

UNIFIRST CORP
Form DEF 14A
December 06, 2011

UNIFIRST CORPORATION
68 Jonspin Road
Wilmington, Massachusetts 01887

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held On Tuesday, January 10, 2012

The Annual Meeting of Shareholders (the "Annual Meeting") of UniFirst Corporation (the "Company") will be held at the corporate offices of the Company located at 68 Jonspin Road, Wilmington, Massachusetts 01887 on Tuesday, January 10, 2012 at 10:00 A.M. for the following purposes:

1. To elect two Class I Directors, nominated by the Board of Directors, each to serve for a term of three years until the 2015 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified;
2. To approve, on a non-binding, advisory basis, the compensation of the Company's named executive officers as more fully described in the accompanying Proxy Statement;
3. To approve, on a non-binding, advisory basis, the frequency of future non-binding, advisory votes on the compensation of the Company's named executive officers;
4. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending August 25, 2012; and
5. To consider and act upon any other matters which may properly come before the meeting or any adjournment or postponement thereof.

Proposal 1 above relates solely to the election of two Class I Directors of the Company nominated by the Board of Directors and does not include any other matters relating to the election of directors, including without limitation, the election of directors nominated by any shareholder of the Company.

The Board of Directors has fixed the close of business on November 14, 2011 as the record date for the Annual Meeting. All shareholders of record on that date are entitled to receive notice of and to vote at the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on Tuesday, January 10, 2012: The Proxy Statement and 2011 Annual Report to Shareholders, which includes the Annual Report on Form 10-K for the fiscal year ended August 27, 2011, are available at <http://phx.corporate-ir.net/phoenix.zhtml?c=71810&p=Proxy>.

By Order of the Board of Directors,

RAYMOND C. ZEMLIN, Secretary

Wilmington, Massachusetts

December 6, 2011

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE COMPLETE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES. YOUR PROXY MAY BE REVOKED BY YOU AT ANY TIME PRIOR TO ITS USE. IF YOU ATTEND THE MEETING, YOU MAY CONTINUE TO HAVE YOUR SHARES VOTED AS INSTRUCTED IN THE PROXY OR YOU MAY WITHDRAW YOUR PROXY AT THE MEETING AND VOTE YOUR SHARES IN PERSON.

Important

Please note that due to security procedures, if you decide to attend the Annual Meeting, you will be required to show a form of picture identification to gain access to the offices of UniFirst Corporation. Please contact the Company's Investor Relations group at (978) 658-8888 if you plan to attend the Annual Meeting.

UNIFIRST CORPORATION
68 Jonspin Road
Wilmington, Massachusetts 01887

PROXY STATEMENT FOR 2012 ANNUAL MEETING OF SHAREHOLDERS
to be held on January 10, 2012
at 10:00 A.M. at the corporate offices of UniFirst Corporation
located at 68 Jonspin Road,
Wilmington, Massachusetts 01887

General Information

The enclosed proxy is being solicited on behalf of the Board of Directors of UniFirst Corporation (the “Company”, “UniFirst”, “we”, “our” or “us”) for use at the 2012 Annual Meeting of Shareholders to be held on Tuesday, January 10, 2012 (the “Annual Meeting”) and at any adjournments or postponements thereof. This Proxy Statement, the enclosed proxy and the Company’s 2011 Annual Report to Shareholders are being first mailed to shareholders on or about December 6, 2011.

Any shareholder signing and returning the enclosed proxy has the power to revoke it by (1) giving written notice of revocation of such proxy to the Secretary of the Company at the address set forth above, (2) completing, signing and submitting a new proxy card relating to the same shares and bearing a later date, or (3) attending the meeting and voting in person, although attendance at the meeting will not, by itself, revoke a proxy. The shares represented by the enclosed proxy will be voted as specified therein if said proxy is properly signed and received by the Company prior to the time of the Annual Meeting and is not properly revoked. The expense of this proxy solicitation will be borne by the Company. In addition to the solicitation of proxies by mail, the Directors, officers and employees of the Company may also solicit proxies personally or by telephone without special compensation for such activities. The Company may also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy material to and obtain proxies from such beneficial owners. The Company will reimburse such holders for their reasonable expenses in connection therewith.

The Board of Directors has fixed the close of business on November 14, 2011 as the “Record Date” for the determination of the shareholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. As of the close of business on the Record Date, there were outstanding and entitled to vote 14,997,171 shares of common stock, par value \$0.10 per share (“Common Stock”), and 4,885,277 shares of Class B common stock, par value \$0.10 per share (“Class B Common Stock”). Transferees after such date will not be entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote per share. Each share of Class B Common Stock is entitled to ten votes per share.

As more fully described in this Proxy Statement, the purposes of the Annual Meeting are (1) to elect two Class I Directors, nominated by the Board of Directors, each to serve for a term of three years until the 2015 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified; (2) to approve, on a non-binding, advisory basis, the compensation of the Company’s named executive officers as described in this Proxy Statement; (3) to approve, on a non-binding, advisory basis, the frequency of future non-binding, advisory votes on the compensation of the Company’s named executive officers; (4) to ratify the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending August 25, 2012; and (4) to consider and act upon any other matters which may properly come before the Annual Meeting or any adjournment or postponement thereof.

With respect to the election of two Class I Directors, the affirmative vote of (1) a plurality of the votes cast by holders of shares of Common Stock, voting separately as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon, is required to elect Kathleen M. Camilli and (2) a plurality of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon, is required to elect Michael Iandoli. Votes may be cast “For” or “Withhold” on the election of Ms. Camilli and Mr. Iandoli. With respect to (1) the proposal to approve, on a non-binding, advisory basis, the compensation of the Company’s named executive officers as described in this Proxy Statement, (2) the proposal to approve, on a non-binding, advisory basis, a particular frequency of future non-binding, advisory votes on the compensation of the Company’s named executive officers, (3) the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm and (4) each other matter expected to be voted upon at the Annual Meeting, the affirmative vote of a majority of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon, is required for approval. Votes may be cast “For”, “Against” or “Abstain” on the proposal to approve, on a non-binding, advisory basis, the compensation of the Company’s named executive directors and the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending August 25, 2012. Votes may be cast for a frequency of every year (box “1 Year” on the proxy card), every two years (box “2 Years” on the proxy card) or every three years (box “3 Years” on the proxy card) or shareholders may “Abstain” with respect to the proposal to approve, on a non-binding, advisory basis, the frequency of future non-binding, advisory votes on the compensation of the Company’s named executive directors.

The representation in person or by proxy of at least a majority of all Common Stock and Class B Common Stock issued, outstanding and entitled to vote at the Annual Meeting shall constitute a quorum for the transaction of business. Consistent with applicable law, the Company intends to count abstentions and broker non-votes for the purpose of determining the presence or absence of a quorum for the transaction of business. A broker “non-vote” refers to shares held by a broker or nominee that does not have the authority, either express or discretionary, to vote on a particular matter. Any shares not voted (whether by abstention, broker non-vote or otherwise) will have no impact on the election of Directors, except to the extent that the failure to vote for an individual results in another individual receiving a larger percentage of votes, and no impact on the proposal to approve, on a non-binding, advisory basis, the compensation of the Company’s named executive officers, the proposal to approve, on a non-binding, advisory basis, the frequency of future non-binding, advisory votes on the compensation of the Company’s named executive officers, the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending August 25, 2012 or each other matter expected to be voted on at the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on Tuesday, January 10, 2012: The Proxy Statement and 2011 Annual Report to Shareholders, which includes the Annual Report on Form 10-K for the fiscal year ended August 27, 2011, are available at <http://phx.corporate-ir.net/phoenix.zhtml?c=71810&p=Proxy>.

PROPOSAL 1

ELECTION OF DIRECTORS

The Board of Directors of the Company is currently composed of eight members, divided into three classes of two, three and three directors, respectively. One class is elected each year at the Annual Meeting of Shareholders. The Directors in each class serve for a term of three years and until their successors are duly elected and qualified. As the term of one class expires, a successor class is elected at each Annual Meeting of Shareholders.

Anthony F. DiFillippo and Robert F. Collings, each a Class I Director, will retire from the Board of Directors at the Annual Meeting and therefore will not stand for re-election at the Annual Meeting. The Company, management and

the Board of Directors would like to thank Messrs. DiFillippo and Collings for their many years of valuable service.

Kathleen M. Camilli has been nominated by the Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, as a Class I Director to serve until the 2015 Annual Meeting of Shareholders and until her successor is duly elected and qualified. In addition, Michael Iandoli, who is currently a Class III Director, has been nominated by the Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, as a Class I Director to serve until the 2015 Annual Meeting of Shareholders and until his successor is duly elected and qualified. The Board of Directors determined to nominate Mr. Iandoli as a Class I Director so that each of the three classes of directors will be approximately the same size, subject to the election of Ms. Camilli and Mr. Iandoli as Class I Directors at the Annual Meeting. If Ms. Camilli and Mr. Iandoli are elected as Class I Directors at the Annual Meeting, the Board of Directors will be composed of seven members, divided into three classes of two, three and two directors, respectively.

The Board of Directors has determined that Ms. Camilli and Mr. Iandoli are “independent” under the rules of the New York Stock Exchange.

Unless otherwise instructed, the persons named in the proxy will vote the shares to which the proxy relates “For” the election of Ms. Camilli and Mr. Iandoli as Class I Directors. While the Company has no reason to believe that either of the nominees will be unable to serve as a Director, in the event either of the nominees should become unavailable to serve at the time of the Annual Meeting, it is the intention of the persons named in the enclosed proxy to vote such proxy for such other person or persons as the Board of Directors may recommend.

Vote Required

The affirmative vote of a plurality of the votes cast by holders of shares of Common Stock, voting separately as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon, is required to elect Ms. Camilli. The affirmative vote of a plurality of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon, is required to elect Mr. Iandoli.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE “FOR” THE ELECTION OF MS. CAMILLI AND MR. IANDOLI AS CLASS I DIRECTORS.

Information Regarding Nominees and Directors

The following table sets forth certain information with respect to the two nominees for election as Class I Directors at the Annual Meeting and those continuing Directors of the Company whose terms expire at the Annual Meetings of Shareholders in 2013 and 2014, based on information furnished to the Company by each Director.

Class I Nominees for Election at 2012 Annual Meeting – Nominated to Serve for a Term that Expires in 2015	Age	Director Since
Kathleen M. Camilli (1)	52	N/A
Ms. Camilli is a new nominee to the Board of Directors. Ms. Camilli is Founder and Principal of Camilli Economics, LLC, which provides clients, including corporations and investment organizations with “real world” economic guidance for smart business and financial decisions. Ms. Camilli served on the Board		

of Directors of MASSBANK Corp., a bank holding company, from 2003 to 2008. Ms. Camilli brings to the Board of Directors her substantial experience as an economist for several of the leading financial institutions in the world.

Michael Iandoli (2)

66 2007

Mr. Iandoli has served as Director of the Company since January 2007. He served for over 30 years as a

senior executive and President of TAC Worldwide Companies, a contract labor firm serving the

automotive and high-tech industries. He is the President of the Executive Committee at the Larz

Anderson Auto Museum. Mr. Iandoli brings to the Board of Directors his extensive executive leadership and operational experience.

	Age	Director Since
Class III Continuing Directors –Term Expires in 2013		

Cynthia Croatti (3)

56 1995

Ms. Croatti joined the Company in 1980. She has served as Director since 1995, Treasurer since 1982 and

Executive Vice President since 2001. In addition, she has primary responsibility for overseeing the human

resources and purchasing functions of the Company. Ms. Croatti brings to the Board of Directors her detailed

knowledge of the Company and the Company's industry and her executive leadership experience.

