticipated delivery dates for the products ordered.

On December 30, 2023 and December 31, 2022, we estimate that backlog orders associated with our customized interior fixture businesses approximated \$59.2 million and \$90.1 million, respectively. Cancelled orders have been removed from the prior year figure.

On December 30, 2023 and December 31, 2022, we estimate that backlog orders associated with our site-built construction businesses approximated \$79.7 million and \$91.1 million, respectively. We expect that the orders above will be primarily filled within the next fiscal year; however, it is possible that some orders could be canceled.

Environmental. Information required for environmental disclosures is incorporated by reference from Note L of the Consolidated Financial Statements presented under Item 8 herein.

Seasonality. Information required for seasonality disclosures is incorporated by reference from Item 1A. Risk Factors under the caption “*Seasonality and weather conditions, including those arising from climate change, could adversely affect us.*”

Human Capital Management. On December 30, 2023, we had approximately 15,800 employees. For nearly 70 years, the success of our company has rested on the skill, motivation and performance of our employees. We treat our people honestly and fairly, creating career paths and training opportunities to develop and expand their scope of responsibilities and financial rewards. This approach to human capital, which is embedded in the Company's culture, has fostered an environment where our employees often commit their respective careers to UFP Industries, Inc.

Environmental, Social, and Governance. Matters of sustainability, health and safety, employee welfare, supply chain management, and community engagement are managed by our executive team, with oversight from our Nominating and Corporate Governance and Personnel and Compensation Committees. In March 2023, we published on our website our fiscal year 2022 “Governance Report,” detailing our responsible practices as well as our future outlook. We anticipate publishing on our website our fiscal year 2023 Governance Report during the second quarter of 2024.

Our manufacturing operations have a long history of environmental stewardship through efficiency and energy savings, waste management, and responsible product sourcing. We quantified our 2022 Scope 1 and Scope 2 greenhouse gas (GHG) emissions in our fiscal year 2022 Governance Report and plan to disclose our 2023 Scope 1 and Scope 2 GHG emissions in 2024.

We are driven by operational excellence throughout the enterprise and by cultivating a unique culture that provides significant opportunity for professional and personal growth. In managing our human capital, we have focused our efforts on employee health and safety, equal opportunity for all, and learning and development.

At UFP we welcome all who are willing to work hard. We do not discriminate in hiring, promotion, or opportunity – we believe the best performers should be rewarded commensurately. We prefer hiring people with potential and helping them grow and achieve their goals within our company. To provide opportunity to a broader base of our teammates we removed the requirement of a 4-year degree for sales and management positions and give credit for work experience. We use our internal training programs and UFP Business School to help employees gain functional knowledge and hone the skills and competencies that allow them advancement to greater roles and responsibilities.

We have a long history of supporting talented and hard-working employees go from factory floor to management, sales and operations roles. These transformations require diligence and dedication, and they demonstrate that regardless of background, our teammates at UFP have a chance to make a better life for themselves and their families. We also recognize the need to hire talented individuals from outside the company who bring special expertise and innovative skills to UFP.

Available Information.

Our Internet address is www.ufpi.com. Through our Internet website under "Financial Information" in the Investor Relations section, we make available free of charge, as soon as reasonably practical after such information has been filed with the SEC, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act. Also available through our Internet website under "Our Company - Governance" is our Code of Ethics for Senior Financial Officers.

Reports to Security Holders.

Not applicable.

Enforceability of Civil Liabilities Against Foreign Persons.

Not applicable.

Item 1A. Risk Factors.

Pressures from various global and national macroeconomic events, including recessionary concerns, heightened inflation, uncertainty regarding future interest rates, foreign currency exchange rate fluctuations, recent adverse weather conditions, escalating tensions in the Middle East, the continuation of the Russia-Ukraine war, and potential governmental responses to these events have created, and continue to create, significant economic uncertainty and could materially and adversely impact our financial performance. The extent to which these macroeconomic pressures may impact our business, results of operations, costs and financial condition will depend on future developments, which continue to be highly uncertain and difficult to predict. While we have planned for and anticipate a mild U.S. recession continuing into 2024, any one or more of the above macroeconomic factors could result in a more severe and longer recessionary cycle, which would have an adverse and potentially material impact on our business and financial performance.

We may be impacted by a significant change in the value of the U.S. dollar and our results of operations may be harmed by currency fluctuations and inflation. We purchase a variety of raw materials and finished goods from sources around the world and export certain products. The impact of a change in U.S. dollar exchange rates, and inflation, would impact our import purchases and export sales, which totaled \$391.2 million and \$246.3 million, respectively, in 2023. In addition, many of our packaging customers export their products; consequently, any adverse impact on those customers from currency fluctuations and inflation may have an adverse impact on our sales to those customers.

Our growth may be limited by the customer demand in the markets we serve, including our construction market which is highly cyclical. Our sales growth is dependent, in part, upon the growth of the markets we serve. If our markets do not achieve anticipated growth, or if we fail to maintain our market share, financial results could be impaired.

We are subject to fluctuations in the price of lumber. We experience significant fluctuations in the cost of commodity lumber products from primary producers (the "Lumber Market"). A variety of factors over which we have no control, including government and environmental regulations, weather conditions, economic conditions, and natural disasters, impact the cost of lumber products and our selling prices. While we attempt to minimize our risk from severe price fluctuations, substantial, prolonged trends in lumber prices can affect our sales, cost of materials, and gross profits. Our products are generally priced to the customer based on a quoted, fixed selling price or "indexed" to the Lumber Market with a fixed dollar adder to cover conversion costs and profit. The impact on our profitability from changes in lumber prices is discussed in the "Historical Lumber Prices" and "Impact of the Lumber Market on Our Operating Results" captions of our Management's Discussion and Analysis of Financial Condition and Results of Operations section under Item 7 of this Form 10-K. Our lumber costs, including plywood, as a percentage of net sales were 43.5% in 2023.

A significant portion of our sales are concentrated with two customers. Our sales to The Home Depot and Lowes comprised 17% and 12%, respectively, of our total net sales in fiscal 2023, 15% and 11%, respectively, in 2022, and 16% and 10%, respectively, in 2021.

We may be impacted by vertical integration strategies. In certain markets and product lines, our customers or vendors could pursue vertical integration strategies that could have an adverse effect on our sales. We strive to add value and be a low-cost producer while maintaining competitive pricing in each of our markets to mitigate this risk.

We may be impacted by industry capacity of products we supply. From time to time, we may experience excess capacity among suppliers of certain products in some of the markets we serve. Our selling prices and profitability are impacted during periods of shortages or excess industry capacity relative to market demand. We may also experience limited capacity among suppliers of certain products as a result of supply chain challenges, which may impact our profitability and ability to meet sales objectives.

Our growth may be limited by our ability to make successful acquisitions. A key component of our growth strategy is to complete business combinations. Business combinations involve inherent risks, including assimilation and successfully managing growth. While we conduct extensive due diligence and have taken steps to ensure successful assimilation, factors beyond our control could influence the relative success of these acquisitions.

We may be adversely affected by the impact of environmental and safety regulations. We are subject to the requirements of federal, state, and local environmental and occupational health and safety laws and regulations. There can be no assurance that we are at all times in complete compliance with all of these requirements. We have made and will continue to make capital and other expenditures to comply with environmental regulations. If additional laws and regulations are enacted, which restrict our ability to manufacture and market our products, including our treated lumber products, it could adversely affect our sales and profits. Changes in the interpretation of existing laws could also adversely impact our financial results.

Seasonality and weather conditions, including those arising from climate change, could adversely affect us. Some aspects of our business are seasonal in nature and results of operations vary from quarter to quarter. In addition, the majority of our products sold to the Retail and Construction markets are used or installed in outdoor construction applications; therefore, short-term sales volume, productivity and gross profits can be negatively affected by adverse weather conditions, particularly in our first and fourth quarters. To the extent changes in the world's climate have a greater impact on adverse weather conditions, we would expect more variability in our business operations and results. Climate change, which could result in more and more severe and adverse weather events, would likely create greater volatility in our financial results. In addition, it is possible that new legislation or regulation enacted to address the impact of climate change could increase costs for us and our suppliers, including costs associated with raw materials, energy, production, transportation, environmental monitoring and reporting, and capital expenditures.

Inbound and outbound transportation costs represent a significant part of our cost structure. An increase in fuel and other operating expenses will significantly increase our costs. While we attempt to pass these costs along to our customers, there can be no assurance that they would agree to these price increases. Our total inbound and outbound transportation costs were approximately 9.4%, 7.4%, and 7.3% of net sales in 2023, 2022, and 2021, respectively.

New alternatives may be developed to replace traditional treated wood products. The manufacturers of wood preservatives continue to develop new preservatives. While we believe treated products are reasonably priced relative to alternative products such as composites or vinyl, new alternatives may impact the sales of treated wood products. In addition, new preservatives could increase our cost of treating products in the future.

Cybersecurity breaches or a failure in our e-commerce operations could disrupt our business. We rely upon information technology systems and network products and the secure operation of these systems and products. Despite security measures, these systems and products may be vulnerable to physical damage, hackers, computer viruses, or breaches due to errors or malfeasance by employees, vendors, or customers. We have experienced such events in the past and, although past events were immaterial, future events may occur and may be material. Additionally, consumers are increasingly shopping online and through mobile commerce applications. As a result, we are vulnerable to additional risks and uncertainties associated with e-commerce sales, including rapid changes in technology, website downtime and other technical failures, security breaches, cyber-attacks, consumer privacy concerns, changes in state tax regimes and government regulation of internet activities. Our failure to successfully respond to these risks and uncertainties could reduce our e-commerce sales and increase our costs, which could negatively impact our results of operations. In addition, there is no guarantee that we will be able to expand our e-commerce business. Our competitors may have e-commerce businesses that are substantially larger and more developed than ours, which could place us at a competitive disadvantage.

We may be impacted by new tariffs and duties on U.S. imports and foreign export sales. Instability of established free trade agreements may lead to raw material and finished goods price volatility. An increase in foreign tariffs on U.S. goods could curtail our export sales to other countries which was approximately \$246.3 million in 2023. Increased tariffs and duties on U.S. imports will increase pricing by adding duty cost, where the duty is sustainable in light of overall unit price, or otherwise constrain supply by eliminating historical production sources by country or commodity type with unsustainable duties. Our purchases that are impacted by tariffs were approximately \$391.2 million in 2023, including UFP's U.S. import of Canadian Softwood Lumber of approximately \$223.8 million, which is the largest imported commodity. In addition, there is a risk that U.S. tariffs on imports and countering tariffs on U.S. exports could trigger broader international trade conflicts that could adversely impact our business.

Our financial results could be negatively impacted by costs associated with product liability, casualty, manufacturing and construction defects, and other claims. From time to time, we are exposed to claims relating to product liability, casualty events, manufacturing and construction defects, and similar claims, including as the result of the conduct of our employees and subcontractors. These claims could have a negative impact on our results of operation and financial condition, including through increased litigation costs, insurance-related costs, and damage to our reputation and customer relationships.

We may be adversely affected by the impact of pandemics and similar outbreaks. Disease outbreaks, such as the recent COVID-19 pandemic, could have an adverse impact on the Company's operations and financial results. These outbreaks may adversely impact our business, consolidated results of operations and financial condition. Any such outbreak, as well as measures taken by governmental authorities and businesses to limit the spread of any outbreak, may result in adverse changes in customer demand and our sales, interfere with the ability of our employees and suppliers to perform and function in a manner consistent with targeted objectives and otherwise adversely impact the efficiency of our operations. This may cause us to materially curtail certain segments and could have a material adverse effect on the results of our operations and cash flow.

Adverse economic conditions and our customers' ability to operate may impact their ability to pay. This may result in higher write-offs of receivables than we normally experience. We continue to monitor our customers' business activities, payment patterns, and credit profiles carefully and make changes in our terms when necessary in response to this risk. As a result, our accounts receivable aging as of December 30, 2023 was approximately 91% current. Our bad debt expense as a percentage of sales was 0.03%, 0.15%, and 0.01%, in 2023, 2022, and 2021, respectively. During the most difficult collection period of the Great Recession, from 2008 through 2010, our bad debt expense as a percentage of sales averaged 0.25%.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 1C. Cybersecurity.

Risk Management and Strategy.

Risks from Cybersecurity Threats. Information relating to risks from cybersecurity threats is included in this report in Item 1A under the caption "*Cybersecurity breaches or a failure in our e-commerce operations and could disrupt our business.*"

We manage and oversee a cybersecurity risk program designed to evaluate potential threats, vulnerabilities, and the potential impact on our operations, data, and stakeholders. This program undergoes regular reviews and updates to address emerging risks. Our process for addressing risk aligns with industry standards as outlined in the NIST Cybersecurity Framework, NIST Risk Management Framework, and CIS Top 18 Security Controls.

We utilize a three-step process to effectively manage cybersecurity risks:

Identify We establish an understanding of our critical operational assets and those that could be attractive to potential threat actors. We consider any cyber activity that could diminish an asset's value, hinder our ability to use or access the asset, or covertly allow a threat actor to gain access to an asset as a potential risk.

Assess We evaluate the exposure of our assets to identified cyber risks and the potential impacts on our operations or reputation if we were unable to access or utilize an asset or realize its value, or if a threat actor gained access to an asset or its value. We also assess the potential materiality of these risks based on their potential impact on our operations or reputation.

Manage We apply a multi-layered defense strategy to maintain our ability to access or utilize an asset or its value and prevent threat actors from gaining or increasing their access to an asset or its value. We prioritize our defensive mechanisms, including administrative, procedural, and technical controls, based on their cost-effectiveness and their ability to reduce risk.

Periodically, we engage consultants and other third parties to assist in the continued improvement of our cybersecurity program. These engagements are designed to enhance our cybersecurity posture, and we work closely with these experts to help us identify and address vulnerabilities. Examples of these engagements include penetration testing, risk assessments, and cybersecurity control audits.

We maintain policies and procedures to oversee and identify cybersecurity risks associated with our third-party service providers, especially those with access to customer and employee data. Our selection and oversight of these providers incorporate cybersecurity considerations, including contractual and other mechanisms to mitigate and continually monitor risks.

We undertake proactive activities to prevent, detect, and minimize the impact of cybersecurity incidents. We maintain an incident response plan to respond to breaches and minimize disruption to our operations swiftly. The incident response process is consistently tested and reviewed through simulated incidents. To bolster the incident response process, we have business continuity, contingency, and recovery plans to ensure operational resilience during a cybersecurity incident. Previous cybersecurity incidents guide continuous improvements in our governance, policies, procedures, and technology. We use these lessons to strengthen our cybersecurity defenses.

Cybersecurity threats and risks, to include any previous cybersecurity incidents, have not materially affected, or are not reasonably likely to materially affect, our business strategy, results of operations, or financial condition. We have not, as of the date of this filing, experienced a cybersecurity breach that has materially affected our business or financial condition. However, because our business involves the collection, transmission, and storage of certain customer and employee data, it is possible that we could be susceptible to various cybersecurity threats, including cyberattacks, unauthorized access, and similar events.

We are committed to the ongoing identification and management of cybersecurity risks as part of our business strategy, financial planning, and capital allocation. We strive to incorporate cybersecurity considerations into all aspects of our operations. As the cybersecurity landscape evolves, so does our strategy to identify and mitigate these risks. We continuously work towards enhancing our processes to ensure an effective cybersecurity posture.

Board of Directors and Management Governance.

Board of Directors Oversight. We recognize the critical importance of cybersecurity and data protection and understand the potential harm to our business from cybersecurity incidents. Accordingly, we place a high priority on mitigating risks associated with cybersecurity threats and any cybersecurity incidents.

Company management maintains primary responsibility for the risk management of the Company, including cybersecurity risks. The Board's Audit Committee is responsible for the oversight of risks associated with cybersecurity threats. The Audit Committee Charter provides that the Committee is responsible for reviewing management's assessment of the Company's information technology process framework and practices and the controls implemented to monitor and mitigate information technology risks. In addition, as part of the Audit Committee's quarterly meetings and as provided for in its Charter, the Committee receives reports and briefings from the Company's Chief Information Officer (CIO), Director of Cybersecurity, and management's cybersecurity team. Those reports and briefings include management's review of emerging cybersecurity developments and threats, the Company's risk relating to cybersecurity, and the Company's strategy to mitigate data protection and cybersecurity risks. The Audit Committee has the authority to obtain advice and input from external cybersecurity resources to assist in its oversight functions.

Management's Role. Our management team is actively engaged in assessing and managing material risks from cybersecurity threats. We have established a robust framework for identifying, evaluating, and mitigating these risks.

Responsibility for Cybersecurity Risks. Our CIO has developed expertise in cybersecurity, compliance, enterprise architecture and design, data analytics, digital transformation, and customer service through years of experience in the information technology space. Our Director of Cybersecurity is designated as the senior executive responsible for cybersecurity and reports directly to our CIO. He has a comprehensive information technology background with 30 years of information technology experience, to include 10 years of systems architecture and design, 12 years of management, and 14 years of service in managing, or assisting in managing, cybersecurity related risks.

To support the CIO and Director of Cybersecurity in managing cybersecurity risks, we established a cross-functional cybersecurity team that includes experts in various aspects of information security. Combined, this team of employees includes individuals with over 85 years of prior work experience in cybersecurity and data protection. These individuals are responsible for the day-to-day implementation of our cybersecurity program.

Additionally, the cybersecurity management team regularly consults with additional resources, to include attorneys, accountants, human resources personnel, and other information technology specialists, to determine materiality for cybersecurity related risks and incidents. There is an established Incident Response Plan that clearly identifies escalation measures based on the impact to our organization.

Processes for Monitoring and Mitigating Risks and Incidents. We employ a comprehensive set of processes to monitor and mitigate cybersecurity risks. These processes include:

- Continuous monitoring of network traffic and systems for signs of potential threats.
- Regular vulnerability assessments and penetration testing to identify and address weaknesses.
- Implementation of cybersecurity measures, such as firewalls, intrusion detection systems, and data encryption.
- Employee training and awareness programs to educate staff about cybersecurity best practices.
- Incident response plans to ensure swift and effective responses to cybersecurity incidents.
- Software and Vendor Risk Assessments.
- Vulnerability management solution to prioritize patches based on risk.
- Privileged account management solutions for administrative access.

These processes are designed to prevent cybersecurity incidents, but also allows our organization to quickly detect and respond to incidents if they do occur. They are regularly reviewed and updated to adapt to evolving cybersecurity threats.

If any incidents occur, we have a comprehensive Incident Response Plan in place. The Plan includes materiality qualifiers based on the size and scope of the incident. Furthermore, there is an escalation matrix that identifies who is directly involved with managing the incident based on the severity. An Incident Report is compiled for all incidents, regardless of materiality. Management reviews the incident reports and ensures all incidents are mitigated and remediated effectively. These reports are shared with the CIO, CFO, and Audit Committee so they can effectively manage resources to reduce risk and prevent future incidents.

Reporting to the Board. As noted above, our CIO, Director of Cybersecurity, and cybersecurity team provide quarterly updates and reports to our Audit Committee on cybersecurity risks as well as a review of the processes described above. Our management personnel are also required to provide more frequent updates to the Audit Committee on major developments regarding cybersecurity matters. The Committee, in turn, provides regular updates to the Board on these matters.

Item 2. Properties.

Our corporate headquarters building is located in suburban Grand Rapids, Michigan. We currently have approximately 219 facilities located throughout the United States, Canada, Mexico, Europe, Asia, and Australia. Depending upon function and location, these facilities typically utilize office, manufacturing, and indoor and outdoor storage space.

The following tables summarize our property locations assigned by the primary segment the plant serves.

RETAIL SEGMENT			
Property Location	Number of Properties	Property Location	Number of Properties
Athens, AL	1	Miami, FL*	1
Bartow, FL	2	Moneta, VA	1
Belchertown, MA	1	Mosheim, TN	1
Bennett, IA	1	Moultrie, GA	1
Bonner, MT	2	Ponce, PR	1
Brunswick, GA	1	Poulsbo, WA	1
Callao, VA	1	Prairie du Chien, WI	1
Dodgeville, WI	1	Rancho Cucamonga, CA*	1
Elizabeth City, NC*	1	Ranson, WV*	1
Fairless Hills, PA	1	Ringgold, GA	1
Fort Worth, TX	1	Rockledge, FL	1
Grand Rapids, MI	1	Rockwell, NC	1
Greenville, TN	1	Saginaw, TX*	1
Hamilton, OH	1	Schertz, TX*	1
Hampton, VA	1	Selma, AL	2
Hazelhurst, GA	1	Silsbee, TX	1
Howell, MI	2	Stockertown, PA	1
Idabel, OK	1	Tampa, FL	2
Janesville, WI*	1	Thomaston, GA	1
Kearneysville, WV*	2	Tipton, IA	1
Lansing, MI*	1	Union City, GA*	1
Lockhart, FL	1	White Bear Lake, MN*	1
Louisville, AL	1	White Pigeon, MI	1
Matthews, NC	1	Windsor, CO*	1
		TOTAL	54

PACKAGING SEGMENT			
Property Location	Number of Properties	Property Location	Number of Properties
Adairsville, GA	1	Martin, TN	1
Ashburn, GA*	1	McMinnville, OR*	1
Auburndale, FL*	1	Milwaukee, WI	2
Barnesville, GA	1	Minneota, MN*	1
Bartow, FL	2	Mocksville, NC	1
Blanchester, OH	1	Morristown, TN	1
Blue Island, IL*	1	Muscle Shoals, AL	2
Burnsville, MN	1	Nappanee, IN	1
Butner, NC	1	New Boston, TX	1
Chaffee, NY	1	New London, WI	2
Chandler, AZ*	1	Newnan, GA	2
Chase City, VA	1	Newton, NC	1
Clarksville, TX	1	Orangeburg, SC	1
Clearfield, UT*	1	Parker, PA	1
Dallas, TX	1	Peru, IL	1
Delano, PA	1	Port Arthur, TX	1
Douglas, GA*	1	Prattville, AL	1
Eatonton, GA	2	Riverside, CA*	1
Flower Mound, TX	2	Robertsdale, AL	1
Forsyth, GA	1	Rowesville, SC	1
Franklinton, NC*	1	Salina, KS*	1
Gilmer, TX	1	Salisbury, NC*	1
Grand Rapids, MI	2	Sharon, TN	2
Grandview, TX	5	Shawnee, OK	1
Harrisonville, MO*	1	Shipshewana, IN	1

Hartford, WI	1	Siler City, NC	1
Hazelhurst, GA	1	Snohomish, WA*	1
Kansas City, MO	1	Thornton, CA*	1
Lawrenceburg, TN	1	Warrens, WI*	1
Livermore Falls, ME	1	Wenatchee, WA	1
Magna, UT*	1	Woodburn, OR*	1
Marietta, GA	1	Yakima, WA	1
		TOTAL	77

CONSTRUCTION SEGMENT

Property Location	Number of Properties	Property Location	Number of Properties
Athena, OR	1	Jefferson, GA	1
Auburn, NY	1	Jeffersonville, IN	1
Aurora, CO	1	Kyle, TX	1
Bangalore, India	1	Lafayette, CO	1
Belchertown, MA	1	Lenoir City, TN	1
Berlin, NJ	2	Liberty, NC	1
Berthoud, CO	1	Locust, NC	1
Bridgeton, MO	1	Londonderry, NH	1
Brooklyn Center, MN	1	Nampa, ID*	1
Burlington, NC	2	Naugatuck, CT	1
Cedar Hill, TX	1	New London, NC*	1
Chesapeake, VA	1	New Waverly, TX*	1
Chicago, IL	1	New Windsor, MD	1
Chicopee, MA	1	Ontario, CA	1
Clinton, NC	1	Ooltewah, TN	1
Conway, SC	1	Pearisburg, VA*	1
Cordele, GA	1	Plainville, MA	1
Dayton, OH	2	San Antonio, TX	1
DuBois, PA	1	Shippensburg, PA	1
Edwardsburg, MI*	1	Sidney, NY	1
Elkhart, IN	2	Stafford, TX	1
Folkston, GA	2	Stanfield, NC	2
Fredericksburg, VA	1	Swindon, United Kingdom	1
Gordon, PA*	1	Temple, TX	1
Granger, IN*	1	Washington, NC	1
Haleyville, AL*	1	Westbury, NY	1
Hillsboro, TX*	1	Wilton, NH	1
Hudson, NY	1	Wujinang, China	1
		TOTAL	62

ALL OTHER SEGMENT

Property Location	Number of Properties	Property Location	Number of Properties
Abu Dhabi, United Arab Emirates	1	Erskine Park, Australia	1
Apaseo el Grande, Mexico	1	Noida, India	1
Bangalore, India	3	Guntur, India	1
Carole Park, Australia	1	Hyderabad, India	1
Castellón, Spain	1	Lacolle, Canada	1
Chennai, India	1	Mordialloc, Australia	1
Coimbatore, India	1	Nuevo Leon, Mexico	1
Deer Park, Australia	1	Port Melbourne, Australia	1
Dubai, United Arab Emirates	1	Pune, India	1
Durango, Mexico	2	Vadodara, India	1
		TOTAL	23

CORPORATE SEGMENT

Property Location	Number of Properties
Grand Rapids, MI	2
Spring Lake, MI	1
TOTAL	3

* Due to the nature of our business and historical operating strategy, many of our locations service more than one segment.

We own all of our properties, free from any significant mortgage or other encumbrance, except for approximately 74 facilities which are leased. We believe all of these operating facilities are adequate in capacity and condition to service our existing markets.

Item 3. Legal Proceedings.

Information regarding our legal proceedings is set forth in Note L of our Consolidated Financial Statements which are presented under Item 8 of this Form 10-K and are incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

Additional Item: Executive Officers of the Registrant.

Our executive officers are appointed annually by our Board of Directors. There are no family relationships among these officers and our directors nor any arrangement or understanding between any of these officers and any other person pursuant to which the officer was appointed.

The following table lists the names, ages, and positions of our executive officers as of February, 2024.

Name	Age	Position
Matthew J. Missad	63	Chairman of the Board and Chief Executive Officer
Michael R. Cole	57	Chief Financial Officer and Treasurer
Patrick M. Benton	54	President of UFP Construction, LLC
Scott A. Worthington	53	President of UFP Packaging, LLC
William D. Schwartz, Jr.	46	President of UFP Retail Solutions, LLC
David A. Tutas	54	General Counsel, Chief Compliance Officer and Secretary

Matthew J. Missad joined us in 1985. In February 1996, Mr. Missad was promoted to Executive Vice President of the Company. On July 13, 2011, Mr. Missad became Chief Executive Officer of the Company.

Michael R. Cole joined us in 1993 from the international public accounting firm Deloitte & Touche. In December 1999, he was promoted to Vice President of Finance. On July 19, 2000, Mr. Cole became Chief Financial Officer of the Company.

Patrick M. Benton joined us in 1993. In 2008 he became Operations Vice President of the South Texas Region, and on July 1, 2014, he became Executive Vice President of UFP Eastern Division – North. On February 1, 2017, Mr. Benton became President of the UFP Northern Division, and on January 1, 2020, he became President of UFP Construction, LLC.

Scott A. Worthington joined us in 1997. In 2014, he was promoted to Regional Vice President of the South Texas Region. On January 1, 2020, he became President of UFP Packaging, LLC.

William D. Schwartz, Jr. joined us in 1998. He became Operations Vice President in 2014 and Executive Vice President of Purchasing and Transportation in 2020. On July 1, 2022, he became Executive Vice President of Operations Services and on September 26, 2022, he became President of UFP Retail Solutions, LLC.

David A. Tutas joined us in 2003 as a staff counsel. In 2007, he was promoted to Director of Legal Services. On August 1, 2011, he was promoted to General Counsel. On January 18, 2013, he became Secretary of the Company, and on February 1, 2019, he became Chief Compliance Officer.

PART II

The following information items in this Part II, which are contained in the 2023 Annual Report, are specifically incorporated by reference into this Form 10-K Report. These portions of the 2023 Annual Report that are specifically incorporated by reference are filed as Exhibit 13 with this Form 10-K Report.

Item 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities.

- (a) The information relating to market, holders and dividends is incorporated by reference from the 2023 Annual Report under the captions "Market Information for Our Common Stock" and "Stock Performance Graph." As of February 3, 2024, there were approximately 2,566 record holders of our common stock.

There were no sales of securities by the Company during fiscal 2023 that were not registered under the Securities Act of 1933.

- (b) Not applicable.

- (c) Issuer purchases of equity securities during the fourth quarter:

<u>Fiscal Month</u>	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>
October 1 - November 4, 2023	208,057	96.48	208,057	\$ 173,335,471
November 5 - December 2, 2023	—	—	—	173,335,471
December 3 - 30, 2023	—	—	—	173,335,471

- (1) Total number of shares purchased.
(2) Average price paid per share.
(3) Total number of shares purchased as part of publicly announced plans or programs.
(4) Approximate dollar value of shares that may yet be purchased under the plans or programs.

On and effective as of July 26, 2023, our board authorized the repurchase of up to \$200 million worth of shares of our common stock through the period ending July 31, 2024, which supersedes and replaces prior authorizations.

Item 6. [RESERVED.]

Not applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The information required by this item is incorporated by reference from the 2023 Annual Report under the caption "Management’s Discussion and Analysis of Financial Condition and Results of Operations."

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risks related to fluctuations in interest rates on our variable rate debt, which consists of a revolving credit facility and industrial development revenue bonds. We do not enter into any material interest rate swaps, futures contracts or options on futures, or other types of derivative financial instruments to mitigate this risk.

For fixed rate debt, changes in interest rates generally affect the fair market value, but not earnings or cash flows. Conversely, for variable rate debt, changes in interest rates generally do not influence fair market value, but do affect future earnings and cash flows. We do not have an obligation to prepay fixed rate debt prior to maturity, and as a result, interest rate risk and changes in fair market value should not have a significant impact on such debt until we would be required to refinance it.

On December 30, 2023, the estimated fair value of our long-term debt, including the current portion, was \$241.4 million. The estimated fair value is based on rates anticipated to be available to us for debt with similar terms and maturities. The estimated fair value of notes payable included in current liabilities and the revolving credit facility approximated the carrying values as these debt instruments have interest rates that fluctuate with current market conditions.

Expected cash flows over the next five years related to debt instruments, excluding debt issuance costs, are as follows:

(\$US equivalents, in thousands)	2024	2025	2026	2027	2028	Thereafter	Total
Long-term Debt:							
Fixed Rate (\$US)	\$ 40,098	\$ 671	\$ 194	\$ 212	\$ 40,232	\$ 185,383	\$ 266,790
Average interest rate	4.01 %	9.45 %	9.45 %	—	4.27 %	3.36 %	
Variable Rate (\$US)	\$ 2,802	\$ —	\$ —	\$ 3,692	\$ —	\$ 3,300	\$ 9,794
Average interest rate ⁽¹⁾	9.45 %	— %	— %	5.44 %	— %	3.33 %	

(1) Average of rates at December 30, 2023

Item 8. Financial Statements and Supplementary Data.

The information required by this Item is incorporated by reference from the 2023 Annual Report under the following captions:

- "Report of Independent Registered Public Accounting Firm"
- "Report of Independent Registered Public Accounting Firm"
- "Consolidated Balance Sheets"
- "Consolidated Statements of Earnings and Comprehensive Income"
- "Consolidated Statements of Shareholders' Equity"
- "Consolidated Statements of Cash Flows"
- "Notes to Consolidated Financial Statements"

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, referred to herein as "Disclosure Controls") as of the end of the period covered by this Annual Report on Form 10-K. The controls evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Based upon our most recent evaluation, we have concluded that the consolidated financial statements included in this Annual Report on Form 10-K fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act and based upon the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our management assessed the effectiveness of our internal control over financial reporting as of December 30, 2023. Based on this assessment, our internal control over financial reporting was effective as of December 30, 2023.

Deloitte & Touche LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 30, 2023. Deloitte & Touche LLP's opinion, as stated in their report which appears on page 20 of this Form 10-K, is consistent with management's report on internal control over financial reporting as set forth above.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 30, 2023, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

During the quarter ended December 30, 2023, no director or officer adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information relating to our directors, compliance with Section 16(a) of the Securities Exchange Act of 1934 and various corporate governance matters is incorporated by reference from our definitive Proxy Statement for the year ended December 30, 2023 for the 2024 Annual Meeting of Shareholders, to be filed with the Commission ("2024 Proxy Statement"), under the captions "Election of Directors," "Corporate Governance and Board Matters," and "Delinquent Section 16(a) Reports." Information relating to executive officers is included in this report in the last Section of Part I under the caption "Additional Item: Executive Officers of the Registrant." Information relating to our code of ethics is included in this report in Part I, Item 1 under the caption "Available Information".

Item 11. Executive Compensation.

Information relating to director and executive compensation is incorporated by reference from the 2024 Proxy Statement under the caption "Executive Compensation." The "Personnel and Compensation Committee Report" included in the 2024 Proxy Statement is incorporated by reference for the purpose of being furnished herein and is not and shall not be deemed to be filed under the Securities Exchange Act of 1934, as amended.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

Information relating to security ownership of certain beneficial owners and management is incorporated by reference from our 2024 Proxy Statement under the captions "Ownership of Common Stock" and "Securities Ownership of Management."

Information relating to securities authorized for issuance under equity compensation plans as of December 30, 2023, is as follows:

	Number of shares to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted average exercise price of outstanding options, warrants, and rights	Number of shares remaining available for future issuance under equity compensation plans [excluding shares reflected in column (a)] ⁽¹⁾
Equity compensation plans approved by security holders	—	\$ —	2,132,181
Equity compensation plans not approved by security holders	none		

(1) The number of shares remaining available for future issuance under equity compensation plans, excluding outstanding options, warrants, or similar rights, as of December 30, 2023, is as follows: 128,821 shares for our Employee Stock Purchase Plan, 167,372 shares for our Director Compensation Plan, and 10,073 shares for our Employee Stock Gift Program. In addition, of the remaining 1,825,915 shares available for future issuance under our Long-Term Stock Incentive Plan, those awards may be made in the form of options as well as stock appreciation rights, restricted stock, performance shares, or other stock-based awards. See Note H "Common Stock" of our 2023 Annual Report for information regarding these plans.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information relating to certain relationships and related transactions, and director independence is incorporated by reference from the 2024 Proxy Statement under the captions "Election of Directors", "Affirmative Determination Regarding Director Independence and Other Matters" and "Related Party Transactions."

Item 14. Principal Accountant Fees and Services.

Information relating to the types of services rendered by our Independent Registered Public Accounting Firm and the fees paid for these services is incorporated by reference from our 2024 Proxy Statement under the caption "Independent Registered Public Accounting Firm – Disclosure of Fees."

Item 15. Exhibits, Financial Statement Schedules.

- (a) 1. Financial Statements. The following are incorporated by reference, under Item 8 of this report, from the 2023 Annual Report:

Management's Report on Internal Control Over Financial Reporting
Report of Independent Registered Public Accounting Firm
Report of Independent Registered Public Accounting Firm
Consolidated Statements of Earnings and Comprehensive Income
Consolidated Statements of Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements

2. Financial Statement Schedules. All schedules required by this Form 10-K Report have been omitted because they were inapplicable, included in the Consolidated Financial Statements or Notes to Consolidated Financial Statements, or otherwise not required under instructions contained in Regulation S-X.

3. Exhibits. Reference is made to the Exhibit Index which is included in this Form 10-K Report.

- (b) Reference is made to the Exhibit Index which is included in this Form 10-K Report.
- (c) Not applicable

EXHIBIT INDEX

<u>Exhibit #</u>	<u>Description</u>
3	Articles of Incorporation and Bylaws. (a) Restated Articles of Incorporation, as amended (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on May 3, 2022). (b) Amended Bylaws (incorporated by reference to Exhibit 3(b) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016).
4	Instruments Defining the Rights of Security Holders. (a) Description of Registrant's Securities (incorporated by reference to Exhibit 4(b) of the Registrant's Annual Report on Form 10-K for the year ended December 30, 2023).
10	Material Contracts. (a) Credit Agreement dated November 1, 2018 incorporated by reference to Exhibit 10(i)(2) of the Registrant's Current Report on Form 8-K filed November 2, 2018). (i) First Amendment to Credit Agreement dated February 19, 2021 (incorporated by reference to Exhibit 10(a) of the Registrant's Quarterly Report on Form 10-Q filed May 5, 2021). (ii) Second Amendment to Credit Agreement dated December 6, 2022 (incorporated by reference to Exhibit 10(l) of the Registrant's Current Report on Form 8-K filed December 12, 2022). (iii) Third Amendment to Credit Agreement dated August 11, 2023. (b) Form of Indemnity Agreement entered into between the Registrant and each of its directors (incorporated by reference to Exhibit 10(b) of a Registration Statement on Form S-1 filed by the Registrant on September 28, 1993). *(c) UFP Industries, Inc. Deferred Compensation Plan (as conformed through 2023-1 Amendment effective January 1, 2024). *(d) UFP Industries, Inc. Executive Stock Grant Program. *(e) Second Restatement of the UFP Industries, Inc. Director Compensation Plan. *(f) UFP Industries, Inc. Long-Term Stock Incentive Plan (as conformed through the 2023 Amendment to the UFP Industries, Inc. Long-Term Incentive Plan effective October 24, 2023). *(g) Form of Restricted Stock Grant Agreement issued pursuant to the Long-Term Incentive Plan. *(h) Form of Performance Share Award Agreement issued pursuant to the Long-Term Incentive Plan.
13	Selected portions of the Company's Annual Report to Shareholders for the fiscal year ended December 30, 2023.
21	Subsidiaries of the Registrant.
23	Consent of Deloitte & Touche LLP.
24	Power of Attorney (included on page 23).

- 31 Certifications.
- (a) [Certificate of the Chief Executive Officer of UFP Industries, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. 1350\).](#)
 - (b) [Certificate of the Chief Financial Officer of UFP Industries, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. 1350\).](#)
- 32 Certifications.
- (a) [Certificate of the Chief Executive Officer of UFP Industries, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. 1350\).](#)
 - (b) [Certificate of the Chief Financial Officer of UFP Industries, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. 1350\).](#)
- 97 [Amended and Restated UFP Industries, Inc. Clawback Policy.](#)
- 101 Interactive Data File in iXBRL (Inline eXtensible Business Reporting Language).
- (INS) XBRL Instance Document.
- (SCH) XBRL Schema Document.
- (CAL) XBRL Taxonomy Extension Calculation Linkbase Document.
- (LAB) XBRL Taxonomy Extension Label Linkbase Document.
- (PRE) XBRL Taxonomy Extension Presentation Linkbase Document.
- (DEF) XBRL Taxonomy Extension Definition Linkbase Document.
- 104 Cover Page Interactive Data File (the cover page XBRL tags are embedded in the inline XBRL document).

* Indicates a compensatory arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 28, 2024

UFP INDUSTRIES, INC.

By: /s/ Matthew J. Missad

**Matthew J. Missad,
Chairman of the Board,
Chief Executive Officer and
Principal Executive Officer**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on this 28th day of February, 2024, by the following persons on behalf of us and in the capacities indicated.

By: /s/ Matthew J. Missad

**Matthew J. Missad,
Chairman of the Board,
Chief Executive Officer and
Principal Executive Officer**

/s/ Michael R. Cole

**Michael R. Cole,
Chief Financial Officer,
Principal Financial Officer and
Principal Accounting Officer**

Each Director whose signature appears below hereby appoints Matthew J. Missad and Michael R. Cole, and each of them individually, as his or her attorney-in-fact to sign in his or her name and on his or her behalf as a Director, and to file with the Commission any and all amendments to this report on Form 10-K to the same extent and with the same effect as if done personally.

/s/ Joan A. Budden

Joan A. Budden, Director

/s/ William G. Currie

William G. Currie, Director

/s/ Benjamin J. McLean

Benjamin J. McLean, Director

Bruce A. Merino, Director

/s/ Matthew J. Missad

Matthew J. Missad, Director

/s/ Thomas W. Rhodes

Thomas W. Rhodes, Director

/s/ Mary Tuuk Kuras

Mary Tuuk Kuras, Director

/s/ Brian C. Walker

Brian C. Walker, Director

/s/ Michael G. Wooldridge

Michael G. Wooldridge, Director

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF
THE SECURITIES EXCHANGE ACT OF 1934**

The following is a brief description of the common stock of UFP Industries, Inc. (the "Company"). This summary does not purport to be complete in all respects and is subject to and qualified in its entirety by reference to the Company's Restated and Amended Articles of Incorporation (the "Articles of Incorporation") and Amended Bylaws (the "Bylaws"), each of which are filed as exhibits to the Annual Report on Form 10-K of which this Exhibit 4(b) is a part.

Authorized Capital Stock

The Company's authorized capital stock consists of 160,000,000 shares of common stock and 1,000,000 shares of preferred stock. As of December 30, 2023, there were no shares of preferred stock outstanding.

Dividend and Liquidation Rights

Subject to the prior rights of the holders of shares of preferred stock that may be issued and outstanding, if any, the holders of common stock are entitled to receive:

- dividends when, as, and if declared by the Company's Board of Directors out of funds legally available for the payment of dividends; and
- in the event of dissolution of the Company, to share ratably in all assets remaining after payment of liabilities and satisfaction of the liquidation preferences, if any, of then outstanding shares of preferred stock, as provided in the Articles of Incorporation.

Voting Rights

Each holder of common stock is entitled to one vote for each share held of record on all matters presented to a vote at a shareholders meeting, including the election of directors. Holders of common stock have no cumulative voting rights.

The Company's Articles of Incorporation provide that the Company's Board of Directors be divided into three classes of nearly equal size, with the classes to hold office for staggered terms of three years each.

The vote required for the election of a director shall, except in a contested election, be the affirmative vote of a majority of the votes cast in the election of a nominee. For this purpose, a "majority of the votes cast" means that the number of votes cast "for" a director's election exceeds the number of votes cast "against" that director's election. Abstentions and broker non-votes are not counted as votes cast either "for" or "against" a director's election. In a contested election, directors are elected by a plurality of the votes cast at the meeting of shareholders.

An election is considered contested if there are more nominees for election than positions on the Board of Directors to be filled by election at that meeting.

