

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 28, 2020**

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

1-10542
(Commission
File Number)

11-2165495
(IRS Employer
Identification No.)

7201 West Friendly Avenue
Greensboro, North Carolina
(Address of principal executive offices)

27410
(Zip Code)

Registrant's telephone number, including area code: **(336) 294-4410**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	UFI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

Approval of the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan

On October 29, 2020, Unifi, Inc. (the "Company") held its 2020 Annual Meeting of Shareholders (the "Annual Meeting"). At the Annual Meeting, the Company's shareholders approved the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (the "Second Amended 2013 Plan"). The Second Amended 2013 Plan was adopted by the Company's Board of Directors (the "Board") on September 10, 2020, subject to shareholder approval. Upon shareholder approval at the Annual Meeting, the Second Amended 2013 Plan became effective as of October 29, 2020 (the "Effective Date").

The Company previously maintained the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan (the "Amended 2013 Plan"). No additional awards will be granted under the Amended 2013 Plan and the reserve of shares for future awards under the Amended 2013 Plan was canceled, although outstanding awards previously granted under the Amended 2013 Plan will continue to be governed by the terms of the Amended 2013 Plan and the agreements pursuant to which the awards were made.

The Company has reserved for issuance under the Second Amended 2013 Plan an aggregate of 850,000 shares of the Company's common stock, par value \$0.10 per share ("Common Stock"), that may be granted in connection with awards under the Second Amended 2013 Plan. Any shares of Common Stock covered by an award that are not delivered to a participant or beneficiary because the award is forfeited or canceled, or because the award is settled in cash, will not be deemed to have been delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Second Amended 2013 Plan.

The Second Amended 2013 Plan authorizes a variety of types of equity-based awards. Employees of the Company, including the Company's principal executive officer, principal financial officer and other named executive officers, may receive the following types of incentive awards under the Second Amended 2013 Plan: performance shares, shares of restricted stock, restricted stock units, performance share units, incentive stock options, nonstatutory stock options and stock appreciation rights. Independent directors may receive the following types of incentive awards under the Second Amended 2013 Plan: shares of restricted stock, restricted stock units, performance share units, vested shares, vested share units, nonstatutory stock options and stock appreciation rights.

Unless sooner terminated by the Board, the Second Amended 2013 Plan will terminate on the 10th anniversary of the Effective Date. No awards may be made under the Second Amended 2013 Plan after its termination.

The foregoing description of the Second Amended 2013 Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Second Amended 2013 Plan, a copy of which is filed as Exhibit 10.1 hereto and incorporated herein by reference. For a more complete description of the Second Amended 2013 Plan, please refer to the discussion under "Proposal 3" in the Company's definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission (the "SEC") on September 16, 2020.

Entry into Letter Agreement with Albert P. Carey

On November 2, 2020, Albert P. Carey entered into a Letter Agreement with the Company (the "Letter Agreement"), effective June 29, 2020, pursuant to which the Company agreed to continue to employ Mr. Carey as Executive Chairman of the Company. The Letter Agreement constitutes the entire agreement of the parties and supersedes all prior agreements between the parties related to Mr. Carey's employment with the Company, including the predecessor to the Letter Agreement that was effective as of July 1, 2019.

The Letter Agreement provides that Mr. Carey's employment shall continue until the Company's annual shareholders' meeting in 2021 and shall be extended by mutual agreement of the Board and Mr. Carey for successive periods thereafter between each of the Company's annual shareholders' meetings (the period of actual employment, the "Term"). The Letter Agreement further provides that Mr. Carey's employment may be terminated at any time: (i) by Mr. Carey, for any or no reason, on 30 days' prior written notice to the Company (which the Company may, in its sole discretion, make effective as a resignation earlier than the termination date provided in such notice), (ii) by the Company, at any time with or without cause by written notice to Mr. Carey, at the election of the Board, and (iii) by the Company, at any time with or without cause by written notice to Mr. Carey, due to his failure to be re-elected as a member of the Board by the Company's shareholders. Pursuant to the Letter Agreement, if either Mr. Carey or the Company provides notice of termination pursuant to either the foregoing clause (i) or clause (ii), Mr. Carey has agreed to offer his resignation as a member of the Board effective concurrent with the termination of the Term, which resignation may or may not be accepted by the Board in its sole discretion.

The Letter Agreement provides that Mr. Carey will (i) receive an annual base salary of \$700,000, (ii) receive an annual award consisting of a combination of restricted stock units and incentive stock options, the combination having an aggregate grant date fair value of \$700,000, and (iii) be reimbursed for business expenses. Pursuant to the Letter Agreement, Mr. Carey's compensation will be reviewed annually by the Compensation Committee of the Board, but his base salary and equity compensation will not be reduced. The Letter Agreement does not provide eligibility for an annual bonus or other employment benefits generally available to other executives of the Company.

Pursuant to the Letter Agreement, Mr. Carey is also subject to certain confidentiality provisions and has agreed to return all of the Company's and its affiliated entities' property to the Company upon the termination of the Term.

The foregoing description of the Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Letter Agreement, a copy of which is filed as Exhibit 10.2 hereto and incorporated herein by reference.

Entry into Employment Agreements with Hongjun Ning and Lucas de Carvalho Rocha

On November 2, 2020, each of Hongjun Ning and Lucas de Carvalho Rocha (each, an "Executive") entered into an Employment Agreement with the Company (each, an "Employment Agreement" and, collectively, the "Employment Agreements"), effective July 1, 2020, pursuant to which the Company agreed to continue to employ each of Messrs. Ning and Rocha as an Executive Vice President of the Company. The Employment Agreements provide that Messrs. Ning and Rocha will receive an annual base salary of \$320,000 and approximately \$260,000 (translated into local currency as applicable and subject to exchange rate fluctuations), respectively, which base salary shall be reviewed annually by the Board to determine if such base salary should be

increased. Each Employment Agreement also provides that each Executive will (i) be eligible to receive bonuses and to participate in compensation plans of the Company in accordance with any plan or decision that the Board may determine from time to time, (ii) be paid or reimbursed for business expenses and (iii) be entitled to participate in other employment benefits generally available to other executives of the Company.

Each Employment Agreement contains provisions regarding the termination of each Executive's employment and related severance obligations. If the Company terminates the Executive's employment for "Cause" or the Executive resigns without "Good Reason" (as each term is defined in the respective Employment Agreement), the Company will pay the Executive all accrued and unpaid base salary and any accrued and unpaid benefits through the date of termination, after which the Company will have no further obligation under the Employment Agreement. If the Executive's employment terminates due to his death or "Disability" (as defined in the respective Employment Agreement), the Executive or his estate will receive all accrued and unpaid base salary and any accrued and unpaid benefits through the date of termination, after which all rights to benefits will terminate and the Company will have no further obligation under the Employment Agreement. If the Executive is terminated for any reason other than death, Disability or Cause, or if the Executive resigns with Good Reason, he will be entitled to (i) cash severance payments equal to 12 months of his annual base salary at the time of termination, payable as soon as practicable pursuant to the Company's normal payroll practices and (ii) if he elects COBRA continuation coverage, reimbursement for the monthly cost of such continuation coverage for medical and health insurance benefits until the earlier of (a) the date he ceases to maintain such continuation coverage in effect or (b) 12 months from the termination of employment. The foregoing severance benefits are subject to the Executive entering into and not revoking a release of claims in favor of the Company and its affiliated entities. The severance benefits payable upon termination for any reason other than death, Disability or Cause, or resignation with Good Reason, also are subject to the Executive abiding by certain restrictive covenants, which are described below. Additionally, upon the Executive's death or Disability or a "Change of Control" (as defined in the Second Amended 2013 Plan), all outstanding unvested equity awards issued to the Executive by the Company shall vest in full.

Each Executive is also subject to certain confidentiality provisions and non-competition and non-solicitation covenants. Pursuant to each Employment Agreement, each Executive has agreed to neither compete with the Company or its affiliated entities nor solicit their respective customers, suppliers or employees for the 12 months immediately following termination of employment. Under each Employment Agreement, each Executive also has agreed upon the termination of his employment with the Company (i) to resign as a member of the Board, if serving on the Board at the time, (ii) to resign from all positions with the Company and its affiliated entities, (iii) not to disparage the Company and its affiliated entities, (iv) to provide litigation support to the Company and its affiliated entities and (v) to return all of the Company's and its affiliated entities' property to the Company.

Each Employment Agreement also provides that the Company will indemnify and hold harmless each Executive if the Executive is made a party to or is otherwise involved in certain legal proceedings as a result of actions related to the Executive's service as a director, officer, employee or agent of the Company or in a similar capacity for another enterprise at the Company's request. Such indemnification includes all expenses (including attorneys' fees), judgments, fines and other amounts paid in settlement, provided that the Executive acted in good faith and in a manner the Executive reasonably believed to be in the best interests of the Company, and with respect to any criminal action, if the Executive had no reasonable cause to believe such conduct was unlawful. Each Employment Agreement requires the Company to advance the expenses incurred by the Executive in defending against any such proceeding; however, the Executive must deliver an undertaking to the Company to repay all amounts advanced if it is ultimately determined that the Executive is not entitled to be indemnified. The rights of each Executive to indemnification under each Employment Agreement are not exclusive and are in addition to the rights under the Company's Restated Certificate of Incorporation and Amended and Restated By-laws and under applicable law.

The foregoing description of the Employment Agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Agreements, copies of which are filed as Exhibit 10.3 and Exhibit 10.4 hereto and incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

(a) The Annual Meeting was held on October 29, 2020.

(b) At the Annual Meeting, the Company's shareholders (i) elected all nine of the Company's nominees for director to serve for a term of one year or until their successors are duly elected and qualified; (ii) approved, on an advisory basis, the Company's named executive officer compensation in fiscal 2020; (iii) approved the Second Amended 2013 Plan; and (iv) ratified the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2021. The proposals are further described in the Company's definitive proxy statement on Schedule 14A filed with the SEC on September 16, 2020.

Final voting results on each proposal submitted to the Company's shareholders at the Annual Meeting are as follows:

1. Election of directors:

	Votes For	Votes Against	Abstentions	Broker Non-Votes
Robert J. Bishop	12,859,145	192,164	26,015	4,045,156
Albert P. Carey	12,394,204	657,105	26,015	4,045,156
Thomas H. Caudle, Jr.	12,264,589	786,553	26,182	4,045,156
Archibald Cox, Jr.	12,584,404	458,805	34,115	4,045,156
Edmund M. Ingle	12,841,580	209,429	26,315	4,045,156
James M. Kilts	12,068,400	977,656	31,268	4,045,156
Kenneth G. Langone	12,712,147	339,846	25,331	4,045,156
Suzanne M. Present	12,860,550	191,049	25,725	4,045,156
Eva T. Zlotnicka	12,808,599	243,300	25,425	4,045,156

2. Advisory vote to approve the Company's named executive officer compensation in fiscal 2020:

Votes For	Votes Against	Abstentions	Broker Non-Votes
12,624,578	442,055	10,691	4,045,156

3. Approval of the Second Amended 2013 Plan:

Votes For	Votes Against	Abstentions	Broker Non-Votes
<u>12,766,904</u>	<u>305,591</u>	<u>4,829</u>	<u>4,045,156</u>

4. Ratification of the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for fiscal 2021:

Votes For	Votes Against	Abstentions	Broker Non-Votes
<u>16,960,733</u>	<u>159,874</u>	<u>1,873</u>	<u>0</u>

Item 7.01. Regulation FD Disclosure.

On November 2, 2020, Kelley Drye & Warren LLP, special outside counsel to Unifi Manufacturing, Inc. ("UMI"), a wholly owned subsidiary of Unifi, Inc., issued a press release announcing the filing, on behalf of UMI and another domestic yarn producer, of a trade petition on October 28, 2020 with the United States Department of Commerce and the United States International Trade Commission for the imposition of antidumping duties on polyester textured yarn imported from Indonesia, Malaysia, Thailand and Vietnam. A copy of the press release is furnished as Exhibit 99.1 and incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1*	Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan.
10.2*	Letter Agreement by and between Unifi, Inc. and Albert P. Carey, effective as of June 29, 2020.
10.3*	Employment Agreement by and between Unifi, Inc. and Hongjun Ning, effective as of July 1, 2020.
10.4*	Employment Agreement by and between Unifi, Inc. and Lucas de Carvalho Rocha, effective as of July 1, 2020.
99.1	Press Release of Kelley Drye & Warren LLP, dated November 2, 2020.

* Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 2, 2020

UNIFI, INC.

