

UNIFI, INC.

COMPENSATION COMMITTEE CHARTER (Updated as of October 25, 2017)

1. Purpose

The primary purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Unifi, Inc. (the “Company”) are to (i) discharge the Board’s responsibilities relating to the compensation of the Company’s executives; (ii) oversee the administration of the compensation plans, in particular the incentive compensation and equity-based plans, of the Company (and, to the extent appropriate, the subsidiaries of the Company); (iii) assist in the Company’s compliance with the rules and regulations of the Securities and Exchange Commission (the “SEC”) regarding executive compensation disclosure; and (iv) perform such other tasks the Board deems appropriate.

2. Membership

The Committee shall consist of at least three directors, the exact number to be determined from time to time by the Board. All members of the Committee must be independent under the applicable rules of the New York Stock Exchange (the “NYSE”) and “non-employee directors” as such term is defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

The determination of any member’s qualification to serve on the Committee shall be made by the Board consistent with the applicable requirements of the NYSE rules and of the rules and regulations of the SEC. Each member of the Committee shall be appointed by a majority vote of the Board from among its members taking into consideration the recommendations of the Corporate Governance and Nominating Committee and shall serve until such member’s successor is duly appointed and qualified or until such member’s resignation or removal by a majority vote of the Board.

3. Authority and Responsibilities

The Committee shall have the following specific authority and responsibilities (in addition to any others that the Board may from time to time delegate to the Committee and those required by the NYSE rules or the rules and regulations of the SEC):

General

- The Committee shall establish, and periodically review, a general compensation philosophy for the Company.
- The Committee shall review the compensation practices and policies of the Company, and provide oversight and direction regarding the same, to ensure they do not incentivize the Company’s employees to create risks that may have a materially adverse effect on the Company.

Compensation Plans and Policies

- The Committee shall review and make recommendations to the Board with respect to the adoption (or submission to shareholders for approval) or amendment of incentive

compensation, deferred compensation and equity-based compensation plans for the Company (and, to the extent appropriate, the subsidiaries of the Company).

- The Committee shall oversee the implementation and administration of the retirement and welfare benefit plans of the Company.
- The Committee shall review and discuss with management the disclosures in the “Compensation Discussion and Analysis” (the “CD&A”), and report to the Board whether, based on such review and discussions, the Committee recommends the CD&A be included in the Company’s annual report on Form 10-K and proxy statement or any information statement.
- The Committee shall prepare the report on executive compensation required to be included in the Company’s annual proxy statement in accordance with applicable SEC rules and regulations.
- The Committee shall review and approve awards of equity-based compensation to executive officers and employees, including awards pursuant to the Company’s (and, to the extent appropriate, the Company’s subsidiaries’) equity-based compensation plans; provided, that the Committee may delegate authority to the Chief Executive Officer (the “CEO”) to determine and approve equity awards to employees other than executive officers and vice presidents.

Executive Performance and Compensation

- On an annual basis, the Committee shall (i) review and approve the Company’s goals and objectives relevant to the compensation of the executive officers of the Company; (ii) evaluate each of such executive officer’s performance in light of those goals and objectives; (iii) determine and approve each element of compensation for such executives based on this evaluation; and (iv) provide oversight of management’s decisions concerning the performance and compensation of other Company officers. The CEO may not be present during voting or deliberations by the Committee on his or her compensation.
- The Committee shall review and make recommendations to the independent directors on the Board with respect to any employment agreements, consulting arrangements, severance or retirement arrangements or change-in-control agreements and provisions covering any current or former executive officer of the Company.
- The Committee shall review and, if applicable, approve the Company’s policies and procedures with respect to executive officers’ perquisites.
- The Committee shall have input on any portions of the Company’s codes of business conduct and ethics insofar as they relate to or govern compensation matters or policies (including the Company’s Compensation Recoupment Policy, which the Committee shall have responsibility for).
- The Committee shall review shareholder proposals relating to executive compensation matters and recommend to the Board the Company’s response to such proposals.

Regulatory Matters

- In consultation with senior management of the Company, the Committee shall oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility (including, for purposes of complying with Section 162(m) of the Internal Revenue Code of 1986, as amended, establishing performance goals and certifying that such performance goals and any other material terms have been attained).

Annual Performance and Charter Evaluations

- The Committee shall evaluate its own performance and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate, and report the results thereof, including any recommendations for change, to the Board.

Retention of Consultants and Advisors; Investigations

- The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, outside legal counsel or other advisor (each, an "Advisor").
- The Committee shall be directly responsible for the appointment, termination, compensation and oversight of the work of any Advisor retained by the Committee.
- The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to an Advisor retained by the Committee.
- The Committee may select, or receive advice from, an Advisor to the Committee only after taking into consideration all factors relevant to that person's independence from management, including the following:
 - (i) the provision of other services to the Company by the person that employs the Advisor (the "Employer");
 - (ii) the amount of fees received from the Company by the Employer, as a percentage of the total revenue of the Employer;
 - (iii) the policies and procedures of the Employer that are designed to prevent conflicts of interest;
 - (iv) any business or personal relationship of the Advisor with a member of the Committee;
 - (v) any stock of the Company owned by the Advisor or the Advisor's immediate family members; and
 - (vi) any business or personal relationship of the Advisor or the Employer with an executive officer of the Company.

After considering these factors, the Committee may select, or receive advice from, any Advisor, even one that is not independent based on such factors.

- The Committee shall have the authority to conduct or authorize investigations into or studies of any matters within the Committee's scope of responsibilities.

4. Structure and Operations

The Board shall designate one member of the Committee to act as its chairperson. The Committee shall meet in person or telephonically at least two times a year at such times and places determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. The chairperson, with input from the other members of the Committee and, where appropriate, management, shall set the agendas for Committee meetings. A majority of the members of the Committee shall constitute a quorum; when more than two members are present, the act of a majority of such members at a meeting at which a quorum exists shall be the act of the Committee. When only two members are present and constitute a quorum, the unanimous vote of the two members shall constitute the act of the Committee.

The Committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may exclude from its meetings any persons it deems appropriate in order for the Committee to fulfill its responsibilities.

The Committee may form and delegate authority to subcommittees when appropriate.

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on these meetings and such other matters as required by this Charter or as the Board shall from time to time specify.

Except as expressly provided in this Charter, the Company's Amended and Restated By-laws or the Company's Corporate Governance Guidelines, or as required by law, regulation or the NYSE rules, the Committee shall set its own rules of procedure.

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