

UNIFI, INC.

CORPORATE GOVERNANCE GUIDELINES (As Revised October 25, 2017)

These Corporate Governance Guidelines (these “Guidelines”) have been adopted by the Board of Directors (the “Board”) of Unifi, Inc. (the “Company”). They shall be reviewed by the Board, through the Corporate Governance and Nominating Committee, on an annual basis and are subject to modification by the Board from time to time. Only the Board may grant waivers of these Guidelines, subject to any applicable rules or regulations and the Company’s Amended and Restated By-laws.

1. Oversight of the Company’s Affairs

In accordance with New York law and the Company’s Restated Certificate of Incorporation and Amended and Restated By-laws, the Board is charged with governing the Company and supervising the conduct of its business by management. The day-to-day management of the Company, including the preparation of financial statements and short- and long-term strategic planning, is the responsibility of the Company’s management. The primary responsibility of the Board is to oversee and review management’s performance of these functions in order to advance the long-term interests of the Company and its shareholders.

The Board may consider the needs of employees, suppliers and customers of the Company, the communities in which the Company conducts its business and other pertinent factors in fulfilling this responsibility, but in all cases, must exercise business judgment and act in what it reasonably believes to be in the best interests of the Company and its shareholders. While discharging their obligations, directors are entitled to rely on the honesty and integrity of the Company’s executive officers and its outside advisors and auditors.

2. Promoting Proper Business Environment

All directors, members of management and other employees are expected to adhere to applicable laws and regulations in their service to the Company and to uphold the ethical standards of the Company in carrying out their responsibilities to and on behalf of the Company.

The Company has adopted one or more codes of business conduct and ethics (each, a “Code”) that apply to the Company’s directors, officers and employees, as applicable. The Audit Committee (with respect to accounting, financial reporting, auditing or fraud or related compliance policies), the Compensation Committee (with respect to compensation matters or policies) and the Corporate Governance and Nominating Committee (with respect to other areas), as applicable, shall review, assess and make recommendations to the Board regarding the adequacy of any portions of any such Code that is required by the rules of the New York Stock Exchange (the “NYSE”) or the rules and regulations of the Securities and Exchange Commission (the “SEC”), as well as the Company’s procedures for ensuring proper distribution, education and compliance with any such Code. Any amendments to or waivers of a Code for directors and executive officers may be made only by the Board, the Audit Committee, the Compensation Committee or the Corporate Governance and Nominating Committee, as appropriate.

Copies of the current version of these Guidelines, the Code or Codes required by the NYSE rules or the rules and regulations of the SEC and the charter of each of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee shall be made available on the Company’s website.

3. Leadership Development

CEO Evaluation. The Compensation Committee shall conduct an annual review of the performance and development of the Chief Executive Officer (the “CEO”). The CEO, after first conferring with the Compensation Committee, shall report to the Board annually on the performance and development of key members of management.

Succession Planning. The Board shall oversee a process whereby the qualities and characteristics necessary for an effective CEO are evaluated and updated appropriately. The Compensation Committee is responsible for reviewing and maintaining a succession plan for the CEO (including in the event of an emergency or the retirement of the CEO or similar event) and senior officers. At least annually, the Board shall review the short- and long-term succession plans for the senior officers.

4. Transactions Outside Ordinary Course of Business

The Board shall evaluate and approve all material Company transactions not arising in the ordinary course of business.

5. Communications with Public

The Board shall look to management to speak for the Company. Absent unusual circumstances or as contemplated by committee charters, Board members shall refer all inquiries from and communications with institutional investors, analysts and the financial press regarding the Company to the Chief Financial Officer and all inquiries from and communications with the press (other than the financial press) or other constituencies regarding the Company to the CEO.

6. Confidential Reporting to Directors

At the direction of the Board, the Company has established procedures to enable anyone who has a concern about an officer’s conduct, or any employee who has a complaint about the Company’s accounting, internal controls or auditing matters, to communicate that concern to the chairperson of the Audit Committee. The procedures permit such communications to be confidential or anonymous, and to be submitted in writing or via a third-party administered, toll-free telephone number. All such communications are required to be promptly reviewed by the Company’s General Counsel and to be sent immediately to the chairperson of the Audit Committee.