By: /s/ EDMUND M. INGLE
Edmund M. Ingle
Chief Executive Officer

UNIFI, INC.
SECOND AMENDED AND RESTATED 2013 INCENTIVE COMPENSATION PLAN

UNIFI, INC.
SECOND AMENDED AND RESTATED 2013 INCENTIVE COMPENSATION PLAN

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UNIFI, INC.
SECOND AMENDED AND RESTATED 2013 INCENTIVE COMPENSATION PLAN

1. Purpose. This Plan is an amendment and restatement of the Unifi, Inc. 2013 Incentive Compensation Plan. The effective date of this Plan is October 29, 2020, subject to shareholder approval of the amended and restated Plan. The Plan is designed to support the overall compensation philosophy and objectives of the Company to (a) attract and retain persons eligible to participate in the Plan; (b) motivate Participants, by means of appropriate equity-based incentives, to achieve performance goals; (c) provide incentive compensation opportunities that are competitive with those of other similar companies; and (d) provide the Company the ability to further align Participants' interests with those of the Company's shareholders through compensation that is based on the Company's common stock; and thereby promote the long-term financial interest of the Company, including the growth in value of the Company's equity and the enhancement of long-term shareholder return. The Plan is also intended to allow for grants of stock incentives to compensate non-employee members of the Company's Board of Directors.

2. Definitions. As used in the Plan, the following terms have the meanings indicated:

(a) "Act" means the Securities Exchange Act of 1934, as amended.

(b) "Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

(c) "Applicable Withholding Taxes" means the aggregate amount of federal, state and local income and employment taxes that an Employer is required to withhold in connection with any award of Performance Shares, any lapse of restrictions on Restricted Stock, any compensatory dividends paid on Restricted Stock, any vesting of Restricted Stock Units or Performance Share Units, or any exercise of a Nonstatutory Stock Option or Stock Appreciation Right.

(d) "Award" means any Incentive Award or Director Award.

(e) "Beneficial Owner" (and variants thereof) has the meaning given in Rule 13d-3 promulgated under the Act and, only to the extent such meaning is more restrictive than the meaning given in Rule 13d-3, the meaning determined in accordance with Code section 318(a).

(f) "Board" means the Board of Directors of the Company.

(g) "Cause" shall have the meaning ascribed to it in any agreement to which a Participant and the Company are parties, and if the Participant and the Company are not parties to an agreement in which "cause" is defined, the term "Cause" means (i) the continued willful failure by the Participant to substantially perform the Participant's duties to the Company, (ii) the willful engaging by the Participant in gross misconduct materially and demonstrably injurious to the Company or (iii) the Participant's material breach of any noncompetition, nonsolicitation, confidentiality or similar covenant to which the Participant may be subject from time to time in connection with the Participant's employment with the Company.

(h) "Change of Control" means, the occurrence of any of the following events:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of either (A) the combined fair market value of the then outstanding stock of the Company (the "Total Fair Market Value") or (B) the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the Company

(the "Total Voting Power"); excluding, however, the following: (1) any acquisition by the Company or any of its Controlled Affiliates, (2) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Controlled Affiliates, (3) any Person who becomes such a Beneficial Owner in connection with a transaction described in the exclusion within subsection (iv) below and (4) any acquisition of additional stock or securities by a Person who owns more than 50% of the Total Fair Market Value or Total Voting Power of the Company immediately prior to such acquisition; or

(ii) any Person is or becomes the Beneficial Owner, directly or Indirectly, of securities of the Company that, together with any securities acquired directly or indirectly by such Person within the immediately preceding twelve-consecutive month period, represent 30% or more of the Total Voting Power of the Company; excluding, however, any acquisition described in subclauses (1) through (4) of subsection (i) above; or

(iii) a change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such individuals shall be hereinafter referred to as the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this definition, that any individual who becomes a director subsequent to the Effective Date, whose election, or nomination for election by the Company's shareholders, was made or approved by a vote of at least a majority of the Incumbent Directors (or directors whose election or nomination for election was previously so approved) shall be considered an Incumbent Director; but, provided, further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person or legal entity other than the Board shall not be considered an Incumbent Director; provided finally, however, that, as of any time, any member of the Board who has been a director for at least twelve (12) consecutive months immediately prior to such time shall be considered an Incumbent Director for purposes of this definition, other than for the purpose of the first proviso of this definition; or

(iv) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company or a sale or other disposition of the assets of the Company that have a total gross fair market value equal to or greater than 40% of the total gross fair market value of the assets of the Company immediately prior to such acquisition ("Corporate Transaction"); excluding, however, such a Corporate Transaction pursuant to which all or substantially all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding Company Stock and Total Voting Power immediately prior to such Corporate Transaction will Beneficially Own, directly or indirectly, more than 50%, respectively, of the outstanding Company Stock and the combined voting power of the then outstanding Company Stock and the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the company resulting from such Corporate Transaction (including, without limitation, a company that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Transaction of the outstanding Company Stock and Total Voting Power, as the case may be.

Notwithstanding anything in this Section 2(h) to the contrary, an event that does not constitute a change in the ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, each as defined in Section 1.409A-3(i)(5) of the Treasury Regulations, shall not constitute a Change of Control for purposes of this Plan.

(i) "Code" means the Internal Revenue Code of 1986, as amended.

(j) "Consultant" means a Service Provider who is not an Employee or Independent Director.

(k) "Control" (and variants thereof) has the meaning specified in Rule 12b-2 promulgated under the Act.

(l) "Committee" means the Compensation Committee of the Board (or any successor Board committee designated by the Board to administer the Plan), provided that, if any member of the Compensation Committee does not qualify as (i) a non-employee director for purposes of Rule 16b-3 promulgated under the Act, and (ii) an independent director for purposes of the rules of the principal exchange on which Company Stock is traded, the remaining members of the Committee who do so qualify (but not less than two members) shall be constituted as a subcommittee to act as the Committee for purposes of the Plan.

(m) "Company" means Unifi, Inc., a New York corporation, and any successor corporation.

(n) "Company Stock" means the common stock of the Company, par value \$0.10 per share. In the event of a change in the capital structure of the Company (as provided in Section 15), the shares resulting from the change shall be deemed to be Company Stock within the meaning of the Plan.

(o) "Date of Grant" means (i) with respect to a Non-Option Award, the date on which the Committee (or, with respect to a Director Award, the Board) grants the award; (ii) with respect to a Nonstatutory Option or Stock Appreciation Right, the date on which the Committee (or, with respect to a Director Award, the Board) completes the corporate action necessary to create a legally binding right constituting the Nonstatutory Stock Option or Stock Appreciation Right; or (iii) with respect to an Incentive Stock Option, the date on which the Committee completes the corporate action constituting an offer of stock for sale to a Participant under the terms and conditions of the Incentive Stock Option. With respect to any Award, the Committee (and, with respect to any Director Award, the Board) may specify a future date on which the Award is to be granted or to become effective.

(p) "Director Award" means any Nonstatutory Option, Stock Appreciation Right, share of Restricted Stock, Vested Share, Vested Share Unit, Restricted Stock Unit or Performance Share Unit awarded to an Independent Director under the Plan.

(q) "Disability" means, as to an Incentive Stock Option, a Disability within the meaning of Code section 22(e)(3). As to all other Awards, Disability (or variants thereof) means, unless otherwise provided in the Grant Agreement with respect to the Award,

(i) the Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or entitlement to and receipt of disability benefits under a disability insurance program of the Company that pays benefits on the basis of the foregoing definition;

(ii) the Participant is, by reason of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving either (A) income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company or (B) disability benefits under a disability insurance program that pays benefits on the basis of the foregoing definition; or

(iii) The Participant is determined to be totally disabled by the Social Security Administration.

The Committee (or, with respect to a Director Award, the Board) shall determine whether a Disability exists and the determination shall be conclusive.

(r) "Effective Date" means the date described in Section 22.

(s) "Employee" means an individual employed by the Company or a Related Company as a common-law employee.

(t) "Employer" means the Company or Related Company with respect to which an Employee provides services.

(u) "Fair Market Value" means:

(i) if the Company Stock is at the time listed or admitted to trading on any stock exchange, the "Fair Market Value" shall be the mean between the lowest and highest reported sale prices of the Company Stock on the date in question on the principal exchange on which the Company Stock is then listed or admitted to trading. If no reported sale of Company Stock takes place on the date in question on the principal exchange, then the mean between the lowest and highest reported sale prices of the Company Stock on the closest date prior to the date in question on the principal exchange shall be determinative of "Fair Market Value";

(ii) if the Company Stock is not at the time listed or admitted to trading on a stock exchange, the "Fair Market Value" shall be the mean between the lowest and highest reported sale prices of the Company Stock on the date in question in the over-the-counter market, as such prices are reported in a publication of general circulation selected by the Committee and regularly reporting the market price of Company Stock in such market; or

(iii) if the Company Stock is not listed or admitted to trading on any stock exchange or traded in the over-the-counter market, the "Fair Market Value" shall be as determined in good faith by the Committee.

(v) "Fiscal Year" means the fiscal period used by the Company for reporting taxes on its income under the Code.

(w) "Grant Agreement" means the written agreement between the Company and a Participant containing the terms and conditions with respect to an Award.

(x) "Good Reason" shall have the meaning ascribed to it in any agreement to which a Participant and the Company are parties, and if the Participant and the Company are not parties to an agreement in which "good reason" is defined, the term "Good Reason" means (i) a material reduction (without the Participant's express written consent) in the Participant's title or responsibilities; (ii) a material reduction in the Participant's base salary or annual incentive compensation opportunity; or (iii) the Company's requiring the Participant to relocate to an employment location that is more than fifty (50) miles from the Participant's then current employment location.

(y) "Independent Director" means a member of the Board who satisfies the requirements for a non-employee director as provided in Section 16(b) of the Act.

(z) "Incentive Award" means any Performance Share, Option, Stock Appreciation Right, share of Restricted Stock, Vested Share, Vested Share Unit, Restricted Stock Unit or Performance Share Unit awarded to a Service Provider under the Plan.

(aa) "Incentive Stock Option" means an Option (i) intended to meet the requirements of, and qualify for favorable federal income tax treatment under, Code section 422 and (ii) that meets such requirements.

(bb) "Non-Option Award" means an Award other than an Option or Stock Appreciation Right.

(cc) "Nonstatutory Stock Option" means an Option that does not meet the requirements of Code section 422, or, even if meeting the requirements of Code section 422, is not intended to be an Incentive Stock Option and is so designated.

(dd) "Option" means a right to purchase Company Stock granted under the Plan, at a price determined in accordance with Section 9.

(ee) "Participant" means any Service Provider or Independent Director who receives an Award under the Plan.

(ff) "Performance Criteria" means the performance of the Company, any Related Company, any subsidiary, division, business unit thereof, or any individual using one or more of the following measures or any other measures selected by the Committee, in each case, either on an operating or GAAP basis where applicable (or on the basis of such other standards as may replace or succeed GAAP), adjusted to include or exclude one or more nonrecurring, operating, non-operating or other items as applicable, and including measuring the performance of any of the following relative to a defined peer group of companies or an index: market value of the Company Stock; pre-tax profits; unit production costs; asset growth; pre-tax earnings; debt to equity ratio; earnings per share; revenues; operating income; operating costs and efficiencies; operating cash flow; net income, before or after taxes; net income before income taxes, incentive payments and accounting for minority interest; return on total capital, equity, revenue or assets; market share; unit production and sales volume; earnings before interest, taxes, depreciation, rent and amortization expenses; earnings before interest, taxes, depreciation and amortization; earnings before interest and taxes; any of the prior measures or earnings before taxes and unusual or nonrecurring items as measured either against the annual budget or as a ratio to revenue or return on total capital; net earnings; profit margin; operating margin; operating income; net worth; cash flow; cash flow per share; total shareholder return; revenues; capital expenditures; improvements in capital structure; industry indices; expenses and expense ratio management; debt reduction; profitability of an identifiable business unit or product; or levels of expense, cost or liability by category, operating unit or any other delineation. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Performance Criteria unsuitable, the Committee may in its discretion modify such Performance Criteria or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable.

(gg) "Performance Goal" means an objectively determinable performance goal established by the Committee that relates to one or more Performance Criteria.

(hh) "Performance Share" means a right to receive a share of Company Stock subject to the satisfaction of performance conditions as set forth in Section 6.

(ii) "Performance Share Unit" means a right to receive Company Stock or cash awarded upon the terms and subject to grant and vesting conditions as set forth in Section 8.

(jj) "Person" shall have the meaning given in Section 3(a)(9) of the Act, as modified by Sections 13(d) and 14(d) of the Act, and only to the extent such meaning is more restrictive than the meaning given in Section 3(a)(9) of the Act (as modified above), the meaning determined in accordance with Sections 1.409A-3(i)(5)(v)(B), (vi)(D) or (vii)(C) of the Treasury Regulations (or any successor provisions), as applicable.

(kk) "Plan" means this Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, as it may be amended from time to time.

(ll) "Related Company" means, (i) for purposes of determining eligibility to receive an Incentive Stock Option, any "parent corporation" with respect to the Company within the meaning of Code section 424(e) or any "subsidiary corporation" with respect to the Company within the meaning of Code section 424(f); (ii) for purposes of determining eligibility to receive a Nonstatutory Stock Option or Stock Appreciation Right, any corporation or other entity in a chain of corporations or other entities in which each corporation or other entity has a controlling interest (within the

meaning of Section 1.409A-1(b)(5)(E)(1) of the Treasury Regulations (or any successor provision)) in another corporation or other entity in the chain, beginning with a corporation or other entity in which the Company has a controlling interest; and (iii) for all other purposes under the Plan, any corporation, trade or business that would be required to be treated as a single employer with the Company under Code sections 414(b) or (c), provided that, in applying Code sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations, or in applying Section 1.414(c)-2 of the Treasury Regulations for purposes of determining trades or businesses under common control, the phrase "at least 50%" shall replace the phrase "at least 80%" each time it appears in those sections.

