

UNIFI, INC.
Audit Committee Charter
(as amended as of July 22, 2004)

1. **Purpose.** The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Unifi, Inc. (the “Company”) shall be to discharge the Board’s responsibility relating to the oversight of: (i) the integrity of the financial statements of the Company, (ii) the compliance by the Company with legal and regulatory requirements, (iii) the outside auditor’s independence and qualifications, and (iv) the performance of the Company’s internal audit function and outside auditors. The Committee also is responsible for overseeing the preparation of the report of the Committee required by the rules of the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual Proxy Statement.

2. **Membership.**

A. **Size.** The Committee shall consist of not less than three (3) nor more than five (5) directors of the Company, with the specific number of members to be designated by the Board.

B. **Independence and other Requirements.** The members of the Committee shall meet the independence, financial literacy and accounting or related financial management expertise requirements of the SEC and the New York Stock Exchange or any other exchange on which shares of the Company’s Common Stock are traded, which are in effect from time to time, as determined by the Board. Ordinarily, at least one member of the Committee should meet the SEC’s definition of an “audit committee financial expert.” No Committee member may simultaneously serve on the audit committee of more than three public companies (including the Company) unless the Board determines that such simultaneous service would not impair the ability of such Committee member to serve on the Committee and the Company discloses such determination in the Company’s proxy statement.

C. **Appointment of Members.** Committee members and the Chairperson of the Committee shall be appointed by the Board, under the advice of the Corporate Governance and Nominating Committee. Each member and the Chairperson shall serve at the pleasure of the Board and for such term or terms as the Board shall determine.

3. **Meetings.**

A. **Number of Meetings.** The Committee shall meet at least two times annually, or more frequently as circumstances dictate. The Committee will meet at such times as shall be determined by the Chairperson, or upon the request of any two members of the Committee.

B. **Agenda for Meetings.** The Chairperson of the Committee shall set the agenda for each Committee meeting. At the request of the Chairperson, written materials pertinent to the Committee’s review and consideration of agenda items shall be distributed by the appropriate management personnel to the Committee members in advance of each meeting.

C. Quorum for Meetings. A majority of the members will constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.

D. Telephonic Meetings; Consent in Lieu of Meetings. The Committee may meet by telephone or videoconference, and may take action by unanimous written consent of its members.

4. Statement of Policy. The Committee shall provide assistance to the Board of Directors in fulfilling their responsibility to the Shareholders, potential Shareholders, the investment community and others relating to the Company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the annual outside audit of the Company's financial statements, and the legal compliance and ethics programs as established by management and the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication between the committee, the outside auditors, and management of the Company. In carrying out its responsibilities the Committee will meet separately, periodically, with management, the internal auditors and the outside auditors. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company. The Committee shall have the authority and access to Company resources sufficient to retain, compensate and terminate outside counsel and other outside advisors as it determines appropriate to assist the Committee in the performance of its functions.

5. Responsibilities. In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and Shareholders that the corporate accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

In carrying out these responsibilities, the Committee will:

A. Review Procedures.

1. Review from time to time (but in no event less often than annually) with the outside auditor and management, as appropriate:

a. Significant financial reporting issues and judgments identified by management or the outside auditor and made in connection with the preparation of the Company's financial statements;

b. Major issues identified by management or the outside auditor regarding the Company's accounting and auditing principles and practices, including critical accounting policies, and major changes in auditing and accounting principles and practices suggested by the outside auditor, internal auditor or management;

c. Matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit;

d. Audit problems or difficulties encountered and raised by the outside auditor in the course of the audit work and reported by the outside auditor to the Committee, including restrictions on the scope of activities or access to required personnel or information, and disagreements with management; and

e. Principles of accounting proposed or promulgated by regulatory accounting authorities and brought to the attention of the Committee.

2. In consultation with the management and the outside auditors, consider the integrity of the Company's financial reporting processes and controls and consult concerning the Company's internal controls, including any significant deficiencies and significant changes in internal controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the outside auditors and the internal auditing department together with management's responses.

