

UNIFI, INC.

Corporate Governance Guidelines and Policies

(As Revised July 23, 2014)

The Board of Directors (the "Board") of Unifi, Inc. ("Unifi" or the "Company") is committed to enhancing shareholder value, while supporting management of the Company ("Management") in its conduct of the day-to-day business and operations of the Company. In discharging its duties under applicable legal and regulatory requirements, the Board has adopted and adheres to several corporate governance policies and guidelines that have been designed to help ensure that the Company and its personnel and agents observe the highest ethical standards and adhere to the laws of the jurisdictions within which the Company operates. These Corporate Governance Guidelines and Policies (the "Governance Guidelines") have been prepared to summarize in a single location and document the principal components of the Company's corporate governance regime, and also to satisfy requirements for the continued listing of the Company's common stock on the New York Stock Exchange (the "NYSE").

I. The Role of the Board

In accordance with New York law and the Company's Articles of Incorporation and Bylaws, the Board is charged with governing the Company and supervising the conduct of its business by Management. The primary responsibility of the Board, in discharging such duties and the Board's other legal obligations, is to exercise its business judgment to act in what it reasonably believes to be the best interest of the Company and its shareholders as a whole. In connection therewith, the Board selects and appoints Management; acts as an advisor to Management with respect to the development and implementation of business strategies; approves the budget and major strategic initiatives of the Company; oversees and evaluates Management's performance; and sets the compensation of executive members of Management.

It is Management's responsibility to conduct and lead the day-to-day operations of the Company, consistent with the directives provided by the Board. The Board believes that, as a general matter, Management should speak for the Company in interactions with third parties.

II. Membership on the Board

The Company's Articles of Incorporation and Bylaws provide that the Board shall consist of not less than seven members. 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 a contested election, a plurality voting standard applies. The Corporate Governance and Nominating Committee periodically reviews and evaluates the Board's structure and composition, and makes appropriate recommendations to the Board, including about Board membership. A significant majority of the members of the Board is required to be independent, as determined by the Board in accordance with the standards set forth in Exhibit A to these Governance Guidelines, and the Board seeks to have no more than two inside directors. The independence of the outside directors is required to be reviewed annually by the Corporate Governance and Nominating Committee.

Each person appointed or nominated for election as a director must demonstrate integrity, accountability, informed judgment, financial literacy, passion, creativity and vision. In addition, the Board seeks to be comprised of directors from various professions or backgrounds, in order to ensure that a variety of skills, perspectives and experiences will inform the Board's decisions and deliberations. 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.

In the event of a change in circumstances involving a director's employment status, position and/or business or professional association, the director is required to notify the Corporate Governance and Nominating Committee. 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.

The Board does not believe that it should otherwise limit the number of terms that a person may serve as a director, because such term limits could deprive the Company of the valuable contributions made by directors who have developed, over time, significant insights into the Company and its operations. As part of its responsibilities, the Corporate Governance and Nominating Committee is required to evaluate any director's nomination for re-election to the Board, balancing the value of continuity of service by an existing director with the potential value of obtaining a new perspective or other set of skills.

Directors are encouraged to limit the number of boards on which they serve, given their time commitment to the Company's Board and its committees. Directors are asked to advise the Chairman of the Board, the Lead Independent Director (as defined below) and the Corporate Governance and Nominating Committee prior to accepting an invitation to serve on the board of another public company.

III. Board Leadership Structure

The Company's current Chief Executive Officer is also the Chairman of the Board. The Board has determined that this person's service as both Chairman of the Board and Chief Executive Officer is in the best interest of the Company and its shareholders for several reasons, including the following. This person possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the Company and its business, and is thus best positioned to develop agendas that ensure that the Board's time and attention are focused on the most important matters. The Board believes that combining the Chief Executive Officer and Chairman of the Board positions in this person also helps to provide unified leadership and direction for the Company; enables decisive strategic leadership and clear accountability; and enhances the Company's ability to communicate its central business messages and strategy clearly and consistently to the Company's shareholders, employees, customers, suppliers and other important constituencies.

In connection with the above determination, the Board has also determined that it shall have a lead director who is selected from among the independent directors (the “Lead Independent Director”) at any time that the Chairman of the Board is also a member of Management. The Lead Independent Director acts as a liaison between Management and the non-management directors; chairs the Board’s executive sessions of non-management directors; and consults with the Chairman of the Board on agendas for Board meetings and other matters pertinent to the Company and the Board.

The Board believes that the above structure enhances the provision of insight and direction on important strategic initiatives simultaneously to both Management and the independent directors.