(mm) "Repricing" means, with respect to an Option or Stock Appreciation Right, any of the following: (i) the lowering of the exercise price after the Date of Grant; (ii) the taking of any other action that is treated as a repricing under generally accepted accounting principles; or (iii) the cancellation of the Option or Stock Appreciation Right at a time when its exercise price (or, with respect to the Stock Appreciation Right, the Fair Market Value of the Company Stock covered by the Stock Appreciation Right on the Date of Grant) exceeds the Fair Market Value of the underlying Company Stock in exchange for any other Award, unless the cancellation and exchange occurs in connection with a Corporate Event (as defined in Section 16 below).

(nn) "Restricted Stock" means Company Stock awarded upon the terms and subject to restrictions as set forth in Section 7.

(oo) "Restricted Stock Unit" means a right to receive Company Stock or cash awarded upon the terms and subject to vesting conditions as set forth in Section 8.

(pp) "Retirement" means, unless otherwise provided in the Grant Agreement for a particular Award, a Participant's termination of employment or other separation from service on or after age 65.

(qq) "Rule 16b-3" means Rule 16b-3 promulgated under the Act, as amended from time to time.

(rr) "Service Provider" means an Employee, Consultant or other natural person employed by or providing bona fide services to the Company or a Related Company, excluding any Independent Director.

(ss) "Stock Appreciation Right" means a right to receive Company Stock or cash granted under Section 10.

(tt) "Tandem Right" means a kind of Stock Appreciation Right granted in connection with a Nonstatutory Stock Option as described in Section 10.

(uu) "Ten Percent Shareholder" means a person who owns, directly or indirectly, stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company or any Related Company. Indirect ownership of stock shall be determined in accordance with Code section 424(d).

(vv) "Treasury Regulations" mean the final, temporary or proposed regulations issued by the Treasury Department and/or Internal Revenue Service as codified in Title 26 of the United States Code of Federal Regulations. Any references made in the Plan to specific Treasury Regulations shall also refer to any successor or replacement regulations thereto.

(ww) "Vested Share" means a share of Company Stock awarded upon the terms set forth in Section 11.

(xx) "Vested Share Unit" means a right to receive a share of Company Stock awarded upon the terms set forth in Section 11.

3. General. The following types of Awards may be granted under the Plan: Performance Shares, shares of Restricted Stock, Vested Shares, Vested Share Units, Restricted Stock Units, Performance Share Units, Options, or Stock Appreciation Rights. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options.

4. Stock.

(a) *Reserve*. Subject to Section 15, the number of shares of Company Stock with respect to which Awards may be granted under the Plan during the term of the Plan beginning on the Effective Date shall be eight hundred fifty thousand (850,000) shares of Company Stock, which shall be authorized but unissued shares.

(b) *Share Use*. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments in the number of shares of Company Stock available under Section 4(a) or in any award granted hereunder if the number of shares of Company Stock actually delivered differs from the number of shares previously counted in connection with an award, provided such counting procedures comply with the requirements of this Section 4(b). Shares of Company Stock subject to an award that is canceled, expired, forfeited, settled in cash or is otherwise terminated without a delivery of shares of Company Stock to a Participant will again be available for awards. Shares of Company Stock withheld in payment of the exercise price or taxes relating to an award and shares of Company Stock surrendered in payment of any exercise price or taxes relating to an award shall be considered shares of Company Stock delivered to the Participant and shall not be available for awards under the Plan. In addition, if the amount payable upon exercise of a Stock Appreciation Right is paid in Company Stock, the total number of shares of Company Stock subject to the Stock Appreciation Right shall be considered shares of Company Stock delivered to the Participant (regardless of the number of shares actually delivered to the Participant) and shall not be available for awards under the Plan.

Shares of Company Stock delivered under the Plan in settlement, assumption or substitution of outstanding awards under the plans or arrangements of another entity shall not reduce the maximum number of shares of Company Stock available for delivery under the Plan, to the extent that such settlement, assumption or substitution is a result of the Company acquiring another entity (or an interest in another entity).

Shares of Company Stock may be issued under this Plan without cash consideration.

5. Eligibility.

(a) *Incentive Awards*. All present and future Service Providers of the Company or any Related Company (whether now existing or hereafter created or acquired) who have contributed or who can be expected to contribute significantly to the Company or a Related Company shall be eligible to receive Incentive Awards under the Plan. The Committee shall have the power and complete discretion, as provided in Section 18, to select eligible Service Providers to receive Incentive Awards and to determine for each Service Provider the nature of the award and the terms and conditions of each Incentive Award.

(b) *Director Awards*. All present and future Independent Directors shall be eligible to receive Director Awards under the Plan. The Board shall have the power and complete discretion to select eligible Independent Directors to receive Director Awards and to determine for each Independent Director the nature of the award and the terms and conditions of each Director Award.

(c) *No Contract of Employment or Services*. The grant of an Award shall not obligate the Company or any Related Company to pay any Service Provider or Independent Director any particular amount of remuneration, to continue the employment or services of the Service Provider

or Independent Director after the grant or to make further grants to the Service Provider or Independent Director at any time thereafter.

(d) *Awards to International Employees.* When granting Awards to Service Providers or Independent Directors who are not United States residents, the Committee (or with respect to Director Awards, the Board) shall have complete discretion and authority to grant such Awards in compliance with all present and future laws of the country or countries with laws that may apply to the grant of the Award or the issuance of Company Stock pursuant to the Award. Such authorization shall extend to and include establishing one or more separate sub-plans that include provisions not inconsistent with the Plan that comply with statutory or regulatory requirements imposed by the country or countries in which the Participant resides.

6. Performance Shares.

(a) The Committee may grant Performance Shares to eligible Service Providers. Whenever the Committee grants Performance Shares, a Grant Agreement shall be given to the Service Provider stating the number of Performance Shares granted and the terms and conditions to which the Award of Performance Shares is subject, and, at that time, the Service Provider shall become a Participant.

(b) The Committee may reserve the right in a Grant Agreement to settle all or any portion of an award of Performance Shares in cash instead of shares of Company Stock, with the cash portion to be determined based on the Fair Market Value as of the date of payment of the shares of Company Stock otherwise payable under the award, or to allow the Participant to defer payment under the award, subject to such terms as the Committee may determine in accordance with Code section 409A.

(c) A Participant shall have no rights as a shareholder until shares of Company Stock are issued under the Performance Share award and all requirements with respect to the issuance of such shares have been satisfied.

(d) A Participant's interest in an award of Performance Shares may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered.

(e) Each Participant who is an Employee may be required to agree at the time of receiving an Award of Performance Shares, and as a condition thereof, to pay to the Employer, or make arrangements satisfactory to the Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, the Employer may delay issuing a stock certificate to the Participant. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, (i) payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

7. Restricted Stock Awards.

(a) The Committee may grant Restricted Stock to eligible Service Providers. Whenever the Committee deems it appropriate to grant Restricted Stock, a Grant Agreement shall be given to the Service Provider stating the number of shares of Restricted Stock granted and the terms and

conditions to which the Restricted Stock is subject, and, at that time, the Service Provider shall become a Participant.

(b) The Committee shall establish as to each award of Restricted Stock the terms and conditions upon which the restrictions set forth in paragraph (c) below shall lapse. The terms and conditions may include the continued performance of services or the achievement of performance conditions measured on an individual, corporate or other basis, or any combination thereof. A Restricted Stock Award, the vesting of which is not conditioned on the achievement Performance Goals or other performance conditions, shall have a vesting period of not less than three (3) years from the Date of Grant of the Restricted Stock Award. A Restricted Stock Award, the vesting of which is conditioned on the achievement of Performance Goals or other performance conditions, shall not vest less than one (1) year from the Date of Grant. Notwithstanding the preceding two sentences, the Committee may, in its discretion and without limitation, provide in the Grant Agreement that restrictions will lapse prior to the expiration of the service or performance period as a result of the Disability, death or Retirement of the Participant or the occurrence of a Change of Control.

(c) No shares of Restricted Stock may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of until the restrictions on the shares established by the Committee have lapsed or been removed.

(d) Upon the acceptance by a Participant of an award of Restricted Stock, the Participant shall, subject to the restrictions set forth in subsection (c) above, have all the rights of a shareholder with respect to the shares of Restricted Stock, including, but not limited to, the right to vote the shares of Restricted Stock and the right to receive all dividends and other distributions paid thereon; provided, however, dividends and other distributions paid with respect to shares of Restricted Stock may be paid to the Participant only to the extent the restrictions on the shares of Restricted Stock have lapsed or been removed, and any dividends and other distributions paid with respect to shares of Restricted Stock that do not become vested shall be forfeited. Certificates representing Restricted Stock may be held by the Company until the restrictions lapse and, upon request, the Participant shall provide the Company with appropriate stock powers endorsed in blank.

(e) Each Participant who is an Employee may be required to agree at the time of receiving an Award of Restricted Stock, and as a condition thereof, to pay to the Employer, or make arrangements satisfactory to the Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, the Employer may delay issuing a stock certificate to the Participant. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, (i) payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

8. Performance Share Units and Restricted Stock Units.

(a) The Committee may grant Performance Share Units and Restricted Stock Units to eligible Service Providers. Whenever the Committee deems it appropriate to grant Performance Share Units or Restricted Stock Units, a Grant Agreement shall be given to the Service Provider stating

the number of Performance Share Units or Restricted Stock Units granted and the terms and conditions to which the Performance Share Units or Restricted Stock Units are subject, and, at that time, the Service Provider shall become a Participant.

(b) The Committee shall establish as to each award of Performance Share Units the terms and conditions upon which the Performance Share Units shall be earned, vest and be paid. The issuance and vesting of Performance Share Units may be conditioned on the achievement of performance conditions measured on an individual, corporate, or other basis, or any combination thereof and on the continued performance of services. The Committee shall establish as to each award of Restricted Stock Units the terms and conditions upon which the Restricted Stock Units shall vest and be paid. Vesting may be conditioned on the continued performance of services or the achievement of performance conditions measured on an individual, corporate, or other basis, or any combination thereof. A Restricted Stock Unit, the vesting of which is not conditioned on the achievement of Performance Goals or other performance conditions, shall not have a vesting period of less than three (3) years from the Date of Grant of the Restricted Stock Unit. A Performance Share Unit or Restricted Stock Unit, the vesting of which is conditioned on the achievement of Performance Goals or other performance conditions, shall not vest less than one (1) year from the Date of Grant. Notwithstanding the foregoing, the Committee may, in its discretion and without limitation, provide in the Grant Agreement that restrictions will expire as a result of one or more of the Disability, death or Retirement of the Participant or the occurrence of a Change of Control.

(c) Performance Share Units and Restricted Stock Units may be paid in cash, Company Stock, or a fixed combination of Company Stock or cash as provided in the Grant Agreement, or the Committee may reserve the right to determine the manner of payment at the time the Performance Share Units or Restricted Stock Units become payable. The delivery of Company Stock in payment of Performance Share Units or Restricted Stock Units may be subject to additional conditions established in the Grant Agreement.

(d) A Participant who receives Performance Share Units or Restricted Stock Units payable in Company Stock shall have no rights as a shareholder until the Company Stock is issued pursuant to the terms of the Grant Agreement and all requirements with respect to the issuance of such shares have been satisfied. The Committee may, in its discretion, provide that a Participant shall be entitled to receive dividend equivalents on outstanding Performance Share Units or Restricted Stock Units. Dividend equivalents may be (i) paid in cash, (ii) credited to the Participant as additional Performance Share Units or Restricted Stock Units, or (iii) a fixed combination of cash and additional Performance Share Units or Restricted Stock Units as provided in the Grant Agreement; provided, however, dividend equivalents with respect to Performance Share Units may be paid to the Participant only to the extent the Performance Goals or other performance conditions applicable to the Performance Share Units are achieved and dividend equivalents with respect to Restricted Stock Units may be paid to the Participant only if the Restricted Stock Units become vested, and any dividends and other distributions paid with respect to Performance Share Units or Restricted Stock Units that are not earned or become vested shall be forfeited.

(e) A Participant's interest in Performance Share Units or Restricted Stock Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered.

(f) Whenever payments under Performance Share Units or Restricted Stock Units are to be made in cash to a Participant who is an Employee, his or her Employer shall be entitled to withhold therefrom an amount sufficient to satisfy any Applicable Withholding Taxes. Each Participant who is an Employee may be required to agree as a condition of receiving Performance Share Units or Restricted Stock Units payable in the form of Company Stock to pay to his or her Employer, or make arrangements satisfactory to the Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements

satisfactory to the Employer have been made, the Employer may delay issuing a stock certificate to the Participant. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, (i) payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

9. Stock Options.

(a) The Committee may grant Options to eligible Service Providers. Whenever the Committee grants Options, a Grant Agreement shall be given to the Service Provider stating the number of shares for which Options are granted, the Option exercise price per share, whether the Options are Incentive Stock Options or Nonstatutory Stock Options, the extent, if any, to which associated Stock Appreciation Rights are granted, and the conditions to which the grant and exercise of the Options are subject, and, at that time, the Service Provider shall become a Participant.