Listing

The Company's common stock is currently traded on the Nasdaq Global Select Market under the symbol "ufpi."

Applicable Anti-Takeover Provisions

The Company's Articles of Incorporation and Bylaws contain provisions that could also have an anti-takeover effect. Some of the provisions also may make it difficult for shareholders to replace incumbent directors with new directors who may be willing to entertain changes that shareholders may believe will lead to improvements in the combined company's business.

Other

All of the outstanding shares of the Company's common stock are fully paid and non-assessable. Holders of common stock have no preemptive rights to purchase or subscribe for any additional shares of common stock or other securities, and there are no conversion rights or redemption or sinking fund provisions with respect to the Company's common stock.

The transfer agent for the Company's common stock is American Stock Transfer & Trust Co., 6201 15th Avenue, Brooklyn, NY 11219.

THIRD AMENDMENT TO CREDIT AGREEMENT

This Third Amendment to Credit Agreement, dated as of August 11, 2023 (this "Amendment"), is among UFP INDUSTRIES, INC., a Michigan corporation, the Foreign Subsidiary Borrowers, the other Loan Parties party hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

RECITAL

UFP Industries, Inc. (f/k/a Universal Forest Products, Inc.), a Michigan corporation (the "Company"), the Foreign Subsidiary Borrowers party thereto from time to time (the "Foreign Subsidiary Borrowers" and collectively referred to with the Company as the "Borrowers", and each of them individually as a "Borrower"), the lenders party thereto from time to time (such lenders, together with any other lenders now or hereafter parties to the Credit Agreement, collectively referred to as the "Lenders"), and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, together with any successors or assigns, the "Administrative Agent") are parties to a Credit Agreement dated as of November 1, 2018 (as may be amended or modified from time to time, the "Credit Agreement"). The Borrowers desire to amend the Credit Agreement as set forth herein and the Lenders are willing to do so in accordance with the terms hereof. Capitalized terms used herein, but not otherwise defined shall have the meanings ascribed to them in the Credit Agreement.

TERMS

In consideration of the premises and of the mutual agreements herein contained, the parties agree as follows:

ARTICLE 1. AMENDMENTS

1.1 The following definitions are added to Section 1.01 of the Credit Agreement:

"Ancillary Document" has the meaning assigned to it in Section 9.06(b).

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, or (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness or other obligation or liabilities of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment or write-downs or write-offs thereof.

"Lender-Related Person" means the Administrative Agent, any Issuing Bank and any Lender, and any Related Party of any of the foregoing Persons.

1.2 The following definition in Section 1.01 of the Credit Agreement is restated as follows:

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People's Republic, the so-

called Luhansk People's Republic, the Crimea, Zaporizhzhia and Kherson Regions of Ukraine, Cuba, Iran, North Korea and Syria).

1.3 Section 2.21 of the Credit Agreement is amended by adding the following to the first paragraph thereof after the reference to "Section 5.01(a) or (b)": "and as of any date an Investment is made under Section 6.04(g) or (h)."

1.4 Section 6.04 of the Credit Agreement is restated as follows:

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. The Company will not, and will not permit any of its Restricted Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with or as a Division Successor pursuant to the Division of, any Person that was not a Wholly-Owned Subsidiary prior to such merger) any Equity Interests, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any Investment or any other interest in, any other Person, or make any Acquisition, except:

(a) Investments existing as of the Second Amendment Effective Date and set forth in Schedule 6.04 attached hereto and extensions, renewals and replacements thereof that do not increase the outstanding amount thereof, except to the extent such increase is a Permitted Investment or is otherwise permitted by this Section 6.04;

(b) extensions of trade credit made in the ordinary course of business on customary credit terms and commission, travel, relocation and similar advances made to officers and employees in the ordinary course of business;

(c) Investments made by the Company or any Restricted Subsidiary (i) to the Company or any Wholly-Owned Subsidiary that is a Guarantor or (ii) to any Wholly-Owned Subsidiary that is a Foreign Subsidiary that has at least 65% of its Equity Interests pledged pursuant hereto;

(d) Permitted Investments;

(e) Investments consisting of non-cash consideration for any disposition of assets permitted by Section 6.09;

(f) Acquisitions, provided each of the following conditions is satisfied: (A) there is no Default either before or after such Acquisition, (B) the representations and warranties contained in this Agreement shall be true and correct as if made on and as of the date such Acquisition is consummated, both before and after giving effect thereto, (C) such Acquisition is not a Hostile Acquisition, (D) if such Acquisition is an acquisition of Equity Interests, such Acquisition will not result in any violation of Regulation U, (E) if the total consideration, cash or non-cash, paid or payable for such Acquisition is greater than \$100,000,000, prior to the consummation of such Acquisition, the Company shall deliver a satisfactory pro forma covenants compliance certificate to the Administrative Agent and (F) the target of such Acquisition is in the same line of business as conducted by the Company as of the Effective Date or a line of business similar thereto or that supports such business or is related or ancillary thereto;

(g) Investments in Unrestricted Subsidiaries, provided that (i) immediately after giving effect to such Investment (x) no Default then exists or would be caused thereby, on a pro forma basis acceptable to the Administrative Agent and (y) the Company is in compliance with Sections 2.21 and 2.23 and (ii) such amounts of any investments, loans or advances shall be excluded when calculating the assets of the Company and its Restricted Subsidiaries;

(h) Investments in Restricted Subsidiaries, provided that immediately after giving effect to such Investment (x) no Default then exists or would be caused thereby, on a pro forma basis acceptable to the Administrative Agent, (y) the Company is in compliance with Section 2.21, and (z) the aggregate amount of the Guarantees by any Loan Parties with respect to the Indebtedness and other obligations and liabilities of Restricted Subsidiaries that are not Loan Parties shall not exceed \$40,000,000; and

(i) If no Default exists or would be caused thereby, other Investments not otherwise permitted by this Section 6.04 (excluding Investments in Unrestricted Subsidiaries) in aggregate outstanding amount at any time not to exceed 15% of Net Worth – Restricted Subsidiaries.

1.5 Section 9.06(b) of the Credit Agreement is restated as follows:

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an “Ancillary Document”) that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of any Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, each Borrower and each Loan Party hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrowers and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) agrees that the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent’s and/or any Lender’s reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that

reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of any Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

**ARTICLE 2.
REPRESENTATIONS.**

In order to induce the Lenders and the Administrative Agent to enter into this Amendment, each Loan Party represents and warrants to each Lender and the Administrative Agent that the following statements are true, correct and complete as of the Third Amendment Effective Date:

2.1 The execution, delivery and performance of this Amendment are within its powers, have been duly authorized by existing board resolutions or other necessary company and corporate action, as applicable, and are not in contravention of any statute, law or regulation or of any terms of its operating agreement, articles of incorporation, certificate of incorporation, by-laws or other charter documents, or of any material agreement or undertaking to which it is a party or by which it is bound.

2.2 This Amendment is the legal, valid and binding obligation of it, enforceable against it in accordance with the terms hereof, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

2.3 Immediately before and after giving effect to the amendments contained herein, the representations and warranties contained in Article III of the Credit Agreement are true and correct in all material respects on and as of the date hereof with the same force and effect as if made on and as of the date hereof (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects).

2.4 After giving effect to the amendments contained herein, no Default exists or has occurred and is continuing.

2.5 Neither the Company nor any Subsidiary has paid, or agreed to pay, any fees or other consideration for or with respect to any amendment to the Senior Note Purchase Documents other than reimbursement of out-of-pocket fees and expenses of legal counsel.

2.6 As of the date hereof, each Restricted Subsidiary of the Company that is required to be a Guarantor under Section 2.21 of the Credit Agreement is obligated as a Guarantor under a Guaranty and the Company is otherwise in compliance with Section 2.21 of the Credit Agreement.

**ARTICLE 3.
CONDITIONS PRECEDENT.**

The Amendments to the Credit Agreement in Article 1 hereof shall become effective as of the date hereof (the "Third Amendment Effective Date") when each of the following conditions is satisfied:

3.1 The Borrowers, the Lenders and the Administrative Agent shall have executed this Amendment and the Guarantors shall have executed the Consent and Agreement hereto.

3.2 The Administrative Agent shall have received, and be reasonably satisfied with, amendments to the Senior Note Purchase Documents and to the agreements governing any other Principal

Credit Facility requested by the Administrative Agent, in each case to close simultaneously with this Amendment and consistent with this Amendment, and otherwise in form and substance to the Administrative Agent.

3.3 The Administrative Agent shall have received and be reasonably satisfied with such other documents, and the Loan Parties shall have satisfied such other conditions, as disclosed on the closing list delivered to the Company prior to the date hereof, each satisfactory in form and substance to the Administrative Agent.

ARTICLE 4. MISCELLANEOUS.

4.1 References in the Credit Agreement or in any other Loan Document to the Credit Agreement shall be deemed to be references to the Credit Agreement as amended hereby and as further amended from time to time. This Amendment shall constitute a Loan Document.

4.2 Without limiting any amounts payable under the Loan Documents, the Loan Parties, jointly and severally, agree to pay all reasonable and documented out of pocket expenses, including the reasonable fees, charges and disbursements of counsel, of the Administrative Agent in connection with this Amendment and the transaction in connection herewith.

4.3 Except as expressly amended hereby, each of the Loan Parties agrees that the Credit Agreement and the other Loan Documents are ratified and confirmed, as amended hereby, and shall remain in full force and effect in accordance with their terms and that they are not aware of any set off, counterclaim, defense or other claim or dispute with respect to any of the foregoing. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. Nothing herein shall be deemed to entitle any Loan Party to any future consent to, or waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. The Loan Parties acknowledge and agree that, without limiting the terms of any Loan Documents, all Secured Obligations are unconditionally owing by the Loan Parties and their applicable Subsidiaries without setoff, recoupment, defense, or counterclaim, in law or in equity, of any kind or character, and all Secured Obligations are and will continue to be secured by valid, perfected, indefeasible Liens in, among other things, the Collateral, as applicable, and each of the Loan Parties reaffirms its obligations and duties under the Loan Documents and the Liens in the Collateral that it granted to Administrative Agent under the Loan Documents, as applicable, to secure the Secured Obligations.

4.4 Each Loan Party represents and warrants that it is not aware of any claims or causes of action against any Lender, the Administrative Agent or any of their respective affiliates, successors or assigns, it has not assigned any claim, set off, or defense with respect to the Secured Obligations, the Administrative Agent, any Lender, or the Loan Documents and that it has no defenses, offsets or counterclaims with respect to the Secured Obligations. Notwithstanding this representation and as further consideration for the agreements and understandings herein, each Loan Party, on behalf of itself and its employees, agents, executors, heirs, successors and assigns (the "Releasing Parties"), hereby releases each Lender, the Administrative Agent and their respective predecessors, officers, directors, employees, agents, attorneys, affiliates, subsidiaries, successors and assigns (the "Released Parties"), from any liability, claim, right or cause of action which now exists or hereafter arises as a result of acts, omissions or events occurring on or prior to the date hereof, whether known or unknown, arising from or in any way related to the Credit Agreement, the other Loan Documents, all transactions relating to the Credit Agreement or any of the other

Loan Documents or the business relationship among, or any other transactions or dealings among, the Releasing Parties or any of them and the Released Parties or any of them relating to the Credit Agreement or any of the other Loan Documents.

4.5 This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

4.6 Each party hereto hereby acknowledges and agrees that, among other provisions, the terms set forth in Sections 9.06(b), 9.09 and 9.10 of the Credit Agreement, as amended hereby, apply to this Amendment as if such sections were set forth in full herein.

4.7 This Amendment shall be governed by, and construed in accordance with, the laws of the State of Michigan.

4.8 Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

UFP INDUSTRIES, INC., f/k/a Universal Forest Products, Inc., as Company and a Borrower

By _____
Name: Michael R. Cole
Title: Chief Financial Officer

UFP CANADA, INC., as a Foreign Subsidiary Borrower

By _____
Name: Michael R. Cole
Title: Treasurer

UFP AUSTRALIA PTY LTD., as a Foreign Subsidiary Borrower

By _____
Name: Michael R. Cole
Title: Treasurer

JPMORGAN CHASE
BANK, N.A., as a Lender and
as Administrative Agent

By

Name: Jonathan Bennett
Title: Authorized Officer

SIGNATURE PAGE – THIRD AMENDMENT TO CREDIT AGREEMENT – UFP INDUSTRIES, INC.

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, TORONTO BRANCH, as the Applicable Lending Installation and Related Party designated by JPMorgan Chase Bank, N.A. for Loans to any Borrower in Canada or in Canadian Dollars

By _____
Name: Jeffrey Coleman
Title: Authorized Officer

WELLS FARGO BANK, N.A., as a Lender and as
Syndication Agent

By _____
Name:
Title:

SIGNATURE PAGE – THIRD AMENDMENT TO CREDIT AGREEMENT – UFP INDUSTRIES, INC.

PNC BANK, NATIONAL ASSOCIATION as a Lender
and as Documentation Agent

By _____
Name:
Title:

SIGNATURE PAGE – THIRD AMENDMENT TO CREDIT AGREEMENT – UFP INDUSTRIES, INC.

THE HUNTINGTON NATIONAL BANK

By _____

Name:

Title:

SIGNATURE PAGE – THIRD AMENDMENT TO CREDIT AGREEMENT – UFP INDUSTRIES, INC.

BANK OF AMERICA, N.A.

By _____

Name:

Title:

SIGNATURE PAGE – THIRD AMENDMENT TO CREDIT AGREEMENT – UFP INDUSTRIES, INC.

BANK OF AMERICA, N.A. (Canada branch) as the
Applicable Lending Institution and Related Party
designated by Bank of America, N.A. for Loans to any
Borrower in Canada or in Canadian Dollars

By _____
Name:
Title:

SIGNATURE PAGE – THIRD AMENDMENT TO CREDIT AGREEMENT – UFP INDUSTRIES, INC.

COBANK, FBC

By _____

Name:

Title:

SIGNATURE PAGE – THIRD AMENDMENT TO CREDIT AGREEMENT – UFP INDUSTRIES, INC.

GREENSTONE FARM CREDIT SERVICES

By _____

Name:

Title:

SIGNATURE PAGE – THIRD AMENDMENT TO CREDIT AGREEMENT – UFP INDUSTRIES, INC.

CONSENT AND AGREEMENT

As of the date and year first above written, each of the undersigned hereby:

(a) fully consents to the terms and provisions of the above Amendment and the consummation of the transactions contemplated thereby and agrees to be bound by the provisions applicable to it (including representations, warranties, and agreements, as applicable);

(b) agrees that each Loan Document to which it is a party is hereby ratified and confirmed and shall remain in full force and effect, and acknowledges that it has no setoff, counterclaim, defense or other claim or dispute with respect to any such Loan Document to which it is a party and each other Loan Document to which it is a party;

(c) acknowledges that its consent and agreement hereto is a condition to the Lenders obligations under the above Amendment and it is in its interest and to its financial benefit to execute this Consent and Agreement; and

(d) represents and warrants to the Administrative Agent and the Lenders that this Consent and Agreement is the legal, valid and binding obligation of it, enforceable against it in accordance with the terms hereof, it is not aware of any claims or causes of action against the Administrative Agent, the Lenders, or any of their affiliates, successors or assigns, and that it has no defense, offsets or counterclaims with respect to any of the Secured Obligations.

Guarantors:

By: _____

Name: Michael R. Cole

Title: Authorized Signer of each Guarantor
listed on Schedule 1, on behalf of each

Guarantor listed on Schedule 1

List of Guarantors

234 Springs Rd., LLC	<i>Atlantic, LLC, UFP Northeast, LLC, and UFP</i>
2875 Needmore Rd., LLC	<i>Southeast, LLC)</i>
621 Hall St., LLC	UFP Eatonton, LLC
Advantage Label and Packaging, Inc.	UFP Elizabeth City, LLC
Aljoma Holding Company, LLC	UFP Elkwood, LLC
Aljoma Lumber, Inc.	UFP Financial Services, Inc. <i>(f/k/a UFP National</i>
Caliper Building Systems, LLC	<i>Enterprises II, Inc.)</i>
Deckorators, Inc. <i>(f/k/a Universal Consumer</i>	UFP Folkston, LLC
<i>Products, Inc.; successor by merger with Maine</i>	UFP Framing, LLC
<i>Ornamental, LLC)</i>	UFP Franklinton, LLC
Eovations, LLC	UFP Gainesville, LLC
Idaho Western, Inc.	UFP Gear, LLC
idx Corporation <i>(successor by merger with Horizon</i>	UFP Gordon, LLC
<i>Terra, Incorporated, idX Chicago, LLC, idX Dallas,</i>	UFP Grand Rapids, LLC
<i>LLC, idX Dayton, LLC, idX Impressions, LLC, idX</i>	UFP Grandview, LLC
<i>Los Angeles, LLC</i>	UFP Granger, LLC
idx Holdings, Inc.	UFP Haleyville, LLC
Metaworld Technologies, LLC	UFP Hamilton, LLC
North Atlantic Framing, LLC	UFP Hampton Holding Company, LLC
PR Distribution, LLC	UFP Harrisonville, LLC
Shawnlee Construction LLC	UFP Hartford, LLC
Shepardville Construction, LLC	UFP Hillsboro, LLC
Store Fixtures Canada Holdings, Inc.	UFP Industrial, LLC
Tresstar, LLC	UFP International Employment Services, LLC
Triangle Systems, Inc.	UFP International, LLC
UFP Ashburn, LLC	UFP Janesville, LLC
UFP Auburndale, LLC	UFP Kyle, LLC
UFP Aurora, LLC	UFP Lafayette, LLC
UFP Barnesville, LLC	UFP Lansing, LLC
UFP Belchertown, LLC	UFP Magna, LLC
UFP Berlin, LLC	UFP McMinnville, LLC
UFP Biscoe, LLC	UFP Mexico Proyectos, LLC
UFP Blanchester, LLC	UFP Mid-Atlantic, LLC
UFP Bonner, LLC	UFP Milwaukee, LLC
UFP Caldwell, LLC	UFP Minneota, LLC
UFP Cameron, LLC	UFP Morristown, LLC
UFP Chandler, LLC	UFP Moultrie, LLC
UFP Chicago, LLC	UFP NAC, LLC
UFP Concrete Forming Solutions, Inc.	UFP Nappanee, LLC
UFP Construction, LLC	UFP New London, LLC
UFP Craft and Hobby, LLC	UFP New Waverly, LLC
UFP Dallas, LLC	UFP New Windsor, LLC
UFP Distribution, LLC	UFP New York, LLC
UFP Eagan, LLC	UFP Orlando, LLC
UFP Eastern Division, Inc. <i>(successor by merger to</i>	UFP Packaging, LLC
<i>UFP Atlantic, LLC, UFP East Central, LLC, UFP</i>	UFP Palm Beach, LLC
<i>Great Lakes, LLC, UFP Gulf, LLC, UFP North</i>	UFP Parker, LLC

UFP Purchasing, Inc.
UFP Ranson, LLC
UFP Real Estate, LLC
UFP Retail, LLC
UFP Riverside, LLC
UFP RMS, LLC (*f/k/a Universal Forest Products RMS, LLC*)
UFP Rockwell, LLC
UFP Saginaw, LLC
UFP Salisbury, LLC
UFP San Antonio, LLC
UFP Sauk Rapids, LLC
UFP Schertz, LLC
UFP Shawnee, LLC
UFP Stafford, LLC
UFP Stockertown, LLC
UFP Tampa, LLC
UFP Thomaston, LLC
UFP Thornton, LLC
UFP Transportation, Inc.
UFP Union City, LLC
UFP Ventures II, Inc.
UFP Warranty Corporation
UFP Warrens, LLC
UFP Washington, LLC
UFP Western Division, Inc. (*successor by merger to UFP Central Plains, LLC, UFP Far West, LLC, UFP Mountain West, LLC, and UFP Southwest, LLC*)
UFP White Bear Lake, LLC
UFP Windsor, LLC
UFP Woodburn, LLC
Ultra Aluminum Manufacturing, Inc.
United Lumber & Reman, LLC
Universal Forest Products Texas LLC
Upshur Forest Products, LLC
Yard & Home, LLC
Performance Formulation Solutions, LLC (*f/k/a Fire Retardant Chemical Technologies, LLC*)
UFP Londonderry, LLC
UFP Rockingham, LLC
UFP Site Built, LLC
PalletOne, Inc.
PalletOne of Maine, Inc.
PalletOne Energy LLC
PalletOne of Wisconsin, Inc.
PalletOne of Wisconsin Manufacturing, LLC
PalletOne of Indiana, Inc.
PalletOne of Indiana Transportation, LLC
PalletOne of North Carolina, Inc.
P1 Catawba Development Company LLC
PalletOne of Florida, Inc.

SunOne Logistics, LLC
PalletOne of Virginia, LLC
PalletOne of Alabama, LLC
Sunbelt Acquisition Corp.
Sunbelt Forest Products Corporation
Sunbelt Acquisition II Florida, LLC
Sunbelt Acquisition III Alabama, LLC
Sunbelt Forest Products Alabama, LLC
Sunbelt Forest Georgia LLC
PalletOne of Texas Holdings, Inc.
PalletOne Acquisition of Texas, Inc.
PalletOne of Texas, L.P.
PalletOne Manufacturing of Texas, LLC
PalletOne of NE Texas, LLC
PalletOne of Mobile, LLC
Dempsey Wood Products, LLC

UFP INDUSTRIES, INC.
DEFERRED COMPENSATION PLAN

Amended and Restated effective as of January 1, 2020

(Conformed to reflect 2021-1 Amendment and 2023-1 Amendment)

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**UFP INDUSTRIES, INC.
DEFERRED COMPENSATION PLAN**

**Article 1
Establishment and Purpose**

1.1 History of the Plan

UFP Industries, Inc. (the “*Company*”) established the UFP Industries, Inc. Deferred Compensation Plan (the “*Plan*”) as of December 27, 1995. Prior to April 22, 2020, the Company was known as Universal Forest Products, Inc., and prior to this restatement, the Plan was named the Universal Forest Products, Inc. Deferred Compensation Plan. The Plan has periodically been amended, and was most recently amended and restated effective June 1, 2011.

1.2 This Document

By this document, the Company is amending and restating the Plan effective as of January 1, 2020.

1.3 Purpose

The Company desires to retain the services of a select group of executives who contribute to the profitability and success of the Company. The Company maintains the Plan to provide the executives who participate in the Plan with the opportunity to defer a portion of their Compensation and have additional retirement income.

1.4 Status of Plan Under ERISA

The Plan is intended to be unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of ERISA. Accordingly, the Plan is not intended to be covered by Parts 2 through 4 of Subtitle B of Title I of ERISA. The existence of any Trust Fund is not intended to change this characterization of the Plan.

1.5 Compliance with Section 409A

To the extent the Plan provides deferred compensation under Section 409A of the Code, the Plan is intended to comply with Section 409A. The Plan is intended to be interpreted consistent with the requirements of Section 409A of the Code.

Article 2

Definitions

The following terms shall have the meanings described in this Article unless the context clearly indicates another meaning is intended. All references in the Plan to specific articles or sections shall refer to Articles or Sections of the Plan unless otherwise stated.

(a) “*Account*” means the bookkeeping record of the Participant’s benefits under the terms of the Plan.

(b) “*Administrative Committee*” means the administrative committee periodically appointed by the Board of Directors to assist the Plan Administrator with the day-to-day operation of the Plan as provided in Article 7.

(c) “*Base Salary*” means a Participant’s regular wage or salary and commissions from the Company, not including Bonuses or other types of irregular compensation. Base Salary excludes any amounts earned before a Participant’s election to make Elective Deferrals from such wage or salary.

(d) “*Beneficiary*” means a person designated under Section 5.5 to receive any amount payable under the Plan after the Participant’s death.

(e) “*Board*” means the governing body of UFP Industries, Inc.

(f) “*Bonus*” means a payment of cash compensation other than Base Salary to a Participant as a reward for exceptional performance during the prior calendar year that qualifies as performance-based compensation within the meaning of Treas. Reg. §1.409A-1(e).

(g) “*Change in Control*” means that one of the following events has occurred with regard to the Company, but only if such event meets the requirements of Treas. Reg. §1.409A-3(i)(5), or any successor provision:

(1) Sale of 40% or more of the material operating assets of the Company to a person or entity not affiliated with the Company prior to such sale;

(2) The acquisition of more than 30% of the common stock of the Company by a person, entity or group of people or entities acting as a group for voting or control purposes, who are not affiliated with the Company prior to such sale; or

(3) Replacement of a majority of the members of the Board during a 12-month period by directors whose appointment or election is not endorsed by a majority of the Board before the appointments or elections.

For purposes of the Plan, the Company is “affiliated with” another person or entity if that person or entity has an ownership interest in the Company.

(h) “*Code*” means the Internal Revenue Code of 1986, as amended.

(i) “*Company*” means UFP Industries, Inc. and its wholly owned subsidiaries and affiliates, except to the extent that any such subsidiary or affiliate maintains its own plan providing similar benefits or is expressly excluded from participation under the Plan. If a Change in Control occurs, “*Company*” also includes any successor employer.

(j) “*Compensation*” means the sum of the following:

(1) A Participant’s wages and other payments which are reported on IRS Form W-2. However, this amount shall be determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code).

(2) An Employee’s salary deferral contributions to a Code Section 401(k) plan.

(3) A Participant’s pay reduction contributions to a cafeteria plan under Section 125 of the Code.

(4) A Participant’s pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code.

(5) A Participant’s pay reduction contributions to a simplified employee pension plan under Section 402(h)(1)(B) of the Code.

(k) “*Determination Period*” means—

(1) with respect to an Employee who has a Separation from Service from the Company between January 1 and March 31, the second calendar year preceding the calendar year during which the Separation from Service occurred; and

(2) with respect to an Employee who has a Separation from Service from the Company between April 1 and December 31, the calendar year preceding the calendar year during which the Separation from Service occurred.

(l) “*Distributable Event*” means a “triggering” event for a distribution to a Participant. A Participant’s Distributable Events are described in Section 5.1.

(m) “*Elective Deferrals*” are the amounts that a Participant elects to defer from his or her Base Salary or Bonus to his or her Account pursuant to Section 4.2.

(n) “*Employee*” means a common-law employee of the Company. An individual who is treated by the Company as an independent contractor for tax purposes is not an Employee.

(o) “*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended.

(p) “*Key Employee*” means any Employee who at any time during the Determination Period was a “specified employee” within the meaning of Treas. Reg. §1.409A-1(i), or any successor provision, and may include:

(1) An officer of the Company or a Related Employer whose annual Compensation from the Company and all Related Employers is more than \$145,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2007);

(2) A person having more than a 5% ownership interest in the Company or a Related Employer; or

(3) A person having more than a 1% ownership interest in the Company or a Related Employer and whose annual Compensation from the Company and all Related Employers is more than \$150,000.

The Plan Administrator shall determine the Key Employee status of each Participant in accordance with Sections 409A and 416(i)(1) of the Code and the applicable regulations and guidance.

(q) “*Participant*” means an Employee or former Employee of the Company who has met the requirements for participation under Article 3, and who is or may become eligible to receive benefits from the Plan.

(r) “*Plan*” means the UFP Industries, Inc. Deferred Compensation Plan.

(s) “*Plan Administrator*” means the fiduciary responsible for the operation and administration of the Plan as provided in Article 7. UFP Industries, Inc. shall be the Plan Administrator.

(t) “*Plan Year*” means the 12-consecutive-month period beginning on January 1 and ending on the following December 31.

(u) “*Related Employer*” means:

(1) Any member of a controlled group of corporations in which the Company is a member, as defined in Section 414(b) of the Code, but substituting “at least 20%” for “at least 80%” each place it appears in Section 414(b) of the Code and the Treasury regulations issued thereunder; or

(2) Any other trade or business under common control of or with the Company, as defined in Section 414(c) of the Code, but substituting “at least 20%” for “at least 80%” each place it appears in Section 414(b) of the Code and the Treasury regulations issued thereunder.

(v) “*Separation from Service*” means a means a termination of employment that qualifies as a separation from service under Reg §1.409A-1(h). Generally, this occurs if the Employee is reasonably anticipated to have a substantial permanent reduction in the bona fide level of services provided to the Company and all Related Employers (whether provided as an employee or an independent contractor). The reduction shall be “substantial” only if the reduced bona fide level of services is less than 50% of the average bona fide level of services provided by the Employee to the Company and all Related Employers during the immediately preceding 36 months (or the Participant’s entire period of service, if less than 36 months).

(w) “*Substantial Cause*,” with respect to a Participant, means the Participant’s commission of any one or more of the following:

(1) willful misconduct, usurpation of business opportunity or gross negligence related to the Company;

(2) engagement in dishonesty, illegal conduct, or gross misconduct, which is, in each case, materially injurious to the Company;

(3) embezzlement, misappropriation, or fraud, whether or not related to the Participant’s employment with the Company; or

(4) conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent), if such felony is work-related or results in material reputational or financial harm to the Company.

For purposes of determining whether an action constitutes Substantial Cause, no act or failure to act on the part of a Participant shall be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant’s action or omission was in the best interests of the Company. Any act, or failure to act, based on authority given pursuant to a resolution duly adopted by the Board or on the advice of counsel for the Company shall be conclusively presumed to be done, or

omitted to be done, by the Participant in good faith and in the best interests of the Company.¹

(x) “*Total Disability*” of a Participant means the Participant meets any one of the following requirements, to the extent it qualifies as a disability within the meaning of Treas. Reg. §1.409A-3(i)(4), or any successor:

(1) unable to engage in any substantial gainful activity by reason of any medically determinable mental or physical impairment which can be expected to result in death or can be expected to last for a continuous period of at least 12 months;

(2) by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under a Company-sponsored disability plan;

(3) determined to be totally disabled by the certification of a physician or physicians selected by the Plan Administrator, unless the Plan Administrator determines that an examination is unnecessary; or

(4) determined to be totally disabled by the Social Security Administration.

(y) “*Trust Fund*” means any assets held in trust pursuant to Article 6.

(z) “*Trustee*” means the financial institution designated as trustee by the Company pursuant to Article 6.

(aa) “*UFP Stock*” means shares of UFP Industries, Inc. Common Stock.

Article 3 **Participation**

3.1 Eligibility for Participation

The Administrative Committee, with the approval of the Board, shall determine the Employees who are eligible to participate in the Plan. If the Administrative Committee selects an Employee to participate, the Employee will become a Participant on the effective date of

¹ Subsection (w) added by 2021-1 Amendment, effective June 1, 2021.

participation designated by the Administrative Committee, but only if the Employee signs a participation agreement agreeing to the terms of the Plan.

It is intended that participation be limited to Employees who will qualify as members of a “select group of management or other highly compensated employees” under Title I of ERISA. In general, the Employees who are eligible to participate are the officers, general managers of operations, operations managers, managing directors, regional sales managers, plant managers, Executive Account Managers, and past and present members of the President’s Club (as such group is now or hereafter named and constituted) of the Company as well as select corporate directors, purchasing managers and senior managers of the Company.

The Employee shall acknowledge in the participation agreement that he is an unsecured creditor of the Company with regard to any benefits under the Plan and waive any right to a priority claim with regard to the benefits. The Employee may also be required to complete other forms as a condition for participation.

3.2 Termination of Active Participation

The Administrative Committee may remove an Employee from further active participation in the Plan at any time. If this occurs, the Employee shall not have any additional amounts credited to his Account under Section 4.2, but amounts shall continue to be credited to a Participant’s Account under Section 4.3 until Participant’s Account is distributed pursuant to Article 5.

Article 4

Amounts Credited to Accounts

4.1 Participant Accounts

The Plan Administrator shall maintain an Account for each Participant to record the Participant’s benefits under the terms of the Plan. A Participant’s Account is for bookkeeping purposes only. The Company is not required to make contributions to the Trust Fund to fund the amounts credited to a Participant’s Account. A Participant’s Elective Deferrals shall be credited to his Account as soon as administratively feasible after the amounts otherwise would have been paid to the Participant.

4.2 Elective Deferrals

(a) **Form of Election.** An active participant may elect to defer compensation as provided in this Section. Deferral elections may be made only in writing, on a form provided or approved by the Administrative Committee. No deferral election will be effective unless received by the Administrative Committee before the end of the applicable election period. For the avoidance of doubt, any allowable election made “in writing” referenced in this Article 4, includes elections made electronically.

(b) Base Salary. Before the beginning of each calendar year, a Participant may make a written election to make Elective Deferrals equal to a specified dollar amount of the Participant's Base Salary earned during that calendar year. If an Employee initially becomes a Participant during a calendar year, the Employee may make an election within 30 days after the Employee becomes a Participant to make Elective Deferrals from any Base Salary earned after the election is made. If a Participant does not make a new election for a calendar year, no amount shall be deferred from the Participant's Base Salary for that calendar year. All Elective Deferrals of Base Salary shall be deducted in equal amounts from the Participant's last paycheck of each month until the Participant has deferred the maximum annual amount described in subsection (d) below or the maximum annual amount elected by the Participant. Except as provided in subsection (e) or (f), a Participant's election to make Elective Deferrals from Base Salary earned during a calendar year is irrevocable effective on the first date of the calendar year.

(c) Bonus. No later than June 30 of each calendar year, a Participant may make a written election to make Elective Deferrals equal to a specified percentage or dollar amount of the Participant's Bonus earned during that calendar year. If a Participant does not make a new election for a calendar year, no amount shall be deferred out of the Participant's Bonus for that calendar year. Except as provided in subsection (e) or (f), a Participant's election to make Elective Deferrals from Bonuses earned during a calendar year is irrevocable after June 30 of the calendar year.

(d) Limits on Elective Deferrals. A Participant may defer up to the following amounts otherwise payable to the Participant each calendar year:

(1) \$15,000 of Base Salary; and

(2) 50% of Bonuses not to exceed \$100,000 for executive officers, \$50,000 for other officers, \$25,000 for general managers of operations, operations managers, managing directors, regional sales managers and corporate directors, and \$10,000 for all other Participants.

The Plan Administrator may also periodically establish additional rules relating to a Participant's Elective Deferrals (for example, a minimum amount permitted).

(e) Suspension After Hardship Withdrawal from Plan. Despite any other provision, if a Participant receives a hardship withdrawal as a result of an unforeseeable emergency pursuant to Section 5.6, any Base Salary or Bonus deferral election previously made by the Participant shall be cancelled, until the Participant makes a new deferral election pursuant to this Section 4.2.

(f) In-Service Distributions. A Participant may irrevocably elect to receive an in-service distribution of the portion of any Bonus the Participant deferred during a

calendar year (but not Base Salary deferrals or investment earnings) if—

- (1) The election is made by the deadline for making a Bonus deferral election for a calendar year;
- (2) The election specifies a fixed payment date that is at least 12 months after the end of the calendar year during which the Bonus was deferred; and
- (3) The Participant remains employed by the Company or a Related Employer until the elected payment date.

If the Participant does not remain employed by the Company or a Related Employer under the elected payment date, the Participant's right to the portion of the Bonus for which the Participant elected to receive an in-service distribution shall be forfeited and cancelled. In the event the Participant is eligible to receive an in-service distribution pursuant to the terms of this subsection (f), the amount distributed will be the lesser of the amount of the Bonus the Participant elected to be paid as of the date it was deferred and the value of the Bonus on the date of distribution. To the extent a Participant's Bonus deferral for a year is treated as invested in UFP Stock, the Participant's Elective Deferrals from his or her Bonus will only be distributed in whole shares of UFP Stock, and any fractional shares shall not be distributed, but shall be retained in the Plan until the Participant's Separation from Service. Except as provided in subsection (e), a Participant's election to receive an in-service distribution pursuant to this subsection (f) is irrevocable effective after June 30 of the calendar year.

(g) Withholding of Payroll Taxes. Any payroll taxes the Company must withhold on a Participant's Base Salary or Bonus deferrals (including any amount that must be withheld because of the discount on UFP Stock provided to Participants whose deferrals are treated as invested in UFP Stock for the year) will be withheld from the portion of the Participant's Base Salary or Bonus that the Participant does not elect to defer before any amount is credited to the Participant's Account.

4.3 Hypothetical Investments

(a) A Participant may choose among different hypothetical investment funds made available by the Plan Administrator for purposes of determining hypothetical earnings, gains and losses credited to the Participant's Account. The earnings, gains and losses for a Participant shall be determined as if the portion of the Participant's Account which was deemed to be invested in the investment fund had actually been invested in the investment fund during the relevant time period. The Plan Administrator may add or remove hypothetical investment funds at any time. The Plan Administrator shall periodically establish administrative rules for a Participant to make and change his investment elections and rules regarding the crediting of Investment Results. Amounts

shall be credited to a Participant's Account under this Section until the Participant's Account is completely distributed.

(b) The Company shall be under no obligation to make investments that correspond to the Participant's investment elections, even though the Participant's elections are used to determine the Participant's Investment Results.

(c) If all or a portion of a Participant's Elective Deferrals for a calendar year are deemed to be invested in UFP Stock, the number of shares of UFP Stock credited to the Participant's Account shall be increased to reflect a fifteen percent (15%) discount to market, determined based on the closing market price of UFP Stock on the day the amount would have been paid to the Participant if he or she had not elected to defer it. The number of shares credited to the Participant's Account as a result of any deferral of Base Salary or Bonus shall equal:

$$\frac{(x \div .85)}{z}$$

where x equals the amount the Participant defers and z equals the closing market price of UFP Stock on the day the amount would have been paid to the Participant if he had not elected to defer it. Elective Deferrals that are treated as being invested in UFP Stock shall continue to be treated as invested in UFP Stock until the Elective Deferrals are distributed to the Participant.

4.4 Required Investments in UFP Stock

(a) A Participant's Elective Deferrals from Base Salary for any calendar year will be deemed to be invested in UFP Stock unless:

(1) If the Participant has less than five Years of Service with the Company as of the December 31 immediately preceding the first day of the calendar year, the Participant owns UFP Stock with a market value as of the preceding September 30 of at least one times the Participant's annualized box 1 W-2 compensation for the second calendar year preceding the calendar year for which the Elective Deferrals are being made;

(2) If the Participant has at least five but less ten Years of Service with the Company as of the December 31 immediately preceding the first day of the calendar year, the Participant owns UFP Stock with a market value as of the preceding September 30 of at least two times the Participant's annualized box 1 W-2 compensation for the second calendar year preceding the calendar year for which the Elective Deferrals are being made; or

(3) If the Participant has ten or more Years of Service with the Company as of the December 31 immediately preceding the first day of the calendar year, the Participant owns UFP Stock with a market value as of the preceding September 30 of at least three times the Participant's annualized box 1 W-2 compensation for the second calendar year preceding the calendar year for which the Elective Deferrals are being made.

For purposes of this subsection, if a Participant's box 1 W-2 compensation for any calendar year is for work performed for less than a 12-month period, the Participant's box 1 W-2 compensation for the calendar year shall be annualized by multiplying his box 1 W-2 compensation by 12 and dividing it by the number of full and partial months he worked during the year.

(b) If the applicable requirement detailed in subsection (a) above is met as of the December 31 of the preceding calendar year, the Participant may direct that his Elective Deferrals from Base Salary for the calendar year be credited with earnings or losses based on any investment option available under the Plan.

(c) A Participant's Elective Deferrals from Bonuses for a calendar year will be deemed to be invested in UFP Stock unless:

(1) If the Participant has less than five Years of Service with the Company as of the December 31 preceding the June 30 by which the election must be made, the Participant owns UFP Stock with a market value as of the preceding April 30 of at least one (1) times the Participant's annualized box 1 W-2 compensation for the calendar year preceding the calendar year for which the Elective Deferral from his Bonus is made.

(2) If the Participant has at least five but less than ten Years of Service with the Company as of the December 31 preceding the June 30 by which the election must be made, the Participant owns UFP Stock with a market value as of the preceding April 30 of at least two (2) times the Participant's annualized box 1 W-2 compensation for the calendar year preceding the calendar year for which the Elective Deferral from his Bonus is made; or

(3) If the Participant has ten or more Years of Service with the Company as of the December 31 preceding the date by which the election must be made, the Participant owns UFP Stock with a market value as of preceding April 30 of at least three (3) times the Participant's annualized box 1 W-2 compensation for the calendar year preceding the calendar year for which the Elective Deferral from his Bonus is made.

For purposes of this subsection, if a Participant's box 1 W-2 compensation for any calendar year is for work performed for less than a 12-month period, the Participant's box 1 W-2 compensation for the calendar year shall be annualized by multiplying his box 1 W-2 compensation by 12 and dividing it by the number of full and partial months he worked during the year.

(d) If the applicable requirement detailed in subsection (c) above is met as of the June 30 by which the Participant's Bonus deferral election must be made, the Participant may direct that his Elective Deferrals from his Bonus for the calendar year be credited with earnings or losses based on any investment option available under the Plan.

(e) For example, if a Participant who has completed three Years of Service with the Company as of December 31, 2019 defers \$10,000 of his Base Salary for 2020, his Elective Deferrals from his Base Salary will be invested in UFP Stock unless he owns UFP Stock with a market value as of September 30, 2019 equal to his 2018 compensation as reported in box 1 of his 2018 W-2 (assuming he worked for the Company for all of 2018). If the Participant elects to defer all or any portion of his 2020 Bonus that is payable in 2021, his Elective Deferrals from his Bonus will be invested in UFP Stock unless he owns UFP Stock with a market value as of April 30, 2020 equal to his 2019 compensation as reported in box 1 of his 2019 W-2 (assuming he worked for the Company for all of 2019).

4.5 Vesting

Except as provided in Sections 4.6 and 5.3, all amounts credited to a Participant's Account are always 100% vested.²

4.6 Forfeiture

If a Participant's employment is terminated by the Company in connection with Substantial Cause, or if the Company determines that Substantial Cause exists with respect to a Participant at any time prior to payment of the Participant's benefits from the Plan pursuant to Section 5.3, then the Participant's Account balance under the Plan shall be reduced by the lesser of (i) the amount of material harm or damages incurred by the Company as a result of the Substantial Cause, including but not limited to any costs related to investigation or prosecution of the Substantial Cause, all as determined in the sole discretion of the Administrative Committee, or (ii) the full balance of the Participant's Account at the time of the Substantial Cause.³

² Section 4.5 restated by 2021-1 Amendment, effective June 1, 2021.