Phillip L. Cohen (1)

80 2000

Mr. Cohen has served as Director of the Company since 2000. He is a certified public accountant and was a

partner with an international public accounting firm from 1965 until his retirement in 1994 and has been a

financial consultant since that date. He is a Director emeritus and former Treasurer of the Greater Boston

Convention and Visitors Bureau and a Director of Kazmaier Associates, Inc. Mr. Cohen brings to the Board

of Directors his extensive public accounting and financial industry experience.

	Age	Director Since
Class II Continuing Directors –Term Expires in 2014		

Ronald D. Croatti (3)

68 1982

Mr. Croatti joined the Company in 1965. He became Director of the Company in 1982, Vice Chairman

of the Board in 1986 and has served as Chief Executive Officer since 1991. He has also served as President

since 1995 and Chairman of the Board since 2002. Mr. Croatti has overall responsibility for the

management of the Company. Mr. Croatti provides a critical contribution to the Board of Directors as a

result of his extensive and detailed knowledge of the Company and of the Company's industry, prospects,

customers and strategic marketplace.		
Donald J. Evans	85	1973
<p>Mr. Evans has served as Director of the Company since 1973. He served as General Counsel and First Deputy Commissioner, Massachusetts Department of Revenue, from 1996 to 2003. Prior to that time, Mr. Evans was a senior partner in the law firm of Goodwin Procter LLP, the Company's general counsel. Mr. Evans previously served as Chairman of the Corporation, Banking and Business Law Committee of the American Bar Association and was also a member of the Legal Advisory Committee of the New York Stock Exchange. Mr. Evans is a Trustee of the Massachusetts Eye and Ear Infirmary. Mr. Evans brings to the Board of Directors his executive leadership experience gained as General Counsel and First Deputy Commissioner of the Massachusetts Department of Revenue and his extensive legal industry experience gained as a senior partner in a large law firm.</p>		

Thomas S. Postek	69	2008
<p>Mr. Postek has served as Director of the Company since January 2008. He is a CFA charter holder currently affiliated with Geneva Investment Management of Chicago. Mr. Postek is a member of the Board of Directors of Lawson Products, Inc., a publicly traded distributor of fasteners and other industrial supplies. From 1986 to 2001, Mr. Postek was a partner and principal of William Blair & Company, LLC. Mr. Postek brings to the Board of Directors extensive financial industry experience as well as a long-standing understanding of the Company's industry and its competitors.</p>		

- (1) The Company has designated Ms. Camilli and Mr. Cohen as the Directors to be elected by the holders of Common Stock voting separately as a single class.
- (2) Mr. Iandoli has served as a Class III Director of the Company since 2007. As discussed above, Mr. Iandoli has been nominated for election as a Class I Director at the Annual Meeting.
- (3) Ronald D. Croatti and Cynthia Croatti are siblings.

Meetings of the Board of Directors and Its Committees

Board of Directors. The Company's Board of Directors is divided into three classes, and the members of each class serve for staggered three-year terms. The Board is currently composed of two Class I Directors (Messrs. DiFillippo and Collings), three Class II Directors (Messrs. Croatti, Evans and Postek) and three Class III Directors (Ms. Croatti, and Messrs. Cohen and Iandoli). As discussed above, Messrs. DiFillippo and Collings will retire from the Board of Directors at the Annual Meeting and therefore will not stand for re-election at the Annual Meeting. Ms. Camilli, a new nominee, has been nominated for election as a Class I Director at the Annual Meeting, and Mr. Iandoli, who is currently a Class III Director, has been nominated for election as a Class I Director at the Annual Meeting. If Ms. Camilli and Mr. Iandoli are elected as Class I Directors at the Annual Meeting, the Board of Directors will be composed of seven members, with two Class I Directors (Ms. Camilli and Mr. Iandoli), three Class II Directors

(Messrs. Croatti, Evans and Postek) and two Class III Directors (Ms. Croatti and Mr. Cohen). The terms of the continuing Class III and II Directors will expire upon the election and qualification of Directors at the Annual Meeting of Shareholders in 2013 and 2014, respectively. At each Annual Meeting of Shareholders, Directors generally will be elected for a full term of three years to succeed those Directors whose terms are expiring. The Board of Directors held four meetings during the Company's 2011 fiscal year.

Audit Committee. During the 2011 fiscal year, the Audit Committee consisted of Messrs. Cohen (Chair), Collings, Evans and Postek. The Audit Committee held eight meetings during fiscal 2011. The Audit Committee is responsible for assisting the Board of Directors in its oversight of (1) the integrity of the Company's financial statements and reporting process, (2) the qualifications, independence and performance of the Company's independent registered public accounting firm, (3) the performance of the Company's internal audit function, and (4) the Company's compliance with legal and regulatory requirements. The Board of Directors and the Audit Committee adopted a written Audit Committee Charter in 2000. The Audit Committee Charter has been updated and revised periodically since then, most recently in 2010. A current copy of the Audit Committee Charter, as amended and restated, is available on the Company's website at www.unifirst.com. The Board of Directors has determined that each of the members of the Audit Committee is "independent" under the rules of the New York Stock Exchange and the Securities and Exchange Commission (the "SEC") and has determined that Phillip L. Cohen is an "audit committee financial expert" under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Board of Directors and the Audit Committee have adopted a Statement of Corporate Policy and Code of Business Conduct, a current copy of which is available on the Company's website at www.unifirst.com. The Company's Audit Committee Complaint Procedure is also available on the Company's website at www.unifirst.com.

Compensation Committee. During the 2011 fiscal year, the Compensation Committee consisted of Messrs. Collings (Chair), Cohen, Evans, Iandoli and Postek. The Compensation Committee met on three occasions during fiscal 2011. The Compensation Committee is responsible for reviewing and approving the Company's executive compensation program, recommending awards under the Company's equity compensation plans and establishing the compensation for the Company's Chief Executive Officer. The Board of Directors has determined that each of the members of the Compensation Committee is "independent" under the rules of the New York Stock Exchange. The Board of Directors and the Compensation Committee have adopted a written Compensation Committee Charter, which was last revised in 2007. A current copy of the Compensation Committee Charter is available on the Company's website at www.unifirst.com.

Nominating and Corporate Governance Committee. During the 2011 fiscal year, the Nominating and Corporate Governance Committee consisted of Messrs. Evans (Chair), Cohen and Iandoli. The Nominating and Corporate Governance Committee met on three occasions in fiscal 2011. The Nominating and Corporate Governance Committee reviews and evaluates potential nominees for election or appointment to the Board of Directors and recommends such nominees to the full Board of Directors. The Board of Directors and the Nominating and Corporate Governance Committee have adopted a written Nominating and Corporate Governance Committee Charter, which was last revised in 2007. A current copy of the Nominating and Corporate Governance Committee Charter is available on the Company's website at www.unifirst.com. The Board of Directors has determined that each of the members of the Nominating and Corporate Governance Committee is "independent" under the rules of the New York Stock Exchange. The Nominating and Corporate Governance Committee's policy is to review and consider all Director candidates recommended by any of the Company's Directors or shareholders. Such review and consideration is to proceed in accordance with the Company's By-laws, Corporate Governance Guidelines and Policy Regarding New Director Nominations. See "Other Matters — Shareholder Proposals" for a summary of certain of these requirements. While neither the Board of Directors nor the Nominating and Corporate Governance Committee has a specific policy with respect to diversity, the Policy Regarding New Director Nominations provides that the Nominating and Corporate Governance Committee believes that director candidates should have a background that is complementary to that of the existing Board members so as to provide management and the Board of Directors with a diversity and freshness of views. The Nominating and Corporate Governance Committee is also responsible for developing and recommending to the Board of Directors a set of Corporate Governance Guidelines applicable to the Company and

periodically reviewing such guidelines and recommending any changes to those guidelines to the Board of Directors. The current Corporate Governance Guidelines are available on the Company's website at www.unifirst.com. In addition, the Nominating and Corporate Governance Committee maintains a Policy Regarding New Director Nominations, a current copy of which is available on the Company's website at www.unifirst.com. Since this policy was adopted, there have been no material changes to the procedures by which shareholders may recommend nominees to the Board of Directors.

Each Director attended at least 75% of all of the meetings of the Board of Directors and of the committees of which the Director was a member held during the last fiscal year. Our Annual Meeting of Shareholders is generally held to coincide with one of the Board's regularly scheduled meetings. Directors are strongly encouraged to attend the Annual Meeting. Each of the Directors attended the 2011 Annual Meeting of Shareholders.

Please note that information contained in our website is not incorporated by reference in, or considered to be a part of, this Proxy Statement.

Independence of Board Members

The Board of Directors has determined that each of Messrs. Cohen, Collings, Evans, Iandoli and Postek is an "independent director" in accordance with the corporate governance rules of the New York Stock Exchange as a result of having no material relationship with the Company other than (1) serving as a Director and a Board Committee member, (2) receiving related fees as disclosed in this Proxy Statement and (3) having beneficial ownership of the Company's securities as disclosed in the section of this Proxy Statement entitled "Security Ownership of Management and Principal Shareholders."

Board Leadership Structure

The positions of Chairman of the Board and Chief Executive Officer are currently occupied by one individual, Mr. Croatti. The Board of Directors believes that this leadership structure has served the Company well in the past and continues to serve it well, as Mr. Croatti's 46 years of experience in the Company's industry and his extensive and detailed knowledge and understanding of the Company uniquely qualify him to serve as both Chairman and Chief Executive Officer. Combining the Chairman and Chief Executive Officer roles fosters clear accountability, effective decision-making, and aligns corporate strategy with the Company's day-to-day operations. Combining the roles also promotes unified leadership and direction for the Board of Directors and management. In his combined role, Mr. Croatti sets the agenda for Board meetings with input from the Lead Director and presides over all meetings of the full Board. Since the Chairman and Chief Executive Officer positions are currently occupied by Mr. Croatti, the Board of Directors appointed Mr. Evans, an independent Director, as the Lead Director to ensure strong independent oversight. As Lead Director, Mr. Evans presides at all meetings of the Board of Directors at which the Chairman is not present and chairs the executive sessions of independent Directors and non-management Directors, who regularly meet in executive sessions at which only independent Directors and non-management Directors are present. Mr. Evans also provides input to the Chief Executive Officer and may make suggestions regarding meeting agendas and bear such further responsibilities as the Board of Directors may designate from time to time. Mr. Evans, from time to time, provides feedback to the Chief Executive Officer on executive sessions and facilitates discussion among the independent and non-management Directors outside of meetings of the Board of Directors.

Risk Oversight

The Board of Directors is responsible for overseeing the Company's risk assessment and management function, considering the Company's major financial risk exposures and evaluating the steps that the Company's management has taken to monitor and control such exposures. For example, the Board of Directors receives periodic reports from senior management on areas of material risk to the Company, including operational, financial, legal and regulatory and reputational risks. The Company believes that the leadership structure of the Board of Directors supports effective

oversight of risk assessment and management.