(b) The exercise price of shares of Company Stock covered by an Option shall not be, and shall never become, less than 100% of the Fair Market Value of the shares on the Date of Grant, except as may be provided in Section 15 (regarding certain changes affecting Company Stock). If the Participant is a Ten Percent Shareholder and the Option is intended to qualify as an Incentive Stock Option, the exercise price shall be not less than 110% of the Fair Market Value of such shares on the Date of Grant.

(c) Options may be exercised in whole or in part at the times as may be specified by the Committee in the Participant's Grant Agreement; provided that no Option may be exercised after the expiration of ten (10) years from the Date of Grant. If the Participant is a Ten Percent Shareholder and the Option is intended to qualify as an Incentive Stock Option, the Option may not be exercised after the expiration of five (5) years from the Date of Grant.

(d) Options shall not be transferable except to the extent specifically provided in the Grant Agreement in accordance with applicable securities laws, provided in no event shall Options be transferable to third-party financial institutions. Incentive Stock Options, by their terms, shall not be transferable except by will or the laws of descent and distribution and shall be exercisable, during the Participant's lifetime, only by the Participant.

(e) Options that are intended to qualify as Incentive Stock Options shall be granted only to Employees who meet the eligibility requirements of Section 5.

(f) Options that are intended to qualify as Incentive Stock Options shall, by their terms, not be exercisable after the first to occur of (i) ten (10) years from the Date of Grant (five (5) years if the Participant to whom the Option has been granted is a Ten Percent Shareholder), (ii) three (3) months following the date of the Participant's termination of employment with the Company and all Related Companies for reasons other than Disability or death, or (iii) one (1) year following the date of the Participant's termination of employment on account of Disability or death.

(g) Options that are intended to qualify as Incentive Stock Options shall, by their terms, be exercisable in any calendar year only to the extent that the aggregate Fair Market Value (determined as of the Date of Grant) of the Company Stock with respect to which Incentive Stock Options are exercisable for the first time during the Plan Year does not exceed \$100,000 (the "Limitation Amount"). Incentive Stock Options granted under the Plan and all other plans of the

Company and all Related Companies shall be aggregated for purposes of determining whether the Limitation Amount has been exceeded. The Committee may impose any conditions as it deems appropriate on an Incentive Stock Option to ensure that the foregoing requirement is met. If Incentive Stock Options that first become exercisable in a Plan Year exceed the Limitation Amount, the excess Options shall be treated as Nonstatutory Stock Options to the extent permitted by law.

(h) A Participant who purchases shares of Company Stock under an Option shall have no rights as a shareholder until the Company Stock is issued pursuant to the terms of the Grant Agreement and all requirements with respect to the issuance of such shares have been satisfied.

(i) Options may be exercised by the Participant giving written notice of the exercise to the Company, stating the number of shares the Participant has elected to purchase under the Option. The notice shall be effective only if accompanied by the exercise price in full in cash; provided, however, the Participant (i), unless prohibited by law, may deliver a properly executed exercise notice together with irrevocable instructions to a broker to deliver promptly to the Company, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the exercise price and, if required by the terms of the Option or the Committee in its discretion, Applicable Withholding Taxes, (ii) may deliver shares of Company Stock for which the holder thereof has good title, free and clear of all liens and encumbrances (valued at their Fair Market Value on the date of exercise) in satisfaction of all or any part of the exercise price, (iii) may cause to be withheld from the Option shares, shares of Company Stock (valued at their Fair Market Value on the date of exercise) in satisfaction of all or any part of the exercise price, or (iv) may use any other methods of payment as the Committee, at its discretion, deems appropriate. Until the Participant has paid the exercise price and any Applicable Withholding Taxes, no stock certificate shall be issued.

(j) Each Participant who is an Employee may be required to agree as a condition of the exercise of an Option to pay to his or her Employer, or make arrangements satisfactory to his or her Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, no stock certificate shall be issued upon the exercise of an Option. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, (i) payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

(k) Unless specifically provided in the discretion of the Committee in a writing that references and supersedes this Section 9(k), (i) no Modification shall be made in respect to any Option if such Modification would result in the Option constituting a deferral of compensation, and (ii) no Extension shall be made in respect to any Option if such Extension would result in the Option having an additional deferral feature from the Date of Grant, in each case within the meaning of applicable Treasury Regulations under Code section 409A. Subject to the remaining part of this paragraph (k), (A) a "Modification" means any change in the terms of the Option (or change in the terms of the Plan or applicable Grant Agreement) that may provide the holder of the Option with a direct or indirect reduction in the exercise price of the Option, regardless of whether the holder in fact benefits from the change in terms; and (B) an "Extension" means any of (1) the provision to the holder of an additional period of time within which to exercise the Option beyond the time

originally prescribed, (2) the conversion or exchange of the Option for a legally binding right to compensation in a future taxable year, (3) the addition of any feature for the deferral of compensation to the terms of the Option, or (4) any renewal of the Option that has the effect of any of (1) through (3) above. Notwithstanding the preceding sentence, it shall not be a Modification or an Extension, respectively, to change the terms of an Option in accordance with Section 18, or in any of the other ways or for any of the other purposes provided in applicable Treasury Regulations or other generally applicable guidance under Code section 409A as not resulting in a Modification or Extension for purposes of that section. In particular, it shall not be an Extension to extend the exercise period of an Option to a date no later than the earlier of (x) the latest date upon which the Option could have expired by its original terms under any circumstances or (y) the tenth (10th) anniversary of the original Date of Grant.

10. Stock Appreciation Rights.

(a) The Committee may grant Stock Appreciation Rights to eligible Service Providers. Whenever the Committee grants Stock Appreciation Rights, a Grant Agreement shall be given to the Service Provider stating the number of shares with respect to which Stock Appreciation Rights are granted, the extent, if any, to which the Stock Appreciation Rights are granted in connection with all or any part of a Nonstatutory Stock Option ("Tandem Rights"), and the conditions to which the grant and exercise of the Stock Appreciation Rights are subject, and, at that time, the Service Provider shall become a Participant.

(b) Stock Appreciation Rights (other than Tandem Rights) shall entitle the Participant, upon exercise of all or any part of the Stock Appreciation Rights, to receive in exchange from the Company an amount equal to the excess of (i) the Fair Market Value on the date of exercise of the Company Stock covered by the surrendered Stock Appreciation Right over (ii) the Fair Market Value of the Company Stock on the Date of Grant of the Stock Appreciation Right.

(c) Tandem Rights shall entitle the Participant, upon exercise of all or any part of the Tandem Rights, to surrender to the Company unexercised that portion of the underlying Nonstatutory Stock Option relating to the same number of shares of Company Stock as is covered by the Tandem Right (or the portion of the Tandem Right so exercised) and to receive in exchange from the Company an amount equal to the excess of (i) the Fair Market Value on the date of exercise of the Company Stock covered by the surrendered portion of the underlying Nonstatutory Stock Option over (ii) the exercise price of the Company Stock covered by the surrendered portion of the underlying Nonstatutory Stock Option.

(d) Upon the exercise of a Tandem Right and surrender of the related portion of the underlying Nonstatutory Stock Option, the Nonstatutory Stock Option, to the extent surrendered, shall not thereafter be exercisable.

(e) Subject to any further conditions upon exercise imposed by the Committee, a Tandem Right shall be granted on the same Date of Grant as the related Nonstatutory Stock Option, be transferable only to the extent that the related Nonstatutory Stock Option is transferable, be exercisable only to the extent that the related Nonstatutory Stock Option is exercisable and shall expire no later than the date on which the related Nonstatutory Stock Option expires.

(f) The Committee may limit the amount that the Participant will be entitled to receive upon exercise of Stock Appreciation Rights.

(g) Stock Appreciation Rights shall not be transferable except to the extent specifically provided in the Grant Agreement in accordance with applicable securities laws, provided in no event shall Stock Appreciation Rights be transferable to third-party financial institutions.

(h) Stock Appreciation Rights may be exercised in whole or in part at the times as may be specified by the Committee in the Participant's Grant Agreement; provided that no Stock Appreciation Right may be exercised after the expiration of ten (10) years from the Date of Grant.

(i) A Stock Appreciation Right may only be exercised at a time when the Fair Market Value of the Company Stock covered by the Stock Appreciation Right exceeds the Fair Market Value of the Company Stock on the Date of Grant of the Stock Appreciation Right (or, in the case of a Tandem Right, only to the extent it exceeds the exercise price of the Company Stock covered by the underlying Nonstatutory Stock Option).

(j) The manner in which the Company's obligation arising upon the exercise of a Stock Appreciation Right shall be paid shall be determined by the Committee and shall be set forth in the Grant Agreement. The Grant Agreement may provide for payment in Company Stock or cash, or a fixed combination of Company Stock or cash, or the Committee may reserve the right to determine the manner of payment at the time the Stock Appreciation Right is exercised. Shares of Company Stock issued upon the exercise of a Stock Appreciation Right shall be valued at their Fair Market Value on the date of exercise.

(k) A Participant who acquires shares of Company Stock upon exercise of a Stock Appreciation Right shall have no rights as a shareholder until the Company Stock is issued pursuant to the terms of the Grant Agreement and all requirements with respect to the issuance of such shares have been satisfied.

(l) Stock Appreciation Rights may be exercised by the Participant giving written notice of the exercise to the Company, stating the number of Stock Appreciation Rights the Participant has elected to exercise.

(m) Whenever payments upon exercise of Stock Appreciation Rights are to be made in cash to a Participant who is an Employee, the Employer will withhold therefrom an amount sufficient to satisfy any Applicable Withholding Taxes. Each Participant who is an Employee shall agree as a condition of receiving Stock Appreciation Rights payable in the form of Company Stock to pay to his or her Employer, or make arrangements satisfactory to his or her Employer regarding the payment to the Employer of, Applicable Withholding Taxes. Until the amount has been paid or arrangements satisfactory to the Employer have been made, no stock certificate shall be issued to the Participant. Payment to the Employer in satisfaction of Applicable Withholding Taxes may be in cash. In addition, (i) payment to the Employer in satisfaction of Applicable Withholding Taxes may be made in shares of Company Stock (valued at their Fair Market Value as of the date of payment) to which the Participant has good title, free and clear of all liens and encumbrances; (ii) the Participant may elect to have his or her Employer retain that number of shares of Company Stock (valued at their Fair Market Value as of the date of such retention) that would satisfy all or a specified portion of the Applicable Withholding Taxes; or (iii) unless prohibited by law, the Participant may deliver irrevocable instructions to a broker to deliver promptly to the Employer, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the Applicable Withholding Taxes.

(n) Unless specifically provided in the discretion of the Committee in a writing that references and supersedes this Section 10(n), (i) no Modification shall be made in respect to any Stock Appreciation Right if such Modification would result in the Stock Appreciation Right constituting a deferral of compensation, and (ii) no Extension shall be made in respect to any Stock Appreciation Right if such Extension would result in the Stock Appreciation Right having an additional deferral feature from the Date of Grant, in each case within the meaning of applicable Treasury Regulations under Code section 409A. Subject to the remaining part of this subsection (n), (A) a "Modification" means any change in the terms of the Stock Appreciation Right (or change in the terms of the Plan or applicable Grant Agreement) that may provide the holder of the Stock Appreciation Right with a direct or indirect reduction in the exercise price of the Stock Appreciation Right, regardless of whether the holder in fact benefits from the change in terms; and (B) an "Extension" means any of (1) the provision to the holder of an additional period of time within which to exercise the Stock Appreciation Right beyond the time originally prescribed, (2) the

conversion or exchange of the Stock Appreciation Right for a legally binding right to compensation in a future taxable year, (3) the addition of any feature for the deferral of compensation to the terms of the Stock Appreciation Right, or (4) any renewal of the Stock Appreciation Right that has the effect of any of (1) through (3) above. Notwithstanding the preceding sentence, it shall not be a Modification or an Extension, respectively, to change the terms of a Stock Appreciation Right in accordance with Section 18, or in any of the other ways or for any of the other purposes provided in applicable Treasury Regulations or other generally applicable guidance under Code section 409A as not resulting in a Modification or Extension for purposes of that section. In particular, it shall not be an Extension to extend the exercise period of a Stock Appreciation Right to a date no later than the earlier of (x) the latest date upon which the Stock Appreciation Right could have expired by its original terms under any circumstances or (y) the tenth (10th) anniversary of the original Date of Grant.