³ Section 4.6 added by 2021-1 Amendment, effective June 1, 2021.

Article 5
Distribution of Benefits

5.1 Distributable Events

A Participant shall have a Distributable Event for purposes of the Plan on the date the first of the following events occurs:

- (a) The Participant has a Separation from Service;
 - (b) The Participant dies while employed by the Company;
 - (c) The Participant incurs a Total Disability while employed by the Company;
- or
- (d) A Change in Control occurs.

5.2 Amount of Benefits

A Participant's benefits under the Plan shall be equal to the amount credited to the Participant's Account on a date determined by the Company that is no more than one month prior to the date the amount is distributed to the Participant.

5.3 Time of Payment

(a) A Participant's benefits from the Plan triggered by the occurrence of a Distributable Event shall be paid in a single lump sum payment due at the following time:

(1) If the Distributable Event is the Participant's Separation from Service before age 55, benefits shall be paid on the first anniversary of the Separation from Service; and

(2) If the Distributable Event is the Participant's death, Total Disability, Separation from Service after age 55, or Change in Control, benefits shall be paid 60 days after the Participant's Distributable Event occurs.

(b) Notwithstanding subsection (a) above, if the Participant is a Key Employee and the Distributable Event is the Participant's Separation from Service, distribution shall be delayed until the six-month anniversary of the date of the Participant's Separation from Service, unless the Participant dies prior to the end of the six-month period.

(c) If, during the Participant's employment with the Company or the twelve-month period following his Separation from Service, the Participant violates any confidentiality agreement, intellectual property agreement or non-competition agreement with the Company or any Related Employer in effect while the Participant is employed by the Company or a Related Employer or at the time of the Separation from Service, the

Participant's Account shall be reduced to reflect the value that is the lesser of:

- (1) The actual Account value on the date of Separation from Service; or
- (2) The value the Account would have been on the date of Separation from Service if it had been credited with an earnings rate of 0% from the time the Elective Deferrals were initially credited to the Account and no discount had been available for deemed investments in UFP Stock.

5.4 Form of Payment

A Participant's benefits from the Plan shall be distributed in cash, except all amounts treated as invested in UFP Stock shall be distributed in the form of certificates for whole shares of UFP Stock and any fractional shares shall be withheld to cover taxes. In addition, no fractional shares shall be paid pursuant to any in-service distribution election made under Section 4.2(f).

5.5 Beneficiary Designations

"Beneficiary" means the beneficiary designated in writing by the Participant to receive benefits from the Plan in the event of the Participant's death. The Beneficiary shall be designated on a form provided by the Plan Administrator, and the Participant may change the Beneficiary designation at any time by signing and delivering a new form to the Plan Administrator. A beneficiary designation will become effective upon receipt by the Plan Administrator, but only if received before the Participant's death.

A trust may be designated as a Beneficiary. If this occurs, the Plan Administrator will determine the rights of any trustee designated as a Beneficiary without responsibility for determining the validity, existence or provisions of that trust, and will have no responsibility for the use of amounts paid to that trustee or for the discharge of the trust.

If a Participant designates the Participant's Spouse as Beneficiary and the Participant and Spouse are subsequently divorced, the judgment of divorce will be considered to revoke the prior Beneficiary designation of the Spouse.

The rules of this paragraph apply unless provided otherwise in a Participant's Beneficiary designation form. If a Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits will be payable to the secondary Beneficiary. If a Participant fails to designate a secondary Beneficiary, or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits will be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph.

If a Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are made, the share payable to the deceased Beneficiary will be paid to the deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant.

If a Participant fails to designate a Beneficiary, or if no designated Beneficiary survives a Participant, distribution will be made in equal shares to the members of the first of the classes listed below having a living member on the date the distribution is payable. The classes, in order of priority, are as follows:

- (1) The Participant's Spouse;
- (2) The Participant's children (natural, legally adopted or children placed for adoption) or their then-living issue, by right of representation; and
- (3) The Participant's estate, if the estate is under active administration. If the Participant's estate is not under active administration, the legal heirs of the Participant under the intestacy laws of the Participant's state of residence on the date of the Participant's death.

A Beneficiary is permitted to disclaim the Beneficiary's rights to a death benefit under the Plan to the extent permitted by applicable law. If this occurs, the Beneficiary will be treated as predeceasing the Participant for purposes of this Section.

The records of the Plan Administrator will be conclusive as to the proper payee and the amount payable. A distribution made based upon these facts will be treated as a complete discharge of all obligations under the Plan.⁴

5.6 Unforeseeable Emergency

If a Participant incurs an unforeseeable emergency within the meaning of Treasury Regulation §1.409A-3(i)(3)(i), the Committee may pay the Participant some or all of the remaining balance of the Award in a lump sum in lieu of following the payment timing set forth in Section 5.3. The Committee will evaluate requests for payment due to unforeseeable emergency under the facts and circumstances of the situation. The amount of any payment made on account of an unforeseeable emergency shall not exceed the amount reasonably necessary to satisfy the financial hardship, including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the payment, as determined by the Committee. No early payment will be made to extent that the financial hardship can be relieved (i) through reimbursement or compensation by insurance or otherwise or (ii) by liquidation of the Participant's assets without such liquidation itself causing a severe financial hardship.

5.7 Tax Withholding

Any applicable federal, state, or local taxes shall be withheld from the benefits paid to a Participant or the Participant's Beneficiary to the extent required by law or elected by the Participant or Beneficiary.

⁴ Section 5.5 restated by 2023-1 Amendment, effective January 1, 2024.

5.8 Prohibition on Assignment and Alienation

(a) The deferred compensation payments under the Plan are not subject to assignment or alienation in any manner, and are to be exempt, to the maximum extent permitted by law, from the claims of creditors. As used in this section, the words “assignment” and “alienation” include any sale, transfer, or other disposition; any anticipation, pledge, security agreement, or other method of securing payment or performance of an obligation; any garnishment, execution, attachment, levy, or other method of satisfying a creditor’s claims.

(b) The prohibition on assignment and alienation does not apply to qualified medical child support orders within the meaning of ERISA §609(a)(2)(A).

(c) The prohibition on assignment and alienation does not apply to claims of the Company or any Affiliate. When any amount becomes payable under the Plan, the Company may offset the amount otherwise payable by the amount of any outstanding debt, liability, or other obligation of the payee to the Company or any affiliate.

(d) The prohibition on assignment and alienation does not apply to tax withholding. No benefit or interest under the Plan is subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of a Participant or the Participant’s Beneficiary.

Article 6 **Funding**

6.1 No Trust or Other Fiduciary Relationship

The Plan does not create any trust or other fiduciary relationship of any kind with respect to the deferred compensation or any asset of the Company. The Company has complete legal and beneficial ownership of all assets attributable to deferred compensation. The right to deferred compensation under the Plan is merely an unsecured promise of the Company to pay the deferred compensation from the Company’s general assets. The Plan does not require the Company or the Committee to establish any fund or segregate any assets for the benefit of any Participant.

6.2 Establishment of Trust Fund

The Company may enter into a trust agreement with an unrelated financial institution, as Trustee, to establish a Trust Fund to accumulate reserve of assets for the payment of benefits under the Plan, but Participants will have no interest in any such reserve (or any other assets of the Company) other than their interests as creditors with unsecured claims for payment of deferred compensation according to the terms of the Plan. If a Trust Fund is established, the Company may, but is not required to, make contributions to the Trust Fund. However, if a Change in Control

occurs, the Company shall establish a Trust Fund and shall contribute to the Trust Fund an amount, if any, necessary so that the assets of the Trust Fund are sufficient to pay all amounts credited to Participants' Accounts.

Article 7

Administration

7.1 Plan Administrator

The Company shall have the sole responsibility for the administration of the Plan and is designated as named fiduciary and Plan Administrator. The Plan Administrator shall have the power and duties which are described in this Article. The Administrative Committee shall carry out the functions of the Plan Administrator with respect to the day-to-day operations of the Plan. If a member of the Administrative Committee is a Participant, the member shall abstain from voting on any matter relating to the member's benefits under the Plan.

The Administrative Committee may adopt such policies and procedures as it deems necessary, desirable, or appropriate. All policies, procedures, and decisions of the Administrative Committee will be uniformly applied to all Participants in similar circumstances. When making a determination or calculation, the Administrative Committee will be entitled to rely upon information furnished by a Participant, Beneficiary, or alternate payee, the Company, or the Company's legal counsel.

7.2 Powers of Plan Administrator

The Plan Administrator has discretionary authority over the administration of the Plan, including the discretionary authority to—

- (a) establish rules, procedures and forms for the administration of the Plan;
- (b) determine all claims for benefits and review all adverse determinations;
- (c) interpret and construe the Plan;
- (d) correct errors in the administration of the Plan, including the power to adjust payments;
- (e) employ attorneys, accountants and other professional advisors to give advice regarding the operation and administration of the Plan; and
- (f) delegate administrative duties to other persons.

The Plan Administrator's exercise of discretion under the Plan is absolute, need not be uniform among Participants, and may vary from one Participant to another.

7.3 Maintenance of Records

The Committee shall maintain records as necessary or appropriate to comply with the recordkeeping, reporting, and disclosure requirements of ERISA. The Committee shall also maintain records as necessary or appropriate to satisfy the recordkeeping requirements of the Code, including records sufficient to demonstrate compliance with the requirements Code §409A.

7.4 Appeal Procedure

Any Participant whose application for benefits under the Plan has been denied, in whole or in part, shall be given written notice of the denial of benefits by the Plan Administrator. The notice shall be in easily understood language and shall indicate the reasons for denial and the specific provisions of the Plan on which the denial is based. The notice shall explain that the Participant may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to approve the Participant's claim and explain why such information is necessary.

A Participant may make a written request to the Plan Administrator for a review of any denial of benefits under the Plan. The request for review must be in writing and must be made within 60 days after the mailing date of the notice of denial. The request shall refer to the provisions of the Plan on which it is based and shall set forth the facts relied upon as justifying a reversal or modification of the determination being appealed.

A Participant who requests a review of a denial of benefits in accordance with this appeal procedure may examine pertinent documents and submit pertinent issues and comments in writing. A Participant may have a duly authorized representative act on his behalf in exercising his right to request a review and any other rights granted by this appeal procedure. The Plan Administrator shall provide a review of the decision denying the claim for benefit within 60 days after receiving the written request for review (or 45 days, if the claim involves a determination of Disability).

A Participant shall not be permitted to commence any legal action against the Company regarding benefits under the Plan before exhausting the appeal procedure contained in this Section.

7.5 Indemnification of Administrative Committee

The Company shall indemnify and hold harmless the members of the Administrative Committee and their duly appointed agents against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan, except in the case of gross negligence or willful misconduct by any such member or agent of the Administrative Committee.

Article 8
Miscellaneous

8.1 No Employment Rights

The Plan does not create any right to employment or restrict the Company's right to terminate any Employee's employment.

8.2 Amendment

The Company may amend the Plan at any time, in the Company's discretion, with or without advance notice to Employees, Participants or Beneficiaries, but no amendment will be effective unless it is set forth in writing and signed by the Chairman of the Board, by the Chief Executive Officer, Corporate Secretary or by any other person specifically authorized by the Board or the bylaws of the Company. However, no amendment shall reduce the amount credited to a Participant's Account without the written consent of the affected Participant.

8.3 Termination

The Company may terminate the Plan at any time, in the Company's discretion, with or without advance notice to Employees, Participants or Beneficiaries. If the Plan is terminated, no additional amounts shall be credited to a Participant's Account under Section 4.2, but the Participant's Account shall be adjusted for the results of hypothetical investments under Section 4.3 until the Participant's benefits are distributed to the Participant.

The Participant shall be entitled to receive the amounts credited to his Account upon satisfying the requirements for payment of benefits under the Plan. However, the Company may pay the Participant the amount credited to the Participant's Account at any time after the Plan is terminated if the payment is permitted by Section 409A of the Code.

8.4 Severability

(a) The Plan will be administered so as to comply with Code §409A. If any provision of the Plan conflicts with any requirement of Code §409A, the requirement of Code §409A will control. For example, and without limiting the generality of the foregoing, a change in control event does not occur unless the event qualifies as a change in the ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets under Code §409A.

(b) If a court determines that any provision of the Plan is unenforceable, the court may modify the provision, if possible, so as to give effect to the Plan in a way that is consistent with the purpose of the Plan and the requirements of governing law. If such a modification is not possible, the court may sever the unenforceable provision and enforce the rest of the Plan in a way that is consistent with the purpose of the Plan and the

requirements of governing law.

(c) The Company or the Plan Administrator may apply any permissive provision of any applicable law or regulation unless the provision is contrary to the terms of the Plan.

8.5 Construction

Words used in the masculine shall apply to the feminine where applicable. Wherever the context of the Plan dictates, the plural shall be read as the singular and the singular as the plural.

8.6 Governing Law

The Plan is governed by the law of the State of Michigan, even if principles of Michigan law regarding conflict of laws or choice of law would otherwise require or permit a court to apply the law of another jurisdiction, except to the extent that Michigan law is preempted by the laws of the United States of America (including any common law developed by federal courts under the applicable laws of the United States).

Signature

The Company has signed the amended and restated UFP Industries, Inc. Deferred Compensation Plan effective as of January 1, 2020.

UFP INDUSTRIES, INC.

By _____

Its _____

UFP INDUSTRIES, INC.

EXECUTIVE STOCK GRANT PROGRAM

Second Amended and Restated Effective January 1, 2023

Prepared by:
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**UFP INDUSTRIES, INC.
EXECUTIVE STOCK GRANT PROGRAM**

Article 1

Establishment and Purpose

1.1 History of the Program

The Company established this Executive Stock Grant Program (the "Program") under Article 10 of the Company's Long Term Stock Incentive Plan, as amended and restated (the "Plan"). The Program became effective on January 1, 2009, was amended from time to time thereafter, was amended and restated effective as of January 1, 2020, and is further amended and restated as of January 1, 2023. Except as otherwise provided herein, the Program shall be administered in accordance and subject to the terms of the Plan, and the Shares subject to Awards under this Program shall be granted under the Plan.

1.2 Status of Program Under ERISA

The Program is intended to be "unfunded," terminable by the Company, and maintained "primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" for purposes of ERISA. Accordingly, the Program is not intended to be covered by Parts 2 through 4 of Subtitle B of Title I of ERISA.

1.3 Compliance with Section 409A

To the extent the Program provides deferred compensation under Section 409A of the Code, the Program is intended to comply with Section 409A. The Program is intended to be interpreted consistent with the requirements of Section 409A of the Code.

Article 2

Definitions

The following terms shall have the meanings described in this Article unless the context clearly indicates another meaning. All other defined terms shall have the meanings set forth in the Program.

2.1 Accounts

"Accounts" means the bookkeeping records of the Participants' benefits under the terms of the Program.

2.2 Administrator

"Administrator" means the fiduciary responsible for the operation and administration of the Program as provided in Article 7. The Company shall be the Administrator.

2.3 Beneficiary

“Beneficiary” means the beneficiary designated in writing by the Participant to receive benefits from the Program in the event of the Participant’s death. The Beneficiary shall be designated on a form provided by the Administrator, and the Participant may change the Beneficiary designation at any time by signing and delivering a new form to the Administrator. A beneficiary designation will become effective upon receipt by the Administrator, but only if received before the Participant’s death.

A trust may be designated as a Beneficiary. If this occurs, the Administrator will determine the rights of any trustee designated as a Beneficiary without responsibility for determining the validity, existence or provisions of that trust, and will have no responsibility for the use of amounts paid to that trustee or for the discharge of the trust.

If a Participant designates the Participant’s spouse as Beneficiary and the Participant and spouse are subsequently divorced, the judgment of divorce will be considered to revoke the prior Beneficiary designation of the spouse.

The rules of this Section 2.3 apply unless provided otherwise in a Participant’s Beneficiary designation form. If a Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits will be payable to the secondary Beneficiary. If a Participant fails to designate a secondary Beneficiary, or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits will be payable to the deceased primary Beneficiary’s heirs in the manner described below. If a Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are made, the Shares payable to the deceased Beneficiary will be paid to the deceased Beneficiary’s heirs in the manner described below as if the Beneficiary was the Participant.

If a Participant fails to designate a Beneficiary, or if no designated Beneficiary survives a Participant, distribution will be made in equal shares to the members of the first of the classes listed below having a living member on the date the distribution is payable. The classes, in order of priority, are as follows:

- (1) The Participant’s spouse;
- (2) The Participant’s children (natural, legally adopted or children placed for adoption) or their then-living issue, by right of representation; and
- (3) The Participant’s estate, if the estate is under active administration. If the Participant’s estate is not under active administration, the legal heirs of the Participant under the intestacy laws of the Participant’s state of residence on the date of the Participant’s death.

A Beneficiary is permitted to disclaim the Beneficiary's rights to a death benefit under the Program to the extent permitted by applicable law. If this occurs, the Beneficiary will be treated as predeceasing the Participant for purposes of this Section.

The records of the Administrator will be conclusive as to the proper payee and the amount payable. A distribution made based upon these facts will be treated as a complete discharge of all obligations under the Program.

2.4 Change in Control

"Change in Control" means any of the following but only to the extent that such events meet the requirements of Treas. Reg. §1.409A-3(i)(5), or any successor provisions:

(a) The sale of 40% or more of the material operating assets of the Company to a person or entity not affiliated with the Company prior to such sale;

(b) The acquisition of stock of the Company possessing more than 30% of the total voting power of the stock of the Company, by a person, entity or group of people or entities acting as a group for voting or control purposes; or

(c) The replacement of a majority of the members of the Board during a twelve (12) consecutive month period by persons whose appointment or election was not endorsed by a majority of the Board immediately prior to such appointments or elections.

2.5 Closing Price

"Closing Price" shall mean the Nasdaq Official Close Price as reported on the NASDAQ Exchange.

2.6 Committee

"Committee" shall mean the Committee of the Board of Directors of the Company designated in the Plan to administer such Plan, as such term is defined in the Plan.

2.7 Company

"Company" means UFP Industries, Inc.

2.8 Deferred Compensation Plan

"Deferred Compensation Plan" means the UFP Industries, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2020 and as may be amended.

2.9 Determination Period

"Determination Period" means with respect to a Participant who has a Separation from Service between January 1 and March 31, the second Year preceding the Year during which the Separation from Service occurred. If the Participant has a Separation from Service between April 1 and December 31, the Determination Period is the preceding Plan Year.

2.10 Distributable Event

"Distributable Event" means the earliest of the following to occur with respect to a Participant:

- (a) The Participant has a Separation from Service;
- (b) The Participant dies while employed by the Company;
- (c) The Participant incurs a Total Disability; or
- (d) A Change in Control occurs.

2.11 Employee

"Employee" means a common-law employee of the Company or a Subsidiary. An individual who is treated as an independent contractor by the Company or Subsidiary is not an Employee.

2.12 ERISA

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.13 Gross Misconduct

"Gross Misconduct" means one or more of the following:

- (a) Embezzlement or theft from the Company or any Subsidiary;
- (b) An unauthorized disclosure of the trade secrets or other proprietary information of the Company or a Subsidiary; or
- (c) A breach of the duty of loyalty described in Section 5.3.

The definition of "Gross Misconduct" is relevant only for purposes of the forfeiture provisions in Section 5.2 and does not change the status of a Participant as an "employee at will."

2.14 Key Employee

"Key Employee" means any employee of the Company or a Subsidiary who at any time during the Determination Period was a "specified employee" within the meaning of Treas. Reg. §1.409A-1(i), or any successor provision, and may include.

- (a) An officer of the Company or a Subsidiary whose annual compensation from the Company and any Subsidiary is more than \$150,000 (as adjusted under Section 416(i)(1) of the Code for Years beginning after December 31, 2008);

(b) A person having more than a 5% ownership interest in the Company or a Subsidiary; or

(c) A person having more than a 1% ownership interest in the Company or a Subsidiary, and whose annual Compensation from the Company and all Subsidiaries is more than \$150,000.

The determination of who is a Key Employee shall be made in accordance with Sections 409A and 416(i)(1) of the Code and the applicable regulations and guidance.

2.15 Participant

"Participant" means an Employee or former Employee of the Company or a Subsidiary who has met the requirements for participation under the terms of Article 3 of this Program and who is or may become eligible to receive benefits under this Program.

2.16 Participant Shares

"Participant Shares" means the Shares awarded to a Participant pursuant to Sections 4.2 and 4.3 and credited to the Participant's Account pursuant to 4.1, to the extent vested or unvested. Such term shall collectively refer to Unvested Participant Shares and Vested Participant Shares.

2.17 Separation from Service

"Separation from Service" means a "separation from service" under Section 409A of the Code. Generally, this occurs if a Participant is reasonably anticipated to have a substantial permanent reduction in the bona fide level of services provided to the Company and all Subsidiaries (whether provided as an employee or an independent contractor). The reduction shall be "substantial" only if the reduced bona fide level of services is less than 50% of the average bona fide level of services provided by Participant to the Company and all Subsidiaries during the immediately preceding 36 months (or the Participant's entire period of service, if less than 36 months). A member of the Board shall be treated as having a Separation from Service as of the date that he or she is no longer a member of the Board.

2.18 Shares

"Shares" means shares of the common stock of the Company.

2.19 Subsidiary

"Subsidiary" means any corporation, limited liability company, partnership or other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

2.20 Total Disability

"Total Disability" means the Participant meets one of the following requirements, to the extent it qualifies as a Disability within the meaning of Treas. Reg. §1.409A-3(i)(4):

(a) The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable mental or physical impairment which can be expected to result in death or can be expected to last for a continuous period of at least 12 months; or

(b) The Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under a Company-sponsored disability plan.

The existence of a Total Disability shall be established by the certification of a physician or physicians selected by the Administrator, unless the Administrator determines that an examination is unnecessary. Alternatively, a Participant shall be considered to have a Total Disability if the Participant is determined to be disabled by the Social Security Administration.

2.21 Trust Agreement

"Trust Agreement" means the trust agreement used to establish the Trust Fund.

2.22 Trust Fund

"Trust Fund" means the assets held under the Trust Agreement in a trust, if one is established, that conforms with the model rabbi trust found in Internal Revenue Procedure 92-64, and meets the requirements of Code Section 409A, and is a grantor trust, of which the Company is the grantor, within the meaning of Subpart E, Part I, Subchapter J, Chapter 1, Subtitle A of the Code.

2.23 Unvested Participant Shares

"Unvested Participant Shares" means all or a portion of the Participant Shares credited to a Participant's Account pursuant to Article 4 to the extent that they are not Vested Participant Shares.

2.24 Vested Participant Shares

"Vested Participant Shares" means all or a portion of the Participant Shares credited to a Participant's Account pursuant to Section 4 that have become vested and met the applicable vesting requirements set forth in Section 4.4 of this Program.

2.25 Year

"Year" means the 12-consecutive-month period beginning on January 1 and ending on December 31.

Article 3

Participation

3.1 Eligibility for Participation

Employees of the Company or a Subsidiary that (a) participate in the Deferred Compensation Plan, (b) elect to have all or a portion of his or her Elective Deferral to be deemed to be invested in Shares, and (c) who qualify as members of a "select group of management or other highly compensated employees" under Title I of ERISA shall automatically become a Participant in the Program.

3.2 Termination of Active Participation

The Committee may remove an Employee from further active participation in the Program. If a Participant experiences a Separation from Service or otherwise ceases to be actively employed by the Company, the Participant shall not have any additional amounts credited to his or her Account under Section 4.2; however, credits of Participant Shares to a Participant's Account may continue as applicable pursuant to Section 4.3 until the balance of Participant's Account and the Participant Shares credited thereunder are distributed or forfeited.

Article 4

Amounts Credited to Accounts

4.1 Participants' Accounts

The Administrator shall maintain an Account for each Participant to record the Participant's benefits under the terms of the Program. Participant Shares shall be credited and allocated to a Participant's Account as provided in this Article 4.

4.2 Amounts Credited to Participant Accounts

(a) Each Participant shall be credited with Unvested Participant Shares equal to \$0.85 for every \$1.00 of Base Salary and/or Bonus (each as defined in the Deferred Compensation Plan) which the Participant defers under the Deferred Compensation Plan for the prior Year and which is deemed to be invested in Shares under the terms and conditions of the Deferred Compensation Plan. Notwithstanding the foregoing, in no event shall the aggregate

Elective Deferrals (as defined in the Deferred Compensation Plan) to be considered in the calculation of the total number of Unvested Participant Shares granted to Participant under this Section 4.2 exceed the limits set forth in attached Appendix A.

(b) A Participant will be credited with a number of Unvested Participant Shares equal to eighty-five percent (85%) of (i) the amount of deferred Base Salary, divided by the Closing Price on the date the Base Salary would have otherwise been paid to Participant, and (ii) the amount of the Bonus, divided by the Closing Price on the date the Bonus would have otherwise been paid to Participant.

4.3 Amounts Credited for Company Dividends

If the Company pays a dividend on its Shares, a Participant's Account shall be credited with additional Shares, with respect to both Unvested Participant Shares and Vested Participant Shares credited to a Participant's Account as of the Credit Date as of the end of the immediately preceding Year, in an amount equal to the number of Participant Shares credited the Participant's Account as of the Credit Date, multiplied by a fraction, the numerator of which equals the per Share cash dividend and the denominator of which equals the Closing Price on the date the dividend is paid. The Credit Date means the date, each Year, that all Participant Shares are allocated to a Participant's Account as a result of Elective Deferrals under the Deferred Compensation Plan for the immediately preceding Year.

4.4 Vesting and Forfeiture

(a) **Vesting and Forfeiture**. Each Participant's Unvested Participant Shares credited to that Participant's Account pursuant to Sections 4.2 and 4.3 shall vest and become Vested Participant Shares as provided in this Section 4.4.

(1) **General Rule**. Unvested Participant Shares credited to a Participant's Account under Section 4.2 shall vest, in full, and become Vested Participant Shares separately on the fifth anniversary of the Credit Date, provided that the Participant remains employed by the Company or a Subsidiary on such applicable fifth anniversary. A separate subaccount shall be maintained for each credit of Shares to a Participant. Participant Shares credited to a Participant under Section 4.3 shall vest in accordance with the manner in which the Participant Shares are allocated as Unvested Participant Shares and Vested Participant Shares.

(2) **Age 60, Death, Disability or Change in Control**. Subject to Section 5.2 below, Unvested Participant Shares credited to a Participant's Account shall vest in full, and become Vested Participant Shares, in the event that the Participant attains age 60, dies, incurs a Total Disability or a Change in Control occurs, while the Participant is employed by the Company or a Subsidiary.

(3) **Forfeiture**. If a Participant has a Separation from Service prior to the date of the events set forth in Section 4.4(a)(2), all Unvested Participant Shares shall be forfeited immediately. The Participant shall not be entitled to any payment or other economic benefit with respect to such forfeited Unvested Participant Shares pursuant to the terms of this

Program. The Participant's forfeiture shall not be reallocated to the Accounts of other Participants, but shall reduce the Company's liability under the Program.

4.5 Voting Rights with Respect to Participant Shares

Participants shall have no voting rights with respect to Participant Shares allocated to their Accounts unless and until such Participant Shares are distributed to such Participant or Beneficiary pursuant to the terms of this Program. Participants and Beneficiaries are not shareholders of the Company or any Subsidiary by virtue of the Participant Shares credited to their Accounts and have no equity ownership interest in the Company or any Subsidiary by virtue of this Program, unless and until such Participant Shares are distributed to such Participant or Beneficiary pursuant to the terms of this Program.

Article 5

Distribution of Benefits

5.1 Hardship Withdrawals

A Participant who has an unforeseeable financial emergency may receive payment while employed by the Company or a Subsidiary of all or part of the vested amount credited to the Participant's Account. A Participant may only withdraw the amount reasonably needed to satisfy the financial emergency need, including taxes reasonably anticipated to result from the distribution.

For purposes of this Section 5.1, an unforeseeable financial emergency is a severe financial hardship of the Participant resulting from: a sudden and unexpected illness or accident of the Participant or a dependent of the Participant; loss of the Participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, to the extent such event qualifies under Treas. Reg. §1.409A-3(i)(3) or any successor provisions. But the Participant will not be considered to have an unforeseeable emergency if the hardship is or may be relieved:

- (a) Through reimbursement or compensation by insurance or otherwise;
- or
- (b) By liquidation of the Participant's assets, to the extent the liquidation of such assets would itself not cause severe financial hardship.

The need to send a Participant's child to college or the desire to purchase a home are not unforeseeable emergencies for purposes of this Section 5.1.

The Administrator may periodically establish administrative rules regarding withdrawals under this Section 5.1. Any hardship withdrawals made by a Participant shall reduce the number of Participant Shares credited to Participant's Account and correspondingly the amount distributable to the Participant under this Article 5.

5.2 Forfeiture of Vested Benefits

Notwithstanding anything else herein to the contrary, the Participant shall forfeit all Participant Shares, including Vested Participant Shares and Unvested Participant Shares, credited to his or her Account if:

- (a) The Participant has a voluntary or involuntary Separation from Service after the Participant commits Gross Misconduct.
- (b) The Participant fails to comply with the duty of loyalty described in Section 5.3.

The amount of any forfeitures under this Section 5.2 shall reduce the Company's liability under this Program and shall not be reallocated to the Accounts of other Participants.

5.3 Duty of Loyalty

Each Participant has a duty of loyalty to the Company and its Subsidiaries. While the Participant is employed by the Company or a Subsidiary, this duty includes the following:

- (a) The Participant shall use the Participant's best efforts in performing any job duties assigned to the Participant.
- (b) The Participant shall not have an ownership interest in any other entity if that ownership interest detracts from the Participant's job duties for the Company or a Subsidiary, or is inconsistent with the best interests of the Company or a Subsidiary.
- (c) The Participant shall not provide services to any other entity if those services detract from the Participant's job duties for the Company or is in any way inconsistent with the best interests of the Company or a Subsidiary.
- (d) The Participant shall not take advantage of any business opportunities for the Participant's individual benefit if the business opportunity should have been provided to the Company or a Subsidiary.

If the Company notifies a Participant that the Participant is in violation of the duty of loyalty described in this Section 5.3, the Participant shall have ten days to cure any violation as required by the Company or forfeit all rights to subsequent benefits from the Program. If the Participant cures a violation of the duty of loyalty, but then violates the duty of loyalty a second time, the Participant shall immediately forfeit all rights to subsequent benefits from the Program without being given the right to cure the violation.

The determination of whether a Participant has violated the duty of loyalty described in this Section 5.3 shall be made by the Administrator in its sole discretion.

5.4 Payment Timing & Terms

All Vested Participant Shares credited to a Participant's Account shall be distributed to a Participant or the Participant's Beneficiary, as applicable, in a single lump sum payable in the form of certificates for whole Shares of the Company (except for fractional Shares which shall be paid in cash or withheld to cover taxes) at the first of the following to occur:

(a) If a Distributable Event occurs as a result of the Participant's Total Disability or Separation from Service, the Vested Participant Shares shall be paid not later than 90 days after the Distributable Event.

(b) If the Participant has a Distributable Event because of a Change in Control, the Participant Shares shall be paid on the date of the Change in Control.

(c) If a Participant has a Distributable Event because of the Participant's death, the Vested Participant Shares shall be paid to the Participant's Beneficiary on the date that is 90 days after the Participant's death.

(d) Notwithstanding anything else to the contrary including the provisions of this Section 5.4, payment to a Key Employee as a result of a Separation from Service will be delayed until the six-month anniversary of the date the Key Employee has a Separation from Service or the date of the Key Employee's death, if earlier.

5.5 Spendthrift Provision

No benefit or interest under the Program is subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of a Participant or the Participant's Beneficiary, and are exempt, to the maximum extent permitted by law, from the claims of creditors. Any attempt by a Participant or Beneficiary to assign or alienate the benefits issued pursuant to the terms of this Program shall cause all of such benefits to be immediately forfeited and neither Participant nor Beneficiary shall be entitled to any payment or other economic benefit with respect to the forfeited Incentive Benefit or otherwise under the terms of the Program. As used in this section, the words assignment and alienation include any sale, transfer, or other disposition; any anticipation, pledge, security agreement, or other method of securing payment or performance of an obligation; any garnishment, execution, attachment, levy, or other method of satisfying creditors' claims. Notwithstanding the foregoing, the prohibition on assignment and alienation shall not restrict the Company or any Subsidiary's obligation to engage in tax withholding.

Article 6

Funding

6.1 Establishment of Trust Fund

The Company may enter into a Trust Agreement to establish a Trust Fund and shall contribute Shares to the Trust Fund as such Shares are granted to Participants. Any Shares

forfeited by Participants may be retained in the Trust and used to reduce future contributions to be made by the Company.

6.2 Status as Grantor Trust

The Trust Fund shall be a grantor trust. The Trust Agreement shall provide that the assets of the Trust Fund are subject to the claims of the Company's general creditors if the Company becomes insolvent. In addition, neither this Program nor the establishment of a Trust Fund shall create any trust or other fiduciary relationship of any kind with respect to the deferred compensation or any asset of the Company. The Company has complete legal and beneficial ownership of all assets in the Trust Fund and Participant Accounts until distributed pursuant to the terms of this Program. The right to benefits under the Program is merely an unsecured promise of the Company to pay the deferred compensation from the Company's general assets. The Program does not require the Company or the Committee to establish any fund or segregate any assets for the benefit of any Participant.

6.3 Status of Participants as Unsecured Creditors

The obligation of the Company to pay benefits under the Plan shall be unsecured. Each Participant is an unsecured creditor of the Company. The Plan constitutes a mere promise by the Company to make benefit payments in the future.

The establishment of an Account for a Participant and the Company's payment of contributions to the Trust Fund are not intended to create any security for payment of benefits under the Plan or change the status of the Plan as an unfunded plan.

Article 7

Administration

7.1 Administrator

The Company shall have the sole responsibility for the administration of the Plan and is designated as named fiduciary and Administrator. The Administrator shall have the power and duties which are described in this Article. The Committee shall carry out the functions of the Administrator with respect to the day-to-day operation of the Program. If a member of the Committee is a Participant, the member shall abstain from voting on any matter relating to the member's benefits under the Program.

7.2 Powers of Administrator

The Administrator shall have all discretionary powers necessary to administer and satisfy its obligations under the Program, including, but not limited to, the following:

- (a) Maintain records pertaining to the Program.
- (b) Interpret the terms and provisions of the Program.

(c) Establish procedures by which Participants may apply for benefits under the Program and appeal a denial of benefits.

(d) Determine the rights under the Program of any Participant applying for or receiving benefits.

(e) Administer the appeal procedure provided in this Article.

(f) Perform all acts necessary to meet the reporting and disclosure obligations imposed by applicable law.

(g) Delegate specific responsibilities for the operation and administration of the Program to such employees of the Company or agents as it deems advisable and necessary.

(h) Issue reports to Participants no less than once per year.

7.3 Standard of Care

The Administrator shall administer the Program solely in the interest of Participants and for the exclusive purposes of providing benefits to the Participants and their Beneficiaries. The Administrator shall administer the Program with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

The Administrator shall not be liable for any act or omission relating to its duties under the Program unless the act or omission violates the standard of care described in this Section 7.3.

7.4 Appeal Procedure

Any Participant whose application for benefits under the Program has been denied, in whole or in part, shall be given written notice of the denial of benefits by the Administrator. The notice shall be in easily understood language and shall indicate the reasons for denial and the specific provisions of the Program on which the denial is based. The notice shall explain that the Participant may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to approve the Participant's claim and explain why such information is necessary.

A Participant may make a written request to the Committee for a review of any denial of benefits under the Program. The request for review must be in writing and must be made within 60 days after the mailing date of the notice of denial. The request shall refer to the provisions of the Program or Plan on which it is based and shall set forth the facts relied upon as justifying a reversal or modification of the determination being appealed.

A Participant who requests a review of a denial of benefits in accordance with this appeal procedure may examine pertinent documents and submit pertinent issues and comments in writing. A Participant may have a duly authorized representative act on his or her behalf in

exercising his or her right to request a review and any other rights granted by this appeal procedure. The Committee shall provide a review of the decision denying the claim for benefit within 60 days after receiving the written request for review.

A Participant shall not be permitted to commence any legal action against the Company regarding his or her benefits under the Plan before exhausting the appeal procedure contained in this Section 7.4.

7.5 Indemnification of Committee

The Company shall indemnify and hold harmless the members of the Committee and their duly appointed agents against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Program, except in the case of gross negligence or willful misconduct by any such member or agent of the Committee.

Article 8

Miscellaneous

8.1 Employment Rights

The existence of the Plan and the Program shall not grant a Participant any legal right to continue as an employee of the Company or any Subsidiary nor affect the right of the Company or a Subsidiary to discharge a Participant from employment.

8.2 Tax Withholding

(a) Any applicable federal, state, or local taxes shall be withheld from the benefits paid to a Participant or the Participant's Beneficiary to the extent required by law or elected by the Participant or Beneficiary.

(b) Neither the Company nor any Subsidiary makes any representations with respect to the tax treatment of the Shares subject to the terms of the Program and Plan. Each Participant is advised to review with the Participant's own tax advisors the federal, state, local, and foreign tax consequences of this Program, and the benefits hereunder.

8.3 409A Savings Clause & Severability

(a) The Program will be administered so as to comply with Code §409A. If any provision of the Program or Plan term conflicts with any requirement of Code §409A, the requirement of Code §409A will control. For example, and without limiting the generality of the foregoing, a change in control event does not occur unless the event qualifies as a change in the ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets under Code §409A.

(b) If a court determines that any provision of the Program is unenforceable, the court may modify the provision, if possible, so as to give effect to the Program in a way that is consistent with the purpose of the Plan and the requirements of governing law. If

such a modification is not possible, the court may sever the unenforceable provision and enforce the rest of the Plan in a way that is consistent with the purpose of the Program and the requirements of governing law.

(c) The Company or the Administrator may apply any permissive provision of any applicable law or regulation unless the provision is contrary to the terms of the Program.

8.4 Construction

(a) Words used in the masculine shall apply to the feminine where applicable.

(b) Wherever the context of the Program dictates, the plural shall be read as the singular and the singular as the plural.

8.5 Facility of Payment.

(a) The Administrator will make reasonable efforts to locate a Participant or Beneficiary who is entitled to payment pursuant to the terms of the Program. If after a reasonable effort the Administrator cannot locate a person who is entitled to payment, the payment will be forfeited. The Administrator may rely on affidavits or other information that the Administrator believes to be reliable even though not otherwise admissible as evidence in a legal proceeding.

(b) The Administrator is not required to commence probate proceedings, seek the appointment of a legal representative, or make payments to a legal representative. In the event an amount is payable to a Participant pursuant to the terms of this Program but in the event a Participant dies prior to such payment having been made, the payment shall be made to the Participant's Beneficiary, and such payment is conclusive and binding on all persons, and will fully discharge the Company, any Affiliates, and the Administrator from all liability with respect to the payment pursuant to the terms of the Program or Plan.

(c) If a person appears to be mentally, physically, or legally incapable of receiving or acknowledging receipt of distribution payments, the Administrator may authorize payments to a person with a valid power of attorney, to a court-appointed guardian or conservator, or to any other person authorized under state law to receive the benefit.

(d) If a person entitled to receive benefits is a minor and the value of the benefit exceeds \$5,000, the Administrator may delay payment of the benefit until the minor has attained the age of majority or pay the benefit to a person who has been named by a court of competent jurisdiction as fiduciary for the minor.

(e) If the Administrator cannot determine, from affidavits or other information the Administrator believes to be reliable, whether the Participant's Beneficiary survived the Participant, the Beneficiary will be deemed not to have survived the Participant.

(f) The Administrator's actions regarding payment, if taken in good faith, are conclusive and binding on all persons, and payment will fully discharge the Company, any Affiliates, and the Administrator from all liability with respect to the payment.

8.6 Amendment

The Company shall have the right to amend the Program at any time; however, no amendment or termination shall reduce the number of Participant Shares credited to a Participant's Accounts.

8.7 Termination

The Company shall have the right to terminate the Program at any time. If the Program is terminated, no additional amounts shall be credited to a Participant's Account under Section 4.2; however, the Participant's Account shall continue to be adjusted for dividends under Section 4.3 until the Participant's benefits are distributed to the Participant as his or her Beneficiary. The Participant shall be entitled to receive the amounts credited to his or her Account upon satisfying the requirements for payment of benefits under the Program, unless the Company elects to make payment at an earlier time in accordance with the requirements of Section 409A of the Code.

Signature

The Company has amended and restated the UFP Industries, Inc. Executive Stock Grant Program effective as of the 1st day of January, 2023.

UFP INDUSTRIES, INC.

By _____

Its _____

21810878

APPENDIX A

Deferred Compensation Plan			Exec Stock Grant Plan
Eligible Participants per the Plan Document	<i>Other job titles included in the eligibility category</i>	Maximum Bonus Deferral – (up to 50% of bonus not to exceed amounts below)	Max Deferral for Annual Grant Calculation pursuant to Section 4.2
CEO of UFP Industries		\$100,000	\$105,000
President, COO of UFP Industries		\$100,000	\$105,000
Segment Leads and Executive Officers		\$100,000	\$55,000
Officers		\$50,000	\$40,000
Managing Directors		\$25,000	\$30,000
GMO	<i>Regional GMO</i>	\$25,000	\$30,000
Regional Sales Managers		\$25,000	\$30,000
Operations Managers		\$25,000	\$15,000
Plant Managers		\$10,000	N/A
Exec Account Managers		\$10,000	\$15,000
CEO Club Members (Current & Former)	<i>Former President's Club Members</i>	\$10,000	\$15,000
Corporate Directors Segment Directors Business Unit Directors	<i>Segment Controllers, Chief Pilot, certain National Sales Directors and other Directors</i>	\$25,000	\$30,000
Corporate Senior Managers		\$25,000	N/A
Purchasing Managers		\$10,000	\$15,000
Transportation Managers		\$10,000	\$15,000
Regional and Divisional Senior/Executive Managers	<i>Regional Safety Directors</i>	\$10,000	N/A

**SECOND RESTATEMENT OF THE
UFP INDUSTRIES, INC. DIRECTOR COMPENSATION PLAN**

1. ESTABLISHMENT. UFP Industries, Inc. (the "Company") established the Universal Forest Products, Inc. Director Compensation Plan (the "Plan") for Eligible Directors as an unfunded plan for the benefit of a selected group of nonemployee management persons. Prior to this restatement, the Plan was known as the Universal Forest Products, Inc. Director Retainer Stock Plan.