Risk Considerations in the Company's Compensation Programs

In connection with the Compensation Committee's compensation reviews, the Compensation Committee assesses whether the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company. Based on its review, the Compensation Committee believes that the mix and design of the Company's compensation plans and policies do not encourage employees to assume excessive risk and therefore are not reasonably likely to have a material adverse effect on the Company. In making this determination, the Compensation Committee considered a number of matters, including the following elements of the Company's executive compensation plans and policies: (1) the Company sets performance goals that the Company believes are reasonable in light of past performance and market conditions; (2) the long-term vesting for the Company's equity incentive awards helps to align the interests of management with those of the Company's shareholders in respect of the Company's long-term performance; (3) a range of levels of performance under the Company's cash incentive bonus plan results in corresponding levels of compensation under that plan, rather than an "all-or-nothing" approach; (4) achievement of the targets under the Company's bonus plan is based on the satisfaction of corporate performance metrics such as revenues and earnings per share, which serves to minimize the impact of excessive risk taking by any individual member of management; and (5) the six-year vesting and the multi-year performance criteria contained in Mr. Croatti's restricted stock awards mitigate the impact of any short-term risk taking by him.

Meetings of Independent and Non-Management Directors

The independent and non-management Directors of the Company meet in executive sessions outside the presence of management. The presiding Director for these meetings is Mr. Evans, the Lead Director. Any interested party or shareholder who wishes to make their concerns known to the independent and non-management Directors may avail themselves of the same procedures provided below under the heading "Communication with the Board of Directors". The Company's Audit Committee Complaint Procedure is available on the Company's website at www.unifirst.com.

Communication with the Board of Directors

Any interested party or shareholder who wishes to communicate with any of the Company's Directors or the Board of Directors as a group, may do so by writing to the Board of Directors, or such individual Director(s) c/o Chief Financial Officer, UniFirst Corporation, 68 Jonspin Road, Wilmington, MA 01887. The Company recommends that all correspondence be sent via certified U.S. mail, return receipt requested. All correspondence received by the Chief Financial Officer will be forwarded by him promptly to the appropriate addressee(s).

Security Ownership of Management and Principal Shareholders

The following table sets forth as of November 14, 2011 certain information concerning shares of Common Stock and Class B Common Stock beneficially owned by (i) each Director and Nominee, (ii) each of the named executive officers of the Company in the Summary Compensation Table, and (iii) all executive officers and Directors as a group, in each case based solely on information furnished by such individuals. Except as otherwise specified, the named beneficial owner has sole voting and investment power. The information in the table reflects shares outstanding of the Company's Common Stock and Class B Common Stock on November 14, 2011.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of All Outstanding Shares(1)	Percentage of Voting Power(1)
Ronald D. Croatti(2)(3)	1,258,228	6.3%	17.4%

Edgar Filing: UNIFIRST CORP - Form DEF 14A

Cynthia Croatti(3)(4)	4,600	*	*
Steven S. Sintros(3)	1,400	*	*
Bruce P. Boynton(3)	2,800	*	*
Donald J. Evans(3)(5)(8)	18,281	*	*
Phillip L. Cohen(3)(5)(8)	17,000	*	*
Anthony F. DiFillippo(3)(5)(6)(8)	36,575	*	*
Robert F. Collings(3)(5)(8)	15,500	*	*
Michael Iandoli(3)(5)(8)	14,500	*	*
David M. Katz	-	*	*
Thomas S. Postek(3)(5)(7)(8)	28,000	*	*
Kathleen M. Camilli	-	*	*
All Directors and executive officers as a group(3)(9) (12 persons)	1,406,341	7.1%	17.6%

* Less than 1%.

- (1) The percentages have been determined in accordance with Rule 13d-3 under the Exchange Act. As of November 14, 2011, a total of 19,882,448 shares of common stock were outstanding, of which 14,997,171 were shares of Common Stock entitled to one vote per share and 4,885,277 were shares of Class B Common Stock entitled to ten votes per share. Each share of Class B Common Stock is convertible into one share of Common Stock.
- (2) Ronald D. Croatti owns 1,093,528 shares of Class B Common Stock, representing 22.4% of such class, 154,200 shares of Common Stock plus the options to purchase Common Stock listed in footnote 3. Of the shares owned by Mr. Croatti, 116,667 are subject to both the satisfaction of performance criteria and time-based vesting and 275,000 are subject to time-based vesting such that any failure to satisfy such performance criteria and vesting may result in the forfeiture of some or all of such shares to the Company. The information presented does not include any shares owned by Mr. Croatti's children, as to which shares Mr. Croatti disclaims any beneficial interest. Mr. Croatti is a shareholder and director of each of the general partners of The Queue Limited Partnership and The Red Cat Limited Partnership, which respectively own 1,933,885 and 1,021,748 shares of Class B Common Stock. Mr. Croatti is a trustee and beneficiary of The Marie Croatti QTIP Trust, which owns 4,374 shares of Class B Common Stock. Mr. Croatti is the manager of MMC Trust LLC, which owns 950 shares of Common Stock. The information presented for Mr. Croatti does not include any shares owned by The Queue Limited Partnership, The Red Cat Limited Partnership, The Marie Croatti QTIP Trust or MMC Trust LLC. In addition, the information presented does not include any shares owned by certain other trusts of which Mr. Croatti is a trustee and which, in the aggregate, beneficially own 132,792 shares of Class B Common Stock.
- (3) Includes the right to acquire, pursuant to the exercise of stock options, within 60 days after November 14, 2011, the following number of shares of Common Stock: Ronald D. Croatti, 10,500 shares; Cynthia Croatti, 4,600 shares; Steven S. Sintros, 1,400 shares; and Bruce P. Boynton, 2,800 shares. The non-employee Directors presently have exercisable options to purchase the following number of shares of Common Stock: 11,000 shares each in the case of Messrs. Cohen and Evans; 9,500 shares in the case of Mr. Collings; 8,500 shares in the case of Mr. Iandoli; and 7,000 shares each in the case of Messrs. DiFillippo and Postek.
- (4) Ms. Croatti owns the options to purchase Common Stock listed in footnote 3. The information presented does not include any shares owned by Ms. Croatti's children, as to which shares Ms. Croatti disclaims any beneficial interest. Ms. Croatti is a shareholder and director of each of the general partners of The Queue Limited Partnership and the Red Cat Limited Partnership, which respectively own 1,933,885 and 1,021,748 shares of Class B Common Stock. Ms. Croatti is a trustee and beneficiary of The Marie Croatti QTIP Trust, which owns 4,374 shares of Class B Common Stock. The information presented for Ms. Croatti does not include any shares owned by The Queue Limited Partnership, The Red Cat Limited Partnership or The Marie Croatti QTIP Trust. In addition, the information presented for Ms. Croatti does not include any shares beneficially owned by certain

other trusts for which Ms. Croatti is a trustee and certain entities for which Ms. Croatti serves as manager and which, in the aggregate, beneficially own 80,534 shares of Common Stock and 57,574 shares of Class B Common Stock.

(5) Mr. Evans owns 6,281 shares of Common Stock, the options to purchase Common Stock listed in footnote 3, plus the unvested restricted Common Stock listed in footnote 8. Mr. DiFillippo owns 21,325 shares of Common Stock, beneficially owns shares of Common Stock listed in footnote 6, the options to purchase Common Stock listed in footnote 3, plus the unvested restricted Common Stock listed in footnote 8. Mr. Postek owns shares of Common Stock listed in footnote 7, the options to purchase Common Stock listed in footnote 3, plus the unvested restricted Common Stock listed in footnote 8. Each of Messrs. Cohen, Collings and Iandoli beneficially own 5,000 shares of Common Stock, the options to purchase Common Stock listed in footnote 3 plus the unvested restricted Common Stock listed in footnote 8.

(6) Includes 7,250 shares owned by Mr. DiFillippo's spouse.

(7) Mr. Postek owns 20,000 shares of Common Stock.

(8) Includes 1,000 shares of restricted stock owned by each of Messrs. Evans, Cohen, DiFillippo, Collings, Iandoli and Postek. Such shares will vest on January 2, 2012. Does not include 2,500 fully vested stock appreciation rights owned by each of Messrs. Evans, Cohen, DiFillippo, Collings, Iandoli and Postek, the exercise price of which exceeded the closing price of the Company's Common Stock on the New York Stock Exchange on November 14, 2011.

(9) Includes the Directors and named executive officers set forth in the table above and the other executive officer of the Company.

To the knowledge of the Company, the following are the only beneficial owners of more than 5% of the outstanding shares of Common Stock or Class B Common Stock of the Company as of November 14, 2011. All information presented is based solely on information provided by each beneficial owner.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of All Outstanding Shares(1)	Percentage of Voting Power(1)
The Queue Limited Partnership(2)	1,933,885	9.7%	30.3%
First Eagle Investment Management, LLC(3)	1,708,666	8.6	2.7
Royce & Associates, LLC(4)	1,270,316	6.4	2.0
Ronald D. Croatti(5)	1,258,228	6.3	17.4
The Red Cat Limited Partnership(6)	1,021,748	5.1	16.0
River Road Asset Management, LLC(7)	1,112,947	5.6	1.7
Ameriprise Financial, Inc.(8)	816,111	4.1	1.3
Dimensional Fund Advisors LP(9)	815,560	4.1	1.3
Cecelia Levenstein(10)	587,157	3.0	7.2

(1) The percentages have been determined in accordance with Rule 13d-3 under the Exchange Act. As of November 14, 2011, a total of 19,882,448 shares of common stock were outstanding, of which 14,997,171 were shares of Common Stock entitled to one vote per share and 4,885,277 were shares of Class B Common Stock entitled to ten votes per share. Each share of Class B Common Stock is convertible into one share of Common Stock.

(2)

The Queue Limited Partnership (“QLP”) owns 1,933,885 shares of Class B Common Stock, representing 39.6% of such class. The general partner of QLP is Queue Management Associates, Inc. (“QMA”), which has sole voting and dispositive power over the shares owned by QLP. Ronald D. Croatti, Cynthia Croatti and Cecelia Levenstein are the sole shareholders and directors of QMA. All decisions by the directors of QMA must be made unanimously. The address of QLP is c/o UniFirst Corporation, 68 Jonspin Road, Wilmington, MA 01887.

- (3) First Eagle Investment Management, LLC beneficially owns shares of Common Stock, representing 11.4% of such class. The address of First Eagle Investment Management, LLC is 1345 Avenue of the Americas, New York, NY 10105. The Company has relied solely upon information contained in the Form 13F filed with the Securities and Exchange Commission by First Eagle Investment Management, LLC on November 14, 2011.
- (4) Royce & Associates, LLC beneficially owns shares of Common Stock, representing 8.5% of such class. The address of Royce & Associates, LLC is 745 Fifth Avenue, New York, NY 10151. The Company has relied solely upon the information contained in the Form 13F filed with the Securities and Exchange Commission by Royce & Associates, LLC on November 10, 2011.
- (5) Ronald D. Croatti owns 1,093,528 shares of Class B Common Stock, representing 22.4% of such class, 154,200 shares of Common Stock plus the options to purchase Common Stock listed in footnote 3. Of the shares owned by Mr. Croatti, 116,667 are subject to both the satisfaction of performance criteria and time-based vesting and 275,000 are subject to time-based vesting such that any failure to satisfy such performance criteria and vesting may result in the forfeiture of some or all of such shares to the Company. The information presented does not include any shares owned by Mr. Croatti’s children, as to which shares Mr. Croatti disclaims any beneficial interest. Mr. Croatti is a shareholder and director of each of the general partners of The Queue Limited Partnership and The Red Cat Limited Partnership, which respectively own 1,933,885 and 1,021,748 shares of Class B Common Stock. Mr. Croatti is a trustee and beneficiary of The Marie Croatti QTIP Trust, which owns 4,374 shares of Class B Common Stock. Mr. Croatti is the manager of MMC Trust LLC, which owns 950 shares of Common Stock. The information presented for Mr. Croatti does not include any shares owned by The Queue Limited Partnership, The Red Cat Limited Partnership, The Marie Croatti QTIP Trust or MMC Trust LLC. In addition, the information presented does not include any shares owned by certain other trusts of which Mr. Croatti is a trustee and which, in the aggregate, beneficially own 132,792 shares of Class B Common Stock.
- (6) The Red Cat Limited Partnership (“RCLP”) owns 1,021,748 shares of Class B Common Stock, representing 20.9% of such class. The general partner of RCLP is Red Cat Management Associates, Inc. (“RCMA”), which has sole voting and dispositive power over the shares owned by RCLP. Ronald D. Croatti and Cynthia Croatti are the sole shareholders and directors of RCMA. The address of RCLP is c/o UniFirst Corporation, 68 Jonspin Road, Wilmington, MA 01887.
- (7) River Road Asset Management, LLC beneficially owns shares of Common Stock, representing 7.4% of such class. The address of River Road Asset Management, LLC is 462 South Fourth Street, Louisville, KY 40207. The Company has relied solely upon the information contained in the Form 13F filed with the Securities and Exchange Commission by River Road Asset Management, LLC on November 3, 2011.
- (8) Ameriprise Financial, Inc. beneficially owns shares of Common Stock, representing 5.4% of such class. The address of Ameriprise Financial, Inc. is 1099 Ameriprise Financial Center, Minneapolis, MN 55474. The Company has relied solely upon information contained in the Form 13F filed with the Securities and Exchange Commission by Ameriprise Financial, Inc. on November 14, 2011.
- (9) Dimensional Fund Advisors LP beneficially owns shares of Common Stock, representing 5.4% of such class. The address of Dimensional Fund Advisors LP is 6300 Bee Cave Road, Building One, Austin, TX 78746. The Company has relied solely upon information contained in the Form 13F filed with the Securities and Exchange Commission by Dimensional Fund Advisors LP on November 10, 2011.

