

# UNIFI, INC.

## Related Persons Transactions Policy

(As Revised July 23, 2014)

### A. General Statement and Objectives

The Board of Directors (the “Board”) of Unifi, Inc. (the “Company”) has adopted this Related Persons Transactions Policy (the “Policy”) to provide for the monitoring, review, approval or ratification, or modification of Related Person Transactions (as defined below) to help ensure that the Company’s best interest is not compromised or otherwise adversely affected as a result of any such transaction. Under this Policy, a Related Person Transaction may be consummated or allowed to continue, as the case may be, only if the Board approves or ratifies such transaction after considering the implications of the transaction for the interest of the Company and its shareholders as a whole.

The Board may designate and authorize either or both of its Audit Committee and Corporate Governance and Nominating Committee (in either such case, the “Committee”), or the Chair of the Committee, acting in accordance with the terms of this Policy, to act on behalf of the Board. If a member of the Committee has an interest in a Related Person Transaction, the Committee’s consideration of the transaction shall be by only disinterested members of the Committee.

### B. Key Definitions and Concepts

A “Related Person Transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (or any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000, and in which any Related Person had, has or will have a direct or indirect material interest.

A “Related Person” means any of the following: (1) any person who is, or at any time since the beginning of the Company’s last fiscal year was, a director or executive officer (as defined in applicable regulations of the Securities and Exchange Commission) of the Company or a nominee to become a director of the Company; (2) any person who is known to be the beneficial owner of more than five percent (5%) of any class of the Company’s voting securities; (3) any “immediate family member” of any of the foregoing persons, which means any spouse, sibling, child, stepchild, parent, stepparent, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the subject person; and (4) any person (other than a tenant or employee) who shares the household of a director, executive officer, nominee or more than 5% beneficial owner.

A person who has a position or relationship with a partnership, corporation or other legal entity that engages in a transaction with the Company (or any of its subsidiaries) shall not be deemed (as a result of such position or relationship alone) to have an indirect material interest in a transaction if:

- in the case of a partnership, the interest arises only as a result of the person's position as a limited partner, the person and all other Related Persons have an aggregate interest of less than 10% in the partnership, and the person is not a general partner of (and does not hold another position in) the partnership; or
- for all other entities, the interest arises only as a result of (1) the person's position as a director (or a comparable governance role) of the entity that is a party to the transaction; and/or (2) the direct or indirect ownership by all Related Persons, in the aggregate, of less than a 10% equity interest in the entity that is a party to the transaction.

### **C. Collection of Information About Related Persons**

1. Directors, Executive Officers and Nominees. On an annual basis, each director and executive officer of the Company shall complete the Company's standard form of directors and officers questionnaire (the "D&O Questionnaire"), which shall contain questions designed to identify Related Person Transactions. Any person who is proposed to be nominated or appointed as a director or an executive officer shall be asked to complete the Company's then current D&O Questionnaire (as potentially modified to reflect the timing context) in advance of being nominated or appointed, except in the case of an executive officer where (due to the circumstances) it is not practicable to submit the information in advance. In the latter such case, the information shall be submitted (and a D&O Questionnaire completed) as soon as reasonably practicable following the appointment.

2. Five Percent Owners. The Company shall create and maintain a list or other record containing the name and following information about each person whom the Company becomes aware is a beneficial owner of more than 5% of any class of the Company's voting securities, to the extent the information is readily available: (a) if the person is an individual, comparable information to that requested of directors and executive officers in the D&O Questionnaire; and (b) if the person is a partnership, corporation or other legal entity, a list of the principals, partners, executive officers and directors of (and/or persons having a comparable position or status with) the partnership, corporation or entity. The foregoing information shall be updated on an annual basis.

### **D. Collection of Information About Related Person Transactions**

Executive officers and directors shall report promptly any transaction or relationship in which they are involved or have an interest and that may constitute a Related Person Transaction to the General Counsel of the Company (and, if such person is not the General Counsel, the Company's Corporate Compliance Officer) before such transaction or relationship is entered into or is amended in any material respect. This obligation is in addition to, and not in lieu of, the obligation under the Company's Code of Business Conduct and Ethics (the "Code of Ethics") to disclose (and address with appropriate Company personnel) any transaction or relationship that actually or potentially conflicts with an interest of the Company.