2. EFFECTIVE DATE. This Second Restatement of the Plan shall become effective immediately upon its approval by the Board of Directors of the Company for Plan Years commencing on or after January 1, 2022.

3. PURPOSE. The purpose of the Plan is to provide Eligible Directors with a means of electing to defer the receipt of their annual cash and stock fees, or to increase, on a current basis, their ownership of the Company's stock.

4. DEFINITIONS.

(a) Code. The term "Code" means the Internal Revenue Code, as amended.

(b) Company. The term "Company" shall mean UFP Industries, Inc., a Michigan corporation, and its successors and assigns.

(c) Deferral Account. The term "Deferral Account" shall have the meaning given in Paragraph 6 of the Plan.

(d) Election Agreement. The term "Election Agreement" shall mean each and every Election Agreement executed by an Eligible Director and delivered to the Company hereunder, the form of which is attached to the Plan as Exhibit A, and is incorporated by reference herein.

(e) Eligible Director. The term "Eligible Director" shall mean any present or future director of the Company who is not an employee of the Company or any subsidiary or affiliate of the Company.

(f) Market Price. The term "Market Price" shall mean the consolidated closing bid price per share of the Stock as reported on the NASDAQ Global Select Market on the date of the required calculation or, if there were no Stock transactions on such day, on the next preceding day on which there were Stock transactions.

(g) Participating Director. The term "Participating Director" shall mean an Eligible Director who has executed and delivered an Election Agreement to the Company.

(h) Deferred Payment Date. The term "Deferred Payment Date" shall mean the earliest of:

- i. The Participating Director's death,
- ii. The Participating Director's total and permanent disability, as defined in Treas. Reg. 1.409A-3(i)(4), or
- iii. The date specified in the Participating Director's Election Agreement (the "Optional Payment Date"), unless no Optional Payment Date is specified in the Election Agreement, in which case the Optional Payment Date shall be deemed selected and shall be the date of the Participating Director's Retirement.

No acceleration of the Deferred Payment Date is permitted unless authorized under the Code or in the regulations or guidance thereunder.

(i) Plan Year. The Plan Year shall be January 1 to December 31 of each year.

(j) Retainer Fee. The term "Retainer Fee" means fees payable with respect to an Eligible Director for his or her services as a director and/or committee member during the Plan Year in question. The Retainer Fee shall be payable in cash (the "Cash Fee") and in shares of Company Stock (the "Stock Fee").

(k) Retirement. The term "Retirement" shall mean the voluntary or involuntary resignation of a director, the removal of a director with or without cause, or the conclusion of a director's term of office where the director is not reelected by shareholders of the Company to a succeeding term, to the extent such event qualifies as a separation from service within the meaning of Internal Revenue Code Section 409A, as amended, and the Treasury Regulations promulgated thereunder.

(l) Stock. The term "Stock" shall mean the no par value common stock of the Company.

5. DIRECTORS' ELECTIONS. Each Eligible Director may specify in his or her Election Agreement, on an annual basis as set forth in Section 6, to defer receipt of the following forms of compensation:

(a) Deferral of Cash Fee. All or a percentage portion of the Retainer Fee that is to be paid to the Eligible Director in cash to which the Eligible Director may be entitled for the next succeeding Plan Year following the year in which the deferral election is made on account of service as a director of the Company (the "Deferred Cash Fee"),

(b) Deferral of Stock Fee. All or a percentage portion of the Retainer Fee that is to be paid to the Eligible Director in the form of Stock to which the Eligible Director may be entitled for the next succeeding Plan Year following the year in which the deferral election is made on account of service as a director of the Company (the "Deferred Stock Fee"), and/or

(c) Deferral of Committee Cash Fees. All or a percentage of portion of the Retainer Fee paid to an Eligible Director in cash to which the Eligible Director may be entitled for the next succeeding Plan Year following the Plan Year in which the deferral election is made on account of service as a member of a committee of the Board of Directors of the Company, including committee chairperson fees (the "Deferred Committee Fee" and collectively with the Deferred Cash Fee and Deferred Stock Fee, the "Deferred Fee").

Any portion of an Eligible Director's Retainer Fee that the Eligible Director does not elect to be part of the Deferred Fee (the "Non-Deferred Fee") shall be paid to the Eligible Director as set forth in Section 7.

6. ELECTION PROCEDURES. In order to participate in the Plan for a particular Plan Year, an Eligible Director must elect in writing on a properly completed and executed Election Agreement to participate, and deliver this Election Agreement to the Company at the address specified in the Election Agreement. Such election must be effective before the beginning of the Plan Year to which the election relates. An Eligible Director may, however, make an election in writing to participate with respect to the remainder of a Plan Year within thirty (30) days after the date the Eligible Director first becomes eligible to participate in the Plan.

7. PAYMENT OF NON-DEFERRED FEE.

(a) Non-Deferred Cash Fee. The portion of the Non-Deferred Fee that is to be paid to the Eligible Director in cash (the "Non-Deferred Cash Fee") shall be paid to the Eligible Director on the day upon which such amounts are earned, as set forth in this Section 7. For this purpose, the amounts of a Participating Director's Non-Deferred Fee are deemed earned on May 1 (February through April amounts), August 1 (May through July amounts), November 1 (August through October amounts), and the next February 1 (November through January amounts) (collectively, the "Non-Deferred Payment Dates").

(b) Non-Deferred Stock Fee. The portion of the Non-Deferred Retainer that is to be paid to the Eligible Director in Stock (the "Non-Deferred Stock Fee") will be used to acquire, at a price per

share equal to Market Price on the applicable Non-Deferred Payment Date, as many whole shares of Stock as possible using the Non-Deferred Stock Fee of that Eligible Director. Stock acquired for this purpose may be either newly issued shares or shares purchased by the Company and reissued. The shares of Stock will be issued to the Eligible Director within five (5) business days after the Non-Deferred Payment Date, provided that no shares may be sold, conveyed, assigned, pledged, or otherwise transferred by the Eligible Director until at least six (6) months after the Non-Deferred Payment Date. Any portion of the Non-Deferred Stock Fee remaining after purchase of the whole shares of Stock will be carried forward until the next Non-Deferred Payment Date, unless the Eligible Director has terminated participation in the Plan before such date, in which case such remainder will be paid in cash.

8. DEFERRAL ACCOUNT.

(a) Establishment of Account. The Company shall establish and maintain a Deferral Account for each Participating Director. The Deferral Account shall reflect all entries required to be made pursuant to the terms and conditions of the Participating Director's Election Agreement. There shall be a separate accounting for each Election Agreement made by each Participating Director.

(b) Credits to Account.

- i. Cash Deferrals. The Company shall credit to a Participating Director's Deferral Account a number (to four decimal places) of units that is equal to 110% of the amount of the Participating Directors' Deferred Cash Fee pursuant to Section 5(a) or the Deferred Committee Fee pursuant to Section 5(c) pursuant to an Election Agreement, as periodically earned by the Participating Director divided by the Market Price on the day upon which such amounts are earned. For this purpose, the amounts of a Participating Director's Deferred Cash Fee are deemed earned on May 1 (February through April amounts), August 1 (May through July amounts), November 1 (August through October amounts), and the next February 1 (November through January amounts).
- ii. Stock Deferrals. The Company shall credit to the Deferral Account, on each day the number of units that is equal to 100% of the number of shares of Company Stock deferred pursuant to the Participating Directors' Deferred Stock Director Retainer under to Section 5(b) (including any fractional shares), as periodically earned by the Participating Director. For this purpose, the amounts of a Participating Director's Deferred Stock Fee are deemed earned on May 1 (February through April amounts), August 1 (May through July amounts), November 1 (August through October amounts), and the next February 1 (November through January amounts).
- iii. Credits for Dividend Payments. The Company shall credit to the Deferral Account, on each day the Company declares a cash dividend to holders of the Stock, that number (to four decimal places) of units that is equal to the total number of units in the Participating Director's Deferral Account on the declaration date for such dividend, multiplied by the cash dividend per share of Stock dividend by the Market Price on the declaration date for such dividend.
- iv. Adjustments. The number of units credited to a Deferral Account t shall be adjusted appropriately by the Company in the event of any change in the Stock by reason of stock dividends, split-ups, recapitalizations, combinations, exchanges of shares and other like capital changes, but no adjustment shall be required by reason of any sales of shares of Stock by the Company at any price, whether below, at or above Market Price, and whether by or pursuant to warrant, option, right, conversion right or privilege or otherwise, and a Participating Director shall have

no rights as a holder of Stock unless and until a certificate for shares of Stock is issued by the Company.

9. PAYMENT OF DEFERRAL ACCOUNT VALUE.

(a) General. The Company shall, with respect to each Deferral Account for each Participating Director, cause to be delivered to such Participating Director (or any applicable alternate payee, as determined under the Plan or the applicable Election Agreement) as soon as practicable following the Payment Date, but in no event later than two and one-half (2.5) months following the last day of the Plan Year that includes applicable the Payment Date, the Payment Date value of such Deferral Account, in the form of shares of Stock, so that for each single unit credited to the Deferral Account the Participating Director shall be entitled to payment in the form of a single share of Company Stock, pursuant to the express terms and conditions of the Plan and the applicable Election Agreement. The Company may fulfill any obligation to pay shares of Stock pursuant to the terms of this Plan by newly-issued shares or shares purchased by the Company and reissued.

(b) Disability. If a Payment Date occurs by reason of a determination by the Company that the Participating Director has become totally and permanently disabled (as defined in Code Section 409A), and if the disability is due to mental incapacity, the shares of Stock deliverable under the Plan and the applicable Election Agreement shall be issued in the name of and delivered to the Participating Director's legally appointed personal representative. If no such representative has been appointed, then delivery date shall be in the name of and to the Participating Director's spouse, or if the Participating Director is then unmarried, such shares of stock or dollar amount shall be held until the persons who would be entitled thereto, if the Participating Director were then to die intestate, make proper claim of the Company for such shares of stock or dollar amount.

(c) Death. If a Payment Date occurs because the Participating Director died, the shares of Stock required to be delivered under the Plan and the applicable Election Agreement shall be issued not later than two (2) months following the end of the Plan Year in which the Participating Director died, in the name and delivered to the Participating Director's beneficiary (or beneficiaries) as designated in the applicable Election Agreement, or, if none are so designated, in the name of and to the legally appointed personal representative of the Participating Director's estate. If no legal proceedings for such appointment have been instituted within sixty (60) days after receipt by the Company of notice of the Participating Director's death, such delivery shall be in accordance with the last sentence of Paragraph 7(b) above.

10. ADMINISTRATION. The Plan shall be administered by the Compensation Committee of the Board of Directors of the Company, each of whom qualifies as an "independent" director under the applicable rules of the NASDAQ stock market (the "Plan Administrator"), who shall have the authority to interpret the Plan and to adopt procedures for implementing the Plan.

11. OTHER BENEFITS. Except to the extent specifically provided in the Company's Retirement Plan for Directors, or any other plan or arrangement maintained or sponsored by the Company, the Plan benefits to Eligible Directors (other than Retainer Fees) shall not be deemed to be compensation for the purpose of computing benefits under such Retirement Plan for Directors or other plan or arrangement.

12. STATUS OF DEFERRAL ACCOUNT. The Company shall have full and unrestricted use of all property or amounts payable pursuant to the Plan, and title to and beneficial ownership of any assets which the Company may earmark to pay the amounts hereunder shall at all times remain in the Company and no Eligible Director shall have any property interest whatsoever in any specific assets of the Company. The Deferral Account is a nominal account for bookkeeping purposes, and is not intended to be a trust account or escrow account for the benefit of a Participating Director or any other person, or an asset segregation for the benefit of a Participating Director or any other person. All Stock or cash held in a trust shall be held on a commingled basis and shall be subject to the claims of general creditors of the Company.

All Stock held in any such trust shall be voted by the trustee of the trust in its discretion. The sole right of a Participating Director, or a Participating Director's heirs or personal representatives, is a right as an unsecured general creditor of the Company to claim any shares of Stock or dollar amount to which the Participating Director becomes entitled, pursuant to the terms and conditions of the Participating Director's Election Agreement and the Plan. The Company shall provide each Participating Director with an annual report of his or her Deferral Account balance. Such reporting shall be made each January.

13. AMENDMENT OR TERMINATION. The Company may, at any time and from time to time, terminate the Plan or make such amendments as it deems advisable; provided, however, that no such termination or amendment shall adversely affect or impair the contract rights of a Participating Director with respect to an effective Election Agreement, unless such Participating Director shall consent in writing to such termination or amendment; and, provided further, that no such amendment, without the approval of the Company's shareholders, may materially increase the benefits accruing to Eligible Directors under the Plan, increase the number of shares of Stock distributed under the Plan, or materially modify the requirements as to eligibility under the Plan.

14. STOCK SUBJECT TO PLAN. The maximum number of shares of Stock that shall be reserved for issuance under the Plan as part of either a Deferred Fee or a Non-Deferred Fee shall be 150,000 shares, subject to adjustment upon changes in the capitalization of the Company as provided in Paragraph 8(b) of the Plan.

15. REGULATORY RESTRICTIONS. All certificates for shares of Company Stock or other securities delivered under the Plan shall be subject to such stock transfer orders and other restrictions as the Company may deem advisable under the rules, regulations and other requirements of the Company, any stock exchange or stock market upon which the Company Stock is then listed or traded and any applicable Federal, state, or foreign securities law, and the Company may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

16. NON-PLAN DEFERRAL ARRANGEMENTS. The Company does not intend that this Plan replace or supersede any presently existing compensation or deferral arrangement or preclude the Company from implementing additional compensation or deferral arrangements.

17. FUTURE DIRECTOR TERMS. Nothing in this Plan or in any Election Agreement shall obligate a director to continue as such, or to accept any nomination for a future term as a director of the Company, or require the Company to nominate or cause the nomination of the director for a future term as a director of the Company.

18. NO ALIENATION. No shares of Stock or dollar amount deliverable under the Plan or under an Election Agreement shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrances, or charge, other than by will or the laws of descent and distribution.

19. WITHHOLDING. The Company is entitled to withhold and deduct from any amounts due from the Company to a Participating Director, all legally required amounts necessary to satisfy any federal, state, or local withholding and employment-related taxes arising directly or indirectly in connection with the Plan or any Election Agreement, and the Company may require the Participating Director to remit promptly to the Company the amount of such taxes before taking any future actions with respect to the Participating Director's Deferral Account or Election Agreement.

20. CODE SECTION 409A. It is intended that the payments and provided under this Plan shall either be exempt from the application of, or comply with, the requirements of Code Section 409A, and the Plan shall be construed in a manner that effects such intent. Neither any Participating Director nor the Company shall intentionally take any action to accelerate or delay the payment of any amounts in any manner which would not be in compliance with Cod Section 409A without the consent of the other party. Nevertheless, the tax treatment of the payments provided under this Agreement is not warranted or guaranteed. Neither the Company, its subsidiaries or affiliates, nor their respective directors, officers,

employees, or advisers (other than the Participating Director, as applicable) shall be held liable for any taxes, interest, penalties, or other monetary amounts owed by any Participating Director or any other taxpayer as a result of this Plan. The Plan may be amended as reasonably necessary or desirable to legally minimize any adverse tax consequences to Participating Directors and/or the Company, and to preserve, to the fullest extent permissible, the economic provisions set forth in the Plan.

19193209.1

UFP INDUSTRIES, INC.
LONG-TERM STOCK INCENTIVE PLAN
(as Amended through April 20, 2022)
(Conformed through 2023 Amendment)

ARTICLE 1
ESTABLISHMENT AND PURPOSE OF THE PLAN

1.1 Establishment of the Plan. UFP Industries, Inc., a Michigan corporation (the "Company"), hereby establishes an incentive compensation plan to be known as the "UFP Industries, Inc. Long-Term Stock Incentive Plan" (the "Plan"), as set forth in this document. The Plan permits the granting of stock options, stock appreciation rights, restricted stock, and other stock-based awards to key employees of the Company and its Subsidiaries.

1.2 Purpose of the Plan. The purpose of the Plan is to promote the long-term success of the Company for the benefit of the Company's shareholders, through stock-based compensation, by aligning the personal interests of the Company's key employees with those of its shareholders. The Plan is also designed to allow key employees to participate in the Company's future, as well as to enable the Company to attract, retain and award such employees. The Plan supersedes and replaces the Company's Long Term Incentive Plan, adopted by the Company's shareholders in 1997.

1.3 Term of Plan. No Awards shall be granted pursuant to the Plan on or after April 15, 2029 ("Termination Date"), provided that Awards granted prior to the Termination Date may extend beyond that date, and Cash Payment Rights and Reload Options may be effected pursuant to the terms of Awards granted prior to the Termination Date.

ARTICLE 2
DEFINITIONS

For purposes of this Plan, the following terms shall have the meanings set forth below:

2.1 "Award" shall mean any award under this Plan of any Options, Stock Appreciation Rights, Restricted Stock, Performance Shares or Other Stock-Based Award.

2.2 "Award Agreement" shall mean an agreement evidencing the grant of an Award under this Plan. Awards under the Plan shall be evidenced by Award Agreements that set forth the details, conditions and limitations for each Award, as established by the Committee and shall be subject to the terms and conditions of the Plan.

2.3 "Award Date" shall mean the date that an Award is made, as specified in an Award Agreement.

2.4 "Board" shall mean the Board of Directors of the Company.

2.5 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.6 "Committee" shall mean the Committee, as specified in Article 3, appointed by the Board to administer the Plan.

2.7 "Common Stock" shall mean the Common Stock of the Company.

2.8 "Disability" shall mean permanent and total disability as determined under the rules and guidelines established by the Committee for purposes of the Plan.

2.9 "Fair Market Value" shall be the closing sales price per share of the Common Stock for such date on the National Association of Securities Dealers Automated Quotation System or any successor system then in use ("NASDAQ"). If no sale of shares of Common Stock is reflected on the NASDAQ on a date, "Fair Market Value" shall be determined on the next preceding day on which there was a sale of shares of Common Stock reflected on NASDAQ.¹

2.10 "Incentive Stock Option" or "ISO" shall mean an option to purchase shares of Common Stock granted under Article 6, which is designated as an Incentive Stock Option and is intended to meet the requirements of Section 422 of the Code.

2.11 "Insider" shall mean an employee who is an officer (as defined in Rule 16a-1(f) of the Exchange Act) or director of the Company, or holder of more than ten percent (10%) of its outstanding shares of Common Stock.

2.12 "Nonemployee Director" shall have the meaning set forth in Rule 16b-3(b)(3), as promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), or any successor definition adopted by the SEC.

2.13 "Nonqualified Stock Option" or "NQSO" shall mean an option to purchase shares of Common Stock, granted under Article 6, which is not an Incentive Stock Option.

2.14 "Option" means an Incentive Stock Option or a Nonqualified Stock Option.

2.15 "Option Price" shall mean the price at which a share of Common Stock may be purchased by a Participant pursuant to an Option, as determined by the Committee.

2.16 "Other Stock-Based Award" shall mean an Award under Article 10 of this Plan that is valued in whole or in part by reference to, or is payable in or otherwise based on, Common Stock.

2.17 "Participant" shall mean an employee of the Company or a Subsidiary who holds an outstanding Award granted under the Plan.

2.18 "Performance Shares" shall mean an Award granted under Article 9 of this Plan evidencing the right to receive Common Stock or cash of an equivalent value at the end of a specified performance period.

2.19 "Permitted Transferee" means (i) the spouse, children or grandchildren of a Participant (each an "Immediate Family Member"), (ii) a trust or trusts for the exclusive benefit of the Participant and/or one or more Immediate Family Members, or (iii) a partnership or limited liability company whose only partners or members are the Participant and/or one or more Immediate Family Members.

2.20 "Retirement" shall mean the termination of a Participant's employment with the Company or a Subsidiary after the Participant attains normal retirement age as established by the Committee at the time an Award is made.

2.21 "Restricted Stock" shall mean an Award granted to a Participant under Article 8 of this Plan.

¹ Section 2.9 restated by 2023 Amendment, effective October 24, 2023.

2.22 "Stock Appreciation Right" or "SAR" shall mean an Award granted to a Participant under Article 7 of this Plan.

2.23 "Subsidiary" shall mean any corporation in which the Company owns directly, or indirectly through subsidiaries, at least fifty percent (50%) of the total combined voting power of all classes of stock, or any other entity (including, but not limited to, partnerships and joint ventures) in which the Company owns at least fifty percent (50%) of the combined equity thereof.

2.24 "Termination of Employment" shall mean the termination of a Participant's employment with the Company or a Subsidiary. A Participant employed by a Subsidiary shall also be deemed to incur a Termination of Employment if the Subsidiary ceases to be a Subsidiary and the Participant does not immediately thereafter become an employee of the Company or another Subsidiary.

ARTICLE 3 ADMINISTRATION

3.1 The Committee. The Plan shall be administered by a Committee designated by the Board consisting of not less than two (2) directors who shall be appointed from time to time by the Board, each of whom shall qualify as a Nonemployee Director.

3.2 Committee Authority. Subject to the Company's Articles of Incorporation, Bylaws, and the provisions of this Plan, the Committee shall have full authority to grant Awards to key employees of the Company or a Subsidiary. Awards may be granted singularly, in combination, or in tandem. The authority of the Committee shall include the following:

(a) To select the key employees of the Company or a Subsidiary to whom Awards may be granted under the Plan;

(b) To determine whether and to what extent Options, Stock Appreciation Rights, Restricted Stock, Performance Shares and Other Stock-Based Awards, or any combination thereof are to be granted under the Plan;

(c) To determine the number of shares of Common Stock to be covered by each Award;

(d) To determine the terms and conditions of any Award Agreement, including, but not limited to, the Option Price, any vesting restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Award and the shares of Common Stock relating thereto, based on such factors as the Committee shall determine in its sole discretion;

(e) To determine whether, to what extent and under what circumstances grants of Awards are to operate on a tandem basis and/or in conjunction with or apart from other cash compensation arrangement made by the Company other than under the terms of this Plan;

(f) To determine under what circumstances an Award may be settled in cash, Common Stock, or a combination thereof; and

(g) To determine to what extent and under what circumstances shares of Common Stock and other amounts payable with respect to an Award shall be deferred.

The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to

interpret the terms and provisions of the Plan and any Award issued under the Plan (including any Award Agreement) and to otherwise supervise the administration of the Plan. A majority of the Committee shall constitute a quorum, and the acts of a majority of a quorum at any meeting, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The interpretation and construction by the Committee of any provisions of the Plan or any Award granted under the Plan shall be final and binding upon the Company, the Board and Participants, including their respective heirs, executors and assigns. No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or an Award granted hereunder.

ARTICLE 4

COMMON STOCK SUBJECT TO THE PLAN

4.1 General. Subject to adjustment as provided in Section 4.2 and Section 13.1, the maximum aggregate number of shares of Common Stock which may be issued under this Plan, which may be either unauthorized and unissued Common Stock or issued Common Stock reacquired by the Company ("Plan Shares") shall be 4,700,000 Shares. Determinations as to the number of Plan Shares that remain available for issuance under the Plan shall be made in accordance with the terms of this Plan and such rules and procedures as the Administrator shall determine from time to time.

4.2 Share Usage.

(a) General. Shares of Common Stock subject to an Award shall be counted as used as of the Award Date.

(b) Conditions Under Which Shares Subject to Awards Become Available for Future Awards. Any shares of Common Stock subject to an Award under the Plan which thereafter terminate by expiration, forfeiture, cancellation, or otherwise, without the issuance of such shares, including Awards that are settled in cash in lieu of shares of Common Stock, shall be available again for issuance under the Plan.

(c) Conditions Under Which Shares Subject to Awards Are Not Available for Future Awards. The number of shares of stock available for issuance under the Plan shall not be increased by the number of shares of Common Stock (i) tendered by the Participant or withheld by the Company in payment of the purchase price of an Option, (ii) tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to an Award, (iii) purchased by the Company with proceeds received from the exercise of an Option, (iv) subject to an SAR that are not issued in connection with the stock settlement of that SAR upon its exercise, (v) subject to the cancellation of an SAR granted in tandem with an Option upon the exercise of the Option and (vi) subject to the cancellation of an Option granted in tandem with an SAR upon the exercise of the SAR.

ARTICLE 5

ELIGIBILITY

The persons who shall be eligible to receive Awards under the Plan shall be such key employees of the Company or a Subsidiary as the Committee shall select from time to time. In making such selections, the Committee shall consider the nature of the services rendered by such employees, their present and potential contribution to the Company's success, and the success of the Subsidiary of the Company by which they are employed, and such other factors as the

Committee in its discretion shall deem relevant. Participants may hold more than one Award, but only on the terms and subject to the restrictions set forth in the Plan and their respective Award Agreements. No participant may receive Awards under the Plan covering more than twenty-five percent (25%) of Plan Shares.

ARTICLE 6 STOCK OPTIONS

6.1 Options. Options may be granted alone or in addition to other Awards granted under this Plan. Each Option granted under this Plan shall be either an Incentive Stock Option or a Nonqualified Stock Option.

6.2 Grants. The Committee shall have the authority to grant to any Participant one or more Incentive Stock Options, Nonqualified Stock Options, or both types of Options. To the extent that any Option does not qualify as an Incentive Stock Option (whether because of its provisions or the time or manner of its exercise or otherwise), such Option or the portion thereof which does not qualify shall constitute a separate Nonqualified Stock Option.

6.3 Incentive Stock Options. No term of this Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify the Plan under Section 422 of the Code, or, without the consent of the Participants affected, to disqualify any Incentive Stock Option under such Section 422. The aggregate Fair Market Value, determined on the Award Date of the shares of Common Stock with respect to which one or more Incentive Stock Options (or other incentive stock options within the meaning of Section 422 of the Code, under all other option plans of the Company) that are exercisable for the first time by a Participant during any calendar year shall not exceed the \$100,000 limitation imposed by Section 422(d) of the Code.

6.4 Terms of Options. Options granted under the Plan shall be evidenced by Award Agreements in such form as the Committee shall from time to time approve. Each Agreement shall comply with and be subject to the following terms and conditions:

(a) Participant's Agreement. Each Participant shall agree to remain in the continuous employ of the Company for a period of at least twelve (12) months from the Award Date or until Retirement, if Retirement occurs prior to twelve (12) months from the date of the Option. Such Agreement shall not impose upon the Company any obligation to retain the Participant in its employ for any period.

(b) Option Price. The Option Price per share of Common Stock purchasable under an Option shall be determined by the Committee at the time of grant but shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock at the Award Date, provided that the Option Price per share of Common Stock subject to an Incentive Stock Option granted to an Insider shall be no less than one hundred ten percent (110%) of the Fair Market Value of the shares of Common Stock on the Award Date.

(c) Option Term. The term of each Option shall be fixed by the Committee, but no Option which is designated as an ISO shall be exercisable more than ten (10) years after the date the ISO is granted, provided that the term of any Incentive Stock Option granted to an Insider shall not exceed five (5) years.

(d) Exercisability. Except as provided in Section 13.2, no Option shall be exercisable either in whole or in part prior to the first anniversary of the Award Date.

Thereafter, an Option shall be exercisable at such time or times and subject to such terms and conditions (including but not limited to vesting provisions) as shall be determined by the Committee and set forth in the Award Agreement. If the Committee provides that any Option is exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine.

(e) Method of Exercise. Subject to whatever installment exercise and waiting period provisions apply under subsection (d) above, Options may be exercised in whole or in part at any time during the term of the Option, by giving written notice of exercise to the Company specifying the number of shares to be purchased. Such notice shall be accompanied by payment in full of the purchase price in such form as the Committee may accept. Notwithstanding the foregoing, an Option shall not be exercisable with respect to less than 100 shares of Common Stock unless the remaining shares covered by an Option are fewer than 100 shares. If and to the extent determined by the Committee in its sole discretion at or after grant, payment in full or in part may also be made in the form of Common Stock owned by the Participant (and for which the Participant has good title free and clear of any liens and encumbrances and with respect to any shares of Common Stock acquired upon the exercise of an Option, has been held by the Optionee for a period of at least six (6) consecutive months) or Restricted Stock, or by reduction in the number of shares issuable upon such exercise based, in each case, on the Fair Market Value of the Common Stock on the last trading date preceding payment as determined by the Committee (without regard to any forfeiture restrictions applicable to Restricted Stock). No shares of stock shall be issued until payment has been made. A Participant shall generally have the rights to dividends or other rights of a shareholder with respect to shares subject to the Option when the person exercising such option has given written notice of exercise, has paid for such shares as provided herein, and, if requested, has given the representation described in Section 14.1 of the Plan. Notwithstanding the foregoing, if payment in full or in part has been made in the form of Restricted Stock, an equivalent number of shares of Common Stock issued on exercise of the Option shall be subject to the same restrictions and conditions, and during the remainder of the Restriction Period [as defined in Section 8.3(a)], applicable to the shares of Restricted Stock surrendered therefore.

(f) Transferability of Options. No Option may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, provided, however, the Committee may, in its discretion, authorize all or a portion of a Nonqualified Stock Option to be granted to an optionee to be on terms which permit transfer by such optionee to a Permitted Transferee, provided that (i) there may be no consideration for any such transfer (other than the receipt of or interest in a family partnership or limited liability company), (ii) the stock option agreement pursuant to which such options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section 6.4(f), and (iii) subsequent transfers of transferred options shall be prohibited except those in accordance with Section 6.4(i). Following transfer, any such options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer.

The events of termination of service of Sections 6.4(g), (h) and (i) hereof, and the tax withholding obligations of Section 13.3 shall continue to be applied with respect to the original optionee, following which the options shall be exercisable by the Permitted Transferee only to the extent, and for the periods specified in Sections 6(g), (h), and (i). The Company shall not be obligated to notify Permitted Transferee(s) of the expiration or termination of any option. Further, all Options shall be exercisable during the Participant's lifetime only by such Participant and, in the case of a Nonqualified Stock Option, by a Permitted Transferee. The designation of a person entitled to exercise an Option after a person's death will not be deemed a transfer.

(g) Termination of Employment for Reasons other than Disability or Death.

Upon Termination of Employment for any reason other than on account of Disability or death, each Option held by the Participant shall, to the extent rights to purchase shares under such Option have accrued at the date of such Termination of Employment and shall not have been fully exercised, be exercisable, in whole or in part, at any time within a period of three (3) months following Termination of Employment, subject, however, to prior expiration of the term of such Options and any other limitations on the exercise of such Options in effect at the date of exercise. Whether an authorized leave of absence or absence because of military or governmental service shall constitute Termination of Employment for such purposes shall be determined by the Committee, which determination shall be final and conclusive.

(h) Termination of Employment for Disability. Upon Termination of Employment because of Disability, each Option held by such Participant shall, to the extent rights to purchase shares under the Option have accrued at the date of such Retirement or Disability and shall not have been fully exercised, remain exercisable in whole or in part, for a period of one (1) year following such Termination of Employment, subject, however, to prior expiration according to its terms and other limitations imposed by the Plan. If the Participant dies after such Retirement or Disability, the Participant's Options shall be exercisable in accordance with Section 6.4(i) below.

(i) Termination of Employment for Death. Upon Termination of Employment due to death, each Option held by such Participant or Permitted Transferee shall, to the extent rights to purchase shares under the Options have accrued at the date of death and shall not have been fully exercised, be exercisable, in whole or in part, by the personal representative of the estate of the Participant or Permitted Transferee or by any person or persons who shall have acquired the Option directly from the Participant or Permitted Transferee by bequest or inheritance only under the following circumstances and during the following periods: (i) if the Participant dies while employed by the Company or a Subsidiary, at any time within one (1) year after his or her death, or (ii) if the Participant dies during the extended exercise period following Termination of Employment specified in Section 6.4(h), at any time within the longer of such extended period or three (3) months after death, subject, however, in any case, to the prior expiration of the term of the Option and any other limitation on the exercise of such Option in effect at the date of exercise.

(j) Termination of Options. Any Option that is not exercised within whichever of the exercise periods specified in Sections 6.4(g), (h) or (i) is applicable shall terminate upon expiration of such exercise period.

(k) Purchase and Settlement Provisions. The Committee may at any time offer to purchase an Option previously granted, based on such terms and conditions as the Committee shall establish and communicate to the Participant at the time that such offer is made. In addition, if an Award Agreement so provides at the Award Date or is thereafter amended to so provide, the Committee may require that all or part of the shares of Common Stock to be issued with respect to the exercise of an Option, in an amount not greater than the Fair Market Value of the shares that is in excess of the aggregate Option Price, take the form of Performance Shares or Restricted Stock, which shall be valued on the date of exercise on the basis of the Fair Market Value of such Performance Shares or Restricted Stock determined without regard to the deferral limitations and/or forfeiture restrictions involved.

ARTICLE 7

STOCK APPRECIATION RIGHTS

7.1 Grant of SARs. The Committee may approve the grant of Stock Appreciation Rights ("SARs") that are related to Options only. A SAR may be granted only at the time of grant of the related Option. A SAR will entitle the holder of the related Option, upon exercise of the SAR, to surrender such Option, or any portion thereof to the extent unexercised, with respect to the number of shares as to which such SAR is exercised, and to receive payment of an amount computed pursuant to Section 7.2. Such Option will, to the extent surrendered, then cease to be exercisable. A SAR granted hereunder will be exercisable at such time or times, and only to the extent that a related Option is exercisable, and will not be transferable except to the extent that such related Option may be transferable.

7.2 Payment of SAR Amount. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying (i) the difference between the Fair Market Value of a share of Common Stock on the date of exercise over the Option Price, by (ii) the number of shares of Common Stock with respect to which the SAR is exercised. At the discretion of the Committee, the payment upon SAR exercise may be in cash, in shares of Common Stock of equivalent value, or in some combination thereof.

ARTICLE 8

RESTRICTED STOCK

8.1 Awards of Restricted Stock. Shares of Restricted Stock may be issued either alone or in addition to other Awards granted under the Plan. The Committee shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock will be made, the number of shares to be awarded, the price (if any) to be paid by the Participant, the time or times within which such Awards may be subject to forfeiture, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards. The Committee may condition the grant of Restricted Stock upon the achievement of specific business objectives, measurements of individual or business unit or Company performances, or such other factors as the Committee may determine. The provisions of Restricted Stock awards need not be the same

with respect to each Participant, and such Awards to individual Participants need not be the same in subsequent years.

8.2 Awards and Certificates. A prospective Participant selected to receive a Restricted Stock shall not have any rights with respect to such Award, unless and until such Participant has executed an Award Agreement evidencing the Award and has delivered a fully executed copy thereof to the Company, and has otherwise complied with the applicable terms and conditions of such Award. Further, such Award shall be subject to the following conditions:

(a) Acceptance. Awards of Restricted Stock must be accepted within a period of 20 days (or such shorter period as the Committee may specify at grant) after the Award Date, by executing an Award Agreement and by paying whatever price (if any) the Committee has designated for such shares of Restricted Stock.

(b) Legend. Each Participant receiving a Restricted Stock Award shall be issued a stock certificate in respect of such shares of Restricted Stock. Such certificate shall be registered in the name of such Participant, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the UFP Industries, Inc. Long-Term Stock Incentive Plan and related Award Agreement entered into between the registered owner and the Company, dated _____. Copies of such Plan and Agreement are on file in the offices of the Company, 2801 East Beltline NE, Grand Rapids, Michigan 49525."

(c) Custody. The Committee may require that the stock certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed, and that, as a condition of any award of Restricted Stock, the Participant shall have delivered a duly signed stock power, endorsed in blank, relating to the Common Stock covered by such Award.

8.3 Restrictions and Conditions. The shares of Restricted Stock awarded pursuant to this Plan shall be subject to the following restrictions and conditions:

(a) Restriction Period. Subject to the provisions of this Plan and the Award Agreement, during a period set by the Committee commencing with the Award Date and expiring not less than twelve (12) consecutive months thereafter (the "Restriction Period"), the Participant shall not be permitted to sell, transfer, pledge, or assign shares of Restricted Stock awarded under this Plan. Subject to these limits, the Committee, in its sole discretion, may provide for the lapse of such restrictions in installments and may accelerate or waive such restrictions in whole or in part, based on service, performance and/or such other factors or criteria as the Committee may determine.

(b) Rights as Shareholder. Except as provided in this subsection (b) and subsection (a) above, the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a holder of shares of Common Stock of the Company including the right to receive any dividends. The Committee, in its sole discretion, as determined at the time of Award, may permit or require the payment of dividends to be deferred. If any

dividends or other distributions are paid in shares of Common Stock, such shares shall be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid.

(c) Termination of Employment. Subject to the applicable provisions of the Award Agreement and this Article 8, upon Termination of Employment for any reason during the Restriction Period, all Restricted Shares still subject to restriction will vest or be forfeited in accordance with the terms and conditions established by the Committee as specified in the Award Agreement.

(d) Lapse of Restrictions. If and when the Restriction Period expires without a prior forfeiture of the Restricted Stock, the certificates for such shares shall be delivered to the Participant.

ARTICLE 9

PERFORMANCE SHARES

9.1 Award of Performance Shares. Performance Shares may be awarded either alone or in addition to other Awards granted under this Plan. The Committee shall determine the eligible persons to whom and the time or times at which Performance Shares shall be awarded, the number of Performance Shares to be awarded to any person, the duration of the period (the "Performance Period") during which, and the conditions under which, receipt of the Performance Shares will be deferred, and the other terms and conditions of the Award in addition to those set forth in Section 9.2, as specified in the Award Agreement. The Committee may condition the grant of Performance Shares upon the achievement of specific business objectives, measurements of individual or business unit or Company performance, or such other factors or criteria as the Committee shall determine. The provisions of the award of Performance Shares need not be the same with respect to each Participant, and such Awards to individual Participants need not be the same in subsequent years.

9.2 Terms and Conditions. Performance Shares awarded pursuant to this Article 9 shall be subject to the following terms and conditions:

(a) Nontransferability. Subject to the provisions of this Plan and the related Award Agreement, Performance Shares may not be sold, assigned, transferred, pledged or otherwise encumbered during the Performance Period. At the expiration of the Performance Period, share certificates or cash of an equivalent value (as the Committee may determine in its sole discretion) shall be delivered to the Participant, or his legal representative, in a number equal to the shares covered by the Award Agreement.

(b) Dividends. Unless otherwise determined by the Committee at the time of Award, amounts equal to any cash dividends declared during the Performance Period with respect to the number of shares of Common Stock covered by a Performance Share Award will not be paid to the Participant.

(c) Termination of Employment. Subject to the provisions of the Award Agreement and this Article 9, upon Termination of Employment for any reason during the Performance Period for a given Award, the Performance Shares in question will vest or be forfeited in accordance with the terms and conditions established by the Committee at or after grant.

(d) Accelerated Vesting. Based on service, performance and/or such other factors or criteria as the Committee may determine and set forth in the Award Agreement, the Committee may, at or after grant, accelerate the vesting of all or any part of any award of Performance Shares and/or waive the deferral limitations for all or any part of such Award.

ARTICLE 10

OTHER STOCK-BASED AWARDS

10.1 Other Awards. Other Awards of Common Stock and other Awards that are valued in whole or in part by reference to, or are payable in or otherwise based on, Common Stock ("Other Stock-Based Awards"), may be granted either alone or in addition to or in tandem with Options, SARs, Restricted Stock or Performance Shares. Subject to the provisions of this Plan, the Committee shall have authority to determine the persons to whom and the time or times at which such Awards shall be made, the number of shares of Common Stock to be awarded pursuant to such awards, and all other conditions of the Awards. The Committee may also provide for the grant of Common Stock under such Awards upon the completion of a specified performance period. The provisions of Other Stock-Based Awards need not be the same with respect to each Participant and such Awards to individual Participants need not be the same in subsequent years.

10.2 Terms and Conditions. Other Stock-Based Awards made pursuant to this Article 10 shall be set forth in an Award Agreement and shall be subject to the following terms and conditions:

(a) Nontransferability. Subject to the provisions of this Plan and the Award Agreement, shares of Common Stock subject to Awards made under this Article 10 may not be sold, assigned, transferred, pledged, or otherwise encumbered prior to the date on which the shares are issued, or, if later, the date on which any applicable restriction, performance or deferral period lapses.

(b) Dividends. Unless otherwise determined by the Committee at the time of Award, subject to the provisions of this Plan and the Award Agreement, the recipient of an Award under this Article 10 shall be entitled to receive, currently or on a deferred stock basis, dividends or other distributions with respect to the number of shares of Common Stock covered by the Award.

(c) Vesting. Any Award under this Article 10 and any Common Stock covered by any such Award shall vest or be forfeited to the extent so provided in the Award Agreement, as determined by the Committee, in its sole discretion.

(d) Waiver of Limitation. In the event of the Participant's Retirement, Disability or death, or in cases of special circumstances, the Committee may, in its sole discretion, waive in whole or in part any or all of the limitations imposed hereunder (if any) with respect to any or all of an Award under this Article 10.

(e) Price. Common Stock issued or sold under this Article 10 may be issued or sold for no cash consideration or such consideration as the Committee shall determine and specify in the Award Agreement.

ARTICLE 11

TERMINATION OR AMENDMENT OF THE PLAN

The Board may at any time amend, discontinue or terminate this Plan or any part thereof (including any amendment deemed necessary to ensure that the Company may comply with any applicable regulatory requirement); provided, however, that, unless otherwise required by law, the rights of a Participant with respect to Awards granted prior to such amendment, discontinuance or termination, may not be impaired without the consent of such Participant and, provided further, without the approval of the Company's shareholders, no amendment may be made which would (i) increase the aggregate number of shares of Common Stock that may be issued under this Plan (except by operation of Article 4 or by Section 13.1); or (ii) decrease the option price of any Option to less than one hundred percent (100%) of the Fair Market Value on the date of grant for an Option. Awards may not be granted under the Plan after the Termination Date, but Awards granted prior to such date shall remain in effect or become exercisable pursuant to their respective terms and the terms of this Plan.