The Company’s Code of Business Conduct and Ethics and Ethical Business Conduct Policy Statement prohibit the Company or any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

7. Membership on the Board

The Company’s Restated Certificate of Incorporation provides that the number of directors shall be fixed in the Company’s Amended and Restated By-laws but in no case shall be less than three (3). In uncontested elections of directors by shareholders, directors are required to be elected by the affirmative vote of a majority of the votes cast; in contested elections, a plurality voting standard applies.

A significant majority of the Company’s directors shall be “independent” under the applicable rules of the NYSE. Under the NYSE rules, a director does not qualify as “independent” unless the Board affirmatively determines that the director has no material relationship with the Company. In addition, the NYSE rules include certain “bright line” tests for director independence. No director who has a direct or

indirect relationship that is covered by one of those tests shall qualify as an “independent” director. Annually, the Board shall determine which of its members are “independent.”

The Board has adopted Director Independence Standards to assist the Board in determining director independence. The Director Independence Standards are at least as stringent as the NYSE rules and are attached as Appendix A to these Guidelines. The Board may adopt additional director independence standards to assist it in determining director independence or modify those previously adopted.

The Corporate Governance and Nominating Committee shall assess and at least annually review with the Board the appropriate skills and characteristics required of Board members given the current Board composition. This assessment includes, but is not limited to, consideration of: (i) the candidate’s roles and contributions valuable to the business community; (ii) the candidate’s diversity, integrity, accountability, informed judgment, financial literacy, passion, creativity and vision; (iii) the candidate’s knowledge about the Company’s business or industry; (iv) the candidate’s independence; (v) the candidate’s willingness and ability to devote adequate time and effort to Board responsibilities in the context of the existing composition and needs of the Board and its committees; and (vi) the NYSE rules (collectively, the “Board Membership Criteria”). The Board believes that men and women of different ages, races, and ethnic and cultural backgrounds can contribute different and useful perspectives, and can work effectively together to further the Company’s objectives. The Corporate Governance and Nominating Committee shall also make recommendations to the Board regarding nominees for director as provided in its charter and in accordance with the provisions of these Guidelines.

8. Change in Business or Professional Affiliations or Responsibilities

When a director’s employment status, position and/or business or professional affiliation changes, or other circumstances arise which may raise questions about the director’s continuing qualifications in relation to the Board Membership Criteria, then the director shall tender his or her resignation, or the Corporate Governance and Nominating Committee shall ask for such tender. The Corporate Governance and Nominating Committee is required to evaluate the change in circumstances and to determine whether the director should continue serving as a member of the Board. If the Corporate Governance and Nominating Committee determines that the director should not continue to serve as a result of such change, it is required to report that determination as a recommendation to the Board for appropriate action.

9. Other Directorships

Any director who either (i) serves as a chief executive officer, chief operating officer, chief financial officer or similar “C-level” officer with the Company or another public company or (ii) is employed full-time by the Company, shall not serve on more than two (2) other public company boards (inclusive of the Board) unless the Board determines that service in excess of this limit would not impair such director’s ability to carry out effectively his or her duties and responsibilities on the Board. Other directors shall not serve on more than four (4) public company boards (including the Board) without prior Board approval. A director’s service on other companies’ boards at the time of the Board’s adoption of these Guidelines that have been disclosed to the Company and that would result in directorships in excess of these limits, including positions on boards of private companies that become public, may be maintained unless the Board determines at any time that doing so would impair the director’s service on the Board.

No member of the Audit Committee may serve simultaneously on the audit committees of more than two other public company boards, unless the Board determines that such simultaneous service would

not impair such director's ability to serve effectively on the Audit Committee and such determination is disclosed in the Company's annual proxy statement.

Directors shall advise the Chairman of the Board and the chairperson of the Corporate Governance and Nominating Committee prior to accepting an invitation to serve on the board of another public company or the board of a private company (other than subsidiaries or affiliates (i) of the director's employer, (ii) of companies on whose board the director already serves or (iii) of which the director and his or her immediate family members are the sole shareholders) or an appointment to serve on the audit committee or compensation committee of another public company board.