The General Counsel shall compile such information and shall prepare at least annually a report on Related Person Transactions, which shall be submitted to the Committee for its consideration and appropriate action under this Policy.

#### **E. Review and Action Procedures**

1. Pre-Approval of Proposed or Amended Transactions. A Related Person Transaction that is identified before the transaction is entered into, or is amended in a material respect, shall be consummated or amended, as the case may be, only if the following steps are taken:

- (a) The subject director, executive officer, nominee or beneficial owner provides notice to the General Counsel of all relevant facts and circumstances of the transaction, including (i) the Related Person's relationship to the Company and interest in the transaction and (ii) the material facts and expected consequences of the transaction. The General Counsel shall assess, as an initial matter, whether the transaction is a Related Person Transaction for purposes of submitting the transaction to the Committee for action under this Policy.
- (b) If the transaction involves an amount in excess of \$120,000 and is determined by the General Counsel to be a Related Person Transaction, the transaction shall be submitted to the Committee for consideration at its next meeting; provided, however, that if the General Counsel, in consultation with the Lead Independent Director, determines that it is not advisable to wait until the next Committee meeting, the transaction shall be submitted to the Chair of the Committee, who shall possess delegated authority to act on Related Person Transactions between Committee meetings, and who may determine, in his or her discretion, to convene a special meeting of the Committee to consider the transaction.
- (c) The Committee (or where submitted to its Chair, the Chair) shall consider all of the available relevant facts and circumstances relating to the transaction. The Committee (or the Chair) shall approve a Related Person Transaction only if the transaction is in, or is not inconsistent with, the best interest of the Company and its shareholders, as the Committee (or the Chair) determines in good faith. No member of the Committee shall participate in any review, consideration or approval of any Related Person Transaction with the respect to which such member or any of his or her immediate family members is a Related Person.

The Chair of the Committee shall report to the Committee at its next meeting any action under this Policy that is taken by the Chair pursuant to delegated authority. If the General Counsel determines that a transaction involving in excess of \$120,000 in which a Related Person has an interest or relationship is not a Related Person Transaction for purposes of this Policy, the General Counsel shall include the rationale for his or her determination in the annual report required by Part D of this Policy.

2. Consideration of Existing Unapproved Transactions. If the Company becomes aware of an existing Related Person Transaction that has not been previously approved or ratified under this Policy, the General Counsel shall be promptly informed of the matter, and he or she shall promptly submit the matter to the Committee or its Chair. The Committee or its Chair shall consider all of the available relevant facts and circumstances relating to the transaction in accordance with the procedures set forth in Part E.1, and shall evaluate all options, including, but not limited to, ratification, amendment, termination or rescission of the Related Person Transaction.

3. Review of Ongoing Transactions. At the Committee's first meeting of each fiscal year (or at such other meeting that the Chair of the Committee may determine, in consultation with the General Counsel, and consistent with the Company's disclosure obligations under federal securities or other applicable laws), the Committee shall review any previously approved or ratified Related Person Transaction that remains ongoing, and the Committee shall determine whether to approve the continuation of each such transaction. The Committee shall also review the annual report of the General Counsel required by Part D and shall determine whether any action is required under this Policy as a result thereof, including with respect to any transaction about which the General Counsel may have made an initial determination pursuant to Part E.1 (a) that the transaction was not a Related Person Transaction.

#### **F. Certain Charitable Contributions**

Contributions by the Company in excess of \$5,000 to any charitable or other non-profit organization in which a Related Person had (during the last three (3) years), has or will have a direct or indirect material interest shall be subject to review and approval or ratification, as the case may be, by the Committee in accordance with the objectives of this Policy.

#### **G. Disclosure**

All Related Person Transactions that are required to be disclosed in a filing by the Company with the Securities and Exchange Commission shall be so disclosed in accordance with all applicable requirements of federal securities laws, rules and regulations.

Without limiting the generality of the foregoing, the material features of this Policy shall be disclosed in the Company's annual report on Form 10-K or proxy statement, and as may otherwise be required by applicable laws, rules and regulations or by requirements of the New York Stock Exchange. Unless expressly determined otherwise by the Committee or the Board, the General Counsel may direct that this Policy be made available on the Company's website.