ARTICLE 12
UNFUNDED PLAN

This Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payment not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general creditor of the Company.

ARTICLE 13
ADJUSTMENT PROVISIONS

13.1 Antidilution. Subject to the provisions of this Article 13, if the outstanding shares of Common Stock are increased, decreased, or exchanged for a different number or kind of shares or other securities, or if additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities, through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities, an appropriate and proportionate adjustment may be made in (i) the maximum number and kind of shares provided in Article 4 of the Plan, (ii) the number and kind of shares or other securities subject to the then outstanding Awards, and (iii) the price for each share or other unit of any other securities subject to the then outstanding Awards.

13.2 Change in Control. Notwithstanding Section 13.1, upon dissolution or liquidation of the Company, or upon a reorganization, merger, or consolidation of the Company with one or more corporations as a result of which the Company is not the surviving corporation, or upon the sale of all or substantially all the assets of the Company, all Awards then outstanding under the Plan will be fully vested and exercisable and all restrictions will immediately cease, unless provisions are made in connection with such transaction for the continuance of the Plan and the assumption of or the substitution for such Awards of new Awards covering the stock of a successor employer corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices.

13.3 Adjustments by Committee. Any adjustments pursuant to this Article 13 will be made by the Committee, whose determination as to what adjustments will be made and the extent

thereof will be final, binding, and conclusive. No fractional interest will be issued under the Plan on account of any such adjustments. Only cash payments will be made in lieu of fractional shares.

ARTICLE 14

GENERAL PROVISIONS

14.1 Legend. The Committee may require each person purchasing shares pursuant to an Award under the Plan to represent to and agree with the Company in writing that the Participant is acquiring the shares without a view to distribution thereof. In addition to any legend required by this Plan, the certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.

All certificates for shares of Common Stock delivered under the Plan shall be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is then listed, any applicable Federal or state securities law, and any applicable corporate law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

14.2 No Right to Employment. Neither this Plan nor the grant of any Award hereunder shall give any Participant or other employee any right with respect to continuance of employment by the Company or any Subsidiary, nor shall there be a limitation in any way on the right of the Company or any Subsidiary by which an employee is employed to terminate his or her employment at any time.

14.3 Withholding of Taxes. The Company shall have the right to deduct from any payment to be made pursuant to this Plan, or to otherwise require, prior to the issuance or delivery of any shares of Common Stock or the payment of any cash hereunder, payment by the Participant of, any Federal, state or local taxes required by law to be withheld. Unless otherwise prohibited by the Committee, each Participant may satisfy any such withholding tax obligation by any of the following means or by a combination of such means: (a) tendering a cash payment; (b) authorizing the Company to withhold from the shares otherwise issuable to the Participant a number of shares having a Fair Market Value as of the "Tax Date", less than or equal to the amount of the withholding tax obligation; or (c) delivering to the Company unencumbered shares owned by the Participant having a Fair Market Value, as of the Tax Date, less than or equal to the amount of the withholding tax obligation. The "Tax Date" shall be the date that the amount of tax to be withheld is determined.

14.4 No Assignment of Benefits. No Option, Award or other benefit payable under this Plan shall, except as otherwise specifically transfer, provided by law, be subject in any manner to anticipation, alienation, attachment, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, attach, sell, transfer, assign, pledge, encumber or charge, any such benefits shall be void, and any such benefit shall not in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person who shall be entitled to such benefit, nor shall it be subject to attachment or legal process for or against such person.

14.5 Governing Law. This Plan and actions taken in connection herewith shall be governed and construed in accordance with the laws and in the courts of the state of Michigan.

14.6 Application of Funds. The proceeds received by the Company from the sale of shares of Common Stock pursuant to Awards granted under this Plan will be used for general corporate purposes.

14.7 Rights as a Shareholder. Except as otherwise provided in an Award Agreement, a Participant shall have no rights as a shareholder of the Company until he or she becomes the holder of record of Common Stock.

21181499.1

UFP Industries, Inc.
Restricted Stock Grant Agreement

THIS AGREEMENT is made effective as of the ____ day of _____, 20__ between **UFP Industries, Inc.**, a Michigan corporation (the "Company"), and «Name1» (the "Employee").

RECITALS

The UFP Industries, Inc. Long-Term Stock Incentive Plan as amended and restated (the "Plan") authorizes the award of shares of restricted stock to key employees of the Company upon such terms and conditions as may be determined by the Committee (as defined in the Plan).

The Committee has approved a grant of restricted shares of Company stock to Employee upon the terms and conditions set forth in this agreement (the "Agreement"). This grant is being made in connection with Employee's performance for the ____ fiscal year. The Company and Employee desire to confirm in this Agreement the terms, conditions, and restrictions applicable to the grant of restricted stock.

NOW, THEREFORE, intending to be bound, the parties agree as follows:

1. DEFINITIONS

- 1.1 "Early Retirement" means the termination of employment with the Company or a Subsidiary (as defined in the Plan) prior to Retirement (as defined in the Plan) and approved as early retirement in the sole discretion of the Committee (as defined in the Plan).
- 1.2 "Effective Date of this Agreement" means _____.
- 1.3 "Lack of Work Separation" means a separation of employment due to an elimination of Employee's position or insufficient work available for the Employee, absent extenuating circumstances as determined by the Company. By contrast, if Employee is offered a comparable position (as determined by the Company) and Employee rejects the offer, any resulting separation of employment will not be deemed a Lack of Work Separation.
- 1.4 "Restricted Share" means a Share which is subject to the restrictions on sale, pledge or other transfer imposed by Section 3.
- 1.5 "Reverted Shares" means Shares which have reverted to the Company pursuant to Section 5.2.
- 1.6 "Vested Share" means a Share which is no longer a Restricted Share.

Other terms not specifically defined in this Agreement shall have the same meanings as defined in the Plan.

2. GRANT AND ACCEPTANCE OF AWARD; TAX ELECTION

2.1 Grant. The Company confirms the award to Employee of «Shares» shares of Common Stock (the "Shares") as restricted stock, upon the terms, restrictions, and conditions of this Agreement and the Plan. The award of Shares shall be effective as of the Effective Date of this Agreement.

2.2 Acceptance. Employee accepts this award of Shares and agrees to hold them subject to the terms, restrictions, and conditions of this Agreement.

2.3 Tax Election. Employee may elect to be taxed in ____ on the fair market value of the Shares awarded by signing an election to be so taxed under Section 83(b) of the Internal Revenue Code and filing such election with the Internal Revenue Service within thirty (30) days after the Effective Date of this Agreement. If

Employee chooses not to make such an election, Employee will be taxed on the fair market value of the Shares in the year in which the Shares become Vested Shares.

2.4 Withholding. The parties agree that vesting of the Shares in accordance with this Agreement is subject to the satisfaction of applicable withholding tax or other withholding liabilities under federal, state, and local laws.

3. RESTRICTIONS ON TRANSFER OF SHARES; LAPSE OF RESTRICTIONS

3.1 Transfer Prohibitions. Employee shall not sell, pledge, or otherwise assign or transfer any Share or any interest in any Share while such Share is a Restricted Share.

3.2 Restricted Shares. Every Share shall be a Restricted Share until the restrictions lapse in accordance with the vesting conditions set forth in Section 5.1 or Section 5.4 below.

3.3 Securities Law Compliance. Employee shall not sell or transfer any Share or any interest in any Share, whether such Share is or is not a Restricted Share, unless either (a) the Company shall consent in writing to such transfer, or (b) the Company shall have received an opinion of counsel satisfactory to the Company to the effect that such transfer will not violate the registration requirements imposed by the Securities Act of 1933 or any other provision of law which the Company shall desire such opinion to cover.

3.4 Stop Transfer Instructions. The Company shall have the right to issue instructions to the transfer agent for the shares of the Company, prohibiting transfer of any Shares except in accordance with the requirements of this Agreement.

3.5 Rights as Shareholder. Except for the restrictions imposed in this Section 3 and unless the Shares have reverted to the Company pursuant to Section 5.2 or Section 5.5 below, Employee shall have all the rights of a shareholder with respect to the Restricted Shares, including the right to vote and to receive any dividends declared and paid thereon.

4. ACQUISITION WARRANTIES BY EMPLOYEE. In order to induce the Company to issue and deliver the Shares on the terms of this Agreement, Employee warrants to and agrees with the Company as follows:

4.1 No Participating Interest. Employee is acquiring the Shares for Employee's own account and has not made any arrangement to convey any interest in the Shares to any person, other than to transfer Reverted Shares to the Company pursuant to Section 5.2 or Section 5.5 below.

4.2 Ability to Evaluate. Because of Employee's knowledge of and experience in financial and business matters, Employee is capable of evaluating the merits and risks of acquiring the Shares under the conditions set forth in this Agreement.

4.3 Familiarity with Company. Employee is familiar with the business, financial condition, earnings, and prospects of the Company, and confirms that the Company has not made any representation regarding the foregoing matters or the merits of entering into this Agreement or as to the prospective value of the Shares.

5. VESTING AND REALLOCATION

5.1 Vesting of Shares. All Shares issued hereunder that have not previously reverted to the Company shall become Vested Shares immediately upon the first to occur of the following:

- (a) Upon the death of Employee;
- (b) Upon the Disability or Retirement of Employee (each as defined in the Plan);
- (c) Upon the five (5) year anniversary of the Effective Date of this Agreement;

- (d) Upon Employee reaching the age of 67 if Employee has experienced an Early Retirement (as defined above) and Employee has fully complied with the covenants and obligations set forth in Section 5.5 and 5.6; or
- (e) Upon a Change in Control of the Company (as defined in the Plan).

5.2 Reversion. All Shares that have not become Vested Shares shall automatically revert to the Company at any time Employee shall no longer be employed by the Company or a Subsidiary (as defined in the Plan) for any reason whatsoever, except as otherwise provided in Section 5.1 or Section 5.4 of this Agreement.

5.3 Effect of Reversion. Upon reversion of any Shares (a) absolute ownership thereof shall automatically revert to the Company at that time, (b) such Shares shall be deemed to be "Reverted Shares" for purposes of this Agreement, and (c) all of Employee's rights and interests in the Shares shall cease at that time. No compensation shall be payable to Employee for Shares which revert to the Company.

5.4 Early Retirement and Lack of Work Separation. If Employee terminates employment with the Company or a Subsidiary due to an Early Retirement or due to a Lack of Work Separation, those Shares that have not become Vested Shares as of the date of Early Retirement or Lack of Work Separation shall not revert to the Company and shall remain subject to vesting in accordance with Section 5.1 provided that Employee fully complies with the covenants and obligations of Employee set forth in Sections 5.5 and 5.6 below at all times subsequent to and including the date of Early Retirement or Lack of Work Separation and until the date the Shares become Vested Shares in accordance with Section 5.1.

5.5 Covenant Not to Compete; Non-Solicitation.

(a) Restrictions. Employee acknowledges Employee's potential to terminate employment with the Company or a Subsidiary due to Early Retirement or a Lack of Work Separation prior to the vesting date set forth in Section 5.1(c) and acknowledges and agrees further, that based upon Employee's current health, skills, connections and other factors, including the availability of alternative employment opportunities that may be competitive with the business of the Company, Employee's employment by a competitor of the Company would cause irreparable harm to the Company; consequently, Employee agrees to the following covenants and obligations, from and after the Effective Date of this Agreement until the vesting of the Shares under Section 5.1, as a condition to grant of the Shares under this Agreement:

Employee agrees that he/she will not, directly or indirectly, either alone or in association with others, for himself/herself or for any other person or entity, either as principal, agent, employee, director, officer, member, stockholder, or in any other capacity: (i) conduct, become engaged in, or interested in, any business that competes, directly or indirectly, with the business of the Company or any of its affiliates in any geographic area in which the Company or any of its affiliates does or has reasonably definitive plans to do a material amount of business, (ii) solicit, divert or take away or attempt to solicit, divert or take away, directly or indirectly, any of the Company's or its affiliates current, prior, or prospective customers; or (iii) solicit or attempt to solicit any person who is employed or engaged to perform services by the Company or its affiliates to leave his or his employment or engagement with Company or its affiliates.

(b) Judicial Determination. The Company and Employee agree that the restrictions set forth in this Section 5.5 are reasonable in light of the nature of the parties' relationship and are necessary to protect the business and goodwill of the Company. However, should any court of competent jurisdiction determine that these restrictions are unreasonable, then the parties agree that the restrictions will, without further acts of the parties, be modified or amended to conform to the judgment of the court as to what would be reasonable, with the restrictions of this Section 5.5 to be limited in accordance with such judgment to the minimum extent determined to be necessary by the court.

(c) Remedies. In the event of any breach of this Section 5.5 by Employee, the Company shall be entitled to injunctive relief and damages, together with any reasonable attorneys' fees or costs incurred as a result of such breach and awarded by the court and that the Shares subject to this Agreement shall immediately be forfeited and become Reverted Shares as provided in Section 5.3 hereof.

5.6 Release of Claims. In consideration of the benefits to Employee of the ability to continue to allow the Shares to become Vested Shares under Section 5.4 above, and as a condition to such benefits, as of the date of Early Retirement or Lack of Work Separation, as applicable, Employee releases and forever discharges the Company and its Subsidiaries and their respective directors, officers, managers, and agents (collectively, the "Released Parties") from any and all claims, suits, actions, causes of action, cross-claims, counter-claims, demands, debts, damages or liabilities of any nature whatsoever in law and in equity, both past and present and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which Employee has or may have and which arise out of or are connected with Employee's employment with, or separation or termination of service from, the Company or any Subsidiary under any federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance, or under any public policy, contract or tort, or under common law, or arising under any policies, practices or procedures of the Company or any Subsidiary, or any claim for wrongful discharge, retaliation, whistleblowers, breach of contract, or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters.

6. GENERAL PROVISIONS

6.1 No Right to Employment. This Agreement is not an employment contract. Neither the Plan nor this Agreement or anything else changes the employment status of Employee.

6.2 Spendthrift. No benefit or interest hereunder is subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of Employee.

6.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable, but if any provision of this Agreement shall be held to be prohibited or unenforceable under applicable law (a) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law, and (b) all other provisions of this Agreement shall remain in full force and effect.

6.4 Captions. The captions used in this Agreement are for convenience only, do not constitute a part of this Agreement, and all of the provisions of this Agreement shall be enforced and construed as if no captions had been used.

6.5 Complete Agreement. This Agreement contains the complete agreement between the parties relating in any way to the subject matter of this Agreement, and supersedes any prior understandings, agreements, or representations, written or oral, which may have related to such subject matter in any way.

6.6 Notices.

(a) Procedures Required. Each communication given or delivered under this Agreement must be in writing and may be given by personal delivery or by certified mail. A written communication shall be deemed to have been given on the date it shall be delivered to the address required by this Agreement.

(b) Communications to the Company. Communications to the Company shall be addressed to it at the principal corporate headquarters and marked to the attention of the Company's General Counsel.

(c) Communications to the Employee. Every communication to Employee shall be addressed to Employee at the address given immediately below Employee's signature to this Agreement, or to such other address as Employee shall specify to the Company.

6.7 Assignment. This Agreement is not assignable by Employee during the Employee's lifetime. This Agreement shall be binding upon and inure to the benefit of (a) the successors and assigns of the Company, and (b) any person to whom Employee's rights under this Agreement may pass by reason of Employee's death.

6.8 Amendment. This Agreement may be amended, modified, or terminated only by written agreement between the Company and Employee.

6.9 Waiver. No delay or omission in exercising any right hereunder shall operate as a waiver of such right or of any other right hereunder. A waiver upon any one occasion shall not be construed as a bar or waiver of any right or remedy on any other occasion. All of the rights and remedies of the parties hereto, whether evidenced hereby or granted by law, shall be cumulative.

6.10 Choice of Law. This Agreement shall be deemed to be a contract made under the laws of the State of Michigan, and for all purposes shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date of this Agreement.

EMPLOYEE:

UFP INDUSTRIES, INC.:

«Name1»

By _____

Its _____

ADDRESS:

«Address1»

«City», «StateProvince» «Account_Number»

22444696.2

UFP INDUSTRIES, INC. LONG-TERM INCENTIVE PLAN

PERFORMANCE SHARE AWARD AGREEMENT

This certifies that UFP Industries, Inc. (the "Company") has on _____, 20____ (the "Award Date"), granted to _____ (the "Participant") an award (the "Award") of _____ Performance Shares (the "Target Performance Shares") pursuant to and under the UFP Industries, Inc. Long-Term Incentive Plan (the "Plan") and subject to the terms set forth in this agreement (the "Agreement"). The Plan is incorporated into this Agreement by reference, and in the event of any conflict between the terms of the Plan and this Agreement, the terms of the Plan will govern. Any terms not defined herein will have the meaning set forth in the Plan.

1. Definitions.

(a) "Actual Performance Shares" means the number of Performance Shares earned and vested in accordance with Section 2 and payable to the Participant under Section 4 of this Agreement.

(b) "Common Stock" means the Company's, \$1.00 par value per share.

(c) "Performance Period" means the period of three (3) consecutive fiscal Years including and from the Award Date (i.e., _____, _____ and _____).

(d) "Performance Share" means the right to receive one (1) share of Common Stock subject to certain restrictions and on the terms and conditions contained in this Agreement and the Plan.

(e) "Pre Bonus Operating Profit" ("PBOP") has the meaning set forth in the Company's Performance Bonus Plan – Salaried (PPM 4751).

(f) "Pre Bonus Returns On Investment" ("PBROI") means the Company's annual Pre Bonus Operating Profit, divided by the average investment of the Company's business.

(g) "Target PBROI" means twelve percent (12.0%).

2. Determination of Actual Performance Shares. The Actual Performance Shares which may be earned and vested by Participant shall equal (a) the number of Target Performance Shares, multiplied by (b) the Earnout Percentage, as determined under this Section 2.

(a) Determination of PBOP and PBROI.

(i) Determination of PBOP. Within sixty (60) days after the end of the Performance Period, the Committee will determine the Company's PBOP during the Performance Period (the "Performance Period PBOP").

(ii) Determination of PBROI. Within sixty (60) days after the end of the Performance Period, the Committee will determine the PBROI during the Performance Period (the "Performance Period PBROI").

(b) Calculation of Earnout Percentage.

(i) If the Performance Period PBROI is equal to or greater than Target PBROI, the Earnout Percentage shall be determined in accordance with the following:

<u>If the Company's Performance Period PBOP is:</u>	<u>The Earnout Percentage is:</u>
Equal to or greater than \$ _____ ⁽¹⁾	200%
Less than \$ _____ but equal to or greater than \$ _____ ⁽²⁾	100%
Less than \$ _____ but equal to or greater than \$ _____ ⁽³⁾	Actual Period PBOP/ \$
Less than \$ _____ ⁽³⁾	0%

(ii) If the Performance Period PBROI is less than Target PBROI, the Earnout Percentage shall be 0%.

The Earnout Percentage between the above performance levels shall be determined based on straight line interpolation.

(c) Calculation of Actual Performance Shares after a Change in Control. If a Change in Control occurs during the Performance Period, the Earnout Percentage shall be 200%.

(d) Certification. Not later than sixty (60) days after the end of the Performance Period, the Committee shall determine the Actual Performance Shares and shall certify such finding to the Company and the Participant.

3. Adjustments to Actual Performance Shares Following Termination of Employment.

(a) Termination Due to Death or Disability. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period due to:

(1) 1.5x Budget

(2) Three-Year Budget PBOP ("Budget")

(3) .5x Budget

- (i) Death; or
- (ii) Disability,

the Participant's Actual Performance Shares will equal the Actual Performance Shares determined under Section 2 multiplied by a fraction, the numerator of which is the number of full calendar months, beginning on the first day of the Performance Period and ending on the date of the Participant's termination of employment, and the denominator of which is 36.

(b) Termination Due to Retirement. In the event the Participant terminates employment with the Company or a Subsidiary during the Performance Period due to Retirement, no adjustment to the Actual Performance Shares shall be made.

(c) Termination of Employment for Other Reasons. In the event that the Participant's employment with the Company or a Subsidiary terminates prior to the end of the Performance Period for any reason other than Death, Disability or Retirement, then Participant's rights to all of the Target Performance Shares granted in this Award will be immediately and irrevocably forfeited upon such termination of employment.

4. Rights of the Participant with Respect to Performance Shares.

(a) No Shareholder Rights. The Performance Shares granted pursuant to this Award do not and will not entitle Participant to any rights of a shareholder of Common Stock, including the right to receive dividends, except as provided in Section 4(b) below. The rights of the Participant with respect to the Performance Shares will remain forfeitable at all times prior to the end of the Performance Period and as otherwise provided in the Plan. Prior to conversion of Performance Shares into Common Stock, such Performance Shares will represent only an unsecured obligation of the Company.

(b) Conversion of Performance Shares; Issuance of Common Stock. No shares of Common Stock will be issued to Participant prior to the date on which the Performance Shares vest and become Actual Performance Shares under the provisions of Section 2 of this Agreement. At the time of issuance of any actual Performance Shares, Participant shall be credited with and paid the aggregate amount of dividends declared and paid per share of Company common stock from the Award Date through the date of issuance of the Actual Performance Shares, multiplied by the number of Actual Performance Shares issued. Neither this subsection (b) nor any action taken pursuant to or in accordance with this subsection (b) will be construed to create a trust of any kind. After any Performance Shares vest and become Actual Performance Shares and any tax withholding obligations related to such Actual Performance Shares have been satisfied pursuant to Section 7, the Company will, within 60 days thereafter, cause to be issued to the Participant or the Participant's legal representatives, beneficiaries or heirs, as the case may be, a stock certificate or book entry representing the number of shares of Common Stock in payment of such vested whole Actual Performance Shares. The value of any fractional Performance Share will be paid in cash at the time certificates are delivered to Participant in payment of the Actual Performance Shares based on

the Fair Market Value of a share of Common Stock on the day preceding the date of distribution.

5. Restriction on Transfer.

(a) The Performance Shares and any rights under this Award may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant and receive any property distributable with respect to the Performance Shares upon the death of Participant.

(b) No transfer by will or the applicable laws of descent and distribution of any Performance Shares that vest by reason of Participant's death will be effective to bind the Company unless the Committee will have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer.

6. Adjustments to Performance Shares for Certain Corporate Transactions.
Adjustments to Performance Shares will be determined in accordance with this Section 6.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Target Performance Shares granted under this Award if:

(i) The outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of the Company, reclassification, stock dividend, stock split, reverse stock split with respect to such shares of Common Stock or other securities, or

(ii) Additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Target Performance Shares granted under this Award if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within subsection (a) above.

7. Tax Withholding.

(a) In order to comply with all applicable federal, state, and local tax withholding laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, and local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, Participant may elect to satisfy Participant's federal, state, and local tax obligations arising from the receipt of, or the lapse of restrictions relating to, the Performance Shares, by any of the following means or by a combination of such means set forth below. If the Participant fails to notify the Company of his or her election, the Company will withhold shares of Common Stock as described in paragraph (ii), below.

(i) Tendering a payment to the Company in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company;

(ii) Authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to the Participant a number of such shares having a Fair Market Value as of the date that the amount of the tax to be withheld is to be determined (the "Tax Date) less than or equal to the minimum amount of the Company's withholding tax obligation; or

(iii) Delivering to the Company unencumbered shares of Common Stock already owned by Participant having a Fair Market Value, as of the Tax Date, less than or equal to the minimum amount of the Company's withholding tax obligation. Any shares of Common Stock already owned by Participant referred to in this paragraph (iii) must have been owned by Participant for no less than six (6) months prior to the date delivered to the Company if such shares of Common Stock were acquired upon the exercise of an Option or upon the vesting of Restricted Stock or other Restricted Stock Units.

The Company will not deliver any fractional share of Common Stock but will pay, in lieu thereof, will round the number of shares up or down to the nearest number of full shares. Participant's election must be made on or before the Tax Date.

8. Miscellaneous.

(a) Neither this Award Agreement nor the Plan confers on Participant any right with respect to the continuance of employment by the Company or any Subsidiary, nor will there be a limitation in any way on the right of the Company or any Subsidiary by which Participant is employed to terminate his or her employment at any time.

(b) In the event of a restatement of the Company's consolidated financial statements for any interim or annual period ("Restatement"), the Committee may determine that the Award exceeds the amount that would have been awarded or received had the Restatement been

known at the time of the original Award or at the time of vesting of any Actual Performance Shares. In the event that the Committee makes such a determination, the Company shall have the right: (i) in the instance of a Participant whose misconduct or violation of a Company policy causes such Restatement ("Cause"), to terminate, require forfeiture of, or adjust any Awards made to Participant and to require the repayment of any gain on any Award or on any Actual Performance Shares, realized within twelve (12) months of the Restatement and; (ii) in the instance where a Participant is an officer subject to Section 16 of the Securities and Exchange Act of 1934, and without regard to whether such Participant caused the Restatement, to adjust any vested or unvested Award made during the period covered by the Restatement to reflect the impact of the Restatement. Both cause and the amount of adjustment and/or repayment shall be determined by the Committee in its sole discretion and its decision shall be final and binding upon the Participant(s).

(c) The Company will not be required to deliver any shares of Common Stock upon vesting of any Actual Performance Shares until the requirements of any federal or state securities laws, rules or regulations or other laws or rules (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(d) An original record of this Award and of the Participant's acceptance and acknowledgement will be held on file by the Company. This Agreement and the Participant's acknowledgement may be made by either paper or electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company will control.

UFP INDUSTRIES, INC.

By _____

Its _____

ACCEPTANCE AND ACKNOWLEDGEMENT

I accept the Award described herein, acknowledge receipt of a copy of this Agreement and acknowledge that I have read it carefully and that I fully understand its contents.

PARTICIPANT

Dated _____

22444951

**UFP INDUSTRIES, INC.
FINANCIAL INFORMATION**

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UFP INDUSTRIES, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS OF
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UFP Industries, Inc. is a holding company with subsidiaries throughout North America, Europe, Asia, and Australia that design, manufacture, and supply products made from wood, wood and non-wood composites, and other materials to three markets: retail, packaging, and construction. We are headquartered in Grand Rapids, Mich. For more information about UFP Industries, Inc., or its affiliated operations, go to www.ufpi.com.

This report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act, as amended, that are based on management’s beliefs, assumptions, current expectations, estimates and projections about the markets we serve, the economy and the Company itself. Words like “anticipates,” “believes,” “confident,” “estimates,” “expects,” “forecasts,” “likely,” “plans,” “projects,” “should,” variations of such words, and similar expressions identify such forward-looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. We do not undertake to update forward-looking statements to reflect facts, circumstances, events, or assumptions that occur after the date the forward-looking statements are made. Actual results could differ materially from those included in such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Among the factors that could cause actual results to differ materially from forward-looking statements are the following: fluctuations in currency and inflation; fluctuations in the price of lumber; adverse economic conditions in the markets we serve; concentration of sales to customers; vertical integration strategies; excess capacity or supply chain challenges; our ability to make successful business acquisitions; government regulations, particularly involving environmental and safety regulations; adverse or unusual weather conditions; inbound and outbound transportation costs; alternatives to replace treated wood products; cybersecurity breaches; tariffs on import and export sales; costs associated with product liability, casualty, manufacturing and construction defects, and other claims; and potential pandemics. Certain of these risk factors as well as other risk factors and additional information are included in our reports on Form 10-K and 10-Q on file with the Securities and Exchange Commission. We are pleased to present this overview of 2023.

OVERVIEW

Our results for 2023 were impacted by the following:

- Our net sales decreased 25% compared to 2022, which was comprised of a 16% decrease in selling prices and a 9% decrease in unit sales. The overall decrease in our selling prices is primarily due to lower lumber prices and a more competitive pricing environment in certain of our business units. The overall unit decline consists of a 6% decrease in our retail segment, a 6% decrease in our packaging segment, and a 13% decrease in our construction segment. Acquired businesses contributed 2% unit growth in our packaging segment.
- Our gross profits decreased by \$370.5 million, or 20.7%, compared to last year, exceeding our 9% decline in unit sales. By segment, gross profits decreased by \$203 million in Construction and \$171 million in Packaging, while Retail experienced a \$33 million increase in gross profits. The overall decrease in our gross profits is primarily due to the decline in unit sales, unfavorable cost variances as a result of fixed manufacturing costs, and more competitive pricing in certain business units. These unfavorable factors were partially offset by more favorable lumber price trends in 2023 on products sold in our Retail segment that are based on variable selling prices. The remaining decline in our gross profits is primarily due to our International segment, which is presented under “All Other” in the segment reporting tables below.

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- Our operating profits decreased \$304 million, or 32.0%, compared to last year. The overall decrease is a result of the decline in gross profits mentioned above offset by a \$65 million decrease in selling, general, and administrative (“SG&A”) expenses. Our SG&A declined primarily due to our incentive compensation plans which are tied to profitability and return on investment. More specifically, our sales incentive expense declined by \$30 million to approximately \$59 million for the year and bonus expense declined by \$54 million to \$175 million for the year. Our decremental operating margin comparing our decrease in operating profits relative to our decrease in net sales was 12.6%.
- Our cash flows from operations in 2023 was \$959.9 million compared to \$831.6 million in 2022. The \$128 million improvement resulted from the change in our investment in net working capital, which was \$300 million lower in 2023 than it was in 2022 resulting in an increase in operating cash flows, offset by a \$172 million decrease in net earnings and non-cash expenses compared to the prior year. Our investment in net working capital has declined primarily due to a decline in market demand in the industries we serve as well a decline in the cost of lumber.
- We invested \$180.4 million in capital expenditures to support and grow our existing businesses and invested \$52.4 million in an acquired business.
- We returned \$68.2 million to our shareholders through dividends and repurchased approximately 975,000 shares of our common stock for \$82.1 million, at an average price of \$84.27 per share.
- Our net surplus cash (cash less debt and cash overdraft) at the end of 2023 was \$841.9 million compared to \$281.4 million at the end of 2022. Our unused borrowing capacity under our revolving credit facility and a shelf agreement with certain lenders along with our cash surplus resulted in total liquidity of approximately \$2.4 billion at the end of December 2023. We plan to continue to pursue a balanced and return driven approach to capital allocation focused on continuing to increase our dividend at a rate that is aligned with our anticipated long-term earnings growth rate, repurchasing our common stock to offset dilution from issuances under our equity-based compensation programs, making capital investments needed to execute our organic growth and operating improvement strategies, and completing business acquisitions that complement our existing businesses and provide new avenues for growth.

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HISTORICAL LUMBER PRICES

The following table presents the Random Lengths framing lumber composite price.

	Random Lengths Composite	
	Average \$/MBF	
	2023	2022
January	\$ 386	\$ 1,112
February	437	1,225
March	411	1,321
April	420	1,051
May	400	948
June	398	670
July	455	621
August	430	625
September	430	556
October	400	503
November	371	483
December	383	420
Year-to-date average	\$ 410	\$ 795
Year-to-date percentage change	(48.4)%	

In addition, a Southern Yellow Pine ("SYP") composite price, which we prepare and use, is presented below. Our purchases of this species comprise almost two-thirds of our total lumber purchases.

	Southern Yellow Pine	
	Average \$/MBF	
	2023	2022
January	\$ 406	\$ 1,010
February	452	1,115
March	464	1,198
April	474	902
May	437	732
June	427	574
July	442	547
August	417	589
September	424	533
October	396	490
November	355	472
December	369	445
Year-to-date average	\$ 422	\$ 717
Year-to-date percentage change	(41.1)%	

Lower overall lumber prices in 2023 compared to 2022 is primarily due to increased capacity of the supply of lumber in North America combined with an increase in imports from other countries while demand for lumber has declined. A change in lumber prices impacts our profitability of products sold with fixed and variable prices, as discussed below.

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IMPACT OF THE LUMBER MARKET ON OUR OPERATING RESULTS

We experience significant fluctuations in the cost of commodity lumber products from primary producers ("Lumber Market"). We generally price our products to pass lumber costs through to our customers so that our profitability is based on the value-added manufacturing, distribution, engineering, and other services we provide. As a result, our sales levels (and working capital requirements) are impacted by the lumber costs of our products. Lumber costs, including plywood and other panel products, were 43.5% and 49.6% of our net sales in 2023 and 2022, respectively.

Our gross margins are impacted by (1) the relative level of the Lumber Market (i.e. whether prices are higher or lower from comparative periods), and (2) the trend in the market price of lumber (i.e. whether the price of lumber is increasing or decreasing within a period or from period to period). Moreover, as explained below, our products are priced differently. Some of our products have fixed selling prices, while the selling prices of other products are indexed to the reported Lumber Market with a fixed dollar adder to cover conversion costs and profits. Consequently, the level and trend of the Lumber Market impact our products differently.

Below is a general description of the primary ways in which our products are priced.

- Products with fixed selling prices. These products include value-added products, such as manufactured items, sold within all segments. Prices for these products are generally fixed at the time of the sales quotation for a specified period of time. In order to reduce any exposure to adverse trends in the price of component lumber products, we attempt to lock in costs with our suppliers or purchase necessary inventory for these sales commitments. The time period limitation eventually allows us to periodically re-price our products for changes in lumber costs from our suppliers.
- Products with selling prices indexed to the reported Lumber Market with a fixed dollar "adder" to cover conversion costs and profits. These products primarily include treated lumber, panel goods, other commodity-type items, and trusses sold to the manufactured housing industry. For these products, we estimate the customers' needs and we carry anticipated levels of inventory. Because lumber costs are incurred in advance of final sale prices, subsequent increases or decreases in the market price of lumber impact our gross margins. We believe our sales of these products are at their highest relative level in our second quarter, primarily due to pressure-treated lumber sold in our retail segment.

For each of the product pricing categories above, our margins are exposed to changes in the trend of lumber prices. As a result of the balance in our net sales of each category we believe our gross profits are more stable than those of our competitors who are less diversified.

The greatest risk associated with changes in the trend of lumber prices is on the following products:

- Products with significant inventory levels with low turnover rates, whose selling prices are indexed to the Lumber Market. In other words, the longer the period of time these products remain in inventory, the greater the exposure to changes in the price of lumber. This would include treated lumber, which comprises approximately 21% of our total net sales in 2023. This exposure is less significant with remanufactured lumber, panel goods, other commodity-type items, and trusses sold to the manufactured housing market due to the higher rate of inventory turnover. We attempt to mitigate the risk associated with treated lumber through inventory consignment programs with our vendors. We estimate that 18% of our total purchases for 2023 were completed under these programs. *(Please refer to the "Risk Factors" section of our annual report on form 10-K, filed with the United States Securities and Exchange Commission.)*

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- Products with fixed selling prices sold under long-term supply arrangements, particularly those involving multi-family construction projects. We attempt to mitigate this risk through our purchasing practices and longer vendor commitments.

In addition to the impact of the Lumber Market trends on gross margins, changes in the level of the market cause fluctuations in gross margins when comparing operating results from period to period. This is explained in the following example, which assumes the price of lumber has increased from period one to period two, with no changes in the trend within each period.

	Period 1	Period 2
Lumber cost	\$ 300	\$ 400
Conversion cost	50	50
= Product cost	350	450
Adder	50	50
= Sell price	\$ 400	\$ 500
Gross margin	12.5 %	10.0 %

As is apparent from the preceding example, the level of lumber prices does not impact our overall profits but does impact our margins. Gross margins and operating margins are negatively impacted during periods of high lumber prices; conversely, we experience margin improvement when lumber prices are relatively low. As a result of this factor, we believe it is useful to compare our change in units sold with our change in gross profits, selling, general, and administrative expenses, and operating profits as presented in the following table.

	<u>Annual Percentage Change from</u>	
	<u>Prior Year Ended</u>	
	December 30, 2023	December 31, 2022
Units sold	(9.0)%	2.0 %
Gross profit	(20.7)	27.2
Selling, general, and administrative expenses	(7.9)	22.0
Earnings from operations	(32.0)	28.8

It is our long-term goal to increase our gross profits and earnings from operations at a rate of growth that exceeds our unit sales growth, or in other words, increase our profit per unit sold. We also have a long-term goal of improving our efficiencies and leveraging the fixed costs in our selling, general, and administrative expenses as we grow, which would result in a rate of growth of these expenses which is less than our unit sales growth resulting in a lower cost per unit.

BUSINESS COMBINATIONS AND ASSET PURCHASES

We completed one business acquisition during 2023 and four during 2022. The annual historical sales attributable to acquisitions in 2023 and 2022 were approximately \$38.0 million and \$177.8 million, respectively. These business combinations were not significant to our operating results individually or in aggregate; consequently pro forma results for 2023 and 2022 are not presented.

See Notes to Consolidated Financial Statements, Note C, "Business Combinations" for additional information.

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RESULTS OF OPERATIONS

The following table presents, for the periods indicated, the components of our Consolidated Statements of Earnings as a percentage of net sales. See "Impact of the Lumber Market on our Operating Results".

	Year Ended	
	December 30, 2023	December 31, 2022
Net sales	100.0 %	100.0 %
Cost of goods sold	80.3	81.4
Gross profit	19.7	18.6
Selling, general, and administrative expenses	10.6	8.6
Other losses (gains), net	0.1	0.1
Earnings from operations	9.0	9.9
Other (income) expense, net	(0.3)	0.2
Earnings before income taxes	9.3	9.7
Income taxes	2.2	2.4
Net earnings	7.1	7.3
Less net earnings attributable to noncontrolling interest	—	(0.1)
Net earnings attributable to controlling interest	<u>7.1 %</u>	<u>7.2 %</u>

Note: Actual percentages are calculated and may not sum to total due to rounding.

The following table presents, for the periods indicated, our selling, general, and administrative (SG&A) costs as a percentage of gross profit. We believe this ratio provides an enhanced view of our effectiveness in managing these costs given our strategies to enhance our capabilities and improve our value-added product offering and recognizing the higher relative level of SG&A these strategies require, and mitigates the impact of changing lumber prices.

	Year Ended	
	December 30, 2023	December 31, 2022
Gross profit	\$ 1,418,938	\$ 1,789,461
Selling, general, and administrative expenses	\$ 766,633	\$ 832,079
SG&A as percentage of gross profit	54.0%	46.5%

The increase in the ratio above is primarily due to a combination of fixed SG&A costs and more competitive pricing in certain business units as the markets we serve have declined from peak levels experienced during and shortly after the pandemic. For comparison purposes, our SG&A costs as a percentage of gross profits in 2019 (immediately prior to the pandemic) was 64%.

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OPERATING RESULTS BY SEGMENT

Our business segments consist of UFP Retail Solutions (“Retail”), UFP Packaging (“Packaging” and formerly known as UFP Industrial) and UFP Construction (“Construction”), and align with the end markets we serve. Among other things, this structure allows for a more specialized and consistent sales approach among Company operations, more efficient use of resources and capital, and quicker introduction of new products and services. We manage the operations of our individual locations primarily through a market-centered reporting structure under which each location is included in a business unit, and business units are included in our Retail, Packaging, and Construction segments. In the case of locations that serve multiple segments, results are allocated and accounted for by segment. The exception to this market-centered reporting and management structure is our International segment, which comprises our Mexico, Canada, Europe, Asia, and Australia operations and sales and buying offices in other parts of the world. Our International segment and Ardellis (our insurance captive) are included in the “All Other” column of the table below. The “Corporate” column includes purchasing, transportation, corporate ventures, and administrative functions that serve our operating segments. Operating results of Corporate primarily consists of over (under) allocated costs. The operating results of UFP Real Estate, Inc., which owns and leases real estate, and UFP Transportation Ltd., which owns, leases, and operates transportation equipment, are also included in the Corporate column. Inter-company lease and service charges are assessed to our operating segments for the use of these assets and services at fair market value rates.

The following tables present our operating results by segment for December 30, 2023 and December 31, 2022.

	Year Ended December 30, 2023					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales	\$ 2,886,515	\$ 1,838,200	\$ 2,161,059	\$ 328,884	\$ 3,726	\$ 7,218,384
Cost of goods sold	2,508,513	1,422,940	1,637,329	240,106	(9,442)	5,799,446
Gross profit	378,002	415,260	523,730	88,778	13,168	1,418,938
Selling, general, administrative expenses	209,182	219,323	279,107	55,654	3,367	766,633
Other	757	8	1,277	4,482	(753)	5,771
Earnings from operations	<u>\$ 168,063</u>	<u>\$ 195,929</u>	<u>\$ 243,346</u>	<u>\$ 28,642</u>	<u>\$ 10,554</u>	<u>\$ 646,534</u>
	Year Ended December 31, 2022					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales	\$ 3,650,639	\$ 2,394,681	\$ 3,143,868	\$ 431,611	\$ 5,940	\$ 9,626,739
Cost of goods sold	3,306,112	1,808,449	2,417,212	300,307	5,198	7,837,278
Gross profit	344,527	586,232	726,656	131,304	742	1,789,461
Selling, general, administrative expenses	193,383	250,858	328,125	66,745	(7,032)	832,079
Other	817	129	1,097	5,929	(774)	7,198
Earnings from operations	<u>\$ 150,327</u>	<u>\$ 335,245</u>	<u>\$ 397,434</u>	<u>\$ 58,630</u>	<u>\$ 8,548</u>	<u>\$ 950,184</u>

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The following tables present the components of our operating results as a percentage of net sales by segment for December 30, 2023 and December 31, 2022.

Year Ended December 30, 2023						
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	N/A	100.0 %
Cost of goods sold	86.9	77.4	75.8	73.0	—	80.3
Gross profit	13.1	22.6	24.2	27.0	—	19.7
Selling, general, administrative expenses	7.2	11.9	12.9	16.9	—	10.6
Other	—	—	0.1	1.4	—	0.1
Earnings from operations	5.8 %	10.7 %	11.3 %	8.7 %	—	9.0 %

Note: Actual percentages are calculated and may not sum to total due to rounding.

Year Ended December 31, 2022						
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	N/A	100.0 %
Cost of goods sold	90.6	75.5	76.9	69.6	—	81.4
Gross profit	9.4	24.5	23.1	30.4	—	18.6
Selling, general, administrative expenses	5.3	10.5	10.4	15.5	—	8.6
Other	—	—	—	1.4	—	0.1
Earnings from operations	4.1 %	14.0 %	12.6 %	13.6 %	—	9.9 %

Note: Actual percentages are calculated and may not sum to total due to rounding.