10. Term Limits

There are no limits to the number of terms a director may serve on the Board as the Board wishes to take full advantage of the valued contribution of directors who have developed, over time, significant insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. It is the responsibility of the Corporate Governance and Nominating Committee to evaluate the appropriateness of each director's continuation on the Board in connection with the expiration of his or her term.

11. Notice of Director Resignation, Retirement or Refusal to Stand for Re-Election

Any director who intends to resign or retire from, or refuse to stand for re-election for, the Board for any reason should communicate his or her intention in writing to the Company's General Counsel no later than the close of business on the second business day after determining to do so.

12. Board Leadership

The Chairman of the Board is selected by the Board from among its members. The Board has no established policy with respect to combining or separating the offices of Chairman and CEO. This decision is made depending on what the Board determines to be in the best interests of the Company and its shareholders at any given point in time.

From time to time, if the Chairman is not determined by the Board as independent, the independent directors may determine that the Board should have a Lead Independent Director. In the event that the independent directors make such a determination, a majority of the independent directors shall appoint a Lead Independent Director. In the event that a Lead Independent Director is appointed, his or her duties would include: (i) providing leadership to the Board; (ii) chairing Board meetings in the absence of the Chairman; (iii) organizing, setting the agenda for and leading executive sessions of the independent directors without the attendance of management; (iv) serving as a liaison between management and the independent directors; (v) consulting with the Chairman to approve the agenda for each Board meeting and the information that shall be provided to the directors for each scheduled meeting; (vi) approving meeting schedules to assure that there is sufficient time for discussion of all agenda items; (vii) meeting with the Chairman between Board meetings as appropriate in order to facilitate Board meetings and discussions; (viii) advising the Corporate Governance and Nominating Committee on the selection of committee chairpersons; and (ix) having the authority to call meetings of the independent directors.

13. Director Compensation

The Corporate Governance and Nominating Committee shall review at least annually and make recommendations to the Board regarding the form and amount of director compensation (including

perquisites and other benefits), and any additional compensation to be paid to the directors for their services. In making its recommendations, the Corporate Governance and Nominating Committee shall give due consideration to what is customary compensation for directors of comparable companies and any other factors it deems appropriate that are consistent with the policies and principles set forth in its charter and these Guidelines. The Corporate Governance and Nominating Committee shall consider any compensation that directors might be receiving indirectly from the Company (or any subsidiary thereof), such as in the form of substantial charitable or political contributions or consulting fees paid to an organization with which the director is affiliated (or other indirect forms of compensation). In particular, no member of the Audit Committee may (i) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company (or any subsidiary thereof) other than (A) fees paid to directors for service on the Board (including customary perquisites and other benefits that all directors are eligible to receive), (B) additional fees paid to directors for service on a committee of the Board (including the Audit Committee), as the chairperson of any committee or as the Lead Independent Director and (C) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company that is not contingent in any way on continued service on the Board; or (ii) be an affiliated person of the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company. Pursuant to the Company's Director Compensation Policy, a director who is not determined to be "independent" within the meaning of the Director Independence Standards adopted by the Board shall not receive any compensation for his or her service as a director.

14. Director Orientation and Education

The Corporate Governance and Nominating Committee is required to oversee the Company's process for the orientation and education of directors, and to ensure that the process is effective to enhance the knowledge and skills necessary or appropriate for the directors to perform their duties and responsibilities. All new directors must participate in an orientation process, which is overseen by the Corporate Governance and Nominating Committee. All directors are expected to participate in any additional continuing education programs offered by the Company to help directors maintain the level of knowledge and expertise necessary to perform their duties and responsibilities as directors of a public company.

15. Director Attendance

Directors are expected to regularly attend Board meetings and meetings of Board committees on which they serve and to spend the necessary time to discharge their duties diligently and responsibly. Directors are also expected to attend the Company's annual meeting of shareholders absent extenuating circumstances.