11. Director Awards.

(a) *General.* The Board may grant Director Awards to Independent Directors in the form of shares of Restricted Stock, Restricted Stock Units, Performance Share Units, Nonstatutory Options or Stock Appreciation Rights as provided in Sections 7 through 10 above, or in the form of Vested Shares or Vested Share Units as provided in paragraph (b) below. The Board may also grant to Consultants awards in the same forms as Director Awards. Whenever the Board grants shares of Restricted Stock, Restricted Stock Units, Performance Share Units, Nonstatutory Options or Stock Appreciation Rights to an Independent Director, notice shall be given to the Independent Director stating the type of award being made, the number of shares with respect to which the award is granted and the terms and conditions to which the award and (where applicable) the exercise of the award is subject. This notice shall become the Grant Agreement between the Company and the Independent Director and, at that time, the Independent Director shall become a Participant. Restricted Stock, Restricted Stock Units, Performance Share Units, Nonstatutory Options or Stock Appreciation Rights granted to Independent Directors shall otherwise be subject to the terms of the Plan applicable to each type of award as set forth in Sections 7 through 10 above; provided, however, that, notwithstanding anything in Section 7(b) or 8(b) to the contrary, any service or performance period with respect to Restricted Stock, Restricted Stock Units or Performance Share Units granted to Independent Directors or Consultants shall not be less than six (6) consecutive months in length; and provided further, that where context reasonably requires, references throughout Sections 7 through 10 above to the "Committee" shall be read instead as references to the Board wherever the award is to be granted to an Independent Director. The Board shall have all the same rights and powers with respect to the administration of Director Awards as the Committee has with respect to Incentive Awards as provided in Section 18 below (provided that the Board may not delegate its authority with respect to the granting of Director Awards pursuant to Section 18(a)(viii)), and the Board shall be subject to the same limitations with respect to the modification and repricing of outstanding Director Awards as provided therein.

(b) *Vested Shares and Vested Share Units.* The Board may grant Vested Shares and Vested Share Units to Independent Directors or Consultants. Vested Shares shall be immediately transferable (subject to compliance with any applicable securities laws), and the Participant receiving an award of Vested Shares shall have all the rights of a shareholder with respect to such shares as of the Date of Grant. Vested Share Units shall represent the vested right to receive shares of Company Stock at the time specified in the Grant Agreement for the Vested Share Units, and the Participant holding Vested Share Units shall be entitled to receive dividend equivalents on the outstanding Vested Share Units.

12. Recoupment of Awards. The Committee may require in any Grant Agreement that any current or former Participant reimburse the Company for all or any portion of any Award, terminate any

outstanding, unexercised, unexpired or unpaid Award, rescind any exercise, payment or delivery pursuant to an Award or recapture any Company Stock (whether restricted or unrestricted) or proceeds from the Participant's sale of Company Stock issued pursuant to an Award to the extent required by any recoupment or clawback policy adopted by the Committee in its discretion or to comply with the requirements of any applicable laws.

13. Continuing Securities Law Compliance. If at any time on or after the Effective Date, the requirements of any applicable federal or state securities laws should fail to be met, no shares of Company Stock issuable under Non-Option Awards shall be issued and no Options or Stock Appreciation Rights shall be exercisable until the Committee (or, with respect to a Director Award, the Board) has determined that these requirements have again been met. The Committee (or, with respect to a Director Award, the Board) may suspend the right to exercise an Option or Stock Appreciation Right at any time when it determines that allowing the exercise and issuance of Company Stock would violate any federal or state securities or other laws, and may provide that any time periods to exercise the Option or Stock Appreciation Right are extended during a period of suspension.

14. Termination, Modification, Change. If not sooner terminated by the Board, this Plan shall terminate at the close of business on the date that immediately follows the tenth (10th) anniversary of the Effective Date. No new Awards shall be granted under the Plan after its termination. The Board may terminate the Plan at any time and may amend the Plan at any time in any respect as it shall deem advisable; provided that no change shall be made that increases the total number of shares of Company Stock reserved for issuance under the Plan (except pursuant to Section 15), materially modifies the requirements as to eligibility for participation in the Plan, or would otherwise be considered a material revision or amendment under Code section 422 or the listing standards of the principal exchange on which the Company Stock is traded, unless the change is approved by the shareholders of the Company. Notwithstanding the foregoing, the Board may unilaterally amend the Plan and outstanding Awards with respect to Participants as it deems appropriate to ensure compliance with Rule 16b-3 and other applicable federal or state securities laws and to meet the requirements of the Code and applicable regulations or other generally applicable guidance thereunder. Except as provided in the preceding sentence, a termination or amendment of the Plan shall not, without the consent of the Participant, adversely affect a Participant's rights under an Award previously granted to him or her.

15. Change in Capital Structure.

(a) The Committee (or, with respect to a Director Award, the Board) shall proportionately adjust the number and kind of shares of stock or securities of the Company to be subject to the Plan and to Awards then outstanding or to be granted thereunder, the maximum number of shares or securities that may be delivered under the Plan (including the maximum limit on Non-Option Awards or Incentive Stock Options under Section 4), the maximum number of shares or securities that can be granted to an individual Participant under Section 4, the exercise price of Options, the initial Fair Market Value of Company Stock under Stock Appreciation Rights, and other relevant terms of the Plan and any Awards whenever, in the event of a stock dividend, stock split or combination of shares, recapitalization or merger in which the Company is the surviving corporation, or other change in the Company's corporate structure or capital stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), it deems any such adjustment necessary or desirable to preserve the intended benefits of the Plan and any outstanding Awards for the Company and the Participants. The Committee's (or, with respect to a Director Award, the Board's) determination in this regard shall be binding on all persons. If the adjustment would produce fractional shares with respect to any unexercised Option or Stock Appreciation Right or fractional cents with respect to the exercise price thereof, the Committee (or, with respect to a Director Award, the Board) shall round down the number of shares covered by the Option or Stock

Appreciation Right to the nearest whole share and round up the exercise price to the nearest whole cent.

(b) Notwithstanding anything in the Plan to the contrary, the Committee (or, with respect to a Director Award, the Board) may take the foregoing actions without the consent of any Participant, and its determination shall be conclusive and binding on all persons and for all purposes.

16. Corporate Events. In the event of a Change of Control as described in Sections 2(h)(i), (ii) or (iv), or if the Company is otherwise a party to a consolidation or a merger in which the Company is not the surviving corporation, a transaction that results in the acquisition of substantially all of the Company's outstanding stock by a single person or entity, or a sale or a transfer of substantially all of the Company's assets occurs (in any such case, a "Corporate Event"), notwithstanding anything contained in the Plan to the contrary, the provisions of this Section 16 shall apply.

(a) *Replacement Awards; No Immediate Vesting*.

(i) An Award shall not vest upon the occurrence of a Change of Control and shall continue to the extent qualifying as a Replacement Award.

(ii) A "Replacement Award" includes an outstanding Award that continues upon and after the occurrence of a Change of Control and an Award provided to a Participant in replacement of an outstanding Award (such replaced Award, a "Replaced Award") in connection with a Change of Control that satisfies the following conditions:

(A) It has a value at least equal to the value of the Replaced Award;

(B) It relates to publicly traded equity securities of the Company or its successor in the Change of Control or another entity that is affiliated with the Company or its successor following the Change of Control;

(C) Its other terms and conditions are not less favorable to the Participant than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change of Control); and

(D) Upon an involuntary termination of employment or separation from service of a Participant by the Company other than for Cause (and not due to Disability), or a voluntary termination of employment or separation from service by the Participant for Good Reason (if applicable), occurring on or during the period of twenty-four (24) months after the Change of Control, the Replacement Award, to the extent not vested and unrestricted as of such termination of employment or separation from service, shall become fully vested and (if applicable) exercisable and free of restrictions.

The Committee, as constituted immediately before the Change of Control, shall have the discretion to determine whether the conditions of this Section 16(a)(ii) are satisfied.

(b) *Vesting if No Replacement Award*. To the extent that a Replacement Award is not provided to the Participant, upon the occurrence of a Change of Control:

(i) Any and all Options and Stock Appreciation Rights granted hereunder shall become immediately exercisable;

(ii) Any restrictions imposed on Restricted Stock shall lapse and become freely transferable, and all other Awards shall become fully vested; and

(iii) Except as otherwise provided in a Grant Agreement, the payout opportunities attainable at target or, if greater, in the amount determined by the Committee to have been earned thereunder based on performance through the date of the Change of Control, under all outstanding Awards of performance-based Awards shall be deemed to have been earned

for the entire performance period(s) as of the effective date of the Change of Control. The vesting of all such earned Awards shall be accelerated as of the effective date of the Change of Control, and in full settlement of such Awards, there shall be paid out in cash, or in the discretion of the Committee, in shares of Company Stock with a Fair Market Value equal to the amount of such cash.

Except as otherwise determined by the Committee, the foregoing provisions of this Section 16(b) shall apply, and a Participant's outstanding Awards shall not become Replacement Awards, upon the occurrence of a Change of Control following an involuntary termination of employment or separation from service of the Participant by the Company other than for Cause (and not due to Disability), or a voluntary termination of employment or separation from service for Good Reason by the Participant (if applicable), occurring (A) at the request of a third party who was taking steps reasonably calculated to effect such Change of Control or (B) otherwise in contemplation of and within one hundred eighty (180) days before such Change of Control.

17. Dividend Equivalents. An Award may provide the Participant with dividends or dividend equivalents, payable in cash, shares of Company Stock, other securities or other property. In the event the Committee provides for dividends or dividend equivalents to be payable with respect to any Awards denominated in shares of Company Stock, any shares of Company Stock, cash or other property distributable as a dividend or otherwise with respect to such Awards as to which the restrictions have not yet lapsed (and/or performance goals have not been satisfied) shall be accumulated or credited, and shall be subject to the same restrictions and risk of forfeiture as such Awards with respect to which they relate and shall not be paid unless and only to the extent the underlying Awards vest or are earned. The total number of shares of Company Stock available for grant under Section 4(a) shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Company Stock or credited as Performance Shares or Performance Share Units. Notwithstanding the foregoing (but subject to Section 15), neither dividends nor dividend equivalents may be payable with respect to Options or Stock Appreciation Rights.

18. Administration of the Plan.

(a) The Plan shall be administered by the Committee. Subject to the express provisions and limitations set forth in this Plan or the Committee's charter or as otherwise established by the Board, the Committee shall be authorized and empowered to do all things necessary or desirable, in its sole discretion, in connection with the administration of this Plan, including, without limitation, the following:

(i) to prescribe, amend and rescind policies relating to this Plan, and to interpret the Plan, including defining terms not otherwise defined;

(ii) to determine which persons are eligible Service Providers, to which of the Service Providers, if any, Incentive Awards shall be granted hereunder and the timing of any Incentive Awards;

(iii) to grant Incentive Awards to Service Providers and determine the terms and conditions thereof, including the number of shares of Company Stock subject to Incentive Awards and the exercise or purchase price of the shares of Company Stock and the circumstances under which Incentive Awards become exercisable or vested or are forfeited or expire, which terms may but need not be conditioned upon the passage of time, continued employment, the satisfaction of performance conditions (including Performance Goals), the occurrence of certain events, or other factors;

(iv) to establish or verify the extent of satisfaction of any Performance Goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Incentive Award;

(v) to prescribe and amend the terms of the Grant Agreements or other documents evidencing Incentive Awards made under this Plan (which need not be identical);

(vi) to determine whether, and the extent to which, adjustments are required pursuant to Section 15;

(vii) to interpret and construe this Plan, any policies under this Plan and the terms and conditions of any Incentive Award granted hereunder, and to make exceptions to any provisions for the benefit of the Company;

(viii) to delegate, to the extent permitted by the New York Business Corporation Law and the Company's Certificate of Incorporation and Bylaws, any portion of its authority under the Plan to make Incentive Awards to an executive officer of the Company, subject to any conditions that the Committee may establish (including but not limited to conditions on such officer's ability to make awards to "executive officers" within the meaning of Section 16 of the Act); and

(ix) to make all other determinations deemed necessary or advisable for the administration of this Plan.

The Committee may amend the terms of previously granted Incentive Awards so long as the terms as amended are consistent with the terms of the Plan and provided that the consent of the Participant is obtained with respect to any amendment that would be detrimental to him or her, except that such consent will not be required if the amendment is for the purpose of complying with applicable provisions of the Code or any federal or state securities laws.

The Committee is prohibited from Repricing any Option or Stock Appreciation Right without the prior approval of the shareholders of the Company with respect to the proposed Repricing.

(b) The interpretation and construction of any provision of the Plan by the Committee shall be final and conclusive as to any Participant. The Committee may consult with counsel, who may be counsel to the Company, and shall not incur any liability for any action taken in good faith in reliance upon the advice of counsel.

(c) A majority of the members of the Committee shall constitute a quorum, and all actions of the Committee shall be taken by a majority of the members present. Any action may be taken by the Committee in writing or by electronic transmission or transmissions as permitted by the Bylaws of the Company, and any action so taken shall be fully effective as if it had been taken at a meeting.

(d) The Committee may delegate the administration of the Plan to an officer or officers of the Company, and such officer(s) may have the authority to execute and distribute agreements or other documents evidencing or relating to Incentive Awards granted by the Committee under this Plan, to maintain records relating to the grant, vesting, exercise, forfeiture or expiration of Incentive Awards, to process or oversee the issuance of shares of Company Stock upon the exercise, vesting and/or settlement of an Incentive Award, to interpret the terms of Incentive Awards and to take any other actions as the Committee may specify, provided that in no case shall any such officer(s) be authorized to grant Incentive Awards under the Plan, except in accordance with Section 18(a)(viii) above. Any action by an administrator within the scope of its delegation consistent with this paragraph (d) shall be deemed for all purposes to have been taken by the Committee, and references in this Plan to the Committee shall include any such officer(s), provided that the actions and interpretations of any such officer(s) shall be subject to review and approval, disapproval or modification by the Committee.