(10) Cecelia Levenstein is the daughter of Marie Croatti. Ms. Levenstein owns 444,349 shares of Class B Common Stock, representing 9.1% of such class, and 142,808 shares of Common Stock. Ms. Levenstein is a shareholder and director of the general partner of The Queue Limited Partnership, which owns 1,933,885 shares of Class B Common Stock. The information presented for Ms. Levenstein does not include any shares owned by The Queue Limited Partnership. In addition, the information presented for Ms. Levenstein does not include any shares beneficially owned by certain other trusts for which Ms. Levenstein is a trustee and, which, in the aggregate, beneficially own 17,592 shares of Class B Common Stock. The address of Ms. Levenstein is c/o UniFirst Corporation, 68 Jonspin Road, Wilmington, MA 01887.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee of our Board of Directors, in collaboration with management, develops and implements our compensation policies. The Compensation Committee also reviews and establishes the compensation paid to our executive officers. We believe we provide an appropriate and competitive total compensation package to our executive officers through a combination of base salary, annual cash incentive bonuses, long-term equity incentive compensation and broad-based benefits programs. We place significant emphasis on pay for performance-based incentive compensation, which is designed to reward our executive officers based on the achievement of predetermined corporate goals.

This Compensation Discussion and Analysis describes our compensation objectives, policies and practices with respect to our Chief Executive Officer, Chief Financial Officer and the other three most highly-compensated executive officers as determined in accordance with applicable SEC rules (collectively, our “named executive officers”).

Objectives of Our Executive Compensation Programs

Our compensation programs for our named executive officers are designed to achieve the following objectives:

- attract and retain talented and experienced executives in the highly competitive uniform rental and sales industry;
- motivate and reward executives whose knowledge, skills and performance are critical to our success and the furtherance of our long term strategic plan;
- align the interests of our executives and shareholders by motivating executives to increase shareholder value and by rewarding executives when shareholder value increases;
- provide a competitive compensation package which is weighted heavily towards pay for performance, and in which a significant portion of total compensation is determined by corporate and individual performance and the creation of shareholder value;
- ensure fairness among our executive officers by recognizing the contributions each executive makes to our success; and
 - foster a shared commitment among executives by coordinating their corporate and individual goals.

Our Executive Compensation Programs and Plans

We designed our executive compensation programs and plans to achieve the objectives described above. Our executive compensation primarily consists of base salary, annual cash incentive bonuses, long-term equity incentive compensation and broad-based benefits programs. Consistent with the significant emphasis we place on performance-based incentive compensation, we have linked our annual cash incentive bonuses to the achievement of predetermined corporate performance goals. In addition, in 2010 we tied a significant equity award to our Chief Executive Officer to the achievement of multi-year corporate performance goals.

Within the context of the overall objectives of our compensation programs, we typically determine the specific amounts of compensation to be paid to each of our named executive officers based on a number of factors:

- the performance of our named executive officers in prior years;
- the roles and responsibilities of our named executive officers;
- the individual experience and skills of our named executive officers;

for each named executive officer, other than our Chief Executive Officer, the evaluations and recommendations of our Chief Executive Officer; and

- the amounts of compensation being paid to our other named executive officers.

In addition, we rely on our understanding of the amount of compensation paid by our principal competitors and similarly situated companies to their executives with comparable roles and responsibilities as a market check for the compensation decisions we make.

Each of the primary elements of our executive compensation is discussed in detail below, including a description of how each element fits into the overall compensation of our named executive officers. We also discuss below the amounts of compensation paid to our named executive officers for fiscal 2011 under each of these elements. In the descriptions below, we highlight particular compensation objectives that we have designed specific elements of our executive compensation program to address. However, it should be noted that we have designed our compensation programs to complement each other and collectively serve all of our executive compensation objectives described above. Accordingly, whether or not specifically mentioned below, we believe that each element of our executive compensation program serves each of our objectives to a greater or lesser extent.

Base Salary

We pay our named executive officers a base salary, which we review and determine annually. We believe that a competitive base level of compensation is a necessary element of any compensation program that is designed to attract and retain talented and experienced executive officers who will facilitate the accomplishment of our long term strategic plan and increase shareholder value. We also believe that attractive base salaries can motivate and reward executive officers for their overall performance. The base salaries paid to our named executive officers reflect the general performance of our named executive officers during prior years, their roles and responsibilities, and their experience, skills and contributions. The base salaries set forth in the "Summary Compensation Table" below reflect the base salaries earned by our named executive officers in fiscal 2011. We determine the base salaries of our named executive officers on a calendar year basis. For calendar 2011, we increased the base salaries of all of our named executive officers as follows: Mr. Croatti's base salary increased from \$503,640 to \$550,000, Steven S. Sintros' base salary increased from \$249,995 to \$275,000 per year, Cynthia Croatti's base salary increased from \$336,840 to \$351,500 per year, Bruce P. Boynton's base salary increased from \$267,241 to \$280,000 per year and David M. Katz's base salary increased from \$280,501 to \$293,000 per year. The base salaries of our other executive officers reflected increases as determined by our Compensation Committee after reviewing Mr. Croatti's recommendations.

Annual Cash Incentive Bonuses

Consistent with our emphasis on performance incentive compensation programs, our named executive officers are eligible to receive annual cash incentive bonuses primarily based on their performance as measured against predetermined corporate financial goals that we establish. The primary objective of our annual cash incentive bonuses is to motivate our named executive officers and to reward them for meeting our short-term objectives using a performance-based compensation program with objectively determinable goals. Our annual cash incentive bonuses also align the interests of our named executive officers and our shareholders by providing our executives with incentives to increase shareholder value and a reward for doing so.

Under our bonus plan, our named executive officers have the potential to earn annual cash incentive bonuses at a level that represents a meaningful portion of our named executive officers' cash compensation. Our bonus plan provides for potential annual cash incentive bonuses of up to 28% of the named executive officer's base salary for the fiscal year. Potential bonus payments under our bonus plan are linked to objective criteria set forth in our bonus plan. Our named executive officers can earn annual cash incentive bonuses based on predetermined goals based on corporate revenues, earnings per share and customer retention.

At the beginning of each fiscal year, we set a fiscal year target for corporate revenues for purposes of our bonus plan. At the end of each fiscal year, we compare actual revenues for the fiscal year both to target revenues and actual revenues for the prior fiscal year. Based on our actual revenues for the fiscal year, each named executive officer can earn a bonus of up to 4% of his or her base salary if actual revenues exceed a predetermined percentage of the target revenues. Another 4% of his or her base salary can be earned based on the extent to which actual revenues exceed 103% of prior year revenues. The amount of the bonus would vary depending on the amount by which actual revenues varied from target revenues or the prior year revenues, as the case may be. The actual amount of the bonus is based on the percentage achievement of the bonus criteria. To achieve the maximum bonus for each revenue goal, actual revenues must equal or exceed 102% of the target revenues and 108% of the prior year revenues, respectively.

At the beginning of each fiscal year, we set a fiscal year target amount of corporate earnings per share for purposes of our bonus plan. At the end of each fiscal year, we compare actual earnings per share for the fiscal year both to target earnings per share and actual earnings per share for the prior fiscal year. Based on our actual earnings per share for the fiscal year, each named executive officer can earn a bonus of up to 8% of his or her base salary if actual earnings per share exceed a predetermined percentage of the target earnings per share. Another 8% of his or her base salary can be earned based on the extent to which actual earnings per share exceed 103% of prior year earnings per share. The amount of the bonus would vary depending on the amount by which actual earnings per share varied from target earnings per share or the prior year earnings per share, as the case may be. The actual amount of the bonus is based on the percentage achievement of the bonus criteria. To achieve the maximum bonus for each earnings per share goal, the actual earnings per share must equal or exceed the target earnings per share and 110% of the prior year earnings per share, respectively.

Our bonus plan also provides for annual cash incentive bonuses of up to 4% of base salary for our named executive officers based on customer retention.

No annual cash incentive bonuses are paid to our named executive officers unless at least one of the revenue targets and one of the earnings per share targets are achieved.

In establishing our targeted bonus opportunities, we consider the incentives that we want to provide to our executives and our historical practices. For fiscal 2011, we established the following corporate financial goals under our bonus plan. With respect to revenues, target revenues were set at \$1.040 billion. Since actual revenues for fiscal 2011 were \$1.134 billion, based on the percentage achievement levels the named executive officers achieved a 4% bonus based on target revenues and a 4% bonus based on the comparison to the prior year revenues. With respect to corporate earnings per share, target earnings per share were set at \$3.25. Since actual earnings per share were \$3.85, based on

the percentage achievement levels the named executive officers achieved an 8% bonus based on target earnings per share and no bonus based on the comparison to prior year earnings per share. With respect to customer retention levels, at our 2011 revenue growth rate, the named executive officers earned a bonus of 3% based on this criterion.

For fiscal 2011, our named executive officers received the following annual cash incentive bonuses:

Name	Bonus	% of Base Salary
Ronald D. Croatti	\$101,451	19%
Steven S. Sintros	\$50,606	19%
Cynthia Croatti	\$65,821	19%
Bruce P. Boynton	\$52,361	19%
David M. Katz	\$54,848	19%

Long-Term Equity Incentive Compensation

We grant long-term equity incentive awards to our named executive officers as part of our total compensation package. We use long-term equity incentive awards as part of our emphasis on performance-based incentive compensation. Our long-term equity incentive awards align the interests of our named executive officers and our shareholders by providing our executives with incentives to increase shareholder value and a reward for doing so. We generally grant long-term incentive awards once each year. In light of the significant multi-year performance and vesting plan relating to the restricted stock award we granted to Mr. Croatti in 2010, we did not grant Mr. Croatti a separate annual equity award for fiscal 2011.