16. Board Meeting Agendas and Scheduling

The Board normally shall meet at least four times per year. The agenda and scheduling of Board meetings shall be established by the Chairman based on the input of the other members of the Board, and, in particular, the Lead Independent Director if one has been designated, and management after giving due consideration to factors such as the release of quarterly and annual earnings, the activities of the Company, the proper timing for reviewing the Company's long-term strategic plans and the timing and agenda of committee meetings. Any additional issues not on the set agenda that directors feel are appropriate for discussion may be raised at any regular meeting of the Board.

17. Advance Distribution of Board Materials

To the extent feasible, information and documents that are important to the Board's understanding of issues to be discussed at meetings, including presentation materials, shall be distributed in advance to directors. Directors are expected to review and become familiar with such materials prior to such meeting when reasonably practicable.

18. Independent Director Executive Sessions

Independent directors will have regularly scheduled executive sessions at which only independent directors are present. These sessions may be held concurrently with normal Board meetings. The director who will preside at the independent director executive sessions shall be the Chairman of the Board if he or she is an independent director or the Lead Independent Director if one has been designated and, if not, the chairperson of the Corporate Governance and Nominating Committee. The Company shall indicate in the Company's annual proxy statement (i) either (A) the name of the director who shall preside at such independent director executive sessions or (B) the method by which such director will be selected as well as (ii) the means by which interested parties can communicate directly with either such presiding director or the independent directors as a group. The director who will preside at the independent director executive sessions shall have responsibility for (i) calling meetings of the independent directors; (ii) setting the agendas (if any) for the independent director sessions; (iii) presiding at the independent director sessions; (iv) advising the Board as a whole, the Chairman of the Board and/or the CEO, as appropriate, on issues discussed at the executive sessions of the independent directors, as appropriate; (v) serving as the principal liaison between the independent directors as a whole and the Chairman of the Board and/or the CEO; and (vi) selecting an independent director to preside, on an interim basis, over independent director sessions at which such presiding director cannot be present.

19. Attendance by Management at Board Meetings

Regular attendance by the Company's executive officers at Board meetings is generally required by the Board.

20. Director Access to Officers and Employees

Directors shall have full access to information about the Company's operations and to officers and employees of the Company, as well as the independent auditors, legal counsel and any other consultants and advisors engaged by the Company, as necessary to carry out their duties.

21. Retention of Outside Advisors

The Board has the authority to engage, at the Company's expense, independent legal, financial or other advisors as it may deem advisable in fulfilling its obligations and responsibilities, without consulting, or obtaining the approval of, any officer of the Company. Each committee of the Board shall also have such power to the extent provided in its charter.

22. Board Committees

The Board currently has three standing committees: an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee, each of which shall consist of all independent members under the applicable rules of the NYSE. From time to time, the Board may deem it advisable to reconfigure these committees or establish subcommittees.

The Board may also establish additional permanent or provisional Board committees from among its members with such powers and authority in the management of the Company as the Board so delegates. In addition, the Board may establish other committees to consist of such number of members as may be fixed by the Board, none of whom need be a member of the Board, and may proscribe the powers and authority of such committees. All committees formed by the Board are subject to all guidelines set forth herein.

The Corporate Governance and Nominating Committee, in consultation with the Chairman of the Board, is required to periodically review committee assignments (including committee chairpersons) and make recommendations to the Board for committee assignments (including committee chairpersons). The Board, after consulting the recommendations of the Corporate Governance and Nominating Committee, shall make all committee assignments (including appointment of committee chairpersons). Any director who is not a member of a particular committee may attend any committee meeting, but shall not be compensated as a member of the committee (if committee members are being compensated) for such attendance.

Each standing or permanent committee shall have its own written charter, adopted by the Board, setting forth the purpose, authority and responsibilities of the committee as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters shall also provide that each committee will annually evaluate its own performance and report the results thereof, including any recommendations for change, to the Board.

23. Committee Meetings

The chairperson of each committee, in consultation with the other committee members, shall determine the scheduling and duration of committee meetings consistent with any requirements set forth in the committee's charter. The chairperson of each committee, in consultation with the other members of the committee and, where appropriate, members of management and outside advisors, shall develop the committee's agenda.

24. Annual Performance Evaluation

The Corporate Governance and Nominating Committee shall be responsible for overseeing an annual evaluation process for assessing the performance of the Board, the committees of the Board, leadership of the Board (including the Chairman of the Board and the Lead Independent Director if one has been designated) and individual directors, the results of which shall be discussed with the Board.