19. Notice. All notices and other communications required or permitted to be given under the Plan shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first

class, postage prepaid, as follows (a) if to the Company—at the principal business address of the Company to the attention of the Corporate Secretary of the Company; and (b) if to any Participant—at the last address of the Participant on file with (or in the business records of) the Company or as otherwise known to the sender at the time the notice or other communication is sent.

20. No Effect on Other Plans. Nothing contained in the Plan will be deemed in any way to limit or restrict the Company or any Related Company from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

21. Interpretation. The Plan is intended to operate in compliance with the provisions of Rule 16b-3. The terms of the Plan are subject to all present and future regulations and rulings of the Secretary of the Treasury of the United States or his or her delegate relating to the qualification of Incentive Stock Options under the Code. The Plan and the individual Awards under the Plan are intended to comply with any applicable requirements of Code section 409A and shall be interpreted in accordance with such requirements. If any provision of the Plan conflicts with any such regulation or ruling, then that provision of the Plan shall be void and of no effect. The terms of the Plan shall be governed by the laws of the State of North Carolina.

22. Effective Date of the Plan; Limited Effect of Restatement. The Plan shall become effective as of October 29, 2020 subject to approval by the shareholders of the Company. Until (a) the Plan has been approved by the Company's shareholders, and (b) the requirements of any applicable federal or state securities laws have been met, no shares of Company Stock issuable under Non-Option Awards shall be issued and no Options or Stock Appreciation Rights shall be exercisable that, in either case, are not contingent on the occurrence of both such events. This instrument amends and restates the Plan effective as of the Effective Date. Nothing in this instrument shall in any way change, alter or affect the terms of any award made under the Plan prior to the Effective Date of this amendment and restatement or the amount of any Plan benefit or payment due with respect to awards made under the Plan prior to such date.

IN WITNESS WHEREOF, the Company hereby adopts the Plan as of the Effective Date.

UNIFI, INC.

By: /s/ EDMUND M. INGLE

Name: Edmund M. Ingle

Title: Chief Executive Officer

B-21

Mr. Albert P. Carey
7201 West Friendly Avenue Greensboro,
North Carolina 27410

Dear Al:

On behalf of the Board of Directors (the "Board") of Unifi, Inc. (the "Company"), we are pleased to continue your employment as Executive Chairman of the Company on the following terms:

1. **Position.** The Company shall employ you as Executive Chairman of the Board and you agree to provide the services described in Section 2 hereof. Upon your execution and signature, your employment under this letter is effective as of June 29, 2020 (the "Employment Date"), and this letter replaces any prior agreements between you and the Company.
 2. **Duties.** You shall continue to report to the Board and your duties shall be to: (a) provide leadership to the Board and the Company's executive management; (b) act as the primary spokesperson for the Board; (c) act as an adviser and confidant to the Chief Executive Officer of the Company; (d) assist with developing the Company's corporate strategy; (e) in conjunction with management, lead the Company in its relationships with shareholders and business and customer relationships; (f) lead efforts regarding management succession; and (g) have such other duties as the Board may reasonably determine. The Company's principal executive officer shall remain the Chief Executive Officer of the Company.
 3. **Term; Termination.** Your employment shall continue until the Company's annual shareholders' meeting in 2021 and shall be extended by mutual agreement of the Board and you for successive periods thereafter between each of the Company's annual shareholders meeting (the period of actual employment, the "Term"). The Term, and your employment hereunder, may be terminated at any time: (a) by you for any or no reason, on 30 days' prior written notice to the Company (which the Company may, in its sole discretion, make effective as a resignation earlier than the termination date provided in such notice), (b) by the Company, at any time with or without cause by written notice to you, at the election of the Board, and (c) by the Company, at any time with or without cause by written notice to you, due to your failure to be re-elected as a member of the Board by the Company's shareholders. If either you or the Company provide notice of termination pursuant to either the foregoing clause (a) or clause (b), by signing this letter agreement you hereby offer your resignation as a member of the Board effective concurrent with the termination of the Term, which resignation may or may not be accepted by the Board in its sole discretion.
 4. **Base Salary.** Your base salary shall be \$700,000 per fiscal year, payable in accordance with the Company's regular payroll practices. Compensation is reviewed annually by the Compensation Committee of the Board, provided that your base salary and equity compensation will not be reduced. The Company shall deduct and withhold from any amounts payable under this letter agreement such federal, state, local or other taxes to the extent required to be withheld pursuant to applicable law.
 5. **Equity Compensation.** You will receive an award consisting of a combination of restricted stock units ("RSUs") and incentive stock options ("ISOs") annually, the combination having an aggregate grant date value equal to \$700,000. Each such award shall be consistent with the Company's practices for
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other management equity awards and will be subject to the terms of the related RSU and ISO agreements and the terms and conditions of the Company's Amended and Restated 2013 Incentive Compensation Plan (as such plan may be amended, modified, or replaced). This award will be in lieu of any compensation payable to you as a member of the Board. Nothing herein shall affect any outstanding equity agreements between you and the Company prior to the execution of this letter agreement.

6. Reimbursement of Expenses. The Company shall promptly reimburse you for all reasonable and necessary expenses actually incurred by you directly in connection with the business and affairs of the Company and the performance of your duties hereunder, in each case subject to appropriate substantiation and itemization of such expenses and fees in accordance with the guidelines and limitations established by the Company from time to time.

7. Nondisclosure of Confidential Information; Protected Disclosures. You and we agree that your duties under the terms of this letter agreement would result in your acquiring confidential information concerning the Company and its affiliates. You shall not, except in the course of the good faith performance of your duties hereunder or as required by applicable law, without limitation in time or until such information shall have become public other than by your unauthorized disclosure, disclose to others or use, whether directly or indirectly, any Confidential Information (as hereinafter defined) regarding the Company. For purposes of this letter agreement, "Confidential Information" shall mean information about the Company or its clients or customers that was learned by you in the course of your employment by the Company, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information, but excludes information (i) which is in the public domain through no unauthorized act or omission of you; or (ii) which becomes available to you on a non-confidential basis from a source other than the Company without breach of such source's confidentiality or non-disclosure obligations to the Company. You agree to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of your employment or as soon thereafter as possible, (i) all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company or prepared by you during the term of your employment by the Company and (ii) all notebooks and other data relating to research or experiments or other work conducted by you in the scope of such employment. Upon the date of termination of your employment hereunder, you shall, as soon as possible but no later than two (2) days after the date of termination, surrender to the Company all Confidential Information in Executive's possession and return to the Company all Company property in your possession or control, including but not limited to, all paper records and documents, computer disks and access cards and keys to any Company facilities. This Section 7 shall survive the termination of this letter agreement. Pursuant to the Defend Trade Secrets Act of 2016 (8 U.S.C. § 1833(b)), you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the trade secret to your attorney and use the trade secret information in the court proceeding, if you (i) file any document containing the trade secret under seal, and (ii) do not disclose the trade secret, except pursuant to court order. Nothing in this letter agreement, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section. Notwithstanding any provision in any agreement between the Company and you, you may disclose any confidential or non-public information (i) to report possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and

Exchange Commission, the United States Congress and any agency Inspector General, or make other disclosures that are protected under the whistleblower provisions of federal law or regulation or (ii) as required by law or order by a court; provided, however, you agree to notify the Company in advance if you are required to provide information or testimony in connection with any action brought by a non- governmental or non-regulatory person or entity.

8. Miscellaneous. All notices hereunder, to be effective, shall be in writing and shall be deemed effective when delivered by hand or mailed by certified mail, postage and fees prepaid, or nationally recognized overnight express mail service, (a) if to you, in person or at the address last on file with the Company as your home address for payroll purposes and (b) if to the Company, at its corporate headquarters. This letter agreement constitutes the entire agreement and understanding between the Company and you with regard to the subject matter hereof and supersedes all prior understandings and agreements with respect to the subject matter hereof, whether written or oral. This letter agreement may not be amended, supplemented or modified except by an instrument in writing signed on behalf of the Company and you. Any term or condition of this letter agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective, unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this letter agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this letter agreement on any future occasion. This letter agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of laws rules or provisions (whether of the State of North Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of North Carolina. This letter agreement may be executed in counterparts, and either party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. The parties agree that the delivery of this letter agreement may be effected by means of an exchange of facsimile or electronically transmitted signatures.

* * *

If the above terms and conditions are satisfactory to you, please sign both copies of this letter indicating your acceptance and return them to me. An original executed copy will be returned to you.

Yours sincerely,
UNIFI, INC.

/s/ ARCHIBALD COX, JR.
Archibald Cox, Jr.
Lead Independent Director

I hereby acknowledge my receipt and acceptance of the terms and conditions of this offer of employment.

/s/ ALBERT P. CAREY
Albert P. Carey

Date: November 2, 2020

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into on the 2nd day of November, 2020 (the "Signature Date"), by and between Hongjun Ning ("Executive") and Unifi, Inc. (the "Employer" and, collectively with its successors, subsidiaries and affiliated companies, the "Company").

WHEREAS, the Employer desires to retain the services of Executive on the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Employment. Subject to the terms and conditions of this Agreement, the Employer agrees to continue to employ Executive, and Executive agrees to continue to be employed by the Employer pursuant to the terms of this Agreement, the effective date of which is July 1, 2020 (the "Effective Date").
 2. Position. During the period of his employment hereunder, Executive agrees to serve the Company, and the Employer shall employ Executive, as Executive Vice President. If appointed or elected, Executive also shall serve as an officer, director and/or manager of one or more of the Employer's subsidiaries and affiliated companies in such capacity or capacities as may be determined from time to time.
 3. At-Will Employment and Duties.
 - (a) At-Will Employment. Executive and the Employer agree that Executive's employment by the Employer hereunder will be at-will (as defined under applicable law), and may be terminated at any time, for any reason, at the option of either party, subject to the provisions of this Agreement.
 - (b) Duties. During the period of his employment hereunder and except for illness, reasonable vacation periods, and reasonable leaves of absence, Executive shall in good faith devote all of his business time, attention, skill and efforts to the business and affairs of the Company. Executive's duties shall be performed under the supervision of the Employer's principal executive officer or any delegate such officer selects. The foregoing shall not be construed as prohibiting Executive from serving on corporate, civic or charitable boards or committees or making personal investments, so long as such activities do not materially interfere with the performance of Executive's obligations to the Company as set forth herein.
 4. Salary; Bonus; Reimbursement of Expenses; Other Benefits.
 - (a) Salary. In consideration of the services to be rendered by Executive pursuant to this Agreement, the Employer shall pay, or cause to be paid, to Executive a base salary (the "Base Salary") as established by or pursuant to authority granted by the Employer's board of directors (the "Board"). Executive's initial Base Salary shall be \$320,000 per annum. The Base Salary shall be reviewed annually by or pursuant to authority granted by the Board in connection with its annual review of executive compensation to determine if such Base Salary should be increased for the following year in recognition of services to the Company. The Base Salary shall be payable at such intervals in conformity with the Employer's prevailing practice as such practice shall be established or modified from time to time.
 - (b) Bonuses; Additional Compensation. Executive will be eligible to receive bonuses and to participate in compensation plans of the Employer in accordance with any plan or decision
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that the Board, or any committee or other person authorized by the Board, may in its sole discretion determine from time to time.

- (c) Reimbursement of Expenses. Executive shall be paid or reimbursed by the Employer, or an applicable subsidiary or affiliate thereof, in accordance with and subject to the Employer's (or the relevant subsidiary's or affiliate's) general expense reimbursement policies and practices, for all reasonable travel and other business expenses incurred by Executive in performing his obligations under this Agreement.
- (d) Other Benefits. During the period of employment hereunder, Executive shall be entitled to participate in all other benefits of employment generally available to other executives of the Employer and those benefits for which such persons are or shall become eligible, when and as he becomes eligible therefore.