NET SALES

We design, manufacture and market wood and wood-alternative products, primarily used to enhance outdoor living environments, for national home centers and other retailers, engineered wood components, structural lumber, and other products for factory-built and site-built residential and commercial construction, customized interior fixtures used in a variety of retail stores, commercial, and other structures, and structural wood packaging, components and packing materials for various industries. Our strategic long-term sales objectives include:

- Maximizing unit sales growth while achieving return on investment goals. The following table presents estimates, for the periods indicated, of our percentage change in net sales which were attributable to changes in overall selling prices versus changes in units shipped.

	% Change				
	in Sales	in Selling Prices	in Units	Acquisition Unit Change	Organic Unit Change
2023 versus 2022	(25.0)%	(16.0)%	(9.0)%	1.0 %	(10.0)%
2022 versus 2021	11.5 %	9.5 %	2.0 %	3.0 %	(1.0)%

- Expanding geographically in our core businesses, domestically and internationally.

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- Increasing our sales of "value-added" products and enhancing our product offering with new or improved products. Value-added products generally consist of fencing, decking, lattice, and other specialty products sold in the Retail segment; structural and protective packaging and machine-built pallets sold in the Packaging segment; engineered wood components, customized interior fixtures, manufactured and assembled concrete forms sold in the Construction segment; and "wood alternative" products. Engineered wood components include roof trusses, wall panels, and floor systems. Wood alternative products consist of products manufactured with wood and non-wood composites, metals and plastics sold in each of our segments. Although we consider the treatment of dimensional lumber and panels with certain chemical preservatives a value-added process, treated lumber is not presently included in the value-added sales totals. Remanufactured lumber and panels that are components of finished goods are also generally categorized as "commodity-based" products.

The following table presents, for the periods indicated, our percentage of value-added and commodity-based sales to total sales by our segments.

	<u>Year Ended December 30, 2023</u>		<u>Year Ended December 31, 2022</u>	
	<u>Value-Added</u>	<u>Commodity-Based</u>	<u>Value-Added</u>	<u>Commodity-Based</u>
Retail	50.5 %	49.5 %	44.9 %	55.1 %
Packaging	77.0 %	23.0 %	72.0 %	28.0 %
Construction	83.2 %	16.8 %	77.2 %	22.8 %
All Other	83.8 %	16.2 %	76.3 %	23.7 %
Corporate	27.5 %	72.5 %	44.3 %	55.7 %
Total Sales	68.4 %	31.6 %	63.4 %	36.6 %

Note: Certain prior year product reclassifications and the change in designation of certain products as "value-added" resulted in a change in prior year's sales.

Our overall unit sales of value-added products decreased approximately 9% in 2023 compared to 2022. Our unit sales of commodity-based products also decreased approximately 9% compared to 2022.

- Developing new products. We define new products as those that will generate sales of at least \$1 million per year within 4 years of launch and are still growing and gaining market penetration. New product sales in 2023 decreased 8% compared to the prior year, primarily due to a decline in lumber prices, which were passed to our customers in our selling prices. Approximately \$17.4 million of new product sales for 2022, while still sold, were sunset in 2023 and excluded from the table below because they no longer meet the definition above. Our goal was to achieve annual new product sales of at least \$795 million in 2023. For 2024, we have redefined our definition of new products as we focus on more value-added products and services. As a result, we have lowered the forecast for new product sales to \$510 million for 2024. On a long-term basis, our goal is for new product sales to comprise at least 10% of our total net sales.

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The table below presents new product sales in thousands:

	New Product Sales by Segment				
	Year Ended				
	December 30, 2023	% of Segment Net Sales	December 31, 2022	% of Segment Net Sales	% Change in Sales
Retail	\$ 327,019	11.3 %	\$ 338,547	9.3 %	(3.4)%
Packaging	277,703	15.1 %	277,859	11.6 %	(0.1)%
Construction	109,617	5.1 %	140,176	4.5 %	(21.8)%
All Other and Corporate	1,808	0.5 %	2,508	0.6 %	(27.9)%
Total New Product Sales	716,147	9.9 %	759,090	7.9 %	(5.7)%

Note: Certain prior year product reclassifications and the change in designation of certain products as "new" resulted in a change in prior year's sales.

Retail Segment:

Net sales from the Retail segment decreased 21% in 2023 compared to 2022 due to a 15% decrease in selling prices and a 6% decrease in organic unit growth. Our selling prices of variable-priced products declined due to lower lumber prices. The selling prices of these products are indexed to the lumber market at the time they are shipped. Additionally, our unit sales to big box customers, which we believe are more closely correlated with repair and remodel activity, increased nearly 2%, while unit sales to independent retailers, which we believe are more closely correlated to new housing starts, decreased approximately 20%.

Gross profits increased by \$33.5 million, or 9.7%, to \$378.0 million in 2023 compared to 2022. Our change in gross profits was attributable to the following:

- The gross profits of our ProWood business unit increased \$28.7 million, primarily due to less volatile lumber prices during 2023 compared to severe, adverse volatility in 2022. The products sold by this unit consists primarily of pressure treated lumber sold at a variable price indexed to the lumber market at the time they are shipped.
- Our Deckorator’s business unit increased by approximately \$18.2 million due to an increase in overall unit sales, sales of new products, and operational improvements.
- The improvements above were offset by a \$14 million decrease in gross profits of our Edge business unit.

Selling, general and administrative (“SG&A”) expenses increased by approximately \$15.8 million, or 8.2%, in 2023 compared to 2022. Accrued bonus expense, which varies with the overall profitability and return on investment of the segment, increased approximately \$8.8 million and totaled approximately \$45.8 million in 2023. The remaining increase is comprised of many smaller increases spread over several accounts.

Earnings from operations of the Retail reportable segment increased in 2023 compared to 2022 by \$17.7 million, or 11.8%, as a result of the factors mentioned above.

Packaging Segment:

Net sales from the Packaging segment decreased 23% in 2023 compared to 2022 due to a 17% decrease in selling prices and an 8% decrease in organic unit sales, partially offset by unit growth from acquisitions of 2%. The decline in prices is due to competitive price pressure as well as lower lumber costs passed to customers.

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Gross profits decreased by \$171.0 million, or 29.2%, to \$415.3 million in 2023 compared to 2022. The decrease in gross profits is primarily due to lower demand resulting in lower unit sales, as well as competitive price pressure, and unfavorable cost variances as a result of fixed manufacturing costs. Acquisitions contributed \$8.1 million to gross profit.

Selling, general and administrative ("SG&A") expenses decreased by approximately \$31.5 million, or 12.6%, in 2023 compared to 2022. Accrued bonus expense, which varies with the overall profitability and return on investment of the segment, decreased approximately \$28.4 million, and totaled approximately \$53.8 million for 2023. Additionally, our bad debt expense decreased by \$8.1 million and incentive compensation expense decreased by \$8.5 million. These decreases were partially offset by an increase in salaries and wages of \$8.7 million, and acquired operations, which contributed approximately \$5.6 million to our SG&A.

Earnings from operations of the Packaging reportable segment in 2023 decreased by \$139.3 million, or 41.6%, compared to 2022 due to the factors discussed above.

Construction Segment:

Net sales from the Construction segment decreased 31% in 2023 compared to 2022 due to an 18% decrease in selling prices and a decline in organic unit sales of 13%. Organic unit changes within this segment consisted of decreases of 2% in concrete forming, 12% in site-built housing, 14% in factory-built housing, and 24% in commercial construction. The decline in pricing was due to competitive price pressure as well as the decline in lumber prices, which were passed to our customers.

Gross profits decreased by \$202.9 million, or 27.9% to \$523.7 million in 2023 compared to 2022. The decrease in our gross profit was comprised of the following factors:

- Gross profits in our factory-built housing and site-built construction business unit decreased by \$65.6 million and \$118.2 million, respectively, due to competitive price pressure as well as lower sales volumes and unfavorable cost variances due to fixed manufacturing costs.
- The gross profit of our concrete forming business unit decreased by \$17.4 million due to a decline in selling prices.

SG&A expenses decreased by approximately \$49.0 million, or 14.9%, in 2023 compared to 2022. Accrued bonus expense, which varies with the overall profitability of the segment and return on investment, decreased approximately \$31.0 million compared to last year and totaled approximately \$65.0 million for 2023. The remaining decrease was primarily due to decreases in sales incentive compensation of \$13.9 million, bad debt expense of \$5.3 million, and professional fees of \$3.2 million. These decreases were offset by an increase in salaries, wages, and benefits of approximately \$3.0 million.

Earnings from operations of the Construction reportable segment increased in 2023 compared to 2022 by \$154.1 million, or 38.8%, due to the factors mentioned above.

All Other Segment:

Our All Other reportable segment consists of our International and Ardellis (our insurance captive) segments that are not significant. The decline in sales and earnings from operations is primarily due to our operation in Mexico that exports molding and millwork products to the U.S.

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Corporate:

The corporate segment consists of over (under) allocated costs that are not significant.

INTEREST EXPENSE

Interest expense in 2023 was similar to 2022 due to consistent amounts of outstanding debt during each period as well as fixed interest rates on these debts. See "Note C of Notes to the Consolidated Financial Statements".

INTEREST AND INVESTMENT INCOME

Interest and investment income increased by \$39.2 million in 2023 compared to 2022 due to the increase in cash and the higher interest rate environment.

INCOME TAXES

Effective tax rates differ from statutory federal income tax rates, primarily due to provisions for state and local income taxes, and permanent tax differences. Our effective tax rate was 23.4% in 2023 compared to 24.6% in 2022. The decrease in our overall effective tax rate was primarily due to an increase in our tax deduction from stock-based compensation accounted for as a permanent difference, and an increase in the research and development tax credit, and a manufacturing exemption which reduced our income tax in one of the states we operate.

OFF-BALANCE SHEET COMMITMENTS AND CONTRACTUAL OBLIGATIONS

We have no significant off-balance sheet commitments. The following table summarizes our contractual obligations as of December 30, 2023 (in thousands).

Contractual Obligation	Payments Due by Period				Total
	Less than 1 Year	1 – 3 Years	3 – 5 Years	After 5 Years	
Long-term debt and finance lease obligations	\$ 42,823	\$ 826	\$ 44,119	\$ 188,666	\$ 276,434
Estimated interest on long-term debt and finance lease obligations	10,062	17,105	15,643	26,720	69,530
Operating leases	32,796	56,539	31,515	31,686	152,536
Capital project purchase obligations	93,566	—	—	—	93,566
Total	\$ 179,247	\$ 74,470	\$ 91,277	\$ 247,072	\$ 592,066

As of December 30, 2023, we also had \$47.8 million in outstanding letters of credit issued during the normal course of business, as required by some vendor contracts.

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LIQUIDITY AND CAPITAL RESOURCES

The table below presents, for the periods indicated, a summary of our cash flow statement (in thousands):

	December 30, 2023	December 31, 2022
Cash from operating activities	\$ 959,890	\$ 831,567
Cash used in investing activities	(240,164)	(353,936)
Cash used in financing activities	(162,860)	(210,210)
Effect of exchange rate changes on cash	5,767	979
Net change in cash and cash equivalents	562,633	268,400
Cash, cash equivalents, and restricted cash, beginning of year	559,623	291,223
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 1,122,256</u>	<u>\$ 559,623</u>

In general, we fund our growth through a combination of operating cash flows, our revolving credit facility, and issuance of long-term notes payable at times when interest rates are favorable. We have not issued equity to finance growth except in the case of a large acquisition that occurred many years ago. We manage our capital structure by attempting to maintain a targeted ratio of debt to equity and debt to earnings before interest, taxes, depreciation and amortization. We believe these financial ratios are among many other important factors to maintaining a strong credit profile, which in turn helps ensure timely access to capital when needed.

Seasonality has a significant impact on our working capital due to our primary selling season which occurs during the period from March to September. Consequently, our working capital increases during our first and second quarters resulting in negative or modest cash flows from operations during those periods. Conversely, we experience a substantial decrease in working capital once we move beyond our peak selling season which typically results in significant cash flows from operations in our third and fourth quarters.

Due to the seasonality of our business and the effects of the Lumber Market, we believe our cash cycle (days of sales outstanding plus days supply of inventory less days payables are outstanding) is a good indicator of our working capital management. As indicated in the table below, our cash cycle decreased slightly to 63 days in 2023 from 64 days in 2022.

	Year Ended	
	December 30, 2023	December 31, 2022
Days of sales outstanding	33	36
Days supply of inventory	41	40
Days of payables outstanding ¹	(11)	(12)
Days in cash cycle	<u>63</u>	<u>64</u>

¹ We've modified our calculation of days of payables outstanding to be based on the cost of goods sold and accounts payable balances in our monthly financial statements. In prior periods, our calculation was based on invoice data. We've made this change to simplify the calculation and more easily integrate acquired operations into our financial metrics. The prior year metrics have been restated for the new method which reduced days of payables from a previously reported 20 days to 12 days.

We continue to focus on past due account balances with customers, and the percentage of our accounts receivable that are current are 91% in 2023 compared to 87% in 2022, which contributed to the improvement in our days of sales outstanding.

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Our cash flows from operating activities in 2023 was \$960 million, which was comprised of net earnings of \$514 million, \$158 million of non-cash expenses, and a \$288 million decrease in working capital since the end of December 2022. Our cash flows from operations increased by \$128 million compared to last year primarily due to a \$300 million decrease in our investment in net working capital compared to the prior year period, offset by a decrease in our net earnings and non-cash expenses of \$172 million. The elevated decrease in our net working capital this year was due to the drop in lumber prices and a decline in demand in certain markets we serve.

Purchases of property, plant, and equipment of \$180 million comprised most of our cash used in investing activities during 2023. Capital spending primarily consists of several projects to expand capacity to manufacture new and value-added products, primarily in our Packaging segment and Deckorators and ProWood business units, achieve efficiencies through automation in all segments, make improvements to a number of facilities, and increase our transportation capacity (tractors, trailers). Cash used for acquisitions during the year totaled \$52 million compared to \$180 million in 2022. In the current year we made one acquisition, UFP Palets y Embalajes SL. See Notes to Consolidated Financial Statements, Note C, "Business Combinations" for additional information.

Cash flows used in financing activities primarily consisted of:

- Cash paid for repurchases of common stock of \$82 million. We repurchased 974,869 shares of our common stock for the year at an average share price of \$84.27.
- Dividends paid during 2023 include first quarter dividends of \$16 million (\$0.25 per share), second quarter dividends of \$15 million (\$0.25 per share) third quarter dividends of \$19 million (\$0.30 per share), and fourth quarter dividends of \$18 million (\$0.30 per share).
- Contingent consideration payments of \$6 million.
- Distributions to noncontrolling interests of \$7 million.

On November 1, 2018, we entered into a five-year, \$375 million unsecured revolving credit facility with a syndicate of U.S. banks. On February 28, 2021, this credit agreement was amended to increase the availability from \$375 million to \$550 million by exercising the accordion feature in the original agreement. On December 6, 2022, a second amendment increased the availability from \$550 million to \$750 million. The facilities now include up to \$60 million which may be advanced in the form of letters of credit, and up to \$100 million (U.S. dollar equivalent) which may be advanced in Canadian dollars, Australian dollars, Sterling, Euros and such other foreign currencies as may subsequently be agreed upon among the parties. Cash borrowings are charged interest based upon an index selected by the Company, plus a margin that is determined based upon the index selected and upon the financial performance of the Company and certain of its subsidiaries. We are charged a facility fee on the entire amount of the lending commitment, at a per annum rate ranging from 15.0 to 30.0 basis points, also determined based upon our performance.

On December 30, 2023, we had \$3.7 million outstanding on our \$750 million revolving credit facility. The revolving credit facility also supports letters of credit totaling \$37.3 million which includes approximately \$3.3 million related to industrial development revenue bonds. As a result, we have approximately \$709.0 million in remaining availability. We also had approximately \$10.5 million of outstanding letters of credit that were issued outside of the revolving credit facility. Financial covenants on the unsecured revolving credit facility and unsecured notes include minimum interest tests and a maximum leverage ratio. The agreements also restrict the amount of additional indebtedness we may incur and the amount of assets which may be sold. We were in compliance with all our covenant requirements on December 30, 2023.

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ENVIRONMENTAL CONSIDERATIONS AND REGULATIONS

See Notes to Consolidated Financial Statements, Note L, "Commitments, Contingencies, and Guarantees".

CRITICAL ACCOUNTING POLICIES

In preparing our consolidated financial statements, we follow accounting principles generally accepted in the United States. These principles require us to make certain estimates and apply judgments that affect our financial position and results of operations. We continually review our accounting policies and financial information disclosures. Following is a summary of our more significant accounting policies that require the use of estimates and judgments in preparing the financial statements.

GOODWILL

We evaluate goodwill for indicators of impairment when events or circumstances indicate that this risk may be present. Our judgments regarding the existence of impairment are based on market conditions, operational performance and estimated future cash flows. Determining whether an impairment has occurred requires the valuation of the respective reporting unit, which we have consistently estimated using primarily a weighted average between income and market valuation approaches. We believe this approach is the most appropriate and accurate method to measure the fair value of our intangible assets. We use discounted cash flow analysis with the following assumption: a business is worth today what it can generate in future cash flows; cash received today is worth more than an equal amount of cash received in the future; and future cash flows can be reasonably estimated. The discounted cash flow analysis is based on the present value of projected cash flows and residual values.

If the carrying value of goodwill is considered impaired, an impairment charge is recorded to adjust it to its fair value. Changes in forecasted operations and changes in discount rates can materially affect these estimates. In addition, we test goodwill annually for impairment or more frequently if changes in circumstances or the occurrence of other events suggest impairments exist. The test for impairment requires us to make several estimates about fair value, most of which are based on projected future cash flows and market valuation multiples. Changes in these estimates may result in the recognition of an impairment loss.

On our annual testing date of September 30, 2023, the fair values exceed the carrying values for all reporting units and there were no indicators for impairment. We believe we have sufficient available information, both current and historical, to support our assumptions, judgments and estimates used in the goodwill impairment test.

REVENUE RECOGNITION

Revenue for product sales is recognized at the time the performance obligation is satisfied, which is primarily when the goods are delivered to the carrier, Free On Board (FOB) shipping point. Generally, title passes at the time of shipment. In certain circumstances, the customer takes title when the shipment arrives at the destination. However, our shipping process is typically completed the same day.

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Performance on construction contracts is reflected in operations using over time accounting, under either the cost to cost or units of delivery methods, depending on the nature of the business at individual operations. Under over time accounting using the cost to cost method, revenues and related earnings on construction contracts are measured by the relationships of actual costs incurred related to the total estimated costs. Under over time accounting using the units of delivery method, revenues and related earnings on construction contracts are measured by the relationships of actual units produced related to the total number of units. Revisions in earnings estimates on the construction contracts are recorded in the accounting period in which the basis for such revisions becomes known. Projected losses on individual contracts are charged to operations in their entirety when such losses become apparent.

Our construction contracts are generally entered into with a fixed price and completion of the projects can range from 6 to 18 months in duration. Therefore, our operating results are impacted by, among many other things, labor rates and commodity costs. During the year, we update our estimated costs to complete our projects using current labor and commodity costs and recognize losses to the extent that they exist.

SHORT-TERM DEMAND OUTLOOK

We believe effectively executing our strategies will allow us to achieve long-term goals in the future. However, demand in the markets we serve has contracted, which will impact our results and vary depending on the severity and duration of this cycle. The following factors should be considered when evaluating our future results:

- Lumber prices, which impact our cost of goods sold and selling prices, have normalized due to additional capacity added by sawmills and demand falling from peak levels. We anticipate lumber prices will remain in range near current levels, and experience more typical seasonal trends, until there is a substantial change in the balance of supply and demand.
- Retail segment sales accounted for 40% of our net sales in 2023. When evaluating future demand for the segment, we analyze data such as the same-store sales growth of national home improvement retailers and forecasts of home remodeling activity. Based on this data, we currently anticipate market demand to be flat to slightly down in 2024.
- Packaging segment sales accounted for 26% of our net sales in 2023. When evaluating future demand, we consider a number of metrics, including the Purchasing Managers Index (PMI), durable goods manufacturing, and U.S. real GDP. We currently believe overall demand in the markets we serve to be slightly up to slightly down in 2024.
- Construction segment sales accounted for 30% of our net sales in 2023.
 - The site-built business unit accounted for approximately 14% of our net sales in 2023. Approximately one-third of site-built customers are multifamily builders. The Mortgage Bankers Association of America forecasts a 1% decrease in national housing starts to an estimated 1.42 million starts in 2024 and the National Association of Home Builders forecasts starts of 1.34 million, a 6% decrease from 2023.
 - The factory-built business unit accounted for 10% of our net sales in 2023. When evaluating future demand, we analyze data from production and shipments of manufactured housing. The National Association of Home Builders and John Burns Real Estate Consulting forecast the manufactured home shipments in 2024 to be flat to slightly up.

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- The commercial and concrete forming business units accounted for approximately 6% of our net sales in 2023. When evaluating future demand, we analyze data from non-residential construction spending. We anticipate overall demand in this business unit to be flat to slightly up in 2024.

LONG-TERM OUTLOOK

GOALS

Our long-term financial goals include:

- Growing our annual unit sales by 7 to 10 percent. We anticipate smaller tuck-in acquisitions will contribute toward this goal;
- Achieving and sustaining a 12.5 percent EBITDA margin by continuing to enhance our capabilities and grow our portfolio and sales of value-added products and by achieving operating improvements;
- Earning an incremental return on new investment over our cost of capital; and
- Maintaining a conservative capital structure.

RETAIL SEGMENT

The Home Improvement Research Institute ("HIRI") anticipates growth in home improvement spending and has forecasted 2.4% growth in 2025 and 3.0% annual growth through 2027. We continue to compete for market share for certain retail customers and face intense pricing pressure from other suppliers to this market.

Our long-term goal is to achieve sales growth by:

- Increasing our market share of value-added products, including our Deckorators and Edge product lines. Continued investment in capacity for Deckorators and Edge is expected to contribute to this increase.
- Developing new products and increasing our emphasis on product innovation and product differentiation in order to counter commoditization trends and influences.
- Acquiring businesses in core product categories when those opportunities exist.
- Adding new products and customers through strategic business acquisitions or alliances.

PACKAGING SEGMENT

Our goal is to increase our sales of wood, wood alternative, and protective packaging products to a wide variety of packaging customers and manufactured wood components for OEM users. We believe the vast amount of hardwood and softwood lumber consumed for packaging applications, combined with the highly fragmented nature of this market, provides us with market share growth opportunities as a result of our competitive advantages in manufacturing, purchasing, and material utilization.

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In addition, purchasers of packaging products with a wide geographic footprint increasingly desire to reduce the number of suppliers they buy from, which provides an opportunity to gain market share due to our international presence. We plan to continue to obtain market share by expanding our manufacturing capacity, enhancing our capabilities and product offerings to enhance the solutions we offer our customers, and improving our ability to serve large regional and international customers in targeted markets.

We plan to continue to pursue acquisition opportunities that meet our strategic criteria and help us meet these objectives. The recently implemented reorganization of our business to market-based segments is intended to promote higher rates of sales growth through the introduction of new products, including protective and other packaging materials, and enhanced expertise in this market as well as improved earnings through more efficient use of our people, resources and capital.

Market indicators that should be considered when evaluating future demand for our products in the packaging segment include industrial production, the Purchasing Managers Index, and U.S. GDP growth.

CONSTRUCTION SEGMENT

The National Association of Home Builders forecasts a 3% increase in manufactured home shipments from 2023 to 2024 and a 4% compounded annual growth rate through 2026.

The Mortgage Bankers Association of America forecasts national housing starts of 1.42 million in 2024 and 1.47 million in 2025. The National Association of Home Builders forecasts starts of 1.34 million in 2024 and 1.42 million in 2025. The consensus estimate of all housing starts is 1.4 million in 2024, 1.47 million in 2025, and 1.5 million in 2026.

Non-residential construction spending is a market indicator that should be considered when evaluating future demand for our products in our Commercial and Concrete Forming business units within our Construction segment.

GROSS PROFIT

We believe the following factors are likely to impact our gross profits and margins in the future:

- End market demand and our ability to grow and leverage fixed costs and price our products based on the value we offer our customers.
- Our ability to maintain market share and gross margins on products sold to our largest customers. We believe our level of service, geographic diversity, and quality of products provides an added value to our customers. However, if our customers are unwilling to pay for these advantages, our sales and gross margins may be reduced.
- Sales mix of value-added and commodity products and our ability to sell new products.
- Fluctuations in the relative level of the Lumber Market and trends in the market price of lumber. (See "Impact of the Lumber Market on our Operating Results.")
- Fuel and transportation costs.
- Rising labor and benefit costs.
- Our ability to continue to achieve productivity improvements as our unit sales increase and planned cost reductions through continuous improvement activities, automation, and other initiatives.

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- Changes in corporate income tax rates and the cost of complying with new or increased government regulations.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

In recent years, selling, general and administrative (SG&A) expenses have increased due to acquisitions and added personnel hired to take advantage of growth opportunities and execute our initiatives intended to increase our sales of new products and improve our sales mix of value-added products. We anticipate our trend of increases in these costs will continue; however, our objective is to reduce these costs on a per unit basis and as a percentage of gross profits as we grow through the improved productivity of our people and as a result of fixed costs. In addition, bonus and other incentive expenses is based on our profitability and the effective management of our assets and will continue to fluctuate based on our results. See Note H — Common Stock for discussion of future compensation costs related to long-term share-based bonus awards.

On a long-term basis, we expect that our SG&A expenses will primarily be impacted by:

- Our growth in sales to the packaging and the construction segments. Our sales to these segments require a higher ratio of SG&A costs due, in part, to product design and engineering requirements.
- Sales of new products and value-added, branded products to the retail segment, which generally require higher product development, marketing, advertising, and other selling costs.
- Our incentive compensation programs which are tied to gross profits, pre-bonus earnings from operations and threshold levels of return on investment.
- Our growth and success in achieving continuous improvement objectives designed to improve our productivity and leverage our fixed costs as we grow.

LIQUIDITY AND CAPITAL RESOURCES

Our cash cycle will continue to be impacted in the future by our mix of sales by segment. Sales from our Construction and Packaging segments require a greater investment in receivables than sales to our Retail segment, while our Retail segment generally requires a greater investment in inventory. Also, our net investment in trade receivables, inventory, and accounts payable will continue to be impacted by the level of lumber prices.

Additionally, we expect to spend approximately \$250 million to \$300 million on capital expenditures, incur depreciation of approximately \$110 million, and incur amortization and other non-cash expenses of approximately \$45 million in 2024.

On December 30, 2023, we had outstanding purchase commitments on capital projects of approximately \$93.6 million. We intend to fund capital expenditures and purchase commitments through our operating cash flows and availability under our revolving credit facility which is considered sufficient to meet these commitments and working capital needs.

Our dividend rates are reviewed and approved at each of our February, April, July, and October board meetings and payments are made in March, June, September, and December of each year. On February 1, 2024, our board approved a quarterly cash dividend of \$0.33 per share, which represents a 10% increase from December 2023. This dividend will be payable on March 15, 2024, to shareholders of record on March 1, 2024. Our board considers our dividend yield, payout ratios relative to earnings and operating cash flow, and potential variability of future results, among other factors, as part of its decision-making process.

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We have a share repurchase program approved by our Board of Directors, and on July 26, 2023, our board authorized the repurchase of up to \$200 million worth of shares of outstanding stock through July 31, 2024. This share authorization supersedes and replaces our prior share repurchase authorizations. We currently have remaining authorization to repurchase up to \$173 million through July 31, 2024. In the past, we have repurchased shares in order to offset the effect of issuances resulting from our employee benefit plans and at opportune times when our stock price falls to predetermined levels.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of UFP Industries, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of UFP Industries, Inc. and subsidiaries (the “Company”) as of December 30, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 30, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 30, 2023, of the Company and our report dated February 28, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Grand Rapids, Michigan
February 28, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of UFP Industries, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of UFP Industries, Inc. and subsidiaries (the "Company") as of December 30, 2023 and December 31, 2022, the related consolidated statements of earnings and comprehensive income, shareholders' equity, and cash flows, for each of the three years in the period ended December 30, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 30, 2023 and December 31, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 30, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for Variable Interest Entities - Refer to Note C, Business Combinations, to the financial statements.

Critical Audit Matter Description

The Company periodically purchases a partial ownership interest in other entities. The agreements related to such purchases can be complex, requiring management to evaluate whether the entities should be consolidated or accounted for under the equity method. In addition, management must also evaluate whether the acquired interest in the entity represents a variable interest entity ("VIE") and if so, whether the Company is the primary beneficiary. This assessment requires judgment by management.

We identified the Company's assessment of consolidation or equity method accounting related to its acquisition of a partial ownership interest in UFP Palets, as well as the VIE primary beneficiary assessment, as a critical audit matter given the judgment required by management. This required a higher degree of auditor judgment and an increased extent of audit effort due to the complexity of the entity structure and the related acquisition agreement.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the determination of equity method or consolidation accounting, inclusive of VIE primary beneficiary assessment, included the following, among others:

- We tested the effectiveness of the controls over the accounting assessment of the acquisition.
- We evaluated the appropriateness of the Company's accounting conclusion related to consolidation or equity method accounting for a partial ownership interest entity by reading the acquisition agreement and other related documents.
- We evaluated the terms of the agreement to determine if the acquired ownership interest should be classified as a VIE. If an entity was determined to be a VIE, we considered whether the Company appropriately determined the primary beneficiary by evaluating the contractual arrangements of the entity to determine if the Company has the power to direct activities, and if the Company has the obligation to absorb losses of the entity or the right to receive benefits from the entity that could be significant to the VIE.

/s/ Deloitte & Touche LLP

Grand Rapids, Michigan
February 28, 2024

We have served as the Company's auditor since 2014.

UFP INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	December 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,118,329	\$ 559,397
Restricted cash	3,927	226
Investments	34,745	36,013
Accounts receivable, net	549,499	617,604
Inventories:		
Raw materials	352,785	398,798
Finished goods	375,003	574,429
Total inventories	727,788	973,227
Refundable income taxes	29,327	33,126
Other current assets	38,474	42,520
TOTAL CURRENT ASSETS	2,502,089	2,262,113
DEFERRED INCOME TAXES	4,228	3,750
RESTRICTED INVESTMENTS	24,838	19,898
RIGHT OF USE ASSETS	103,774	107,517
OTHER ASSETS	87,438	101,262
GOODWILL	336,313	337,320
INDEFINITE-LIVED INTANGIBLE ASSETS	7,345	7,339
OTHER INTANGIBLE ASSETS, NET	175,195	143,892
PROPERTY, PLANT AND EQUIPMENT:		
Property, plant and equipment	1,559,304	1,379,968
Less accumulated depreciation and amortization	(782,727)	(690,986)
PROPERTY, PLANT AND EQUIPMENT, NET	776,577	688,982
TOTAL ASSETS	\$ 4,017,797	\$ 3,672,073
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 203,055	\$ 206,941
Accrued liabilities:		
Compensation and benefits	232,331	296,120
Other	66,713	80,255
Current portion of lease liability	22,977	25,577
Current portion of long-term debt	42,900	2,942
TOTAL CURRENT LIABILITIES	567,976	611,835
LONG-TERM DEBT	233,534	275,154
LEASE LIABILITY	84,885	85,419
DEFERRED INCOME TAXES	45,248	51,265
OTHER LIABILITIES	35,934	44,697
TOTAL LIABILITIES	967,577	1,068,370
TEMPORARY EQUITY:		
Redeemable noncontrolling interest	20,030	6,880
SHAREHOLDERS' EQUITY:		
Controlling interest shareholders' equity:		
Preferred stock, no par value; shares authorized 1,000,000; issued and outstanding, none	\$ —	\$ —
Common stock, \$1 par value; shares authorized 160,000,000; issued and outstanding, 61,621,004 and 61,618,193	61,621	61,618
Additional paid-in capital	354,702	294,029
Retained earnings	2,582,332	2,217,410
Accumulated other comprehensive loss	1,106	(9,075)
Total controlling interest shareholders' equity	2,999,761	2,563,982
Noncontrolling interest	30,429	32,841
TOTAL SHAREHOLDERS' EQUITY	3,030,190	2,596,823
TOTAL LIABILITIES, TEMPORARY EQUITY AND SHAREHOLDERS' EQUITY	\$ 4,017,797	\$ 3,672,073

See notes to consolidated financial statements.

UFP INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

(in thousands, except per share data)

	Year Ended		
	December 30, 2023	December 31, 2022	December 25, 2021
NET SALES	\$ 7,218,384	\$ 9,626,739	\$ 8,636,134
COST OF GOODS SOLD	5,799,446	7,837,278	7,229,167
GROSS PROFIT	1,418,938	1,789,461	1,406,967
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	766,633	832,079	682,253
OTHER LOSSES (GAINS), NET	5,771	7,198	(12,840)
EARNINGS FROM OPERATIONS	646,534	950,184	737,554
INTEREST EXPENSE	12,842	13,910	13,814
INTEREST AND INVESTMENT INCOME	(39,916)	(725)	(6,498)
EQUITY IN LOSS OF INVESTEE	2,367	2,183	3,902
INTEREST AND OTHER	(24,707)	15,368	11,218
EARNINGS BEFORE INCOME TAXES	671,241	934,816	726,336
INCOME TAXES	156,784	229,852	173,972
NET EARNINGS	514,457	704,964	552,364
NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(145)	(12,313)	(16,724)
NET EARNINGS ATTRIBUTABLE TO CONTROLLING INTEREST	<u>\$ 514,312</u>	<u>\$ 692,651</u>	<u>\$ 535,640</u>
EARNINGS PER SHARE – BASIC	\$ 8.21	\$ 11.05	\$ 8.61
EARNINGS PER SHARE – DILUTED	\$ 8.07	\$ 10.97	\$ 8.59
OTHER COMPREHENSIVE INCOME:			
NET EARNINGS	514,457	704,964	552,364
OTHER COMPREHENSIVE INCOME (LOSS)	14,836	(2,498)	(5,296)
COMPREHENSIVE INCOME	529,293	702,466	547,068
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(4,800)	(13,485)	(15,039)
COMPREHENSIVE INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	<u>\$ 524,493</u>	<u>\$ 688,981</u>	<u>\$ 532,029</u>

See notes to consolidated financial statements.

UFP INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except share and per share data)

	Controlling Interest Shareholders' Equity						
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings	Noncontrolling Interest (NCI)	Total	Temporary Equity
Balance on December 26, 2020	\$ 61,206	\$ 218,224	\$ 1,182,680	\$ (1,794)	\$ 22,836	\$ 1,483,152	\$ —
Net earnings			535,640		16,724	552,364	
Foreign currency translation adjustment				(2,584)	(1,685)	(4,269)	
Unrealized gain on investments and other				(1,027)		(1,027)	
Distributions to noncontrolling interest					(6,750)	(6,750)	
NCI related to business combinations					6,831	6,831	
Cash dividends - \$0.65 per share			(40,209)			(40,209)	
Issuance of 33,104 shares under employee stock purchase plan	33	2,083				2,116	
Issuance of 546,235 shares under stock grant programs	546	3,506	10			4,062	
Issuance of 116,732 shares under deferred compensation plan	117	(117)				—	
Expense associated with share-based compensation arrangements		11,071				11,071	
Accrued expense under deferred compensation plans		9,228				9,228	
Balance on December 25, 2021	\$ 61,902	\$ 243,995	\$ 1,678,121	\$ (5,405)	\$ 37,956	\$ 2,016,569	\$ —
Net earnings			692,651		12,210	704,861	103
Foreign currency translation adjustment				(1,841)	1,802	(39)	(630)
Unrealized gain on investments and other				(1,829)		(1,829)	
Distributions to NCI					(12,024)	(12,024)	
Contributions to NCI					538	538	
NCI related to business combinations						—	(234)
Redeemable NCI					(7,641)	(7,641)	7,641
Cash dividends - \$0.95 per share			(58,860)			(58,860)	
Issuance of 44,012 shares under employee stock purchase plan	44	2,725				2,769	
Issuance of 805,562 shares under stock grant programs	806	9,919	25			10,750	
Issuance of 113,384 shares under deferred compensation plan	113	(113)				—	
Repurchase of 1,246,616 shares	(1,247)		(94,527)			(95,774)	
Expense associated with share-based compensation arrangements		27,987				27,987	
Accrued expense under deferred compensation plans		9,516				9,516	
Balance on December 31, 2022	\$ 61,618	\$ 294,029	\$ 2,217,410	\$ (9,075)	\$ 32,841	\$ 2,596,823	\$ 6,880
Net earnings (loss)			514,312		663	514,975	(518)
Foreign currency translation adjustment				9,762	4,267	14,029	388
Unrealized loss on investments and other				419		419	
Other		(817)			930	113	43
Distributions to NCI					(7,355)	(7,355)	
Purchase of remaining NCI of subsidiary		(1,210)			(917)	(2,127)	
NCI related to business combinations						—	13,237
Cash dividends - \$1.10 per share			(68,238)			(68,238)	
Issuance of 32,944 shares under employee stock purchase plan	33	2,717				2,750	
Issuance of 820,591 shares under stock grant programs	821	14,485	22			15,328	
Issuance of 124,145 shares under deferred compensation plan	124	(124)				—	
Repurchase of 974,869 shares	(975)		(81,174)			(82,149)	
Expense associated with share-based compensation arrangements		34,727				34,727	
Accrued expense under deferred compensation plans		10,895				10,895	
Balance on December 30, 2023	\$ 61,621	\$ 354,702	\$ 2,582,332	\$ 1,106	\$ 30,429	\$ 3,030,190	\$ 20,030

See notes to consolidated financial statements

UFP INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended		
	December 30, 2023	December 31, 2022	December 25, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	\$ 514,457	\$ 704,964	\$ 552,364
Adjustments to reconcile net earnings to net cash used in operating activities:			
Depreciation	110,563	94,063	84,184
Amortization of intangibles	21,327	19,499	13,948
Expense associated with share-based and grant compensation arrangements	34,899	28,156	11,224
Deferred income taxes (credit)	(5,573)	(16,289)	5,653
Unrealized (gain) loss on investments and other	(2,435)	5,768	(4,118)
Equity in loss of investee	2,367	2,183	3,902
Net (gain) loss on sale and disposition of assets	(260)	1,285	(11,992)
Impairment of goodwill and other intangibles	—	4,261	—
Gain from reduction of estimated earnout liability	(3,177)	—	—
Changes in:			
Accounts receivable	81,659	130,704	(85,439)
Inventories	250,561	718	(260,301)
Accounts payable and cash overdraft	(3,578)	(137,907)	78,060
Accrued liabilities and other	(40,920)	(5,838)	124,992
NET CASH FROM OPERATING ACTIVITIES	959,890	831,567	512,477
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(180,382)	(174,124)	(151,166)
Proceeds from sale of property, plant and equipment	3,291	3,805	29,973
Acquisitions, net of cash received and purchase of equity method investment	(52,383)	(180,151)	(475,960)
Purchase of remaining noncontrolling interest of subsidiary	(2,127)	—	—
Purchases of investments	(29,806)	(19,875)	(23,797)
Proceeds from sale of investments	29,935	12,874	14,882
Other	(8,692)	3,535	(5,119)
NET CASH USED IN INVESTING ACTIVITIES	(240,164)	(353,936)	(611,187)
CASH FLOWS USED IN FINANCING ACTIVITIES:			
Borrowings under revolving credit facilities	28,462	605,101	892,072
Repayments under revolving credit facilities	(30,125)	(607,549)	(888,695)
Repayments of debt	(29)	(38,719)	—
Contingent consideration payments and other	(6,262)	(2,856)	(3,176)
Proceeds from issuance of common stock	2,750	2,769	2,116
Dividends paid to shareholders	(68,238)	(58,860)	(40,209)
Distributions to noncontrolling interest	(7,355)	(12,024)	(6,750)
Repurchase of common stock	(82,149)	(95,774)	—
Other	86	(2,298)	(364)
NET CASH USED IN FINANCING ACTIVITIES	(162,860)	(210,210)	(45,006)
Effect of exchange rate changes on cash	5,767	979	(1,669)
NET CHANGE IN CASH AND CASH EQUIVALENTS	562,633	268,400	(145,385)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	559,623	291,223	436,608
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	\$ 1,122,256	\$ 559,623	\$ 291,223
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH:			
Cash and cash equivalents, beginning of period	\$ 559,397	\$ 286,662	\$ 436,507
Restricted cash, beginning of period	226	4,561	101
Cash, cash equivalents, and restricted cash, beginning of period	<u>\$ 559,623</u>	<u>\$ 291,223</u>	<u>\$ 436,608</u>
Cash and cash equivalents, end of period	\$ 1,118,329	\$ 559,397	\$ 286,662
Restricted cash, end of period	3,927	226	4,561
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 1,122,256</u>	<u>\$ 559,623</u>	<u>\$ 291,223</u>
SUPPLEMENTAL INFORMATION:			
Interest paid	\$ 12,736	\$ 13,953	\$ 14,077
Income taxes paid	158,145	274,616	167,043
NON-CASH INVESTING ACTIVITIES			
Capital expenditures included in accounts payable	3,178	3,185	3,256
NON-CASH FINANCING ACTIVITIES:			
Common stock issued under deferred compensation plans	\$ 10,978	\$ 9,282	\$ 7,487

See notes to consolidated financial statements

UFP INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS

We are a holding company whose subsidiaries supply products primarily made from wood, wood and non-wood composites, and other materials to three markets: retail, construction and packaging. Founded in 1955, we are headquartered in Grand Rapids, Michigan, with affiliates throughout North America, Europe, Asia and Australia.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements, have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and with the rules and regulations of the Securities and Exchange Commission (the "SEC"), represent our assets and liabilities and operating results. The consolidated financial statements include our accounts and those of our wholly-owned and majority-owned subsidiaries and partnerships. All significant intercompany balances and transactions have been eliminated in consolidation.