We have traditionally granted non-qualified stock options to our named executive officers. In fiscal 2010, we determined that it was in the best interests of the stockholders and the executives to instead award SARs. SARs are functionally very similar to non-qualified stock options; in each case, the recipient receives the value (in shares) of the appreciation in the market price of the Corporation's Common Stock from the grant date to the exercise date. Consistent with the vesting schedule of stock options granted by us since 2003, the SARs are subject to a five-year cliff-vesting schedule under which the SARs become vested and exercisable after five years from the date of grant and expire ten years after the grant date. In fiscal 2011, we granted SARs to all of our named executive officers other than Mr. Croatti. The SARs awarded in fiscal 2011 were granted pursuant to our UniFirst Corporation 1996 Stock Incentive Plan, as amended.

Upon a holder's exercise of a SAR, we are generally entitled to a tax deduction in the year in which the SAR is exercised equal to the fair market value of the shares of stock issued upon such exercise. The holder of such SAR is generally taxed on this same amount in the year of exercise.

In fiscal 2011, we granted the following SARs to the following named executive officers:

Name	Number of Securities Underlying SARs	Exercise or Base Price of SAR Awards (\$/Sh)
Ronald D. Croatti	-	-
Steven S. Sintros	8,000	\$45.57
Cynthia Croatti	12,000	\$45.57
Bruce P. Boynton	8,000	\$45.57

David M. Katz	8,000	\$45.57
---------------	-------	---------

Under the Restricted Stock Award Agreement dated April 5, 2010, the Company issued to Mr. Croatti 350,000 shares of restricted stock which are subject to objective performance criteria relating to corporate revenues and adjusted operating margin in fiscal 2010, 2011 and 2012. The Compensation Committee is responsible for determining whether the performance criteria have been achieved. Based on the Company's financial results in fiscal 2010 and 2011, the Compensation Committee determined that the performance criteria for these two fiscal years have been achieved. Upon achievement of the applicable performance criteria, the shares of restricted stock will be subject to vesting in four equal annual installments beginning in 2013.

Broad-Based Benefits Programs and Perquisites

All full-time employees, including our named executive officers, may participate in our health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance, life insurance and the UniFirst Corporation Profit Sharing Plan. In addition, certain of our full-time employees, including our named executive officers, may participate in the UniFirst Corporation Unfunded Supplemental Executive Retirement Plan. In fiscal 2011, our named executive officers also received certain perquisites and personal benefits set forth in the "Summary Compensation Table" below. We provide these benefits to retain and attract talented executives with the skills and experience to further our long term strategic plan.

Employment Agreements

We generally do not enter into employment agreements with our executives. However, in connection with the significant equity award granted to Mr. Croatti in 2010, we determined that it was in the best interests of the stockholders to require him to enter into an employment agreement. We concluded that the contractual commitments set forth in the employment agreement, which include a two-year noncompetition clause, would help to ensure Mr. Croatti's continued service as our CEO. To this end, we purposely limited Mr. Croatti's severance rights under the employment agreement to six-months of salary, payable only if the Company terminates his employment without cause. In addition, we did not provide for any special parachute or change-in-control payments.

Our Executive Compensation Process

The Compensation Committee of our Board of Directors is primarily responsible for establishing the compensation paid to our named executive officers. The Board of Directors has determined that each member of the Compensation Committee is "independent" as that term is defined under the applicable rules of the New York Stock Exchange. In determining executive compensation, our Compensation Committee annually reviews the performance of our named executive officers with our Chief Executive Officer, and our Chief Executive Officer makes recommendations to our Compensation Committee with respect to the appropriate base salary, annual cash incentive bonus payments and grants of long-term equity incentive awards for each of our named executive officers. Our Compensation Committee annually reviews the performance of our Chief Executive Officer and establishes the appropriate base salary, annual cash incentive bonus payments and grants of long-term equity incentive awards to be paid to him. In general, we do not engage in a formal benchmarking process in setting the compensation for our executives.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and the Company's Annual Report on Form 10-K for the fiscal year ended August 27, 2011 for filing with the Securities and Exchange Commission.

Compensation Committee

Robert F. Collings (Chair)
 Phillip L. Cohen
 Donald J. Evans
 Michael Iandoli
 Thomas S. Postek

Summary Compensation Table

The following table sets forth summary information concerning the annual compensation for the years ended August 27, 2011, August 28, 2010 and August 29, 2009, respectively, awarded to, earned by or paid to our Chief Executive Officer, Chief Financial Officer and our other three most highly-compensated executive officers (collectively, for purposes of the tables set forth in this Proxy Statement, our “named executive officers”):

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Option Awards(2)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)	All Other Compensation(4)	Total
Ronald D. Croatti Chairman of the Board, President and Chief Executive Officer	2011	\$533,982	-	-	-	\$101,451	\$40,836	\$25,426	\$701,695
	2010	\$499,765	\$14,690	\$20,556,000	-	\$73,447	\$196,900	\$29,399	\$21,370,200
	2009	\$501,702	-	-	\$24,926	\$88,137	\$272,291	\$24,448	\$911,504
Steven S. Sintros Vice President and Chief Financial Officer	2011	\$266,375	-	-	\$139,120	\$50,606	\$8,756	\$23,646	\$488,503
	2010	\$239,610	\$7,053	-	\$128,180	\$35,266	\$13,218	\$27,834	\$451,161
	2009	\$199,152	-	-	\$19,831	\$35,004	\$7,643	\$22,134	\$283,764
Cynthia Croatti Executive Vice President and Treasurer	2011	\$346,455	-	-	\$208,680	\$65,821	\$53,096	\$25,810	\$699,862
	2010	\$332,013	\$9,762	-	\$192,270	\$48,807	\$132,192	\$29,623	\$744,667
	2009	\$328,965	-	-	\$19,941	\$57,792	\$55,958	\$23,543	\$486,199
Bruce P. Boynton Senior Vice President, Operations	2011	\$275,614	-	-	\$139,120	\$52,361	\$87,357	\$25,760	\$580,212
	2010	\$263,412	\$7,745	-	\$128,180	\$38,722	\$124,340	\$29,576	\$591,975
	2009	\$260,993	-	-	\$19,941	\$45,851	\$76,254	\$23,606	\$426,645
David M. Katz Vice President, Sales and Marketing	2011	\$288,704	-	-	\$139,120	\$54,848	\$19,060	\$25,753	\$527,485
	2010	\$276,482	\$8,129	-	\$128,180	\$40,644	\$10,011	\$21,204	\$484,650

- (1) The amount shown represents the aggregate grant date fair value related to the grant of 400,000 shares of restricted stock to Ronald D. Croatti in fiscal 2010 calculated in accordance with the FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). Additional information concerning our financial reporting of restricted stock is presented in Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Report on Form 10-K for the year ended August 27, 2011 and our Annual Report on Form 10-K for the year ended August 28, 2010.

- (2) The amounts shown represent the aggregate grant date fair value related to the grant of stock appreciation rights to our named executive officers in fiscal 2011 and stock options to our named executive officers in fiscal 2010 and fiscal 2009, respectively, calculated in accordance with FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). Additional information concerning our financial reporting of stock appreciation rights and stock options is presented in Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Reports on Form 10-K for the years ended August 27, 2011, August 28, 2010 and August 29, 2009, respectively. See the “Outstanding Equity Awards at Fiscal Year-End – 2011” table below for additional details regarding the stock appreciation rights that were granted to our named executive officers in fiscal 2011 and the stock options that were granted to our named executive officers in fiscal 2010 and 2009.
- (3) Amounts reported in this column for fiscal 2011 represent the present value of the accumulated benefit obligation as of August 27, 2011 minus the present value of the accumulated benefit obligation as of August 28, 2010 under the UniFirst Corporation Unfunded Supplemental Executive Retirement Plan, as amended (“SERP”). Amounts reported in this column for fiscal 2010 represent the present value of the accumulated benefit obligation as of August 28, 2010 minus the present value of the accumulated benefit obligation as of August 29, 2009 under our SERP. Amounts reported in this column for fiscal 2009 represent the present value of the accumulated benefit obligation as of August 29, 2009 minus the present value of the accumulated benefit obligation as of August 30, 2008 under our SERP. Our obligation has been estimated assuming benefits commence at normal social security retirement age and using FASB ASC Topic 715 assumptions for mortality, assumed payment form and discount rates in effect at the measurement dates. Since the Company does not credit interest at above-market rates, no interest amounts are included in these totals. See the “Pension Benefits Table – Fiscal 2011” below for additional details about the accumulated benefits of each named executive officer under our SERP with respect to fiscal 2011. See the “Pension Benefits Table – Fiscal 2010” in our Proxy Statement for the 2011 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on December 7, 2010 for additional details about the accumulated benefits of each named executive officer under our SERP with respect to fiscal 2010. See the “Pension Benefits Table – Fiscal 2009” in our Proxy Statement for the 2010 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on December 8, 2009 for additional details about the accumulated benefits of each named executive officer under our SERP with respect to fiscal 2009.

- (4) The amounts reported in the “All Other Compensation” column are shown in the table below.

Name	Year	Car Allowance	401(k) Contribution	Profit Sharing Plan	Total All Other Compensation
Ronald D. Croatti	2011	\$7,410	\$9,800	\$8,216	\$25,426
	2010	\$7,410	\$9,800	\$12,189	\$29,399
	2009	\$7,410	\$9,800	\$7,238	\$24,448
Steven S. Sintros	2011	\$7,410	\$8,020	\$8,216	\$23,646
	2010	\$7,410	\$8,235	\$12,189	\$27,834
	2009	\$7,080	\$8,794	\$6,260	\$22,134
Cynthia Croatti	2011	\$7,410	\$10,184	\$8,216	\$25,810
	2010	\$7,410	\$10,024	\$12,189	\$29,623
	2009	\$7,410	\$8,895	\$7,238	\$23,543
Bruce P. Boynton	2011	\$7,410	\$10,134	\$8,216	\$25,760
	2010	\$7,410	\$9,977	\$12,189	\$29,576
	2009	\$7,410	\$8,958	\$7,238	\$23,606
David M. Katz	2011	\$7,410	\$10,127	\$8,216	\$25,753
	2010	\$7,410	\$13,794	-	\$21,204

Employment Agreement and Restricted Stock Award Agreements

We entered into an Employment Agreement and Restricted Stock Award Agreements with Mr. Croatti on April 5, 2010. Such agreements are described under the headings “Potential Payments Upon Termination or Change in Control”.

Grants of Plan-Based Awards – Fiscal 2011

The following table contains information related to stock appreciation rights granted to our named executive officers under our stock option plan during fiscal 2011:

Name	Grant Date	Approval Date	All Other Option Awards: Number of Securities Underlying Options(1)	Exercise or Base Price of Option Awards (\$/Sh)(2)	Grant Date Fair Value of Option Awards(3)
Ronald D. Croatti Chairman of the Board, President and Chief Executive Officer	-	-	-	-	-
Steven S. Sintros Vice President and Chief Financial Officer	10/26/2010	10/26/2010	8,000	\$45.57	\$139,120
Cynthia Croatti Executive Vice President and Treasurer	10/26/2010	10/26/2010	12,000	\$45.57	\$208,680
Bruce P. Boynton Senior Vice President, Operations	10/26/2010	10/26/2010	8,000	\$45.57	\$139,120
David M. Katz Vice President, Sales and Marketing	10/26/2010	10/26/2010	8,000	\$45.57	\$139,120

- (1) Amounts represent the number of stock-settled stock appreciation rights granted to our named executive officers during fiscal 2011. These stock appreciation rights are subject to a five-year cliff vesting schedule under which the stock appreciation rights become vested and exercisable five years from the date of grant. Each of these grants expires ten years from the date of grant.
- (2) Amounts represent the fair market value of our Common Stock on the date of the grant. Fair market value is determined using the closing price of our Common Stock as reported on the New York Stock Exchange on the date of the grant.
- (3) Amounts represent the grant date fair value of each stock appreciation right award during fiscal 2011. These amounts were calculated in accordance with FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). None of the stock appreciation rights was repriced or otherwise modified.