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Director Independence Standards

The Board of Directors (the “Board”) of Unifi, Inc. (the “Company”) has adopted these Director Independence Standards to assist in its determination of director independence. To be considered “independent” for purposes of these standards, the Board must determine that the director has no material relationship with the Company other than as a director. In each case, the Board will broadly consider all relevant facts and circumstances and will apply the following standards. In addition, the Board will apply the independence standards set by the New York Stock Exchange, which are included in the standards set forth below.

1. A director will not be considered “independent” if, within the preceding three years:
 - The director was or is an employee, or an immediate family member of the director was or is an executive officer, of the Company; or
 - The director, or an immediate family member of the director, received during any 12-month period more than \$120,000 in direct compensation from the Company, other than director compensation and pension or other forms of deferred compensation for prior service (provided that such compensation is not contingent in any way on continued service with the Company); except that compensation received by an immediate family member of the director for services as a non-executive employee of the Company need not be considered in determining independence under this test; or
 - The director was affiliated with or employed by, or an immediate family member of the director was affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company; or
 - The director, or an immediate family member of the director, was or is employed as an executive officer of another company where any of the Company’s present executive officers at the same time serves or served on that company’s compensation committee; or
 - The director is employed by another company (other than a charitable organization), or an immediate family member of the director is a current executive officer of such company, that has made payments to, or received payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1,000,000 or 2% of such other company’s consolidated gross revenues. In applying this test, both the payments and the consolidated gross revenues to be measured will be those reported in the last completed fiscal year of such other company. This test applies solely to the financial relationship between the Company and the director’s (or immediate family member’s) current employer; the former employment of the director or immediate family member need not be considered.
2. The following relationships will not, by themselves, be considered to be material relationships that would impair a director’s independence:
 - Commercial Relationship: If a director of the Company is an executive officer or an employee, or an immediate family member of the director is an executive officer, of another company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, does not

exceed the greater of \$1,000,000 or 2% of such other company's consolidated gross revenues.

- Indebtedness Relationship: If a director of the Company is an executive officer of another company that is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness is less than 2% of the consolidated assets of the company where the director serves as an executive officer.
 - Equity Relationship: If a director is an executive officer of another company in which the Company owns a common stock interest, and the amount of the common stock interest is less than 5% of the total shareholders' equity of the company where the director serves as an executive officer.
 - Charitable Relationship: If a director, or an immediate family member of the director, serves as a director, officer or trustee of a charitable organization, and the Company's contributions to the organization in any of the last three fiscal years are less than the greater of \$1,000,000 or 2% of such organization's consolidated gross revenues.
3. For relationships not covered by Sections 1 or 2 above as to which the Board believes a director may nevertheless be independent, the determination of whether the relationship is material or not, and therefore whether the director would be independent, will be made by the directors who satisfy the independence tests set forth in Sections 1 and 2 above.
 4. For the purposes of these standards, references to the "Company" include any parent or subsidiary of the Company that the Company consolidates with its financial statements as filed with the Securities and Exchange Commission or such other company as is relevant to any determination under these standards.
 5. For the purposes of these standards, an "immediate family member" includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic employees) who shares such person's home. However, when applying the independence tests described above, the Board need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or have become incapacitated.
 6. For the purposes of these standards, an "executive officer" means the president, any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function or any other person who performs similar policy making functions for an organization.
 7. In addition to being independent in accordance with the above criteria, (i) members of the Audit Committee may not (A) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company (or any subsidiary thereof) other than (1) fees paid to directors for service on the Board (including customary perquisites and other benefits that all directors are eligible to receive), (2) additional fees paid to directors for service on a committee of the Board (including the Audit Committee), as the chairperson of any committee or as the Lead Independent Director and (3) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company that is not contingent in any way on continued service on the Board; or (B) be an affiliated person of the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company under Rule 10A-3 of the Securities

Exchange Act of 1934, as amended (the “Exchange Act”); and (ii) members of the Compensation Committee must qualify as “non-employee directors” as such term is defined in Rule 16b-3 under the Exchange Act.

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