3. Review the annual audited financial statements and quarterly financial statements, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management and the outside auditor.

4. Review with management and the outside auditors the Company's quarterly financial results and the Company's quarterly financial statements and from time to time, discuss generally the presentation and types of information included in the earnings press releases, and, if applicable, financial information and earnings guidance provided to analysts and rating agencies.

5. Review the audited financial statements and recommend to the Board whether the financial statements should be included in the annual report on Form 10-K.

6. Review and discuss with management and the outside auditor, as appropriate, the responsibilities, budget, significant findings and staffing of the Company's internal audit function.

7. Review and assess annually the Committee's performance of the duties specified in this Charter and the adequacy of this Charter and recommend any proposed changes to the Corporate Governance and Nominating Committee of the Board.

B. Outside Auditors.

8. Annually retain, evaluate and, if appropriate, terminate and replace the Company's outside auditor. The Committee, in its capacity as a committee of the Board, shall be directly responsible for the appointment, compensation and oversight of the work of the outside auditor. The Committee shall approve in advance the engagement of the outside auditor, including audit engagement fees and the overall terms of services to be provided. By approving the audit engagement, an audit service within the scope of the engagement shall be deemed to have been pre-approved.

9. Pre-approve any permitted non-audit services to be performed by the outside auditor.

10. Annually obtain and review a report from the outside auditor describing all relationships between the outside auditor and the Company. The Committee shall consider, at least annually, the independence of the outside auditor, including considering whether the provision of non-audit services by the outside auditor is compatible with the auditor's independence. The Committee should review and discuss with the outside auditor all significant relationships they have with the Company that could impair the auditor's independence.

11. Annually obtain and review a report by the outside auditor describing the auditor's internal quality control procedures, any material issues raised by its most recent internal quality control review or peer review, and any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more outside audits carried out by the audit firm and any steps taken to deal with any such issues.

12. Establish policies for the hiring of employees and former employees of the outside auditor.

13. Review the outside auditor's audit plan – discuss scope, staffing, locations, reliance upon management, and general audit approach.

14. Consider the outside auditor's judgements about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

C. Legal Compliance.

15. On at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

D. Other Committee Responsibilities.

16. Establish procedures for and periodically receive reports regarding (a) the receipt, retention, validation and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

17. Annually prepare a report to Shareholders as required by the Securities and Exchange Commission. The report should be included in the Company's annual proxy statement.

18. Review annually management's programs regarding adherence to and the distribution of any code of business conduct or ethics policy adopted by the Company in compliance with SEC or NYSE requirements. The Committee shall receive reports of violations of, and review and either approve or disapprove any request for waiver of, such policies by any director, executive officer and the principal accounting officer.

19. Review financial and accounting personnel succession planning within the company.

20. Annually review a summary of Directors' and Officers' related party transactions and potential conflicts of interest.

21. Perform any other activities consistent with this Charter, the Company's By-Laws, and governing law, as the Committee or the Board deems necessary or appropriate.

6. General Provisions.

A. Restrictions. In the performance of its responsibilities, the Committee shall be subject to the Certificate of Incorporation and By-Laws of the Company, as amended from time to time, together with all other relevant provisions of the New York Corporation Law, as amended, and all applicable rules and regulations of the United States Securities and Exchange Commission or any exchange on which shares of the Company's Common Stock are traded.

B. Reports. The Chairperson of the Committee shall (i) see that minutes and appropriate records of all meetings of the Committee are kept, and (ii) deliver a summary of key actions of the Committee to the Board.

C. Changes. This Charter shall not be amended or modified without the approval of the Board. This Charter shall be reviewed at least annually by the Committee to assess the Committee's performance of its responsibilities hereunder and to determine if changes should be

made to this Charter.

D. Delegation. Except as otherwise prohibited, the Committee may delegate its responsibilities to subcommittees or individuals, as the Committee may deem appropriate in its sole discretion.