5. Termination of Employment.

- (a) Termination as a Result of Executive's Death or Disability. Executive's employment hereunder shall terminate automatically upon Executive's death and may be terminated by the Employer upon Executive's "Disability" (as hereinafter defined). If Executive's employment hereunder is terminated by reason of Executive's death or Disability, Executive's (or Executive's estate's) right to benefits under this Agreement will terminate as of the date of such termination and all of the Employer's obligations hereunder shall immediately cease and terminate, except that (i) Executive or Executive's estate, as the case may be, will be entitled to receive accrued Base Salary and benefits through the date of termination and (ii) all outstanding unvested equity awards issued to Executive by the Employer shall vest in full upon such termination of employment. As used herein, Executive's "Disability" shall have the meaning set forth in any long-term disability plan in which Executive participates, and in the absence thereof shall mean the determination in good faith by the Board that, due to physical or mental illness, Executive shall have failed to perform his duties on a full-time basis hereunder for one hundred eighty (180) consecutive days and shall not have returned to the performance of his duties hereunder on a full-time basis before the end of such period. If Disability has occurred, termination of Executive's employment hereunder shall occur within thirty (30) days after written notice of such termination is given (which notice may be given before the end of the one hundred eighty (180) day period described above so as to cause termination of employment to occur as early as the last day of such period).
- (b) Termination by Executive for Good Reason or by the Employer other than as a Result of Executive's Death or Disability or for Cause.
 - (i) Executive may terminate Executive's employment hereunder for "Good Reason" (as hereinafter defined), if Good Reason exists, upon at least five (5) days prior written notice to the Employer, and the Employer may terminate Executive's employment hereunder for any reason or for no reason, other than as a result of Executive's death or Disability or for Cause (as hereinafter defined), in each case with the consequences set forth in this Section 5(b).
 - (ii) If Executive's employment hereunder is terminated by Executive for Good Reason or by the Employer other than by reason of Executive's death or Disability and other than for Cause, then, subject to Executive entering into and not revoking a release of claims in favor of the Employer and the Company pursuant to Section 5(e) below, and Executive fully complying with the covenants set forth in Section 6, Executive shall be entitled to the following benefits:

- (1) Cash severance payments equal in the aggregate to twelve (12) months of Executive's annual Base Salary at the time of termination, payable as soon as practicable pursuant to the Company's normal payroll practices.
- (2) In the event Executive elects COBRA continuation coverage for the level of medical coverage he had in force at the time of his termination, the Employer shall reimburse Executive for the monthly cost of such continuation coverage until the earlier of (A) the date Executive ceases to maintain such continuation coverage in effect or
(B) twelve (12) months from the termination of Executive's employment.
- (iii) For purposes of this Agreement, "Good Reason" shall mean: (1) a material reduction (without Executive's express written consent) in Executive's title or responsibilities; (2) the Employer's material breach (without Executive's express written consent) of Sections 2 or 4 of this Agreement; or (3) following a "Change of Control" (as such term is defined in the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan), Executive not being an officer of the ultimate surviving parent business entity resulting from such Change of Control transaction, in a substantially similar role to that performed by Executive for the Employer prior to such Change of Control, for a period of at least twelve (12) months thereafter; provided, that with respect to the foregoing clauses (1) and (2), Executive has provided the Employer written notice of the event or circumstance purporting to constitute Good Reason within thirty (30) days of the event or circumstance occurring and the Employer has not cured such event or circumstance within fifteen
(15) days following the date Executive provides such notice. If the Employer thereafter intentionally repeats the breach it previously cured, such breach shall no longer be deemed curable.
- (c) Termination by Executive other than for Good Reason. Executive may terminate his employment with the Employer other than for Good Reason upon thirty (30) days prior written notice to the Employer, after which the Employer shall have no further obligation hereunder to Executive, except for payment of accrued Base Salary and benefits through the termination date. If Executive so notifies the Employer of such termination, the Employer shall have the right to accelerate the effective date of such termination to any date after the Employer's receipt of such notice, but such acceleration will not be deemed to constitute a termination of Executive's employment by the Employer without Cause, and the consequences of such termination will continue to be governed by this subsection.
- (d) Termination by the Employer for Cause. The Employer may terminate Executive's employment under this Agreement at any time for "Cause" (as hereinafter defined) whereupon the Employer shall have no further obligation hereunder to Executive, except for payment of amounts of Base Salary and benefits accrued through the termination date. For purposes of this Agreement, "Cause" shall mean: (i) the continued willful failure by Executive to substantially perform his duties to the Company,
(ii) the willful engaging by Executive in gross misconduct materially and demonstrably injurious to the Company or (iii) Executive's material breach of Sections 3, 6 or 7 of this Agreement; provided, that with respect to any breach that is curable by Executive, as determined by the Board in good faith, the Employer has provided Executive written notice of the material breach and Executive has not cured such breach, as determined by the Board in good faith, within fifteen (15) days following the date the Employer provides such notice.
- (e) Waiver and Release. In consideration for and as a condition to the payments and benefits provided and to be provided under Section 5(b)(ii) of this Agreement other than those provided under Section 9 (indemnification), Executive agrees that Executive will, within thirty (30) days after the termination of Executive's employment hereunder, deliver to the Employer a fully executed release agreement substantially in a form then used by and agreeable to the Employer and which shall fully and irrevocably release and discharge the Company, its directors, officers, and employees from any and all

claims, charges, complaints, liabilities of any kind, known or unknown, owed to Executive, other than any rights Executive may have under the terms of this Agreement that survive such termination of employment and other than any vested rights of Executive under any of the Company's employee benefit plans or programs that, by their terms, survive or are unaffected by such termination of employment.

6. Certain Covenants by Executive.

- (a) Confidential Information. Executive acknowledges that in his employment hereunder he will occupy a position of trust and confidence. Executive shall not, except in the course of the good faith performance of his duties hereunder or as required by applicable law, without limitation in time or until such information shall have become public other than by Executive's unauthorized disclosure, disclose to others or use, whether directly or indirectly, any Confidential Information (as hereinafter defined) regarding the Company. For purposes of this Agreement, "Confidential Information" shall mean information about the Company or its clients or customers that was learned by Executive in the course of his employment by the Employer, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information, but excludes information (i) which is in the public domain through no unauthorized act or omission of Executive; or (ii) which becomes available to Executive on a non-confidential basis from a source other than the Company without breach of such source's confidentiality or non-disclosure obligations to the Company. Executive agrees to deliver or return to the Employer, at the Employer's request at any time or upon termination or expiration of his employment or as soon thereafter as possible, (i) all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company or prepared by Executive during the term of his employment by the Employer and (ii) all notebooks and other data relating to research or experiments or other work conducted by Executive in the scope of such employment. Upon the date of termination of Executive's employment hereunder, Executive shall, as soon as possible but no later than two (2) days after the date of termination, surrender to the Employer all Confidential Information in Executive's possession and return to the Employer all Company property in Executive's possession or control, including but not limited to, all paper records and documents, computer disks and access cards and keys to any Company facilities.
- (b) Non-Competition. During the period of Executive's employment hereunder and for a period of twelve (12) months after the date of termination of his employment, Executive shall not, directly or indirectly, in the "Restricted Territory" (as hereinafter defined), without the prior written consent of the Employer, provide consultative services or otherwise provide services to (whether as an employee or a consultant, with or without pay) or, own, manage, operate, join, control, participate in, or be connected with (as a shareholder, partner, or otherwise), any business, individual, partner, firm, corporation, or other entity that is then a competitor of the Company (each such competitor a "Competitor of the Company"); provided, however, that the "beneficial ownership" by Executive, either individually or as a member of a "group," as such terms are used in Rule 13d of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of not more than five percent (5%) of the voting stock of any publicly held corporation shall not alone constitute a violation of this Agreement. For purposes of this Agreement, "Restricted Territory" shall mean: (i) the State of North Carolina, (ii) the other contiguous states of the United States of America, and (iii) any other jurisdiction in which the Company is doing or does business during Executive's employment hereunder. Executive and the Employer acknowledge and agree that the business of the Company extends throughout the contiguous states of the United States of America and internationally.
- (c) Non-Solicitation of Customers and Suppliers. During the period of Executive's employment hereunder and for a period of twelve (12) months after the date of termination of Executive's

employment hereunder, Executive shall not, directly or indirectly, influence or attempt to influence customers or suppliers of the Company to divert any of their business to any Competitor of the Company.

- (d) Non-Solicitation of Employees. Executive recognizes that he possesses and will possess Confidential Information about other employees of the Company relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with customers of the Company. Executive recognizes that the information he possesses and will possess about these other employees is not generally known, is of substantial value to the Company in developing its business and in securing and retaining customers, and has been and will be acquired by him because of his business position with the Company. Executive agrees that, during the period of Executive's employment hereunder and for a period of twelve (12) months thereafter, he will not, directly or indirectly, solicit, recruit, induce or encourage or attempt to solicit, recruit, induce, or encourage any employee of the Company (i) for the purpose of being employed by him or by any Competitor of the Company on whose behalf he is acting as an agent, representative or employee or (ii) to terminate his or her employment or any other relationship with the Company. Executive also agrees that Executive will not convey any Confidential Information or trade secrets about other employees of the Company to any other person.

(e) Post-Termination Covenants by Executive.

- (i) Upon the termination of Executive's employment hereunder, regardless of (A) the date, cause, or manner of the Termination of Employment, (B) whether the Termination of Employment is with or without Cause or is a result of Executive's resignation, or (C) whether the Employer provides severance benefits to Executive under this Agreement (the "Termination of Employment"), Executive shall resign and does resign (1) as a member of the Board if serving on the Board at that time and (2) from all positions as an officer, director or manager of the Company and from any other positions with the Company, with all such resignations to be effective upon the date of the Termination of Employment.
- (ii) From and after the Termination of Employment, Executive agrees not to make any statements to the Company's employees, customers, vendors, or suppliers or to any public or media source, whether written or oral, regarding Executive's employment hereunder or termination from the Employer's employment, except as may be approved in writing by an executive officer of the Employer in advance. Executive further agrees not to make any statement (including to any media source, or to the Company's suppliers, customers or employees) or take any action that would disrupt, impair, embarrass, harm or affect adversely the Company or any of the employees, officers, directors, or customers of the Company or place the Company or such individuals in any negative light.
- (iii) From and after the Termination of Employment, Executive agrees to cooperate with and provide assistance to the Company and its legal counsel in connection with any litigation (including arbitration or administrative hearings) or investigation affecting the Company, in which, in the reasonable judgment of the Company's counsel, Executive's assistance or cooperation is needed. Executive shall, when requested by the Company, provide testimony or other assistance and shall travel at the Company's request in order to fulfill this obligation. In connection with such litigation or investigation, the Company shall attempt to accommodate Executive's schedule, shall reimburse Executive (unless prohibited by law) for any actual loss of wages in connection therewith, shall provide Executive with reasonable notice in advance of the times in which Executive's cooperation or assistance is needed, and shall reimburse Executive for any reasonable expenses incurred in connection with such matters.

(f) Injunctive Relief. It is expressly agreed that the Employer will or would suffer irreparable injury, for which a remedy in monetary damages alone would be inadequate, if Executive were to violate any of the provisions of this Section 6 and that the Employer would by reason of such violation be entitled to injunctive relief in a court of appropriate jurisdiction, and Executive further consents and stipulates to the entry of such injunctive relief in such a court prohibiting Executive from so violating Section 6 of this Agreement, in addition to any and all damages or other remedies to which the Employer would be entitled at law or in equity. Nothing herein shall be construed as prohibiting the Employer from pursuing any other equitable or legal remedies for such breach or threatened breach, including the recovery of monetary damages from Executive.

(g) Executive's Acknowledgement. Executive acknowledges and agrees that (i) the restrictive covenants in this Section 6 are reasonable in time, territory and scope, and in all other respects and (ii) should any part or provision of any covenant herein be held invalid, void or unenforceable in any court of competent jurisdiction, such invalidity, voidness, or unenforceability shall not render invalid, void or unenforceable any other part or provision of this Agreement. The restrictive covenants contained herein shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Executive against the Employer, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Employer of these covenants.

(h) Protected Disclosures. Pursuant to the Defend Trade Secrets Act of 2016 (8 U.S.C. § 1833(b)), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if Executive (i) files any document containing the trade secret under seal, and (ii) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section. Notwithstanding any provision in any agreement between Executive and the Company, Executive may disclose any confidential or non- public information (i) to report possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the United States Congress and any agency Inspector General, or make other disclosures that are protected under the whistleblower provisions of federal law or regulation or (ii) as required by law or order by a court; provided, however, Executive agrees to notify the Company in advance if Executive is required to provide information or testimony in connection with any action brought by a non-governmental or non-regulatory person or entity.

(i) Survival of Provisions. The obligations contained in this Section 6 shall survive the termination or expiration of Executive's employment hereunder and shall be fully enforceable thereafter.

7. No Conflict. Executive represents and warrants that Executive is not subject to any agreement, instrument, order, judgment or decree of any kind, or any other restrictive agreement of any character, which would prevent Executive from entering into this Agreement or would conflict with the performance of Executive's duties pursuant to this Agreement. Executive represents and warrants that Executive will not engage in any activity, which would conflict with the performance of Executive's duties pursuant to this Agreement.

8. Notices. Any notice, requests, demands and other communications to be given to a party in connection with this Agreement shall be in writing addressed to such party at such party's "Notice Address," which shall initially be as set forth below:

If to the Company: Unifi, Inc.
7201 West Friendly Avenue Greensboro,
North Carolina 27410 Attn: General Counsel

If to Executive: Hongjun Ning
Most recent address reflected on the
Company's payroll records

A party's Notice Address may be changed or supplemented from time to time by such party by notice thereof to the other party as herein provided. Any such notice shall be deemed effectively given to and received by a party on the first to occur of (a) the date on which such notice is actually delivered (whether by mail, courier, hand delivery, electronic or facsimile transmission or otherwise) to such party's Notice Address and addressed to such party, if such delivery occurs on a business day, or if such delivery occurs on a day which is not a business day, then on the next business day after the date of such delivery, or (b) the date on which such notice is actually received by such party (or, in the case of a party that is not an individual, actually received by the individual designated in the Notice Address of such party). For purposes of the preceding sentence, a "business day" is any day other than a Saturday, Sunday or U.S. federal public legal holiday.