IV. Board Operations

The Board is required to have four regular meetings each year, and it may have such special meetings as it may deem necessary. Directors are expected to attend all Board meetings and meetings of the committees of the Board on which they serve. The Chairman of the Board, in coordination with the Lead Independent Director, sets the agenda for each Board meeting, taking into account input and suggestions from other members of the Board and Management. The Board must be given sufficient information to exercise fully its governance functions, and Management is required to ensure that such information is provided. As a general matter, Board members are furnished such information prior to each Board meeting, so that they have an opportunity to reflect properly on the matters to be considered at the meeting. The Board is required to ensure that adequate time is provided for full discussion of important items.

Regular attendance and participation in Board meetings by Management are encouraged as appropriate. However, the non-management directors are required to meet in executive session without Management present at each regularly scheduled meeting of the Board. If the non-management directors include directors who are not independent, then the Board is required to schedule at least once a year an executive session that includes only independent directors. All executive sessions of the non-management directors are chaired by the Lead Independent Director or his or her designee. The non-management directors may meet without Management present at such other times as the Lead Independent Director may determine to be appropriate.

As a general matter, all Board members have full access to Management and to information about the Company's operations. In addition, the Board and any of its committees have the authority to retain advisors, including outside legal counsel, as they may deem necessary and appropriate, without obtaining approval for such engagements from Management.

The Board and its principal committees, in consultation with the Corporate Governance and Nominating Committee, are required to conduct annual self-evaluations in order to determine whether each of them is functioning effectively.

V. Board Committees

The Board currently has the following four standing committees: Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, and Executive Committee. The Board also currently has an ad hoc Finance Committee. The Board may, from time to time, form a new committee or disband a current committee depending upon circumstances, provided that any such action complies with applicable requirements of the NYSE and the Securities and Exchange Commission (the “SEC”). Membership on the Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee must consist solely of independent directors.

Committees receive authority exclusively through delegation from the Board, and their roles are defined by the Company's Bylaws and by committee charters that are adopted or approved by the Board; provided, however, that such delegations and charters must comply with applicable requirements of the NYSE and rules and regulations of the SEC. Any director who is not a member of a particular committee may attend any committee meeting, but is not compensated as a member of the committee (if committee members are being compensated) for such attendance.

The Corporate Governance and Nominating Committee, in consultation with the Chairman of the Board and the Lead Independent Director, is required to periodically review committee assignments and make recommendations to the Board for committee assignments and chairpersons.

The Chair of each committee, in consultation with Management and the other committee members, develops the agenda for each committee meeting and determines the frequency of meetings, consistent with the committee's charter and the needs of the Board or the Company. The Chair of each committee is required to report to the Board on the proceedings of each committee meeting, when requested by the Board and otherwise in accordance with the committee's charter.

VI. Succession Planning

The Board is required to oversee a process whereby the qualities and characteristics necessary for an effective Chief Executive Officer are evaluated and updated appropriately, and to conduct advance planning for contingencies such as the departure, death or disability of the Chief Executive Officer or other senior members of Management. The Chief Executive Officer, after first conferring with the Corporate Governance and Nominating Committee, is required to report to the Board annually on development and succession planning for key members of Management.

VII. Board Members Compensation Review

The compensation of non-management directors is reviewed from time to time by the Corporate Governance and Nominating Committee, which is required to make recommendations thereon to the full Board.

VIII. Related Persons Transactions Policy

The Corporate Governance and Nominating Committee is required to review from time to time the Company's Related Persons Transactions Policy and to recommend to the Board any appropriate changes thereto. If the responsibility for administering (including approving or ratifying transactions under) the Related Persons Transactions Policy has not been delegated by the Board to another committee, the Corporate Governance and Nominating Committee also has authority to administer that Policy.

IX. Director Orientation and Continuing 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.

X. Confidential Reporting of Concerns to Appropriate Directors

At the direction of the Board, the Company has established procedures to enable anyone who has a concern about the Company's conduct, or any employee who has a complaint about the Company's accounting, internal accounting controls or auditing matters, to communicate that concern to the Lead Independent Director, to the non-management directors or to 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, in either case for immediate delivery to the Company's Corporate Compliance Officer (and, if not the same person, the Company's General Counsel) and prompt redelivery to the intended recipient at the Board level.