We consolidate entities in which we have a controlling financial interest. In determining whether we have a controlling financial interest in a partially owned entity and the requirement to consolidate the accounts of that entity, we consider factors such as ownership interest, board representation, management representation, authority to make decisions, and contractual and substantive participating rights of the partners/members as well as whether the entity is a variable interest entity ("VIE") and whether we are the primary beneficiary. The primary beneficiary of a VIE is the entity that has (i) the power to direct the activities that most significantly impact the entity's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE. The primary beneficiary is required to consolidate the VIE. We account for unconsolidated VIEs using the equity method of accounting.

As a result of the investment in Dempsey on June 27, 2022, we own 50% of the issued equity of that entity, and the remaining 50% of the issued equity is owned by the previous owners ("Sellers"). The investment in Dempsey is an unconsolidated variable interest entity and we have accounted for it using the equity method of accounting because we do not have a controlling financial interest in the entity. Per the contracts, the Sellers have a put right to sell their equity interest to us for \$50 million and we have a call right to purchase the Seller's equity interest for \$70 million, which are both first exercisable in June 2025 and expire in June 2030. As of December 30, 2023, the carrying value of our investment in Dempsey is \$61.4 million and is recorded in Other Assets. Our maximum exposure to loss consists of our investment amount and any contingent loss that may occur in the future as a result of a change in the fair value of Dempsey relative to the strike price of the put option.

NONCONTROLLING INTEREST IN SUBSIDIARIES

Noncontrolling interest in results of operations of consolidated subsidiaries represents the noncontrolling shareholders' share of the income or loss of various consolidated subsidiaries. The noncontrolling interest reflects the original investment by these noncontrolling shareholders combined with their proportional share of the earnings or losses of these subsidiaries, net of distributions paid.

FISCAL YEAR

Our fiscal year is a 52 or 53 week period, ending on the last Saturday of December. Unless otherwise stated, references to 2023, 2022, and 2021 relate to the fiscal years ended December 30, 2023, December 31, 2022, and December 25, 2021, respectively. Fiscal year 2023 was comprised of 52 weeks, fiscal year 2022 was comprised of 53 weeks and fiscal year 2021 was comprised of 52 weeks.

FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS

We follow ASC Topic 820, *Fair Value Measurements and Disclosures*, which provides a consistent definition of fair value, focuses on exit price, prioritizes the use of market-based inputs over entity-specific inputs for measuring fair value and establishes a three-tier hierarchy for fair value measurements. This topic requires fair value measurements to be classified and disclosed in one of the following three categories:

- Level 1 — Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2 — Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. Financial instrument values are determined using prices for recently traded financial instruments with similar underlying terms and direct or indirect observational inputs, such as interest rates and yield curves at commonly quoted intervals.
- Level 3 — Financial instruments not actively traded on a market exchange and there is little, if any, market activity. Values are determined using significant unobservable inputs or valuation techniques.

Our investment portfolio includes restricted investments within our wholly-owned subsidiary, Ardellis Insurance Ltd. There are \$24.8 million of restricted investments recorded as of December 30, 2023.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and highly liquid investments purchased with an original maturity of three months or less.

INVESTMENTS

Investments are deemed to be "available for sale" and are, accordingly, carried at fair value being the quoted market value.

ACCOUNTS RECEIVABLE AND ALLOWANCES

We perform periodic credit evaluations of our customers and generally do not require collateral. Accounts receivable are due under a range of terms we offer to our customers. Discounts are offered, in most instances, as an incentive for early payment.

We base our allowances related to receivables on historical credit and collections experience, reasonable and supportable forecasts, and the specific identification of other potential problems, including the general economic climate. Actual collections can differ, requiring adjustments to the allowances. Individual accounts receivable balances are evaluated on a monthly basis, and those balances considered uncollectible are charged to the allowance.

The following table presents the activity in our accounts receivable allowances (in thousands):

	<u>Beginning Balance</u>	<u>Additions Charged to Costs and Expenses</u>	<u>Deductions*</u>	<u>Ending Balance</u>
Year Ended December 30, 2023:				
Allowance for possible losses on accounts receivable	\$ 11,727	\$ 56,522	\$ (63,116)	\$ 5,133
Year Ended December 31, 2022:				
Allowance for possible losses on accounts receivable	\$ 5,085	\$ 79,862	\$ (73,220)	\$ 11,727
Year Ended December 25, 2021:				
Allowance for possible losses on accounts receivable	\$ 4,629	\$ 66,883	\$ (66,427)	\$ 5,085

* Includes accounts charged off, discounts given to customers and actual customer returns and allowances.

We record estimated sales returns, discounts, and other applicable adjustments as a reduction of net sales in the same period revenue is recognized.

Accounts receivable retainage amounts related to long term construction contracts totaled \$8.2 million and \$8.0 million as of December 30, 2023 and December 31, 2022, respectively. All amounts are expected to be collected within 18 months. Concentration of accounts receivable related to our two largest customers totaled \$118.0 million and \$131.0 million as of December 30, 2023 and December 31, 2022, respectively.

RECENTLY ISSUED ACCOUNTING GUIDANCE

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which is intended to enhance the transparency, decision usefulness and effectiveness of income tax disclosures. The amendments in this ASU require a public entity to disclose a tabular tax rate reconciliation, using both percentages and currency, with specific categories. A public entity is also required to provide a qualitative description of the states and local jurisdictions that make up the majority of the effect of the state and local income tax category and the net amount of income taxes paid, disaggregated by federal, state and foreign taxes and also disaggregated by individual jurisdictions. The amendments also remove certain disclosures that are no longer considered cost beneficial. The amendments are effective prospectively for annual periods beginning after December 15, 2024, and early adoption and retrospective application are permitted. Although the ASU only modifies our required income tax disclosures, we are currently evaluating the impact of adopting this guidance on the consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, allowing financial statement users to better understand the components of a segment's profit or loss to assess potential future cash flows for each reportable segment and the entity as a whole. The amendments expand a public entity's segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), clarifying when an entity may report one or more additional measures to assess segment performance, requiring enhanced interim disclosures, providing new disclosure requirements for entities with a single reportable segment, and requiring other new disclosures. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. Although the ASU only requires additional disclosures about the Company's operating segments, we are currently evaluating the impact of adopting this guidance on the consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. The ASU requires that an acquirer recognize and measure contract assets and contract liabilities in a business combination in accordance with Topic 606. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years and has been applied prospectively to all business combinations occurring after this date.

INVENTORIES

Inventories are stated at the lower of cost or net realizable value. The cost of inventories includes raw materials, direct labor, and manufacturing overhead and is determined using the weighted average cost method. Raw materials consist primarily of unfinished wood products and other materials expected to be manufactured or treated prior to sale, while finished goods represent various manufactured and treated wood products ready for sale. We have inventory on consignment at customer locations valued at \$23.2 million as of December 30, 2023 and \$27.9 million as of December 31, 2022.

We write down the value of inventory, the impact of which is reflected in cost of goods sold in the Consolidated Statement of Earnings and Comprehensive Income, if the cost of specific inventory items on hand exceeds the amount we expect to realize from the ultimate sale or disposal of the inventory. These estimates are based on management's judgment regarding future demand and market conditions and analysis of historical experience.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are stated at cost. Expenditures for renewals and betterments are capitalized, and maintenance and repairs are expensed as incurred. The components of property, plant and equipment as of December 30, 2023 and December 31, 2022 were as follows:

	Year Ended	
	December 30, 2023	December 31, 2022
Land and improvements	\$ 185,188	\$ 171,729
Building and improvements	400,232	355,228
Machinery and equipment	884,880	708,095
Furniture and fixtures	26,275	23,186
Construction in progress	62,729	121,730
Total Property, Plant and Equipment, Gross	<u>\$ 1,559,304</u>	<u>\$ 1,379,968</u>

Amortization of assets held under finance leases is included in depreciation and amortized over the shorter of the estimated useful life of the asset or the lease term. Depreciation is computed principally by the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	5 to 15 years
Buildings and improvements	10 to 32 years
Machinery, equipment and office furniture	2 to 20 years

Software costs are included in machinery and equipment on the balance sheet with gross amounts and accumulated amortization totaling \$5.8 million and \$5.7 million as of December 30, 2023, and \$5.7 million and \$5.4 million as of December 31, 2022, respectively.

LONG-LIVED ASSETS

In accordance with ASC 360, *Property, Plant, and Equipment* (“ASC 360”), when an indicator of potential impairment exists, we evaluate the recoverability of our long-lived assets by determining whether unamortized balances could be recovered through undiscounted future operating cash flows over the remaining lives of the assets. If the sum of the expected future cash flows was less than the carrying value of the assets, an impairment loss would be recognized for the excess of the carrying value over the fair value.

GOODWILL

Goodwill represents the excess of the purchase price over the fair value of net tangible and identifiable intangible assets of acquired businesses. Goodwill and intangible assets deemed to have indefinite lives are not amortized and are subject to impairment tests at least annually in accordance with ASC 350, *Intangibles-Goodwill and Other*. We review the carrying amounts of goodwill and other non-amortizable intangibles by reporting unit to determine if such assets may be impaired. As of the date of the most recent goodwill impairment test, which utilized data and assumptions as of September 30, 2023, it was determined that the fair values exceed the carrying values and there were no indicators for impairment for all of our reporting units. In the fourth quarter of 2022, we recorded a non-cash goodwill impairment charge of \$2.5 million related to the Italian reporting unit within our all other segment. Subsequently, the Italian reporting unit was divested in 2023. We believe we have sufficient available information, both current and historical, to support our assumptions, judgments and estimates used in the goodwill impairment test.

Our annual testing date for evaluating goodwill and indefinite-lived intangible asset impairment is the first day of our fourth fiscal quarter for all reporting units. Additionally, we review various triggering events throughout the year to determine whether a mid-year impairment analysis is required.

FOREIGN CURRENCY

Our foreign operations use the local currency as their functional currency. Accordingly, assets and liabilities are translated at exchange rates as of the balance sheet date and revenues and expenses are translated using weighted average rates, with translation adjustments included as a separate component of shareholders' equity. Gains and losses arising from re-measuring foreign currency transactions are included in earnings.

INSURANCE RESERVES

Our wholly-owned insurance company, Ardellis Insurance Ltd. ("Ardellis"), was incorporated on April 21, 2001 under the laws of Bermuda and is licensed as a Class 3A insurer under the Insurance Act 1978 of Bermuda. On April 14, 2017 the U.S. Branch of Ardellis Insurance Ltd. was granted its Certificate of Authority to transact property and casualty insurance lines as an admitted carrier in the State of Michigan.

We are primarily self-insured for certain employee health benefits, and have self-funded retentions for general liability, automobile liability, property and workers' compensation. We are fully self-insured for environmental liabilities. The general liability, automobile liability, property, workers' compensation, and certain environmental liabilities are managed through Ardellis; the related assets and liabilities of which are included in the consolidated financial statements as of December 30, 2023 and December 31, 2022. Our policy is to accrue amounts equal to actuarially determined or internally computed liabilities. The actuarial and internal valuations are based on historical information along with certain assumptions about future events. Changes in assumptions for such matters as legal actions, medical cost trends, and changes in claims experience could cause these estimates to change in the future.

In addition to providing coverage for the Company, Ardellis provides Excess Loss Insurance (primarily medical and prescription drug) and Excess General Liability and Property Insurance to certain third parties. As of December 30, 2023, Ardellis had 207 such contracts in place. Reserves associated with these contracts were \$7.5 million at December 30, 2023, and \$5.0 million at December 31, 2022, and are accrued based on third party actuarial valuations of the expected future liabilities.

INCOME TAXES

Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future. Such deferred income tax asset and liability computations are based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred income tax assets to the amounts expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred income tax assets and liabilities.

REVENUE RECOGNITION

Within the three primary segments (Retail, Packaging, and Construction) that the Company operates, there are a variety of written agreements governing the sale of our products and services. The transaction price is stated at the purchase order level, which includes shipping and/or freight costs and any applicable governmental authority taxes. The majority of our contracts have a single performance obligation concentrated around the delivery of goods to the carrier, Free On Board (FOB) shipping point. Therefore, revenue is recognized when this performance obligation is satisfied. Generally, title and control passes at the time of shipment. In certain circumstances, the customer takes title when the shipment arrives at the destination. However, our shipping process is typically completed the same day.

Certain customer products that we provide require installation by the Company or a third party. Installation revenue is recognized upon completion. If we use a third party for installation, the party will act as an agent to us until completion of the installation. Installation revenue represents an immaterial share of our total net sales.

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We utilize rebates, credits, discounts and/or cash-based incentives with certain customers which are accounted for as variable consideration. We estimate these amounts based on the expected amount to be provided to customers and reduce revenues recognized. We believe that there will not be significant changes to our estimates of variable consideration. The allocation of these costs are applied at the invoice level and recognized in conjunction with revenue. Additionally, returns and refunds are estimated on a historical and expected basis which is a reduction of revenue recognized.

Earnings on construction contracts are reflected in operations using over time accounting, under either cost to cost or units of delivery methods, depending on the nature of the business at individual operations, which is in accordance with ASC 606 as revenue is recognized when certain performance obligations are performed. Under over time accounting using the cost to cost method, revenues and related earnings on construction contracts are measured by the relationships of actual costs incurred relative to the total estimated costs. Under over time accounting using the units of delivery method, revenues and related earnings on construction contracts are measured by the relationships of actual units produced relative to the total number of units. Revisions in earnings estimates on the construction contracts are recorded in the accounting period in which the basis for such revisions becomes known. Projected losses on individual contracts are charged to operations in their entirety when such losses become apparent.

Our construction contracts are generally entered into with a fixed price and completion of the projects can range from 6 to 18 months in duration. Therefore, our operating results are impacted by, among many other things, labor rates and commodity costs. During the year, we update our estimated costs to complete our projects using current labor and commodity costs and recognize losses to the extent that they exist.

The following table presents our net sales disaggregated by revenue source (in thousands):

	Year Ended			2023 vs. 2022 % Change	2022 vs. 2021 % Change
	December 30, 2023	December 31, 2022	December 25, 2021		
Point in Time Revenue	\$ 7,069,690	\$ 9,442,794	\$ 8,512,012	(25.1)%	10.9%
Over Time Revenue	148,694	183,945	124,122	(19.2)%	48.2%
Total Net Sales	\$ 7,218,384	\$ 9,626,739	\$ 8,636,134	(25.0)%	11.5%

The Construction segment comprises the construction contract revenue shown above. Construction contract revenue is primarily made up of site-built and framing customers.

The following table presents the balances of over time accounting accounts on December 30, 2023 and December 31, 2022 which are included in "Other current assets" and "Accrued liabilities: Other", respectively (in thousands):

	December 30, 2023	December 31, 2022
Cost and Earnings in Excess of Billings	\$ 3,572	\$ 6,798
Billings in Excess of Cost and Earnings	9,487	10,184

SHIPPING AND HANDLING OF PRODUCT

Shipping and handling costs that are charged to and reimbursed by the customer are recognized as revenue. Costs incurred related to the shipment and handling of products are classified in cost of goods sold.

SHARE-BASED COMPENSATION

We account for share-based awards in accordance with ASC Topic 718, *Compensation – Stock Compensation* ("ASC 718"), which requires recognition of share-based compensation costs in financial statements based on fair value. Compensation cost is recognized over the period during which an employee is required to provide services in exchange for the award (the requisite service period). Forfeitures are recognized as they occur.

EARNINGS PER SHARE

Earnings per share (“EPS”) is computed using the two-class method. The two-class method determines EPS for each class of common stock and participating securities according to dividends and their respective participation rights in undistributed earnings. Participating securities include non-vested shares of restricted stock in which the participants have non-forfeitable rights to dividends during the performance period. EPS, basic and diluted, is calculated by dividing net earnings attributable to controlling interest, net of applicable taxes, by the weighted average number of shares of common stock outstanding for the period. The computation of EPS is as follows (in thousands):

	December 30, 2023	December 31, 2022	December 25, 2021
Numerator:			
Net earnings attributable to controlling interest	\$ 514,312	\$ 692,651	\$ 535,640
Adjustment for earnings allocated to non-vested restricted common stock equivalents	(25,139)	(27,488)	(17,342)
Net earnings for calculating EPS	<u>\$ 489,173</u>	<u>\$ 665,163</u>	<u>\$ 518,298</u>
Denominator:			
Weighted average shares outstanding	62,683	62,667	62,209
Adjustment for non-vested restricted common stock equivalents	(3,064)	(2,487)	(2,014)
Shares for calculating basic EPS	<u>59,619</u>	<u>60,180</u>	<u>60,195</u>
Effect of dilutive restricted common stock equivalents	1,020	473	159
Shares for calculating diluted EPS	<u>60,639</u>	<u>60,653</u>	<u>60,354</u>
Net earnings per share:			
Basic	\$ 8.21	\$ 11.05	\$ 8.61
Diluted	\$ 8.07	\$ 10.97	\$ 8.59

USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. We believe our estimates to be reasonable; however, actual results could differ from these estimates.

B. FAIR VALUE

We apply the provisions of ASC 820, *Fair Value Measurements and Disclosures*, to assets and liabilities measured at fair value. Assets and liabilities measured at fair value are as follows (in thousands):

	December 30, 2023				December 31, 2022			
	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)	Total
Money market funds	\$ 492,800	\$ 6,133	\$ —	\$ 498,933	\$ 390,219	\$ 1,286	\$ —	\$ 391,505
Fixed income funds	5,112	18,976	—	24,088	2,594	16,692	—	19,286
Treasury securities	344	—	—	344	343	—	—	343
Equity securities	16,411	—	10,500	26,911	17,337	—	—	17,337
Alternative investments	—	—	4,052	4,052	—	—	4,102	4,102
Mutual funds:								
Domestic stock funds	13,330	—	—	13,330	13,067	—	—	13,067
International stock funds	509	—	—	509	1,414	—	—	1,414
Target funds	9	—	—	9	8	—	—	8
Bond funds	5	—	—	5	130	—	—	130
Alternative funds	474	—	—	474	474	—	—	474
Total mutual funds	14,327	—	—	14,327	15,093	—	—	15,093
Total	\$ 528,994	\$ 25,109	\$ 14,552	\$ 568,655	\$ 425,586	\$ 17,978	\$ 4,102	\$ 447,666

From the assets measured at fair value as of December 30, 2023, listed in the table above, \$498.5 million of money market funds are held in Cash and Cash Equivalents, \$34.8 million of mutual funds, equity securities, and alternative investments are held in Investments, \$10.5 million of equity securities are held in Other Assets, \$0.1 million of money market and mutual funds are held in Other Assets for our deferred compensation plan, and \$24.4 million of fixed income funds and \$0.4 million of money market funds are held in Restricted Investments. As of December 31, 2022, \$36.1 million of mutual funds, equity securities, and alternative investments were held in Investments, \$391.2 million of money market funds were held in Cash and Cash Equivalents, \$0.5 million of money market and mutual funds were held in Other Assets for our deferred compensation plan, and \$19.6 million of fixed income funds and \$0.3 million of money market funds were held in Restricted Investments.

We maintain money market, mutual funds, bonds, and/or equity securities in our non-qualified deferred compensation plan, our wholly owned licensed captive insurance company, and assets held in financial institutions. These funds are valued at prices quoted in an active exchange market and are included in "Cash and Cash Equivalents", "Investments", "Other Assets", and "Restricted Investments." We have elected not to apply the fair value option under ASC 825, *Financial Instruments*, to any of our financial instruments except for those expressly required by U.S. GAAP.

During 2023, we made \$10.5 million of investments through our Innov8 Fund, which is designed to invest in emerging projects, services, and technologies. These investments are valued as Level 3 assets and are categorized as "Equity securities."

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In accordance with our investment policy, our wholly-owned company, Ardellis Insurance Ltd. ("Ardellis"), maintains an investment portfolio, totaling \$59.2 million and \$55.6 million as of December 30, 2023 and December 31, 2022, respectively, which has been included in the aforementioned table of total investments. This portfolio consists of domestic and international equity securities, alternative investments, and fixed income bonds.

Ardellis' available for sale investment portfolio, including funds held with the State of Michigan, consists of the following (in thousands):

	<u>December 30, 2023</u>			<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Fair Value</u>
Fixed income	\$ 25,514	\$ (1,426)	\$ 24,088	\$ 21,399	\$ (2,113)	\$ 19,286
Treasury securities	344	—	344	343	—	343
Equity	13,523	2,888	16,411	15,762	1,575	17,337
Mutual funds	12,348	1,934	14,282	13,430	1,144	14,574
Alternative investments	3,211	841	4,052	3,105	997	4,102
Total	<u>\$ 54,940</u>	<u>\$ 4,237</u>	<u>\$ 59,177</u>	<u>\$ 54,039</u>	<u>\$ 1,603</u>	<u>\$ 55,642</u>

Our fixed income investments consist of a blend of US Government and Agency bonds and investment grade corporate bonds with varying maturities. Our equity investments consist of small, mid, and large cap growth and value funds, as well as international equity. Our mutual fund investments consist of domestic and international stock. Our alternative investments consist of a private real estate income trust which is valued as a Level 3 asset. The net pre-tax unrealized gain was \$4.2 million and \$1.6 million as of December 30, 2023 and December 31, 2022. Carrying amounts above are recorded in the investments and restricted investments line items within the balance sheet as of December 30, 2023 and December 31, 2022.

C. BUSINESS COMBINATIONS

We completed the following business combinations in fiscal 2023 and 2022, which were accounted for using the purchase or equity method (in thousands).

Company Name	Acquisition Date	Purchase Price	Intangible Assets	Net Tangible Assets	Operating Segment
UFP Palets y Embalajes SL (UFP Palets)	September 20, 2023	\$52,841 consideration for 80% stock purchase, net of acquired cash	\$ 43,785	\$ 9,056	International
	Headquartered in Castellón, Spain, UFP Palets (formerly known as Palets Suller Group) is the market leader in machine-built wood pallets, serving the region's large ceramic tile industry. The company had trailing 12-month sales of approximately \$38 million through August 2023.				
Titan Corrugated, Inc. (Titan) and All Boxed Up, LLC (ABU)	December 6, 2022	\$70,942 consideration for 100% asset purchase	\$ 48,745	\$ 22,197	Packaging
	Located in Flower Mound, TX and founded in 2003, Titan's primary products include boxes used in moving and storage, jumbo boxes for industrial products, corrugated shipping containers, and point-of-purchase displays. ABU distributes common box sizes manufactured by Titan throughout the United States. The combined companies had trailing 12-month sales through October 2022 of approximately \$46.5 million.				
Dempsey Wood Products, Inc. (Dempsey)	June 27, 2022	\$69,791 consideration for equity method investment	\$ 34,552	\$ 35,239	Packaging
	Located in Orangeburg, South Carolina and founded in 1988, Dempsey is a sawmill which produces products such as kiln dried finished lumber, industrial lumber, green cut stock lumber, pine chips and shavings, landscaping mulch, and sawdust. The Company had sales of approximately \$69 million in 2021.				
Cedar Poly, LLC	May 9, 2022	\$15,398 consideration for 100% asset purchase	\$ 4,821	\$ 10,577	Retail
	Located in Tipton, Iowa, Cedar Poly is a full-service recycler of high-density and low-density polyethylene (HDPE and LDPE) flakes and pellets used in various products, including composite decking. The company also recycles corrugate and operates its own transportation fleet. Cedar Poly had 2021 sales of approximately \$17.3 million and operates in UFP's Deckorators business unit.				
Ultra Aluminum Manufacturing, Inc. (Ultra)	December 27, 2021	\$24,057 consideration for 100% stock purchase, net of acquired cash and \$2,000 estimated contingent consideration	\$ 20,390	\$ 5,667	Retail
	Located in Howell, Michigan and founded in 1996, Ultra is a leading manufacturer of aluminum fencing, gates and railing. The company designs and produces an extensive selection of ornamental aluminum fence and railing products for contractors, landscapers, fence dealers and wholesalers. The Company had sales of approximately \$45 million in 2021.				

The intangible assets for each acquisition were finalized and allocated to their respective identifiable intangible asset and goodwill accounts during 2023, except for the acquisition of UFP Palets. In aggregate, acquisitions made during 2023 and 2022, contributed approximately \$95.0 million in net sales and \$3.3 million in operating profit during 2023.

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We acquired UFP Palets on September 20, 2023, in which we own 80% of the issued equity of that entity, and the remaining 20% of the issued equity is owned by the previous owner (“Seller”). In the fourth quarter of 2023, we gained control over UFP Palets and thus began consolidating this entity. The investment in UFP Palets is accounted for as a business acquisition. Per the contract, the Seller has a put right to sell their equity interest to us and we have a call right to purchase the Seller’s equity interest, which are both first exercisable in September 2026. The values of the put and call options are based upon future performance. As a result of this redemption feature, we recorded redeemable noncontrolling interest, at its acquisition-date fair value, that is classified as temporary equity in the accompanying consolidated balance sheets at December 30, 2023.

The amounts assigned to major intangible classes for the business combinations mentioned above are as follows (in thousands):

	Non- Compete Agreements	Technology	Patents	Customer Relationships	Tradename	Goodwill	Intangibles - Tax Deductible
UFP Palets	\$ —	\$ —	\$ —	\$ 36,708 *	\$ —	\$ 7,077 *	\$ 43,785
All Boxed Up	—	393	—	864	29	628	1,914
Titan	—	9,607	—	21,136	721	15,367	46,831
Cedar Poly	390	—	—	2,490	500	1,441	4,821
Ultra	—	—	—	6,820	5,020	8,550	20,390

*(estimate)

The business combinations mentioned above were not significant to our operating results individually or in aggregate, and thus pro forma results for 2023 and 2022 are not presented.

D. GOODWILL AND OTHER INTANGIBLE ASSETS

As described in Note M — Segment Reporting, our segment structure is based upon the markets we serve and goodwill has been allocated to the segments using a relative fair value approach. The changes in the net carrying amount of goodwill by reporting segment for the years ended December 30, 2023 and December 31, 2022, are as follows (in thousands):

	Retail	Packaging	Construction	All Other	Corporate	Total
Balance as of December 25, 2021	\$ 73,376	\$ 128,541	\$ 89,000	\$ 24,121	\$ —	\$ 315,038
2022 Acquisitions	10,971	23,862	—	—	—	34,833
2022 Purchase Accounting Adjustments	293	(3,494)	(1,074)	(4,766)	—	(9,041)
2022 Impairments	—	—	—	(2,480)	—	(2,480)
Foreign Exchange, Net	—	—	(256)	(774)	—	(1,030)
Balance as of December 31, 2022	\$ 84,640	\$ 148,909	\$ 87,670	\$ 16,101	\$ —	\$ 337,320
2023 Acquisitions	—	—	—	7,077	—	7,077
2023 Purchase Accounting Adjustments	(979)	(7,867)	—	—	—	(8,846)
Foreign Exchange, Net	—	—	135	627	—	762
Balance as of December 30, 2023	\$ 83,661	\$ 141,042	\$ 87,805	\$ 23,805	\$ —	\$ 336,313

As of the date of the most recent goodwill impairment test, which utilized data and assumptions as of September 30, 2023, all reporting units had fair values that were substantially in excess of their carrying values. During 2022, we experienced significantly lower than expected operating results within our Italian reporting unit, which is within the all other segment. It was determined that the carrying value of the reporting unit exceeded its fair value and as a result, we recorded a non-cash goodwill impairment charge of \$2.5 million as of December 31, 2022, which represented the entire amount of the goodwill recorded within the reporting unit. Subsequently, the Italian reporting unit was divested in 2023.

Indefinite-lived intangible assets totaled \$7.3 million as of December 30, 2023 and December 31, 2022 related to the commercial unit within the construction segment, the international unit within the all other segment, and the Deckorators unit within the retail segment.

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The following amounts were included in other amortizable intangible assets, net as of December 30, 2023 and December 31, 2022 (in thousands):

	2023			2022		
	Assets	Accumulated Amortization	Net Value	Assets	Accumulated Amortization	Net Value
Non-compete agreements	\$ 9,886	\$ (5,966)	\$ 3,920	\$ 12,577	\$ (7,109)	\$ 5,468
Customer relationships and other	171,029	(43,403)	127,626	139,112	(34,646)	104,466
Licensing agreements	—	—	—	4,589	(4,589)	—
Patents	1,622	(898)	724	1,976	(1,104)	872
Technology	12,600	(2,173)	10,427	2,600	(875)	1,725
Tradename	39,831	(12,320)	27,511	38,826	(8,393)	30,433
Software	7,666	(2,679)	4,987	1,788	(860)	928
Total	<u>\$ 242,634</u>	<u>\$ (67,439)</u>	<u>\$ 175,195</u>	<u>\$ 201,468</u>	<u>\$ (57,576)</u>	<u>\$ 143,892</u>

Amortization is computed principally by the straight-line method over the estimated useful lives of the intangible assets as follows:

Intangible Asset Type	Estimated Useful Life	Weighted Average Amortization Period
Non-compete agreements	2 to 15 years	7.5 years
Customer relationships and other	5 to 15 years	10.4 years
Licensing agreements	10 years	10 years
Patents	10 years	10 years
Technology	5 to 12 years	9.5 years
Tradename (amortizable)	5 to 25 years	10.9 years
Software	3 to 5 years	3 years

Amortization expense of intangibles totaled \$21.3 million, \$19.5 million and \$13.9 million in 2023, 2022 and 2021, respectively. The estimated amortization expense for intangibles for each of the five succeeding fiscal years is as follows (in thousands):

2024	\$ 23,580
2025	22,998
2026	20,520
2027	18,636
2028	18,021
Thereafter	71,440
Total	<u>\$ 175,195</u>

E. DEBT

On November 1, 2018, we entered into a five-year, \$375 million unsecured revolving credit facility with a syndicate of U.S. banks. On February 28, 2021, this credit agreement was amended to increase the availability from \$375 million to \$550 million by exercising the accordion feature in the original agreement. On December 6, 2022, a second amendment increased the availability from \$550 million to \$750 million. The facilities now include up to \$60 million which may be advanced in the form of letters of credit, and up to \$100 million (U.S. dollar equivalent) which may be advanced in Canadian dollars, Australian dollars, Sterling, Euros and such other foreign currencies as may subsequently be agreed upon among the parties. Cash borrowings are charged interest based upon an index selected by the Company, plus a margin that is determined based upon the index selected and upon the financial performance of the Company and certain of its subsidiaries. We are charged a facility fee on the entire amount of the lending commitment, at a per annum rate ranging from 15.0 to 30.0 basis points, also determined based upon our performance. The facility fee is payable quarterly in arrears.

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On August 10, 2020, we entered into an unsecured Note Purchase Agreement under which we issued our 3.04% Series 2020 E Senior Notes, due August 10, 2032, in the aggregate principal amount of \$50 million, our 3.08% Series 2020 F Senior Notes, due August 10, 2033, in the aggregate principal amount of \$50 million, and our 3.15% Series 2020 G Senior Notes, due August 10, 2035, in the aggregate principal amount of \$50 million.

Outstanding letters of credit extended on our behalf on December 30, 2023 and December 31, 2022 aggregated \$47.8 million and \$59.0 million. These letters of credit are comprised of \$37.3 million issued under the revolving credit facility, including approximately \$3.3 million related to industrial development revenue bonds, and \$10.5 million issued outside of the facility. We had an outstanding balance on the revolver of \$3.7 million and \$5.5 million, which includes foreign subsidiary borrowings at December 30, 2023, and December 31, 2022, respectively. After considering letters of credit, we had \$709.0 million and \$741.2 million in remaining availability on the revolver on December 30, 2023, and December 31, 2022, respectively. Letters of credit have one-year terms, include an automatic renewal clause, and are charged an annual interest rate of 112.5 to 122.5 basis points, based upon our financial performance.

Long-term debt obligations are summarized as follows on December 30, 2023 and December 31, 2022 (amounts in thousands):

	<u>2023</u>	<u>2022</u>
Series 2020 Senior Notes E, due on August 10, 2032, interest payable semi-annually at 3.04%	\$ 50,000	\$ 50,000
Series 2020 Senior Notes F, due on August 10, 2033, interest payable semi-annually at 3.08%	50,000	50,000
Series 2020 Senior Notes G, due on August 10, 2035, interest payable semi-annually at 3.15%	50,000	50,000
Series 2018 Senior Notes C, due on June 14, 2028, interest payable semi-annually at 4.20%	40,000	40,000
Series 2018 Senior Notes D, due on June 14, 2030, interest payable semi-annually at 4.27%	35,000	35,000
Series 2012 Senior Notes Tranche B, due on December 17, 2024, interest payable semi-annually at 3.98%	40,000	40,000
Foreign subsidiary borrowings under revolving credit facility, due on December 6, 2027, interest payable monthly at a floating rate (5.44% on December 30, 2023 and 4.13% on December 31, 2022)	3,692	5,465
Series 1999 Industrial Development Revenue Bonds, due on August 1, 2029, interest payable monthly at a floating rate (3.33% on December 30, 2023 and 1.04% on December 31, 2022)	3,300	3,300
Finance leases and foreign affiliate debt	4,592	4,565
	<u>276,584</u>	<u>278,330</u>
Less current portion	(42,900)	(2,942)
Less debt issuance costs	(150)	(234)
Long-term portion	<u>\$ 233,534</u>	<u>\$ 275,154</u>

Financial covenants on the unsecured revolving credit facility and unsecured notes include minimum interest coverage tests and a maximum leverage ratio. The agreements also restrict the amount of additional indebtedness we may incur and the amount of assets which may be sold among other industry standard covenants. We were within all of our lending requirements on December 30, 2023 and December 31, 2022.

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On December 30, 2023, the principal maturities of long-term debt and finance lease obligations are as follows (in thousands):

2024	\$ 42,823
2025	640
2026	186
2027	3,896
2028	40,223
Thereafter	188,666
Total	<u>\$ 276,434</u>

On December 30, 2023, the estimated fair value of our long-term debt, including the current portion, was \$241.4 million, which was \$35.1 million less than the carrying value. The estimated fair value is based on rates anticipated to be available to us for debt with similar terms and maturities. We consider the valuations of our long-term debt, including the current portion, to be Level 2 liabilities which rely on quoted prices in markets that are not active or observable inputs over the full term of the liability.

F. LEASES

We determine if an arrangement is a lease at inception. We lease certain real estate under non-cancelable operating lease agreements with typical original terms ranging from one to ten years. We are required to pay real estate taxes and other occupancy costs under certain leases, which are variable in nature and not included in the right of use asset or lease liability. Certain leases carry renewal options of five to fifteen years. We believe that future leases will likely have similar terms. We also lease motor vehicles, equipment, and an aircraft under operating lease agreements for periods of one to ten years. We do not typically enter into leases with residual value guarantees. There were no restrictions or covenants imposed by any lease agreements.

We believe finance leases have no significant impact to our consolidated balance sheet and statement of earnings as of December 30, 2023.

As of December 30, 2023, we have no leases that have not yet commenced that would significantly impact the rights, obligations, and our financial position.

There were no lease transactions between related parties as of December 30, 2023.

The rates implicit in our leases are primarily not readily available. To determine the discount rate used to present value the lease payments, we utilize the 7-year treasury note rate plus a blend of rate spreads associated with our 10 to 15 year senior notes along with estimated spreads based on current market conditions. We feel the determined rate is a reasonable representation of our lease population.

Lease costs under non-cancelable operating leases on December 30, 2023 and December 31, 2022 are as follows (in thousands):

	2023	2022
Operating lease cost	\$ 33,829	\$ 32,458
Short-term lease cost	9,525	10,490
Variable lease cost	6,332	5,291
Sublease income	(2,267)	(2,876)
Total lease cost	<u>\$ 47,419</u>	<u>\$ 45,363</u>

Rent expense was approximately \$49.7 million, \$48.2 million, and \$40.1 million in 2023, 2022, and 2021, respectively.

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The amounts paid for operating leases, included in the measurement of lease liabilities, were \$32.4 million in the year ended December 30, 2023 and \$30.2 million in the year ended December 31, 2022. In addition, right-of-use assets obtained in exchange for new operating lease liabilities were approximately \$35.4 million and \$32.0 million, respectively, for the years ended December 30, 2023 and December 31, 2022.

Future minimum payments under non-cancelable operating leases on December 30, 2023 are as follows (in thousands):

	Operating Leases
2024	\$ 32,796
2025	29,435
2026	27,104
2027	17,998
2028	13,517
Thereafter	31,686
Total minimum lease payments	\$ 152,536
Less present value discount	(44,674)
Total lease liability	\$ 107,862

As of December 30, 2023 and December 31, 2022, the weighted average lease term for operating leases was 7.21 years and 6.78 years, respectively. Similarly, the weighted average discount rate for operating leases was 4.53% and 3.70%, respectively.

G. DEFERRED COMPENSATION

We have a program whereby certain executives irrevocably elected to defer receipt of certain compensation in 1985 through 1988. Deferred compensation payments to these executives commenced upon their retirement. There was no remaining deferred compensation liability on December 30, 2023 and the remaining deferred compensation liability on December 31, 2022 was \$0.1 million. We purchased life insurance on these executives, payable to us in amounts which, if assumptions made as to mortality experience, policy dividends, and other factors are realized, will accumulate cash values adequate to reimburse us for all payments for insurance and deferred compensation obligations. The investment in life insurance contracts as of December 30, 2023 and December 31, 2022, was \$12.2 million and \$11.6 million, respectively, and is recorded in "Other Assets" on the Consolidated Balance Sheet.

We also maintain a non-qualified deferred compensation plan (the "Plan") for the benefit of senior management employees who may elect to defer a portion of their annual bonus payments and salaries. The Plan provides investment options similar to our 401(k) plan, including our stock. The investment in our stock is funded by the issuance of shares to a Rabbi trust, and may only be distributed in kind. Assets held by the Plan totaled approximately \$0.1 million and \$0.5 million on December 30, 2023 and December 31, 2022, respectively, and are included in "Other Assets." Related liabilities totaled \$57.8 million and \$50.4 million on December 30, 2023 and December 31, 2022, respectively, and are included in "Other Liabilities" and "Shareholders' Equity." Assets associated with the Plan are recorded at fair market value. The related liabilities are also recorded at fair market value, with the exception of obligations associated with investments in our stock which are recorded at the market value on the date of deferral.

H. COMMON STOCK

We maintain and administer our shareholder approved Employee Stock Purchase Plan. The Employee Stock Purchase Plan allows eligible employees to purchase shares of our stock at a share price equal to 85% of fair market value on the purchase date. We have expensed the fair value of the compensation associated with these awards, which approximates the discount. The amount of expense is nominal.

We maintain and administer our shareholder approved Director Compensation Plan. The Director Compensation Plan allows eligible members of the Board of Directors to defer the cash portion of their retainer and committee fees, credited in the form of stock units, and receive shares of our stock at the time of or following their retirement, disability or death. The number of shares to be received is equal to the amount of the cash portion of their retainer and committee fees deferred multiplied by 110%, divided by the fair market value of a share of our stock at the time of deferral. The number of units is increased by the amount of dividends paid on our common stock. The units are immediately vested as of the grant date, since they are considered payment for services rendered quarterly. We recognized expense for this plan of \$1.9 million in 2023, \$2.0 million in 2022, and \$1.7 million in 2021. Effective January 1, 2017, this plan was amended to allow directors to defer payment of the annual retainer paid in the form of our common stock. The number of shares to be received for their portion of the retainer that is deferred is equal to the amount of shares plus the number of shares attributable to cash dividends payable on those deferred shares.

Finally, we maintain and administer our shareholder approved Long Term Stock Incentive Plan (the "LTSIP"). The LTSIP provides for the grant of stock options, stock appreciation rights, restricted stock, performance shares, sales incentive awards, and other stock-based awards.

Executive Stock Match awards are granted in the year following the requisite service period, which begins at the beginning of each fiscal year, and fully vest on the fifth anniversary of the grant date. Refer to Notes to Consolidated Financial Statements, Note G, "Deferred Compensation" for additional information on the "Plan".

There is no unrecognized compensation expense remaining for stock options in 2023, 2022, and 2021.

Below is a summary of common stock issuances for 2023 and 2022 (in thousands, except per share data):

Share Issuance Activity	December 30, 2023	
	Common Stock	Average Share Price
Shares issued under the employee stock purchase plan	33	\$ 98.20
Shares issued under the employee stock gift program	2	95.42
Shares issued under the director compensation plan	3	92.82
Shares issued under the LTSIP	756	86.14
Shares issued under the executive stock match plan	75	85.89
Forfeitures	(15)	
Total shares issued under stock grant programs	821	\$ 86.16
Shares issued under the deferred compensation plans	124	\$ 88.43

	December 31, 2022	
	Common Stock	Average Share Price
Share Issuance Activity		
Shares issued under the employee stock purchase plan	44	\$ 73.45
Shares issued under the employee stock gift program	2	78.23
Shares issued under the director retainer stock program	4	79.98
Shares issued under the LTSIP	755	82.73
Shares issued under the executive stock grants plan	62	82.87
Forfeitures	(17)	
Total shares issued under stock grant programs	806	\$ 82.71
Shares issued under the deferred compensation plans	113	\$ 81.86

A summary of the nonvested restricted stock awards granted under the LTSIP is as follows:

	Restricted Awards	Weighted- Average Grant Date Fair Value	Unrecognized Compensation Expense (in millions)	Weighted- Average Period to Recognize Expense
Nonvested at December 26, 2020	1,363,794	\$ 35.14	\$ 6.3	0.62 years
Granted	560,516	60.24		
Vested	(274,271)	26.50		
Forfeited	(23,007)	39.68		
Nonvested at December 25, 2021	1,627,032	\$ 45.23	\$ 6.6	0.43 years
Granted	815,874	79.97		
Vested	(286,661)	34.00		
Forfeited	(17,990)	54.07		
Nonvested at December 31, 2022	2,138,255	\$ 58.70	\$ 51.4	3.74 years
Granted	830,346	86.11		
Vested	(233,763)	40.50		
Forfeited	(14,001)	63.54		
Nonvested at December 30, 2023	2,720,837	\$ 68.61	\$ 76.9	3.68 years

Under the Stock Purchase Plan and LTSIP, we recognized share-based compensation expense of \$34.9 million, \$28.2 million, and \$11.2 million and the related total income tax benefits of \$8.2 million, \$6.9 million, and \$2.7 million in 2023, 2022 and 2021, respectively.