Outstanding Equity Awards at Fiscal Year-End – 2011

The following table sets forth information concerning the outstanding shares of restricted stock and the unexercised options to purchase shares of our Common Stock and stock appreciation rights held as of August 27, 2011 by our named executive officers:

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares of Stock That Have Not Vested	Market Value of Shares of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of	Equity Incentive Plan Awards: Market or Payout Value

Edgar Filing: UNIFIRST CORP - Form DEF 14A

	Exercisable	Unexercisable					Unearned Shares That Have Not Vested	of Unearned Shares That Have Not Vested
Ronald D. Croatti	2,100	-	\$19.93	1/14/2013	-	-	-	-
Chairman of the Board,	2,100	-	\$24.35	11/4/2013	-	-	-	-
President and Chief Executive Officer	2,100	-	\$27.98	10/25/2014	-	-	-	-
	2,100	-	\$34.83	10/27/2015	-	-	-	-
	-	2,100(1)	\$36.05	10/31/2016	-	-	-	-
	-	2,100(2)	\$37.92	11/7/2017	-	-	-	-
	-	2,500(3)	\$27.08	11/11/2018	-	-	-	-
	-	-	-	-	41,667(8)	\$2,042,516(9)	-	-
	-	-	-	-	233,333(10)	\$11,437,984(9)	116,667(11)	\$5,719,016(9)
Steven S. Sintros	700	-	\$34.83	10/27/2015	-	-	-	-
Vice President and Chief Financial Officer	-	700(1)	\$36.05	10/31/2016	-	-	-	-
	-	700(2)	\$37.92	11/7/2017	-	-	-	-
	-	700(3)	\$27.08	11/11/2018	-	-	-	-
	-	1,300(4)	\$28.85	1/13/2019	-	-	-	-
	-	8,000(5)	\$42.55	11/10/2019	-	-	-	-
	-	8,000(7)	\$45.57	10/26/2020	-	-	-	-
Cynthia Croatti	1,400	-	\$27.98	10/25/2014	-	-	-	-
Executive Vice President and Treasurer	1,600	-	\$34.83	10/27/2015	-	-	-	-
	-	1,600(1)	\$36.05	10/31/2016	-	-	-	-
	-	1,600(2)	\$37.92	11/7/2017	-	-	-	-
	-	2,000(3)	\$27.08	11/11/2018	-	-	-	-
	-	12,000(5)	\$42.55	11/10/2019	-	-	-	-
	-	12,000(7)	\$45.57	10/26/2020	-	-	-	-
Bruce P. Boynton	1,400	-	\$34.83	10/27/2015	-	-	-	-
Senior Vice President, Operations	-	1,400(1)	\$36.05	10/31/2016	-	-	-	-
	-	1,400(2)	\$37.92	11/7/2017	-	-	-	-
	-	2,000(3)	\$27.08	11/11/2018	-	-	-	-
	-	8,000(5)	\$42.55	11/10/2019	-	-	-	-
	-	8,000(7)	\$45.57	10/26/2020	-	-	-	-
David M. Katz								
Vice President, Sales and Marketing	-	2,000(6)	\$27.10	2/2/2019	-	-	-	-
	-	8,000(5)	\$42.55	11/10/2019	-	-	-	-
	-	8,000(7)	\$45.57	10/26/2020	-	-	-	-

- (1) These options are subject to a five-year cliff vesting schedule and become vested and exercisable on October 31, 2011.
- (2) These options are subject to a five-year cliff vesting schedule and become vested and exercisable on November 7, 2012.
- (3) These options are subject to a five-year cliff vesting schedule and become vested and exercisable on November 11, 2013.
- (4) These options are subject to a five-year cliff vesting schedule and become vested and exercisable on January 13, 2014.

- (5) These options are subject to a five-year cliff vesting schedule and become vested and exercisable on November 10, 2014.
- (6) These options are subject to a five-year cliff vesting schedule and become vested and exercisable on February 2, 2014.
- (7) These stock-settled stock appreciation rights are subject to a five-year cliff vesting schedule and become vested and exercisable on October 26, 2015.
- (8) Represents 41,667 shares of restricted stock that are subject to the satisfaction of time-based vesting as more fully described under the heading “Potential Payments Upon Termination or Change in Control – Restricted Stock Award Agreements with Ronald D. Croatti” in this Proxy Statement.
- (9) Amounts shown are based on the closing price of the Company’s Common Stock of \$49.02 per share on August 26, 2011, the last trading day of fiscal 2011, as reported by the New York Stock Exchange.
- (10) Represents 233,333 shares of restricted stock that were earned upon the satisfaction of performance criteria and that are subject to the satisfaction of time-based vesting as more fully described under the heading “Potential Payments Upon Termination or Change in Control – Restricted Stock Award Agreements with Ronald D. Croatti” in this Proxy Statement.
- (11) Represents 116,667 shares of restricted stock that are subject to both the satisfaction of performance criteria and time-based vesting as more fully described under the heading “Potential Payments Upon Termination or Change in Control – Restricted Stock Award Agreements with Ronald D. Croatti” in this Proxy Statement.

Option Exercises and Stock Vested Table – Fiscal 2011

The following table sets forth the number of shares of Common Stock acquired or that vested and the aggregate dollar value realized as a result of stock option exercises and the vesting of restricted stock during fiscal 2011 with respect to our named executive officers:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise(1)	Number of Shares Acquired on Vesting	Value Realized on Vesting(2)
Ronald D. Croatti Chairman of the Board, President and Chief Executive Officer	-	-	8,333	\$444,816(4)
Steven S. Sintros Vice President and Chief Financial Officer	-	-	-	-
Cynthia Croatti Executive Vice President and Treasurer	-	-	-	-
Bruce P. Boynton	1,100	\$31,647(3)	-	-

Senior Vice President,
Operations

David M.Katz

Vice President, Sales
and Marketing

- (1) Value realized on exercise is calculated as the market value of our Common Stock at the time of exercise of the stock option less the exercise price paid, multiplied by the number of shares underlying the stock option exercised.
- (2) Value realized on vesting is calculated as the market value of our Common Stock at the time of vesting, multiplied by the number of shares that vested.
- (3) Value realized on exercise is as follows: \$28.77 (the market value at the time of exercise of \$56.75 less the exercise price of \$27.98), multiplied by 1,100 shares acquired upon exercise.
- (4) Value realized on vesting is as follows: \$53.38 (the market value at the time of vesting), multiplied by 8,333 shares vested.

Pension Benefits Table – Fiscal 2011

The following table sets forth the actuarial present value of accumulated benefits under our Unfunded Supplemental Executive Retirement Plan, the number of years of credited service and the dollar amount of payments and benefits paid during fiscal 2011 to our named executive officers as of August 27, 2011:

Name	Plan Name	Number of Years of Credited Service(1)	Present Value of Accumulated Benefits(2)	Payments During Last Fiscal Year
Ronald D. Croatti Chairman of the Board, President and Chief Executive Officer	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	30	\$2,163,193	-
Steven S. Sintros Vice President and Chief Financial Officer	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	7	\$37,138	-
Cynthia Croatti Executive Vice President and Treasurer	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	30	\$612,120	-
Bruce P. Boynton Senior Vice President, Operations	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	30	\$782,626	-
David M. Katz	UniFirst Corporation Unfunded	2	\$29,071	-

Vice President, Sales and
MarketingSupplemental
Executive
Retirement Plan

- (1) As discussed in more detail below under the heading “UniFirst Corporation Unfunded Supplemental Executive Retirement Plan”, our SERP limits the number of years of credited service to thirty for purposes of determining a participant’s benefits under the plan.
- (2) Amounts reported in this column represent the present value of the accumulated benefit obligation as of August 27, 2011. Our obligation has been estimated assuming benefits commence on the individual’s social security retirement date and using FASB ASC Topic 715 assumptions for mortality, assumed payment form and discount rates in effect at the measurement dates.

UniFirst Corporation Unfunded Supplemental Executive Retirement Plan

Certain of our and our affiliates’ employees are eligible to participate in our SERP, including our named executive officers. Retirement benefits provided by our SERP are based on a participant’s average annual base earnings, exclusive of bonuses, commissions, fringe benefits and reimbursed expenses, for the last three years of full-time employment prior to the participant’s retirement date (“Final Average Earnings”). On January 8, 2008, the Board of Directors approved an amendment to our SERP (the “SERP Amendment”) which modifies the calculation of a participant’s plan benefit. Prior to the SERP Amendment, our SERP provided that upon a participant’s retirement on his social security retirement date, the participant would receive an aggregate amount equal to 1.33% percent of the participant’s Final Average Earnings multiplied by his years of service, limited to 30 years, less the participant’s primary Social Security benefit. The SERP Amendment provides that upon the retirement of a participant on his social security retirement date, a participant will receive a plan benefit in an aggregate amount equal to 1.33% percent of the participant’s Final Average Earnings multiplied by his years of service, limited to 30 years, less 3.33% of the participant’s primary Social Security benefit multiplied by his years of service, limited to 30 years. The SERP Amendment did not change the plan benefit of a participant with at least 30 years of credited service. For participants who retire on or after January 1, 2008 with less than 30 years of credited service, the SERP Amendment provides for a slightly greater plan benefit than under the previous version of our SERP as a result of the change in the calculation of the primary social security benefit offset used in calculating the plan benefit. The SERP Amendment had no effect on participants who retired prior to January 1, 2008.

Pension payments under our SERP are made at the intervals then in effect for the payment of base salaries to our executive officers. Upon the death of a participant, the participant’s designated beneficiary will be paid retirement benefits for up to 12 years from the participant’s date of retirement. Our SERP provides that, upon any change in control of the Company, participants in our SERP will receive a lump sum payment equal to the actuarial equivalent of their plan benefit as of the date of the change in control.

On December 23, 2008, the Board of Directors approved an additional amendment (the “Second SERP Amendment”) to the SERP. The Second SERP Amendment is meant to clarify the definition of “separation from service” and to conform with final regulations interpreting Internal Revenue Code Section 409A. Prior to the Second SERP Amendment, the SERP did not specifically address whether a transition to part-time employment after retirement was a “separation from service” which would permit payments to commence. As amended, the SERP provides that payments will start for participants who have retired but who continue to provide services on a part-time schedule, provided that the part-time schedule is less than one-half of the participant’s previous full time schedule. No benefits were increased because of the Second SERP Amendment.

Potential Payments Upon Termination or Change in Control

Employment Agreement with Ronald D. Croatti

On April 5, 2010, we entered into an Employment Agreement (the “Employment Agreement”) with Ronald D. Croatti, the Company’s Chairman, Chief Executive Officer and President. The Employment Agreement provides for the employment of Mr. Croatti for a term of six years, subject to earlier termination as set forth in the Employment Agreement. Pursuant to the Employment Agreement, Mr. Croatti’s initial base salary was his base salary in effect as of April 5, 2010 and is reviewed on an annual basis consistent with our usual practices for senior executives. In addition, Mr. Croatti is entitled to participate in the Company’s executive cash bonus plan in the same manner as other senior executives of the Company and to receive a grant of 350,000 shares of restricted common stock pursuant to a Performance Criteria Restricted Stock Award Agreement (as set forth below). In the event that we terminate Mr. Croatti’s employment without cause during the term of the Employment Agreement, Mr. Croatti will be entitled to receive one-half of his annual base salary then in effect. If Mr. Croatti had been terminated without cause on August 27, 2011, the last day of fiscal 2011, Mr. Croatti would have been entitled to receive \$275,000. Mr. Croatti has agreed under the Employment Agreement not to compete with the Company or to solicit our employees or customers for a period of 24 months following his termination.