All such communications are required to be promptly reviewed by the Corporate Compliance Officer, and, without limiting the foregoing redelivery requirement, any concerns relating to accounting, internal controls, auditing or officer conduct are required to be sent immediately to the Chair of the Audit Committee. In addition, if the Corporate Compliance Officer is not also the Company's General Counsel, all such communications are also required to be delivered promptly to the General Counsel, who shall consider and act thereon as appropriate in light of applicable legal requirements.

All concerns are required to be reviewed and addressed by the Corporate Compliance Officer (or the Company's General Counsel, as the case may be) in the same manner that other important issues or concerns are addressed by the Company. The status of all outstanding concerns that are addressed to the non-management directors, the Lead Independent Director or the Audit Committee are required to be reported to the Lead Independent Director and the Chair of the Audit Committee on at least a quarterly basis. The Lead Independent Director or the Audit Committee Chair may direct that certain matters be presented to the full Audit Committee

or the full Board and may direct special treatment, including the retention of outside advisors or counsel, to ensure the proper handling of any such concern.

The Company's Ethical Business Conduct Policy Statement prohibits the Company or any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

XI. Review of Guidelines

Unless and until otherwise expressly determined by the Board, these Governance Guidelines shall be maintained by the Company and shall be periodically reviewed by the Corporate Governance and Nominating Committee, which shall provide a report to the Board of its findings and recommendations. When and if necessary, these Governance Guidelines shall be revised and updated by the Board, based upon the recommendations of the Corporate Governance and Nominating Committee.

Exhibit A

Director Independence Standards

A majority of the members of the Board of Directors of Unifi, Inc. (the "Company") shall be independent. No director shall qualify as "independent" unless the Board of Directors determines affirmatively that the director has no material relationship with the Company (directly or as a partner, shareholder or officer of an entity that has a relationship with the Company). In making each such determination, the Board of Directors shall consider the factors identified below, which are intended to comply with the definitions imposed by the applicable corporate governance guidelines of the New York Stock Exchange (the "NYSE Independence Standards"), as well as such other factors that the Board of Directors may deem relevant and impose from time to time.

A director will not be deemed independent if:

1. the director is employed by the Company or any of its affiliates (as defined below) or was employed by the Company or any of its affiliates at any time during the last three (3) years;
2. the director is an immediate family member (as defined below) of an individual who is, or has been at any time during the last three (3) years, employed by the Company or any of its affiliates as an executive officer;
3. the director or his or her immediate family member receives, or has received at any time during the last three (3) years, more than \$120,000 per year in direct compensation from the Company, other than director and committee member fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), provided, however, that compensation received by an immediate family member for service as a non-executive employee of the Company or any of its affiliates need not be considered in determining independence under this test;
4. (a) the director is presently affiliated with or employed by, or his or her immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company, (b) the director's immediate family member is presently employed by an internal or external auditor of the Company and works personally on the Company's audit or (c) the director or the director's immediate family member had been affiliated with or employed by an internal or external auditor of the Company in such a capacity within the last three (3) years.
5. the director is an employee, or his or her immediate family member is an executive officer, of another company that makes payments to, or receives payments from, the Company for property or services in an amount that, in any single fiscal year, exceeds

the greater of \$1 million or two percent (2%) of such other company's consolidated gross revenues in any of the last three (3) fiscal years.

6. the director or his or her immediate family member is presently employed, or has been employed during any of the last three (3) years, as an executive officer of another company where any of the Company's present executive officers serves or served, at the same time, on that other company's compensation committee;
7. the director or his or her immediate family member is affiliated with a paid advisor or consultant to the Company;
8. the director or his or her immediate family member has a personal services contract with the Company; or
9. the director or his or her immediate family member is employed and compensated by a foundation, university or other nonprofit institution that has received significant charitable contributions from the Company.

For purposes of determinations under these independence standards, (a) “affiliate” has the meaning set forth in Rule 144(a)(1) under the Securities Act of 1933, as amended; (b) an “immediate family member” of a person means any of the 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; and (c) the term “executive officer” has the same meaning specified for the term “officer” in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

In addition to being independent in accordance with the above criteria, (a) members of the Audit Committee may not (i) receive, directly or indirectly, any compensation from the Company other than directors' fees or (ii) be an "affiliated person" of the Company or any of its subsidiaries as such term is defined in Rule 10A-3 under the Exchange Act; and (b) members of the Compensation Committee must qualify (i) as "outside directors" as such term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, and (ii) as "non-employee directors" as such term is defined in Rule 16b-3 under the Exchange Act.

The above factors and requirements shall be amended or otherwise modified when, if and as necessary for the Company to comply with the NYSE Independence Standards or applicable requirements of the Securities and Exchange Commission.