For the year-ended December 30, 2023, we determined that \$28.9 million of share-based bonus awards, representing 254,746 shares, will be awarded to qualified employees as it relates to the Company's 2023 performance and granted in 2024 under the LTSIP. Awards granted generally vest after a period of three, five or eight years from the grant date. In addition to the share-based bonus awards, certain employees are eligible to receive performance units equivalent to \$1.2 million, or 10,893 shares of stock, if certain performance metrics are achieved after three years. As of December 30, 2023 and December 31, 2022, we recognized approximately \$5.0 million and \$13.8 million, respectively, of compensation expense related to share-based bonus awards and performance units for each of those respective performance years.

We have a Sales Incentive Plan for certain eligible employees. Under this plan, sales incentives are determined and calculated using a formula-based approach and estimated monthly based on specific performance metrics. This Plan places a cap on cash payments with the remaining earned incentive being settled in share-based awards. For the year-ended December 30, 2023, we determined that \$5.9 million of share-based sales incentive awards, representing 51,802 shares, will be awarded to qualified employees based on the 2023 performance year and granted in 2024. These awards will vest after a period of five years from the grant date. As of December 30, 2023 and December 31, 2022, we recognized approximately \$1.0 million and \$0.9 million of compensation expense related to share-based sales incentive awards for each of those respective performance years.

In 2023, 2022 and 2021, cash received from share issuances under our plans was \$2.7 million, \$2.8 million and \$2.1 million, respectively.

During 2023, we repurchased 974,869 shares of our common stock at an average share price of \$84.27. During 2022, we repurchased approximately 1,246,616 shares of our common stock at an average share price of \$76.83. Effective July 26, 2023, our board authorized the repurchase of up to \$200 million worth of shares of outstanding stock through July 31, 2024. This share authorization supersedes and replaces our prior share repurchase authorizations. We currently have remaining authorization to repurchase up to \$173 million through July 31, 2024.

I. RETIREMENT PLANS

We have a profit sharing and 401(k) plan for the benefit of substantially all of our employees, excluding the employees of certain wholly-owned subsidiaries. Amounts contributed to the plan are made at the discretion of the Board of Directors. We matched 25% of employee contributions in 2023, 2022, and 2021, on a discretionary basis, totaling \$8.8 million, \$11.7 million, and \$9.2 million respectively. Included within the total employee matched contribution was an additional matched contribution for hourly employees of \$1.8 million, \$4.6 million and \$3.7 million for 2023, 2022 and 2021, respectively, based on meeting certain performance goals during those years. The basis for matching contributions may not exceed the lesser of 6% of the employee’s annual compensation or the IRS limitation.

We maintain a retirement plan for certain officers of the Company (who have at least 20 years of service with the Company and at least 10 years of service as an officer) whereby we will pay, upon retirement, certain benefits including health care benefits, for a specified period of time if certain eligibility requirements are met. Approximately \$15.5 million and \$14.8 million are accrued in “Other Liabilities” for this plan on December 30, 2023 and December 31, 2022, respectively.

J. INCOME TAXES

Income tax provisions for the years ended December 30, 2023, December 31, 2022, and December 25, 2021 are summarized as follows (in thousands):

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Currently Payable:			
Federal	\$ 123,257	\$ 181,029	\$ 115,077
State and local	28,580	44,646	30,441
Foreign	10,808	17,336	21,095
	<u>162,645</u>	<u>243,011</u>	<u>166,613</u>
Net Deferred:			
Federal	(2,249)	(8,561)	6,242
State and local	(3,223)	(3,657)	118
Foreign	(389)	(941)	999
	<u>(5,861)</u>	<u>(13,159)</u>	<u>7,359</u>
Total income tax expense	<u>\$ 156,784</u>	<u>\$ 229,852</u>	<u>\$ 173,972</u>

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The components of earnings before income taxes consist of the following:

	2023	2022	2021
U.S.	\$ 633,816	\$ 876,071	\$ 645,316
Foreign	37,425	58,745	81,020
Total	<u>\$ 671,241</u>	<u>\$ 934,816</u>	<u>\$ 726,336</u>

The effective income tax rates are different from the statutory federal income tax rates for the following reasons:

	2023	2022	2021
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
State and local taxes (net of federal benefits)	3.6	3.4	3.3
Tax credits, including foreign tax credit	(0.9)	(0.8)	(0.6)
Change in uncertain tax positions reserve	0.2	(0.1)	(0.1)
Other permanent differences	0.2	0.1	(0.4)
Other, net	(0.7)	1.0	0.7
Effective income tax rate	<u>23.4 %</u>	<u>24.6 %</u>	<u>23.9 %</u>

Temporary differences which give rise to deferred income tax assets and (liabilities) on December 30, 2023 and December 31, 2022 are as follows (in thousands):

	2023	2022
Employee benefits	\$ 45,661	\$ 37,893
Lease liability	27,918	28,746
Net operating loss carryforwards	7,881	6,891
Foreign subsidiary capital loss carryforward	935	500
Other tax credits	31	102
Inventory	2,397	3,732
Reserves on receivables	2,203	3,273
Accrued expenses	3,373	6,791
Capitalized research and development costs	28,021	11,080
Gross deferred income tax assets	118,420	99,008
Valuation allowance	(6,014)	(4,618)
Deferred income tax assets	112,406	94,390
Depreciation	(82,617)	(69,711)
Intangibles	(43,455)	(43,643)
Right of use assets	(26,870)	(27,849)
Other, net	(484)	(702)
Deferred income tax liabilities	(153,426)	(141,905)
Net deferred income tax liability	<u>\$ (41,020)</u>	<u>\$ (47,515)</u>

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As of December 30, 2023, we had federal, state and foreign net operating loss carryforwards of \$7.9 million and state tax credit carryforwards of \$0.1 million, which will expire at various dates.

The NOL and credit carryforwards expire as follows:

	Net Operating Losses			Tax Credits	
	U.S.	State	Foreign	U.S.	State
2024 - 2028	\$ —	\$ 27	\$ 206	\$ —	\$ —
2029 - 2033	—	396	1,268	—	—
2034 - 2038	—	1,618	1,656	—	31
2039 - 2043	208	1,373	—	—	—
Thereafter	—	—	570	—	—
Total	\$ 208	\$ 3,414	\$ 3,700	\$ —	\$ 31

As of December 30, 2023, we believe that it is more likely than not that the benefit from certain state and foreign NOL carryforwards will not be realized. In recognition of this risk, we have provided a valuation allowance of \$5.5 million against the various NOLs. Furthermore, there is a valuation allowance of \$0.5 million against a capital loss carryforward we have for a wholly-owned subsidiary, UFP Canada, Inc. Based upon the business activity and the nature of the assets of this subsidiary, our ability to realize a future benefit from this carryforward is doubtful. The capital loss has an unlimited carryforward and therefore will not expire unless there is a change in control of the subsidiary.

The Organization of Economic Cooperation and Development (“OECD”) reached an agreement among various countries to implement a minimum 15% tax rate on certain multinational enterprises, commonly referred to as Pillar Two. Many countries continue to announce changes in their tax laws, many of them effective for tax years beginning Jan 1, 2024. We continue to analyze the impacts of these legislative changes to our effective tax rate, consolidated financial statements, and related disclosures. As of Dec 30, 2023, we do not expect the impact of Pillar Two legislation to have a material impact on our tax expense.

K. ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

ASC 740, *Income Taxes* (“ASC 740”) clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. ASC 740 also provides guidance on derecognition, measurement, classification, interest and penalties, and disclosure requirements.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	2023	2022	2021
Gross unrecognized tax benefits beginning of year	\$ 3,217	\$ 3,603	\$ 3,892
(Decrease) increase in tax positions for prior years	943	(216)	437
Increase in tax positions for current year	1,286	764	839
Lapse in statute of limitations	(675)	(934)	(1,565)
Gross unrecognized tax benefits end of year	\$ 4,771	\$ 3,217	\$ 3,603

Our effective tax rate would have been affected by the unrecognized tax benefits had this amount been recognized as a reduction to income tax expense.

We recognized interest and penalties for unrecognized tax benefits in our provision for income taxes. The liability for unrecognized tax benefits included accrued interest and penalties of \$0.4 million for the year December 30, 2023, \$0.3 million for the year December 31, 2022, and \$0.5 million for the year December 25, 2021.

We file income tax returns in the United States and in various state, local and foreign jurisdictions. The federal and a majority of state and foreign jurisdictions are no longer subject to income tax examinations for years before 2019. A number of routine state and local examinations are currently ongoing. Due to the potential for resolution of state examinations, the expiration of various statutes of limitation, and new positions that may be taken, it is reasonably possible that the amount of unrecognized tax benefits that would reverse through the income statement in the next twelve months is \$1.2 million.

L. COMMITMENTS, CONTINGENCIES, AND GUARANTEES

We are self-insured for environmental impairment liability, including certain liabilities which are insured through a wholly owned subsidiary, Ardellis Insurance Ltd., a licensed captive insurance company.

In addition, on December 30, 2023, we were parties either as plaintiff or defendant to a number of lawsuits and claims arising through the normal course of our business. In the opinion of management, our consolidated financial statements will not be materially affected by the outcome of these contingencies and claims.

On December 30, 2023, we had outstanding purchase commitments on commenced capital projects of approximately \$82.9 million.

We provide a variety of warranties for products we manufacture. Historically, warranty claims have not been material. We distribute products manufactured by other companies. While we do not warrant these products, we have received claims as a distributor of these products when the manufacturer no longer exists or has the ability to pay. Historically, these costs have not had a material effect on our consolidated financial statements.

As part of our operations, we supply building materials and labor to site-built construction projects or we jointly bid on contracts with framing companies for such projects. In some instances we are required to post payment and performance bonds to insure the project owner that the products and installation services are completed in accordance with our contractual obligations. We have agreed to indemnify the surety for claims made against the bonds. As of December 30, 2023, we had approximately \$20.9 million in outstanding payment and performance bonds for open projects. We had approximately \$6.9 million in payment and performance bonds outstanding for completed projects which are still under warranty.

On December 30, 2023, we had outstanding letters of credit totaling \$47.8 million, primarily related to certain insurance contracts, industrial development revenue bonds, and other debt agreements described further below.

In lieu of cash deposits, we provide irrevocable letters of credit in favor of our insurers and other third parties to guarantee our performance under certain insurance contracts and other legal agreements. As of December 30, 2023, we have irrevocable letters of credit outstanding totaling approximately \$44.5 million for these types of arrangements. We have reserves recorded on our balance sheet, in accrued liabilities, that reflect our expected future liabilities under those insurance arrangements.

We are required to provide irrevocable letters of credit in favor of the bond trustees for all industrial development revenue bonds that have been issued. These letters of credit guarantee principal and interest payments to the bondholders. We currently have irrevocable letters of credit outstanding totaling approximately \$3.3 million related to our outstanding industrial development revenue bonds. These letters of credit have varying terms but may be renewed at the option of the issuing banks.

Certain wholly owned domestic subsidiaries have guaranteed the indebtedness of UFP Industries, Inc. in certain debt agreements, including the Series 2012, 2018 and 2020 Senior Notes and our revolving credit facility. The maximum exposure of these guarantees is limited to the indebtedness outstanding under these debt arrangements and this exposure will expire concurrent with the expiration of the debt agreements.

We did not enter into any new guarantee arrangements during 2023 which would require us to recognize a liability on our balance sheet.

M. SEGMENT REPORTING

ASC 280, Segment Reporting (“ASC 280”), defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

We operate manufacturing, treating and distribution facilities internationally, but primarily in the United States. Our business segments consist of UFP Retail Solutions, UFP Packaging and UFP Construction and align with the end markets we serve. This segment structure allows for a specialized and consistent sales approach among Company operations, efficient use of resources and capital, and quicker introduction of new products and services. We manage the operations of our individual locations primarily through a market-centered reporting structure under which each location is included in a business unit and business units are included in our Retail, Packaging, and Construction segments. In the case of locations which serve multiple segments, results are allocated and accounted for by segment. Two customers, The Home Depot and Lowes, accounted for approximately 17% and 12%, respectively, of our total net sales in fiscal 2023, 15% and 11%, respectively, of our total net sales in fiscal 2022 and 16% and 10%, respectively, in 2021.

The exception to this market-centered reporting and management structure is our International segment, which comprises our Mexico, Canada, Europe, Asia, and Australia operations and sales and buying offices in other parts of the world and our Ardellis segment, which represents our wholly owned fully licensed captive insurance company based in Bermuda. Our International and Ardellis segments do not meet the quantitative thresholds in order to be separately reported and accordingly, the International and Ardellis segments have been aggregated in the “All Other” segment for reporting purposes.

“Corporate” includes purchasing, transportation, corporate ventures, and administrative functions that serve our operating segments. Operating results of Corporate primarily consist of net sales to external customers initiated by UFP Purchasing and UFP Transportation and over (under) allocated costs. The operating results of UFP Real Estate, Inc., which owns and leases real estate, and UFP Transportation Ltd., which owns, leases and operates transportation equipment, are also included in the Corporate column. Inter-company lease and service charges are assessed to our operating segments for the use of these assets and services at fair market value rates. Total assets in the Corporate column include unallocated cash and cash equivalents, certain prepaid assets, certain property, equipment and other assets pertaining to the centralized activities of Corporate, UFP Real Estate, Inc., UFP Transportation Ltd, UFP Purchasing, and UFP RMS, LLC. The tables below are presented in thousands:

	2023					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales to outside customers	\$ 2,886,515	\$ 1,838,200	\$ 2,161,059	\$ 328,884	\$ 3,726	\$ 7,218,384
Intersegment net sales	565,325	83,549	96,729	268,210	(1,013,813)	—
Interest expense ⁽¹⁾	111	7	—	(3,020)	15,744	12,842
Amortization expense	4,566	8,849	2,904	3,488	1,520	21,327
Depreciation expense	23,943	32,996	19,546	3,994	30,084	110,563
Segment earnings before income taxes	167,955	193,563	243,357	37,573	28,793	671,241
Segment assets	781,005	798,623	621,762	364,274	1,452,133	4,017,797
Capital expenditures	52,756	52,694	56,793	1,432	16,707	180,382

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	2022					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales to outside customers	\$ 3,650,639	\$ 2,394,681	\$ 3,143,868	\$ 431,611	\$ 5,940	\$ 9,626,739
Intersegment net sales	392,740	78,409	110,523	421,406	(1,003,078)	—
Interest expense ⁽¹⁾	177	(2)	—	(1,310)	15,045	13,910
Amortization expense	4,131	6,925	3,358	4,571	514	19,499
Depreciation expense	19,898	28,191	15,364	2,992	27,618	94,063
Segment earnings before income taxes	150,165	333,087	397,446	56,813	(2,695)	934,816
Segment assets	889,417	885,878	712,837	308,688	875,253	3,672,073
Capital expenditures	55,806	55,129	54,167	3,968	5,054	174,124

	2021					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales to outside customers	\$ 3,418,337	\$ 2,148,142	\$ 2,698,434	\$ 362,473	\$ 8,748	\$ 8,636,134
Intersegment net sales	214,400	85,954	82,026	455,874	(838,254)	—
Interest expense ⁽¹⁾	98	12	1	184	13,519	13,814
Amortization expense	2,780	6,093	3,525	1,336	214	13,948
Depreciation expense	16,955	26,219	13,151	2,094	25,765	84,184
Segment earnings before income taxes	124,790	264,958	264,238	80,905	(8,555)	726,336
Segment assets	844,189	741,672	736,157	343,363	579,890	3,245,271
Capital expenditures	40,408	42,652	22,344	5,140	40,622	151,166

(1) Interest expense includes intercompany interest between segments.

Information regarding principal geographic areas was as follows (in thousands):

	2023		2022		2021	
	Net Sales	Long-Lived Tangible Assets	Net Sales	Long-Lived Tangible Assets	Net Sales	Long-Lived Tangible Assets
United States	\$ 6,935,431	\$ 779,748	\$ 9,254,676	\$ 770,921	\$ 8,395,737	\$ 679,757
Foreign	282,953	188,042	372,063	126,840	240,397	54,873
Total	\$ 7,218,384	\$ 967,790	\$ 9,626,739	\$ 897,761	\$ 8,636,134	\$ 734,630

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The following table presents, for the periods indicated, our disaggregated net sales (in thousands) by business unit for each segment.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Retail			
Deckorators	\$ 309,419	\$ 326,011	\$ 248,765
ProWood	2,494,362	3,152,950	3,013,620
UFP Edge	81,603	168,190	148,927
Other	1,131	3,488	7,025
Total Retail	<u>\$ 2,886,515</u>	<u>\$ 3,650,639</u>	<u>\$ 3,418,337</u>
Packaging⁽¹⁾			
Structural Packaging	\$ 1,225,204	\$ 1,716,021	\$ 1,554,857
PalletOne	530,642	628,969	574,466
Protective Packaging	82,354	49,691	18,819
Total Packaging	<u>\$ 1,838,200</u>	<u>\$ 2,394,681</u>	<u>\$ 2,148,142</u>
Construction			
Factory Built	\$ 718,773	\$ 1,181,837	\$ 1,098,905
Site Built	977,129	1,361,607	1,190,393
Commercial	265,079	336,298	259,360
Concrete Forming	200,078	264,126	149,776
Total Construction	<u>\$ 2,161,059</u>	<u>\$ 3,143,868</u>	<u>\$ 2,698,434</u>
All Other	\$ 328,884	\$ 431,611	\$ 362,473
Corporate	\$ 3,726	\$ 5,940	\$ 8,748
Total Net Sales	<u><u>\$ 7,218,384</u></u>	<u><u>\$ 9,626,739</u></u>	<u><u>\$ 8,636,134</u></u>

(1) Effective January 1, 2023, the Packaging segment established new business units as follows: Structural Packaging, PalletOne, and Protective Packaging Solutions. This change resulted in the transfer of net sales from these geographic business units to Structural Packaging, PalletOne and Protective Packaging in 2023. Product codes have been transferred within these three business units during 2023, and prior year figures have been updated to reflect the change for comparability purposes.

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The following table presents, for the periods indicated, our percentage of value-added and commodity-based sales to total net sales by segment.

	2023	2022	2021
Value-Added			
Retail	50.5%	44.9%	43.2%
Packaging	77.0%	72.0%	67.7%
Construction	83.2%	77.2%	73.0%
All Other	83.8%	76.3%	74.7%
Corporate	27.5%	44.3%	67.9%
Total	68.4%	63.4%	59.7%
Commodity-Based			
Retail	49.5%	55.1%	56.8%
Packaging	23.0%	28.0%	32.3%
Construction	16.8%	22.8%	27.0%
All Other	16.2%	23.7%	25.3%
Corporate	72.5%	55.7%	32.1%
Total	31.6%	36.6%	40.3%

N. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table sets forth selected financial information for all of the quarters, consisting of 52 weeks during the year ended December 30, 2023 and 53 weeks during the year ended December 31, 2022, (in thousands, except per share data):

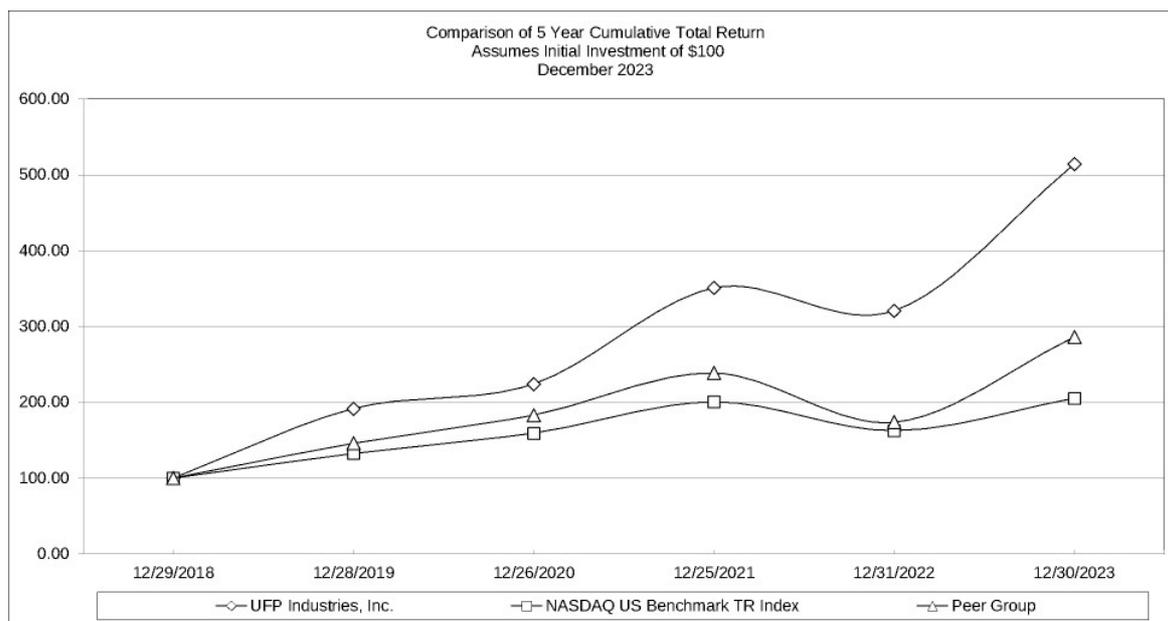
	First		Second		Third		Fourth	
	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	\$ 1,822,476	\$ 2,489,313	\$ 2,043,918	\$ 2,900,874	\$ 1,827,637	\$ 2,322,855	\$ 1,524,353	\$ 1,913,697
Gross profit	358,329	478,363	400,067	503,452	364,400	450,176	296,142	357,470
Net earnings	125,578	193,131	150,788	207,853	134,183	172,101	103,908	131,879
Net earnings attributable to controlling interest	126,069	189,703	150,761	203,118	134,035	167,241	103,447	132,589
Basic earnings per share	2.01	3.01	2.40	3.24	2.14	2.68	1.65	2.12
Diluted earnings per share	1.98	3.00	2.36	3.23	2.10	2.66	1.62	2.10

MARKET INFORMATION FOR OUR COMMON STOCK

Our common stock trades on The Nasdaq Stock Market (“NASDAQ”) under the symbol UFPI.

STOCK PERFORMANCE GRAPH

The following stock price performance graph compares the annual percentage change in the cumulative total return on our common stock with the cumulative total returns of companies comprising the NASDAQ US Benchmark TR index and an industry peer group we selected. The NASDAQ US Benchmark TR index replaces the NASDAQ Stock Market (US Companies) Index in this analysis and going forward, as the CRSP Index data is no longer accessible. The CRSP indexes has been included with data through 2020. The graph assumes an investment of \$100 on December 29, 2018, and reinvestment of dividends in all cases.



The companies included in our self-determined industry peer group are as follows:

American Woodmark Corporation

Boise Cascade Company

Builders FirstSource, Inc.

Gibraltar Industries, Inc.

Greif, Inc.

Louisiana-Pacific Corporation

Masco Corporation

Patrick Industries, Inc.

Simpson Manufacturing Company, Inc.

Sonoco Products Company

Trex Company, Inc.

WestRock Company

The returns of each company included in the self-determined peer group are weighted according to each respective company’s stock market capitalization at the beginning of each period presented in the graph above. In determining the members of our peer group, we considered companies who selected UFPI as a member of their peer group, and looked for similarly sized companies or companies that are a good fit with the markets we serve.

DIRECTORS AND EXECUTIVE OFFICERS

BOARD OF DIRECTORS

Matthew J. Missad
Chairman of the Board and Chief Executive Officer
UFP Industries, Inc.

William G. Currie
Director
UFP Industries, Inc.

Thomas W. Rhodes
President and Chief Executive Officer
TWR Enterprises, Inc.

Bruce A. Merino
Director
UFP Industries, Inc.

Mary Tuuk Kuras
Director
UFP Industries, Inc.

Brian C. Walker
Partner-Strategic Leadership
Huron Capital

Michael G. Wooldridge
Partner
Varnum, LLP

Joan A. Budden
Former President
Priority Health

Benjamin J. McLean
Chief Executive Officer
Ruan Transportation Management Systems, Inc.

SECTION 16 OFFICERS

Matthew J. Missad
Chairman of the Board and Chief Executive Officer

Michael R. Cole
Chief Financial Officer and Treasurer

Patrick Benton
President
UFP Construction, LLC

Scott A. Worthington
President
UFP Packaging, LLC

William D. Schwartz, Jr.
President
UFP Retail Solutions, LLC

David A. Tutas
Chief Compliance Officer
General Counsel

SHAREHOLDER INFORMATION

ANNUAL MEETING

The 2024 Annual Shareholder's Meeting of UFP Industries, Inc. will be held at 8:30 a.m. on April 24, 2024, at 2880 East Beltline Lane NE, Grand Rapids, MI 49525.

SHAREHOLDER INFORMATION

Shares of our stock are traded under the symbol UFPI on the NASDAQ Stock Market. Our 10-K report, filed with the Securities and Exchange Commission, will be provided free of charge to any shareholder upon written request. For more information contact:

Investor Relations Department
UFP Industries, Inc.
2801 East Beltline NE
Grand Rapids, MI 49525
Telephone: (616) 364-6161
Web: www.ufpi.com

SECURITIES COUNSEL

Varnum, LLP
Grand Rapids, MI

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
Grand Rapids, MI

TRANSFER AGENT/SHAREHOLDER INQUIRIES

American Stock Transfer & Trust Company serves as the transfer agent for the Corporation. Inquiries relating to stock transfers, changes of ownership, lost or stolen stock certificates, changes of address, and dividend payments should be addressed to:

American Stock Transfer & Trust Co.
6201 15th Ave
Brooklyn, NY 11219
Telephone: (800) 937-5449

UFP INDUSTRIES®, INC., CORPORATE HEADQUARTERS

2801 East Beltline NE
Grand Rapids, MI 49525
Telephone: (616) 364-6161
Facsimile: (616) 364-5558

LIST OF REGISTRANT'S SUBSIDIARIES AND AFFILIATES

11032 Tidewater Trail, LLC	Delaware	UFP Eastern Division, Inc.	Michigan
234 Springs Rd., LLC	Delaware	UFP Eatonton, LLC	Michigan
2875 Needmore Rd. LLC	Delaware	UFP Edge, LLC	Michigan
621 Hall St., LLC	Delaware	UFP Elizabeth City, LLC	Michigan
A1 Mfg. S. de R.L. de C.V.	Mexico	UFP Elkwood, LLC	Michigan
Advantage Label & Packaging, Inc.	Michigan	UFP Factory Built, LLC	Michigan
Aljoma Holding Company, LLC	Michigan	UFP Financial Services, Inc.	Michigan
Aljoma Lumber, Inc.	Florida	UFP Folkston, LLC	Michigan
Ardellis Insurance Ltd.	Bermuda	UFP Franklinton, LLC	Michigan
Caliper Building Systems, LLC	Michigan	UFP Gainesville, LLC	Michigan
Deckorators, Inc.	Michigan	UFP Gear, LLC	Michigan
Dempsey Wood Products, LLC	Michigan	UFP Global Holdings Limited	United Kingdom
Eovations, LLC	Michigan	UFP Gordon, LLC	Michigan
Ficus Pax	India	UFP Grand Rapids, LLC	Michigan
Forestal Universal SA de CV	Mexico	UFP Grandview, LLC	Michigan
Idaho Western, Inc.	Idaho	UFP Granger, LLC	Michigan
idX (China) Display System Co., Ltd.	China	UFP Haleyville, LLC	Michigan
idX (India) Display Private Ltd.	India	UFP Hamilton, LLC	Michigan
idX Amsterdam B.V.	Netherlands	UFP Hampton Holding Company, LLC	Michigan
idX Asia Fixtures Limited	China	UFP Harrisonville, LLC	Michigan
idX Asia Trading Limited	Chhina	UFP Hartford, LLC	Wisconsin
idX Chicago, LLC	Delaware	UFP Hillsboro, LLC	Michigan
idX Corporation	Delaware	UFP Industrial, LLC	Michigan
idX Corporation London Limited	United Kingdom	UFP Industries, Inc.	Michigan
idX Holdings, Inc.	Delaware	UFP International Employment Services, LLC	Michigan
idX Mexico, S. de R.L. de C.V.	Mexico	UFP International, LLC	Michigan
idX Shanghai Trading Company Ltd.	China	UFP Janesville, LLC	Michigan
Innov8 Fund I, LLC	Michigan	UFP Kyle, LLC	Michigan
Job service Middle East LLC	United Arab Emirates	UFP Lafayette, LLC	Michigan
Landura, LLC	Texas	UFP Lansing, LLC	Michigan
Metaworld Technologies, LLC	Michigan	UFP Londonderry, LLC	Michigan
Norpal S. de R.L. de C.V.	Mexico	UFP Magna, LLC	Michigan
North Atlantic Framing, LLC	Michigan	UFP McMinville, LLC	Michigan
P1 Catawba Development Company, LLC	North Carolina	UFP Mexico Embalaje y Distribution, S. de R.L. de C. V.	Mexico
PalletOne Manufacturing of Texas, LLC	Texas	UFP Mid-Atlantic, LLC	Michigan
PalletOne of Acquisition of Texas, Inc.	Delaware	UFP Middle East Packaging FZE	United Arab Emirates
PalletOne of Alabama, LLC	Alabama	UFP Middle East Wood Trading- Sole Proprietorship L.L.C.	United Arab Emirates
PalletOne of Florida, Inc.	Florida	UFP Milwaukee, LLC	Michigan
PalletOne of Indiana Transportation, LLC	Indiana	UFP Minneota, LLC	Michigan
PalletOne of Indiana, Inc.	Indiana	UFP Morristown, LLC	Michigan
PalletOne of Maine, Inc.	Maine	UFP Moultrie, LLC	Michigan
PalletOne of Mobile, LLC	Alabama	UFP NAC, LLC	Michigan
PalletOne of NE Texas, LLC	Delaware	UFP Nappanee, LLC	Michigan
PalletOne of North Carolina, Inc.	North Carolina	UFP New London, LLC	Michigan
PalletOne of Texas Holdings, Inc.	Delaware	UFP New Waverly, LLC	Michigan
PalletOne of Texas, LP	Texas	UFP New Windsor, LLC	Michigan
PalletOne of Virginia, LLC	Virginia	UFP New York, LLC	Michigan
PalletOne of Wisconsin Manufacturing, LLC	Wisconsin	UFP Orlando, LLC	Michigan
PalletOne of Wisconsin, Inc.	Wisconsin	UFP Packaging, LLC	Michigan
PalletOne, Inc.	Delaware	UFP Palets y Embalajes, S. de R.L. de C.V.	Mexico
Performance Formulation Solutions, LLC	Illinois	UFP Palets y Embalajes, S.L.	Spain
Pinelli Lumber, Inc.	Texas	UFP Palm Beach, LLC	Michigan

Pinelli Universal Chile S.A.	Mexico	UFP Parker, LLC	Michigan
Pinelli Universal TKT, S de R.L. de C.V.	Mexico	UFP Protective Packaging, LLC	Michigan
Pinelli Universal, S de R.L. de C.V.	Mexico	UFP Purchasing, Inc.	Michigan
PR Distribution, LLC	Puerto Rico	UFP Rancho Cucamonga, LLC	Michigan
Prowood, LLC	Michigan	UFP Ranson, LLC	Michigan
Shawnee Construction, LLC	Michigan	UFP Real Estate, LLC	Michigan
Shepardville Construction, LLC	Michigan	UFP Retail, LLC	Michigan
Store Fixtures Canada Holdings, Inc.	Delaware	UFP Riverside, LLC	Michigan
Sunbelt Acquisition Florida II, LLC	Florida	UFP RMS, LLC	Michigan
Sunbelt Acquisition Corp.	Delaware	UFP Rockingham, LLC	Michigan
Sunbelt Acquisition Alabama III, LLC	Alabama	UFP Rockwell, LLC	Michigan
Sunbelt Forest Georgia, LLC	Georgia	UFP Saginaw, LLC	Michigan
Sunbelt Forest Products Alabama, LLC	Florida	UFP Salisbury, LLC	Michigan
Sunbelt Forest Products Corporation	Florida	UFP San Antonio, LLC	Michigan
SunOne Logistics, LLC	Georgia	UFP Sauk Rapids, LLC	Michigan
The UBEECO Group Pty Ltd	Australia	UFP Schertz, LLC	Michigan
Tibasa Universal Forest Products S. de R.L. de C.V.	Mexico	UFP Shawnee, LLC	Michigan
Tresstar, LLC	Michigan	UFP Shelf 2, LLC	Michigan
Triangle Systems, Inc.	New York	UFP Site Built, LLC	Michigan
U.F.P. Mexico Holdings, S. de R.L. de CV	Mexico	UFP Stafford, LLC	Michigan
UFP Ashburn, LLC	Michigan	UFP Stockertown, LLC	Michigan
UFP Atlantic Division, LLC	Michigan	UFP Structural Packaging, LLC	Michigan
UFP Auburndale, LLC	Michigan	UFP Tampa, LLC	Michigan
UFP Aurora, LLC	Michigan	UFP Thomaston, LLC	Michigan
UFP Australia Pty Ltd	Australia	UFP Thornton, LLC	Michigan
UFP Australia Real Estate Pty Ltd	Australia	UFP Transportation, Inc.	Michigan
UFP Barnesville, LLC	Michigan	UFP Union City, LLC	Michigan
UFP Belchertown, LLC	Michigan	UFP Ventures II, Inc.	Michigan
UFP Berlin, LLC	Michigan	UFP Warranty Corporation	Michigan
UFP Biscoe, LLC	Michigan	UFP Warrens, LLC	Michigan
UFP Blanchester, LLC	Michigan	UFP Washington, LLC	Michigan
UFP Bonner, LLC	Michigan	UFP Western Division, Inc.	Michigan
UFP Caldwell, LLC	Michigan	UFP White Bear Lake, LLC	Michigan
UFP Cameron, LLC	Michigan	UFP Windsor, LLC	Michigan
UFP Canada, Inc.	Canada	UFP Woodburn, LLC	Michigan
UFP Chandler, LLC	Michigan	Ultra Aluminum Manufacturing, Inc.	Michigan
UFP Chicago, LLC	Michigan	United Lumber & Reman, LLC	Alabama
UFP Concrete Forming Solutions, Inc.	Michigan	Universal Forest Products de Mexico S.A. de C.V.	Mexico
UFP Construction, LLC	Michigan	Universal Forest Products Texas, LLC	Michigan
UFP Corrugated, LLC	Michigan	Universal Showcase ULC	Canada
UFP Craft and Hobby, LLC	Michigan	Upshur Forest Products, LLC	Michigan
UFP Dallas, LLC	Michigan	Wadpack Pvt. Ltd	India
UFP Distribution, LLC	Michigan	Yard & Home, LLC	Michigan
UFP Eagan, LLC	Michigan		

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement Nos. 333-60630, 333-150345, 333-156596, and 333-274461 on Form S-8 of our reports dated February 28, 2024, relating to the consolidated financial statements of UFP Industries, Inc. and subsidiaries (the "Company"), and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 30, 2023.

/s/ Deloitte & Touche LLP

Grand Rapids, Michigan

February 28, 2024

UFP Industries, Inc.

Certification

I, Matthew J. Missad, certify that:

1. I have reviewed this report on Form 10-K of UFP Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2024

/s/ Matthew J. Missad
Matthew J. Missad
Chief Executive Officer and
Principal Executive Officer

UFP Industries, Inc.

Certification

I, Michael R. Cole, certify that:

1. I have reviewed this report on Form 10-K of UFP Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2024

/s/ Michael R. Cole
Michael R. Cole
Chief Financial Officer,
Principal Financial Officer and
Principal Accounting Officer

**CERTIFICATE OF THE
CHIEF EXECUTIVE OFFICER OF
UFP INDUSTRIES, INC.**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350):

I, Matthew J. Missad, Chief Executive Officer of UFP Industries, Inc., certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The report on Form 10-K for the year ended December 30, 2023, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this report on Form 10-K for the period ended December 30, 2023 fairly presents, in all material respects, the financial condition and results of operations of Universal Forest Products, Inc.

UFP INDUSTRIES, INC.

Date: February 28, 2024

By: /s/ Matthew J. Missad
Matthew J. Missad

Its: Chief Executive Officer and
Principal Executive Officer

The signed original of this written statement required by Section 906, or any other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to UFP Industries, Inc. and will be retained by UFP Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATE OF THE
CHIEF FINANCIAL OFFICER OF
UFP INDUSTRIES, INC.**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350):

I, Michael R. Cole, Chief Financial Officer of UFP Industries, Inc., certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The report on Form 10-K for the period ended December 30, 2023, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this report on Form 10-K for the period ended December 30, 2023 fairly presents, in all material respects, the financial condition and results of operations of UFP Industries, Inc.

UFP INDUSTRIES, INC.

Date: February 28, 2024

By: /s/ Michael R. Cole
Michael R. Cole
Its: Chief Financial Officer,
Principal Financial Officer and
Principal Accounting Officer

The signed original of this written statement required by Section 906, or any other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to UFP Industries, Inc. and will be retained by UFP Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

UFP INDUSTRIES, INC. ["the Company"]

CLAWBACK POLICY

INTRODUCTION

This Clawback Policy (the "**Policy**") is intended to comply with Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**"), as well as Nasdaq Listing Rule 5608 (the "**Listing Standard**") and Section 304 of the Sarbanes-Oxley Act of 2002, and provides for the recoupment of certain compensation from Executive Officers in the event of a Restatement (as defined herein) or Improper Conduct (as defined herein).

RECOUPMENT

- (a) Mandatory Recoupment. If the Company is required to prepare a Restatement, the Company shall promptly recoup the amount of any Erroneous Awarded Compensation received by any Executive Officer during the Applicable Period.
- (b) Discretionary Recoupment. If any person who is or was an Executive Officer has engaged in Improper Conduct that either has resulted in, or could reasonably be expected to result in, an Adverse Effect, then the Board may, in its sole discretion, after evaluating the associated costs and benefits, seek to recover all or any portion of the Recoverable Incentive paid to any such Executive Officer during the Applicable Period.
- (c) Discretionary Recoupment; Further Actions. In addition, the Board may, in its sole discretion and in the reasonable exercise of its business judgment, determine whether and to what extent additional action is appropriate to address the circumstances surrounding such Improper Conduct so as to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate.

DEFINITIONS

For purposes of this Policy, the following terms shall have the following meanings:

- "**Adverse Effect**" means any significant adverse impact on the reputation of, or a significant adverse economic consequence for, the Company or any of its subsidiaries.
 - "**Applicable Period**" means (i) in the case of any Restatement, the three-year period preceding the date on which the Company is required to prepare the Restatement and (ii) in the case of any Improper Conduct, the three-year period preceding the date of the Improper Conduct, as determined by the Board. The date on which the Company is required to prepare a Restatement is the earlier to occur of (1) the date the Board concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement or (2) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement, in each case regardless of if or when the restated financial statements are filed.
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- "**Board**" means the Board of Directors, the Compensation Committee of the Board of Directors or such other committee of the Board of Directors that, at the relevant time, has authority for making determinations as to the compensation of Executive Officers.
- "**Erroneously Awarded Compensation**" means the amount of Performance-Based Compensation received by the Executive Officer on or after October 2, 2023, that exceeds the amount of Performance-Based Compensation that would have been received by the Executive Officer had it been determined based upon the restated amounts. In addition, Erroneously Awarded Compensation shall be determined by the Board without regard to any taxes paid by the Executive Officer with respect to any Erroneously Awarded Compensation.
- "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.
- "**Executive Officer**" means any person who is or was during the Applicable Period an executive officer of the Company, as determined pursuant to Rule 3b-7 promulgated under the Exchange Act (or any successor rule).
- "**Improper Conduct**" means an Executive Officer's willful misconduct (including, but not limited to, fraud, bribery or other illegal acts) or gross negligence, which, in either case, includes any failure to report properly, or to take appropriate remedial action with respect to, such misconduct or gross negligence by another person.
- "**Incentive Compensation**" means any compensation paid or payable under the Company's annual incentive plan or program and/or Long Term Incentive Plan or any successor plan, respectively.
- "**Performance-Based Compensation**" means any Incentive Compensation that is granted, earned or vested based wholly or in part upon the attainment of a financial reporting measure.
- "**Recoverable Incentive**" means the amount of any Incentive Compensation paid to or in respect of an Executive Officer during the Applicable Period that, in the case of any Improper Conduct, the Board determines, in its sole discretion, to be appropriate in light of the scope and nature of the Improper Conduct.
- "**Restatement**" means an accounting restatement of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- "**SEC**" means the Securities and Exchange Commission.

METHOD OF RECOUPMENT

The Board will determine, in its sole discretion, the method for recouping any Recoverable Incentive or Erroneously Awarded Compensation which may include, without limitation:

- (a) requiring reimbursement of cash Incentive Compensation previously paid;
- (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity-based awards under the Company's Long Term Incentive Plan;
- (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Executive Officer;
- (d) cancelling outstanding vested or unvested equity awards; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Board.

NO INDEMNIFICATION

The Company shall not indemnify any Executive Officer against the loss of any Recoverable Incentive or Erroneously Awarded Compensation.

DISCLOSURE

The Company shall disclose to its shareholders no later than the filing of the next following proxy statement the actions taken or the decision not to take action with regard to recovery or non-recovery, as the case may be, of Recoverable Incentive or Erroneously Awarded Compensation (including reporting the aggregate amounts recovered) related to any Restatement or to any Improper Conduct, so long as such event has been previously disclosed in the Company's filings with the SEC.

EFFECTIVE DATE

This Amended and Restated Policy shall be effective as of the date it is adopted by the Board (the "**Effective Date**") and shall apply to Incentive Compensation that is approved, awarded or granted to Executive Officers on, after or prior to that date, as well as any Performance-Based Compensation received after October 2, 2023.

OTHER RECOUPMENT RIGHTS

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may

be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

ADMINISTRATION; INTERPRETATION

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding. The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy.

AMENDMENT; TERMINATION

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect the rules and regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with the Listing Standard.

IMPRACTICABILITY

The Board shall recover any Erroneously Awarded Compensation or Recoverable Incentive in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and the Listing Standard.

SUCCESSORS

This Policy shall be binding and enforceable against all Executive Officers and their respective beneficiaries, heirs, executors, administrators or other legal representatives.

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