Restricted Stock Award Agreements with Ronald D. Croatti

On April 5, 2010, we entered into a Restricted Stock Award Agreement (the “Performance Criteria Restricted Stock Award Agreement”) with Mr. Croatti pursuant to which we granted 350,000 shares of restricted common stock (the “Performance Restricted Shares”) to Mr. Croatti. The Performance Restricted Shares will be earned if the Company achieves certain consolidated revenues and adjusted operating margins as set forth in the Performance Criteria Restricted Stock Award Agreement during certain performance periods set forth in such agreement (collectively, the “Performance Criteria”). The Performance Restricted Shares earned upon achievement of the Performance Criteria will vest in four equal amounts on the third, fourth, fifth and sixth anniversaries of the grant date provided that Mr. Croatti continues to be employed by the Company on each such date. Mr. Croatti may transfer all or a portion of the Performance Restricted Shares to any holder of Class B Common Stock of the Company in exchange for an identical number of shares of Class B Common Stock (the “Transferred Class B Shares”). Upon any such transfer, the restrictions and conditions to which the Performance Restricted Shares are subject under the Performance Criteria Restricted Stock Award Agreement will lapse and such restrictions and conditions will attach to the Transferred Class B Shares. In the event that Mr. Croatti’s employment is terminated without cause or by reason of death or disability prior to the vesting of the Performance Restricted Shares, all of the Performance Restricted Shares that have been or will be earned upon achievement of the Performance Criteria through the end of the fiscal year during which such termination occurred will become fully vested. If Mr. Croatti’s employment had been terminated without cause or by death or disability on August 27, 2011, the last day of fiscal 2011, Mr. Croatti would have earned 116,666 Performance Restricted Shares (in addition to the 116,667 Performance Restricted Shares previously earned by Mr. Croatti under the Performance Criteria Restricted Stock Award Agreement through such date), and all 233,333 of such shares would have become fully vested with a market value of approximately \$11,437,984 based on the closing price of our Common Stock of \$49.02 per share on such date as reported by the New York Stock Exchange.

On April 5, 2010, we entered into a Restricted Stock Award Agreement (the “Restricted Stock Award Agreement”) with Mr. Croatti pursuant to which we granted 50,000 shares of restricted common stock (the “Restricted Shares”) to Mr. Croatti. The Restricted Shares will vest in equal amounts on each of the first six anniversaries of the grant date provided that Mr. Croatti continues to be employed by the Company on each such date. Mr. Croatti may transfer all or a portion of the Restricted Shares to any holder of Class B Common Stock of the Company in exchange for an identical number of shares of Class B Common Stock (the “Transferred Class B Stock”). Upon any such transfer, the restrictions and conditions to which the Restricted Shares are subject under the Restricted Stock Award Agreement will lapse and such restrictions and conditions will attach to the Transferred Class B Stock. In the event that Mr. Croatti’s employment is terminated without cause or by reason of death or disability prior to the vesting of the Restricted Shares, all of the Restricted Shares will immediately and automatically vest in full. If Mr. Croatti’s employment had been terminated without cause or by death or disability on August 27, 2011, the last day of fiscal

2011, the 41,667 unvested Restricted Shares as of such date would have become fully vested with a market value of approximately \$2,042,516 based on the closing price of our Common Stock of \$49.02 per share as reported by the New York Stock Exchange.

The foregoing summaries of the Employment Agreement and the Restricted Stock Award Agreements are qualified in their entirety by reference to each of these agreements, copies of which have been filed as Exhibits to our Quarterly Report on Form 10-Q on April 8, 2010.

Unfunded Supplemental Executive Retirement Plan

As discussed under the heading “UniFirst Corporation Unfunded Supplemental Executive Retirement Plan” above, upon a change in control of the Company, our named executive officers will receive a lump sum payment under our SERP equal to the actuarial equivalent of their plan benefit as of the date of the change in control. For more information concerning our SERP, see the “Pension Benefits Table – Fiscal 2011” and the discussion under the heading “UniFirst Corporation Unfunded Supplemental Executive Retirement Plan” above.

Director Compensation Table – Fiscal 2011

The Compensation Committee determines Director compensation based on the following principles: (1) Director compensation should be aligned with the long-term interest of shareholders, (2) compensation should be used to motivate Director behavior; (3) Directors should be adequately compensated for their time and effort; and (4) Director compensation should be approached on an overall basis, rather than as an array of separate elements.

We determine Director compensation on a calendar year basis. The non-employee Director fee schedule for calendar 2011 is as follows: an annual fee of \$36,000; an annual fee for chairing the Audit Committee of \$10,000; an annual fee for chairing a Committee other than the Audit Committee of \$5,000; a \$2,750 fee for each Board meeting attended; an \$1,800 fee for each Committee meeting attended; a \$1,250 fee for participating in a telephonic Board meeting; a \$1,000 fee for participating in a telephonic Committee meeting; 2,500 fully vested stock-settled stock appreciation rights; and a grant of 1,000 shares of restricted stock.

The non-employee Director fee schedule for calendar 2012 is as follows: an annual fee of \$38,000; an annual fee for chairing the Audit Committee of \$10,000; an annual fee for chairing a Committee other than the Audit Committee of \$5,000; a \$2,750 fee for each Board meeting attended; an \$1,800 fee for each Committee meeting attended; a \$1,250 fee for participating in a telephonic Board meeting; and a \$1,000 fee for participating in a telephonic Committee meeting. Each non-employee Director will also receive a fully vested stock-settled stock appreciation right with respect to that number of shares of Common Stock which will result in such stock appreciation right having a value (based on the valuation methodology used by the Company for financial reporting purposes) at the time of grant equal to \$35,000, at an exercise price equal to the closing price of the Company’s Common Stock on the grant date. In addition, each non-employee Director will receive shares of unrestricted Common Stock having a value (based on the closing price of the Company’s Common Stock on the grant date) equal to \$65,000.

Each Director who was also an employee of our Company received no Director’s fees during fiscal year 2011 and will receive no Director’s fees during fiscal year 2012.

The compensation earned by our Directors during fiscal 2011 is set forth in the table below.

Name	Fees			All Other Compensation	Total
	Earned or Paid in Cash	Stock Awards(1)	Option Awards(2)		
Phillip L. Cohen	\$79,800	\$56,060	\$47,700	-	\$183,560

Edgar Filing: UNIFIRST CORP - Form DEF 14A

Robert F. Collings	\$69,400	\$56,060	\$47,700	-	\$173,160
Anthony F. DiFillippo	\$47,000	\$56,060	\$47,700	-	\$150,760
Donald J. Evans	\$74,800	\$56,060	\$47,700	-	\$178,560
Michael Iandoli	\$57,800	\$56,060	\$47,700	-	\$161,560
Thomas S. Postek	\$64,400	\$56,060	\$47,700	-	\$168,160

- (1) The amounts shown represent the aggregate grant date fair value related to 1,000 shares of restricted stock awarded to each of our non-employee Directors on January 14, 2011, calculated in accordance with FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). Such shares of Common Stock granted on January 14, 2011 become fully vested and exercisable on January 2, 2012. Additional information concerning our financial reporting of restricted stock is presented in Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Report on Form 10-K for the year ended August 27, 2011.
- (2) The amounts shown represent the aggregate grant date fair value related to the grant of 2,500 stock-settled stock appreciation rights to each of our non-employee Directors on January 14, 2011 calculated in accordance with FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). These stock appreciation rights were fully vested upon grant and expire eight years after the grant date or on the second anniversary of the date that the Director ceases to be a member of the Board of Directors, whichever occurs first. Additional information concerning our financial reporting of stock appreciation rights is presented in Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Report on Form 10-K for the year ended August 27, 2011.

Compensation Committee Interlocks and Insider Participation

During the 2011 fiscal year, the Compensation Committee consisted of Messrs. Collings, Cohen, Evans, Iandoli and Postek. None of these individuals has served as an officer or employee of the Company or any of its subsidiaries. During the 2011 fiscal year, to the knowledge of the Company, none of its executive officers:

- served as a member of the compensation committee of another entity, one of whose executive officers served on the Compensation Committee;
- served as directors of another entity, one of whose executive officers served on the Compensation Committee; or
- served as members of the compensation committee of another entity, one of whose executive officers served as one of the Company's Directors.

REPORT OF AUDIT COMMITTEE

The Audit Committee is composed entirely of independent directors meeting the requirements of applicable Securities and Exchange Commission and New York Stock Exchange rules. The key responsibilities of our committee are set forth in our Charter and include overseeing the integrity of UniFirst's financial statements, the independent auditors' qualifications and independence and the performance of the independent auditors and the internal audit function.

Edgar Filing: UNIFIRST CORP - Form DEF 14A

We serve in an oversight capacity and are not intended to be part of UniFirst's operational or managerial decision-making process. UniFirst's management is responsible for preparing the consolidated financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting and its independent registered public accounting firm is responsible for auditing those statements. Our principal purpose is to monitor these processes.

The Audit Committee has, among other things:

- Reviewed and discussed with management and the independent registered public accounting firm the audited financial statements for the fiscal year ended August 27, 2011, including a discussion of accounting principles, judgments and disclosure in the financial statements.
- Reviewed and discussed with management and the independent registered public accounting firm the quarterly and annual earnings press releases prior to release and the quarterly and annual reports on Form 10-Q and 10-K prior to filing.
- Discussed with management and the independent registered public accounting firm the results of the testing of internal controls over financial reporting.
- Discussed with the independent registered public accounting firm the overall scope and the plans for the annual audit, the results of their examination and the overall quality of UniFirst's financial reporting.
- Discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards ("SAS") No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.
- Reviewed all audit and non-audit services performed by the independent registered public accounting firm and considered whether the provision of non-audit services is compatible with maintaining the auditor's independence.
- Received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and discussed with the independent registered public accounting firm the auditors' independence.

Based on the review and discussions above, the Audit Committee recommended to the Board of Directors that the audited financial statements for the fiscal year ending August 27, 2011 be included in the Company's Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

Submitted by the Audit Committee for fiscal 2011

Phillip L. Cohen (Chair)
Robert F. Collings
Donald J. Evans
Thomas S. Postek

Independent Registered Public Accounting Firm

Audit Fees. During fiscal 2011, the aggregate fees and expenses for professional services rendered by Ernst & Young LLP ("Ernst & Young") for the audit of the Company's annual financial statements, audit of the effectiveness of the Company's internal controls over financial reporting, and review of the Company's quarterly financial statements totaled \$908,120. During fiscal 2010, the aggregate fees and expenses for professional services rendered by Ernst &

Young for the audit of the Company's annual financial statements, audit of management's assessment and the operating effectiveness of the Company's internal controls over financial reporting, and review of the Company's quarterly financial statements totaled \$882,300.

Audit-Related Fees. During fiscal 2011, there were no fees and expenses billed for assurance and related services rendered by Ernst & Young that were reasonably related to the performance of the audit or review of the Company's annual financial statements and review of the Company's quarterly financial statements. During fiscal 2010, the aggregate fees and expenses billed for assurance and related services rendered by Ernst & Young that were reasonably related to the performance of the audit or review of the Company's annual financial statements and review of the Company's quarterly financial statements totaled \$24,500.

Tax Fees. During fiscal 2011, the aggregate fees and expenses billed for professional services rendered by Ernst & Young for tax compliance, tax advice and tax planning totaled \$169,000. During fiscal 2010, the aggregate fees and expenses billed for professional services rendered by Ernst & Young for tax compliance, tax advice and tax planning totaled \$99,000.

All Other Fees. During fiscal 2011 and 2010, there were no fees and expenses billed for professional services rendered by Ernst & Young to the Company not covered in the three preceding paragraphs.

Under its charter, the Audit Committee must pre-approve all audit and permitted non-audit services to be provided by our independent registered public accounting firm unless an exception to such pre-approval exists under the Exchange Act or the rules of the Securities and Exchange Commission. Each year, the Audit Committee approves the retention of the independent registered public accounting firm to audit our financial statements, including the associated fee. All of the services described in the four preceding paragraphs were approved by the Audit Committee. The Audit Committee has considered whether the provisions of such services, including non-audit services, by Ernst & Young is compatible with maintaining Ernst & Young's independence and has concluded that it is.

Certain Relationships and Related Transactions

The Company's Board of Directors has adopted a written Related Person Transaction Approval Policy to monitor transactions, arrangements or relationships in which the Company is a participant and any of the following have a direct or indirect material interest: (a) an executive officer, director or director nominee; (b) an immediate family member of an executive officer, director or director nominee; (c) a shareholder that beneficially owns more than 5% of the Company's Common Stock or Class B Common Stock; or (d) any immediate family member of such 5% shareholder. The policy generally covers related person transactions that meet the minimum threshold for disclosure under relevant SEC rules. Such related person transactions generally involve amounts exceeding \$120,000.

The Company's Chief Financial Officer, together with outside legal counsel, identifies any potential related person transactions and, if he determines that a transaction constitutes a related person transaction under the policy, the Chief Financial Officer provides relevant details to the Audit Committee. If the Chief Financial Officer has an interest in a potential related person transaction, the Chief Executive Officer assumes the role of the Company's Chief Financial Officer under the policy. The Audit Committee reviews relevant information concerning any proposed transaction contemplated by the Company with an individual or entity that is the subject of a disclosed relationship, and approves or disapproves the transaction, with or without conditions. Certain related person transactions are deemed pre-approved by the Audit Committee, including transactions, arrangements or relationships where the rates or charges involved in the transactions are determined by competitive bids.

During the 2011 fiscal year, the Company was not a participant in any related party transactions that required disclosure under this heading.

Section 16(a) Beneficial Ownership Reporting Compliance

Executive officers, Directors and greater than 10% shareholders of the Company are required to file with the Securities and Exchange Commission pursuant to Section 16(a) of the Exchange Act, reports of ownership and changes in ownership. Such reports are filed on Form 3, Form 4 and Form 5 under the Exchange Act, as appropriate. Executive officers, Directors and greater than 10% shareholders are required by Exchange Act regulations to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company or written representations that no such reports were required during the 2011 fiscal year, the Company believes that, during the 2011 fiscal year, all executive officers, Directors and greater than 10% shareholders of the Company complied with applicable Section 16(a) filing requirements except that Mr. A. DiFillippo inadvertently filed one late Form 4 with respect to one transaction.

PROPOSAL 2

NON-BINDING, ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, the Company is providing shareholders with the opportunity to vote on the compensation of the Company's named executive officers as disclosed in this Proxy Statement. This is commonly known as a "say-on-pay" vote. The Company is required to include this non-binding, advisory vote in its Proxy Statement no less frequently than once every three years. At the Annual Meeting, the Company is presenting to shareholders the following non-binding, advisory resolution regarding the approval of the compensation of the Company's named executive officers:

"RESOLVED, that the shareholders of the Company approve the compensation of the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K."

The compensation of the Company's named executive officers that is the subject of the foregoing resolution is the compensation disclosed in the "Executive Compensation" section of this Proxy Statement under the headings "Compensation Discussion and Analysis," "Summary Compensation Table," "Grants of Plan-Based Awards – Fiscal 2011," "Outstanding Equity Awards at Fiscal Year End – 2011," "Option Exercises and Stock Vested Table – Fiscal 2011," "Pension Benefits Table – Fiscal 2011," "UniFirst Corporation Unfunded Supplemental Executive Retirement Plan," and "Potential Payments Upon Termination or Change in Control." You are encouraged to carefully review these sections.

The section of this Proxy Statement under the heading "Compensation Discussion and Analysis" includes a detailed discussion of each of the following as it relates to the Company's named executive officers:

- the objectives of the Company's compensation programs;
- what the Company's compensation programs are designed to reward;
 - each element of compensation;
- why the Company chooses to pay each element of compensation;
- how the Company determines the amount (and, where applicable, the formula) for each element to pay; and
- how each compensation element and the Company's decisions regarding that element fit into the Company's overall compensation objectives.

The Board of Directors unanimously recommends that shareholders approve the foregoing resolution for the same reasons that the Company decided to provide this compensation to its named executive officers as articulated in the “Compensation Discussion and Analysis” section.

Vote Required; Effect of Vote

The approval of the resolution in this Proposal 2 requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon. Abstentions and broker non-votes will not be treated as votes cast and, accordingly, will have no effect on the outcome of the vote on this Proposal 2.

The resolution that is the subject of this Proposal 2 is a non-binding, advisory resolution. Accordingly, the resolution will not have any binding legal effect regardless of whether it is approved or not. However, the Compensation Committee does intend to take the results of the vote on this Proposal 2 into account in its future decisions regarding the compensation of the Company’s named executive officers.

Recommendation

THE BOARD OF DIRECTORS OF THE COMPANY UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPROVAL OF THIS RESOLUTION.

PROPOSAL 3

NON-BINDING, ADVISORY VOTE ON FREQUENCY OF FUTURE NON-BINDING, ADVISORY VOTES ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, the Company is providing shareholders with the opportunity to vote to determine whether the Company should submit to shareholders a say-on-pay vote similar to Proposal 2 of this Proxy Statement every one, two or three years. The Company is required to include this non-binding, advisory vote in its Proxy Statement no less frequently than once every six years.

At the Annual Meeting, shareholders may cast a vote on the frequency of a say-on-pay vote by choosing one of three alternative frequencies for the proposal: every year (box “1 Year” on the proxy card), every two years (box “2 Years” on the proxy card) or every three years (box “3 Years” on the proxy card). In addition, shareholders may choose to abstain from voting on this Proposal 3.

The Board of Directors believes that, of the three alternative frequencies, submitting a non-binding, advisory say-on-pay vote to shareholders every three years is the most appropriate choice. The Company believes that shareholder feedback every three years will be more useful as it will provide shareholders with a sufficient period of time to evaluate the overall compensation of the named executive officers, the components of that compensation and the effectiveness of that compensation. The amount of compensation and mix of components of such compensation in any one year may differ from year to year, and the three year period will provide shareholders with a more complete view of the amount and mix of that compensation. The triennial say-on-pay vote will provide shareholders with the benefit of assessing over a period of years whether the components of the compensation paid to the named executive officers have achieved positive results for the Company.

In particular, the three-year period will provide shareholders with the ability to assess the effectiveness of the Company’s awards of long-term incentive compensation. The Company uses long-term equity incentive awards to align the interests of the named executive officers and the Company’s shareholders by providing executives with incentives to increase shareholder value and a reward for doing so. A triennial vote will enable shareholders to evaluate the effectiveness of long-term equity incentive awards in achieving these objectives over a longer period of

time, which is consistent with the long-term nature of this form of compensation and the Company's corresponding long-term business strategies and objectives.

Vote Required; Effect of Vote

The approval of any of the three alternative frequencies set forth in this Proposal 3 requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon. Because there are three alternatives, it is possible that none of the three alternatives will receive a majority of the votes cast. In that case, applicable law provides that none of the three alternatives will have been approved. However, shareholders will still be able to communicate their preference with respect to this vote by choosing from among these three alternatives. Abstentions and broker non-votes will not be treated as votes cast and, accordingly, will have no effect on the outcome of the vote on this Proposal 3.

This Proposal 3 is a non-binding, advisory proposal. Accordingly, neither the approval of one of the three alternative frequencies nor the failure to approve any of the three alternative frequencies will have any binding legal effect. However, the Compensation Committee does intend to take the results of the vote on this Proposal 3 into account in its decision regarding the frequency with which the Company submits say-on-pay votes to shareholders in the future.

Recommendation

THE BOARD OF DIRECTORS OF THE COMPANY UNANIMOUSLY RECOMMENDS A VOTE TO HOLD A SAY-ON-PAY VOTE EVERY THREE YEARS.

PROPOSAL 4

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for its fiscal year ending August 25, 2012. Ernst & Young LLP has served as the Company's independent registered public accounting firm since 2002. The Audit Committee is directly responsible for the appointment, retention, compensation and oversight of the work of the Company's independent registered public accounting firm for the purpose of preparing or issuing an audit report or related work. In making its determinations regarding whether to appoint or retain a particular independent registered public accounting firm, the Audit Committee takes into account the views of management. In addition, although not required by law, the Audit Committee will take into account the vote of the Company's shareholders with respect to the ratification of the appointment of the Company's independent registered public accounting firm.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting. He or she will have an opportunity to make a statement, if he or she desires to do so, and will be available to respond to appropriate questions.

Vote Required

The affirmative vote of a majority of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon, is required for approval.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING AUGUST 25, 2012.

OTHER MATTERS

Management is not aware of any other matters which may come before the Annual Meeting; however, if any matters other than those set forth in the attached Notice of Annual Meeting should be properly presented at the Annual Meeting, the persons named in the enclosed proxy intend to take such action as will be, in their discretion, consistent with the best interest of the Company.

Shareholder Proposals

Under the Company's By-laws, any shareholder desiring to present a proposal for inclusion in the Company's Proxy Statement in connection with the Company's 2013 Annual Meeting of Shareholders must submit the proposal so as to be received by the Secretary of the Company at the principal executive offices of the Company, 68 Jonspin Road, Wilmington, Massachusetts 01887, not later than August 9, 2012. In addition, in order to be included in the Proxy Statement, such a proposal must comply with the requirements as to form and substance established by applicable laws and regulations.

Shareholders wishing to present business for action, other than proposals to be included in the Company's Proxy Statement, or to nominate candidates for election as Directors at a meeting of the Company's shareholders, must do so in accordance with the Company's By-laws. The By-laws provide, among other requirements, that in order to be presented at the 2013 Annual Meeting of Shareholders, such shareholder proposals or nominations may be made only by a shareholder of record who shall have given notice of the proposal or nomination and the related required information to the Company no earlier than September 13, 2012 and no later than October 28, 2012.

Annual Report on Form 10-K

The Company will provide each shareholder with a copy of its Annual Report on Form 10-K, including the financial statements and schedules to such report but excluding exhibits, required to be filed with the Securities and Exchange Commission for the Company's most recent fiscal year, without charge, upon receipt of a phone call or written request from such person. Such request must be made to the Company's Investor Services group by calling (978) 658-8888 or by writing to Investor Services, UniFirst Corporation, 68 Jonspin Road, Wilmington, MA 01887.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE COMPLETE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES. YOUR PROXY MAY BE REVOKED BY YOU AT ANY TIME PRIOR TO ITS USE. IF YOU ATTEND THE MEETING, YOU MAY CONTINUE TO HAVE YOUR SHARES VOTED AS INSTRUCTED IN THE PROXY OR YOU MAY WITHDRAW YOUR PROXY AT THE MEETING AND VOTE YOUR SHARES IN PERSON.

Wilmington, Massachusetts
December 6, 2011