9. Indemnification.

- (a) General. Subject to the limitations set forth in this Section 9, the Employer shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, Executive if Executive was or is made or is threatened to be made a party to or is otherwise involved in any pending, threatened or completed action, suit, arbitration, alternative dispute resolution proceeding, investigation, administrative hearing, or other proceeding, whether by or in the right of the Employer, any other Company, or any other person or entity, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that Executive is or was a director, officer, employee or agent of the Employer or is or was serving at the request of the Employer as a director, officer, member, employee or agent of any other Company or other enterprise, including service with respect to employee benefit plans, against all cost, expense, liability and loss (including without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive or on Executive's behalf in connection with any Proceeding and any appeal therefrom. Executive's rights under this Section 9 shall continue after Executive has ceased acting as a director, officer, member, employee or agent of a Company and shall inure to the benefit of the heirs, executors and administrators of Executive. The Employer's obligation to provide the indemnification set forth in this Section 9(a) shall be subject to Executive having acted in good faith and in a manner Executive reasonably believed to be in or not opposed to the best interests of any Company, and, with respect to any criminal action or proceeding, having had no reasonable cause to believe Executive's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Executive did not act in good faith and in a manner which Executive reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Executive's conduct was unlawful.

(b) Advancement of Expenses. Subject to the limitations set forth in this Section 9, the Employer shall pay the reasonable expenses (including reasonable attorneys' fees) incurred by Executive in defending any Proceeding in advance of its final disposition; provided, however, that such advancement of expenses shall be made only upon receipt of an undertaking by Executive, in a form approved by the Employer, to repay all amounts advanced if it shall ultimately be determined that Executive is not entitled to be indemnified therefor. Executive agrees to reimburse the Employer for all expenses advanced under this Section 9 in the event and only to the extent it shall ultimately be determined by a final adjudication that Executive is not entitled to be indemnified by the Employer for such expenses.

(c) Claims for Indemnification or Advancement; Determination of Eligibility.

(i) Any claim by Executive for indemnification or advancement of expenses under this Agreement shall be made in a writing delivered to the Employer, setting forth in reasonable detail the basis for such indemnification or advancement and the amount requested, and accompanied by appropriate documentation to support the amount so requested (or, in the case of advancement of expenses to be incurred, the basis on which such amount is to be determined). A claim for advancement may include future expenses reasonably expected to be incurred, provided they are generally described in the claim, and provided that the Employer shall not be required to advance particular expenses covered by the claim until it has received appropriate substantiation that those expenses have been incurred and are appropriately included within the advances approved by the Employer pursuant to this Section 9(c).

(ii) Promptly upon its receipt of a written claim for advancement of expenses to which Executive is entitled hereunder, and within sixty (60) days after its receipt of a written claim for indemnity to which Executive is entitled hereunder, the Employer shall pay such advancement (and any future related submissions for advancement of expenses as they are incurred) or such claim for indemnity in full to or as directed by Executive. If and to the extent it is required by law that the Employer make any particular determination as to Executive's eligibility to receive such advancements or indemnity, or whether Executive has met the standards set forth in Section 9(a) hereof, the Employer shall make such determination as promptly as practicable in good faith and in accordance with such requirements of law, and in any event within sixty (60) days after its receipt of the claim from Executive. In the event that the Employer fails to make such determination as to Executive's eligibility, or makes a determination that Executive is ineligible for indemnification or advancement of expenses hereunder, within such sixty (60)-day period, then Executive may seek such determination from a court of competent jurisdiction. In any such proceeding, the Employer shall have the burden of proving that Executive was not entitled to the requested indemnification or advancement of expenses, and any prior determination by the Employer to the contrary shall be to no effect and shall not be given any weight by the court, it being the intention of the parties that any determination by the court as to Executive's eligibility for and entitlement to indemnification or advancement of expenses hereunder shall be made de novo based upon the terms of this Agreement and the evidence presented to such court.

(d) Limitations on Claims. In addition to the limitations on indemnification set forth in Section 9(a) above, the Employer shall not be obligated pursuant to this Agreement:

(i) To indemnify or advance expenses to Executive with respect to a Proceeding initiated by Executive, except (i) for Proceedings authorized or consented to by the Board; or (ii) in the event a claim for indemnification or payment of expenses (including attorneys' fees) made under this Agreement is not paid in full within sixty (60) days after a written claim therefor has been received by the Employer, Executive may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of

prosecuting such claim, including attorneys' fees. In any such action, the Employer shall have the burden of proving that Executive was not entitled to the requested indemnification or payment of expenses under applicable law or this Agreement.

- (ii) To indemnify Executive for any expenses incurred by Executive with respect to any Proceeding instituted by Executive to enforce or interpret this Agreement, unless Executive is successful in establishing Executive's right to indemnification in such Proceeding, in whole or in part; provided, however, that nothing in this Section 9(d)(ii) is intended to limit the Employer's obligation with respect to the advancement of expenses to Executive in connection with any Proceeding instituted by Executive to enforce or interpret this Agreement, as provided in Section 9(c) above.
- (iii) To indemnify Executive in connection with proceedings or claims involving the enforcement of the provisions of this Agreement (other than as otherwise specifically provided for in this Section 9) or any other employment, severance or compensation plan or agreement that Executive may be a party to, or beneficiary of, with the Employer or any other Company.
- (iv) To indemnify Executive on account of any proceeding with respect to which final judgment is rendered against Executive for payment or an accounting of profits arising from the purchase or sale by Executive of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, any similar successor statute, or similar provisions of state statutory law or common law.
- (e) Non-Exclusivity of Rights. The right conferred on Executive by this Section 9 shall not be exclusive of any other rights which Executive may have or hereafter acquire under any statute, provision of the Employer's articles of incorporation or bylaws, agreement, vote of shareholders or disinterested directors or otherwise, or under any insurance maintained by the Employer; but such rights in the aggregate shall not entitle Executive to duplicative multiple recoveries. No amendment or alteration of the Employer's articles of incorporation or bylaws or any other agreement shall adversely affect the rights provided to Executive under this Section 9.
- (f) Savings Clause. If any provision or provisions of this Agreement shall be invalidated on any ground by any court of competent jurisdiction, then the Employer shall nevertheless indemnify Executive as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Employer, to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the full extent permitted by applicable law.

10. Dispute Resolution.

- (a) Any dispute between Executive and the Employer arising out of this Agreement or the performance or nonperformance hereof (except with respect to Section 9), shall, upon the demand of either Executive or the Employer, be settled by binding arbitration in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association as in effect at the time the arbitration is commenced and the provisions of this subsection:
 - (i) The arbitration shall be conducted in Greensboro, North Carolina by a panel of three impartial arbitrators selected in accordance with such rules, unless the parties

shall hereafter mutually agree in writing to have the arbitration conducted by a single arbitrator.

(ii) In conducting the arbitration and rendering their award, the arbitrators shall give effect to the terms of this Agreement, including the choice of applicable law, shall give effect to any other agreement of the parties relating to the conduct of the arbitration, and shall give effect to applicable statutes of limitations.

(iii) The costs of the arbitration, including the fees and expenses of the arbitrators and of the American Arbitration Association, shall be allocated to such parties as, and in such proportions as, the arbitrators shall determine to be just and equitable, which determination shall be set forth in the award.

(iv) Judgment upon the award of the arbitrators may be entered by any court of competent jurisdiction.

(b) Nothing in this Section 10 shall preclude any party from applying to a court of competent jurisdiction for, and obtaining if warranted, preliminary or ancillary relief pending the conduct of such arbitration, or an order to compel the arbitration provided for herein.

(c) Any claim arising out of Section 9, including a claim by Executive for indemnification or advancement of expenses thereunder, shall be brought before the state courts of the State of North Carolina pursuant to Section 12.

11. Assignment; Successors. This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder; provided that, this Agreement shall be binding upon and, subject to the provisions hereof, inure to the benefit of any successor of the Employer and such successor shall be deemed substituted for the Employer under the terms of this Agreement; but any such substitution shall not relieve the Employer of any of its obligations under this Agreement. As used in this Agreement, the term "successor" shall include any person, firm, corporation, or like business entity which at any time, whether by merger, purchase or otherwise, acquires all or a controlling interest in the assets or business of the Employer.

12. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of North Carolina, without giving effect to its principles of conflict of laws. Executive and the Employer each hereby irrevocably consent that both parties are subject to the jurisdiction of the state courts of the State of North Carolina for all purposes in connection with any action or proceeding that arises out of or relates to this Agreement, and further agree that the sole and exclusive venue for any such dispute shall be the General Court of Justice, Superior Court Division, in Guilford County, North Carolina.

13. Withholding. The Employer shall make such deductions and withhold such amounts from each payment made to Executive hereunder as may be required from time to time by law, governmental regulation or order.

14. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

15. Waiver; Modification. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power

hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect except by a writing executed by each party hereto.

16. Severability. The parties have entered into this Agreement for the purposes herein expressed, with the intention that this Agreement be given full effect to carry out such purposes. Therefore, consistent with the effectuation of the purposes hereof, the invalidity or unenforceability of any provision hereof or part thereof shall not affect the validity or enforceability of any other provision hereof or any other part of such provision.

17. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements between them with respect to the subject matter hereof. Without limiting the generality of the foregoing, the obligations under this Agreement with respect to any termination of employment of Executive, for whatever reason, supersede any severance or related obligations of the Company in any policy, plan or practice of the Company or any agreement between Executive and the Company.

18. Counterparts. This Agreement may be executed by the parties hereto in multiple counterparts and shall be effective as of the Effective Date when each party shall have executed and delivered a counterpart hereof, whether or not the same counterpart is executed and delivered by each party. When so executed and delivered, each such counterpart shall be deemed an original and all such counterparts shall be deemed one and the same document. Transmission of images of signed signature pages by facsimile, e-mail or other electronic means shall have the same effect as the delivery in person of manually signed documents.

19. Compliance with Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), to the extent applicable. Notwithstanding any provision herein to the contrary, this Agreement shall be interpreted, operated and administered consistent with this intent. Each separate installment under this Agreement shall be treated as a separate payment for purposes of determining whether such payment is subject to or exempt from compliance with the requirements of Section 409A. In addition, in the event that Executive is a "specified employee" within the meaning of Section 409A (as determined in accordance with the methodology established by the Employer as in effect on the date of termination of Executive's employment hereunder), any payment or benefits hereunder that are nonqualified deferred compensation subject to the requirements of Section 409A shall be provided to Executive no earlier than six (6) months after the date of Executive's "separation from service" within the meaning of Section 409A.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Employer has caused this Agreement to be executed by its duly authorized officer, and Executive has hereunto signed this Agreement, on the Signature Date to be effective as of the Effective Date.

“Employer”:

Unifi, Inc.

By: /s/ EDMUND M. INGLE

Name: Edmund M. Ingle

Title: CEO

“Executive”:

/s/ HONGJUN NING

Name: Hongjun Ning

[signature page to employment agreement]

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into on the 2nd day of November, 2020 (the “Signature Date”), by and between Lucas de Carvalho Rocha (“Executive”) and Unifi, Inc. (the “Employer” and, collectively with its successors, subsidiaries and affiliated companies, the “Company”).

WHEREAS, the Employer desires to retain the services of Executive on the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Employment. Subject to the terms and conditions of this Agreement, the Employer agrees to continue to employ Executive, and Executive agrees to continue to be employed by the Employer pursuant to the terms of this Agreement, the effective date of which is July 1, 2020 (the “Effective Date”).

2. Position. During the period of his employment hereunder, Executive agrees to serve the Company, and the Employer shall employ Executive, as Executive Vice President. If appointed or elected, Executive also shall serve as an officer, director and/or manager of one or more of the Employer’s subsidiaries and affiliated companies in such capacity or capacities as may be determined from time to time.

3. At-Will Employment and Duties.

(a) At-Will Employment. Executive and the Employer agree that Executive’s employment by the Employer hereunder will be at-will (as defined under applicable law), and may be terminated at any time, for any reason, at the option of either party, subject to the provisions of this Agreement.

(b) Duties. During the period of his employment hereunder and except for illness, reasonable vacation periods, and reasonable leaves of absence, Executive shall in good faith devote all of his business time, attention, skill and efforts to the business and affairs of the Company. Executive’s duties shall be performed under the supervision of the Employer’s principal executive officer or any delegate such officer selects. The foregoing shall not be construed as prohibiting Executive from serving on corporate, civic or charitable boards or committees or making personal investments, so long as such activities do not materially interfere with the performance of Executive’s obligations to the Company as set forth herein.

4. Salary; Bonus; Reimbursement of Expenses; Other Benefits.

(a) Salary. In consideration of the services to be rendered by Executive pursuant to this Agreement, the Employer shall pay, or cause to be paid by any applicable affiliate or subsidiary, to Executive a base salary (the “Base Salary”) as established by or pursuant to authority granted by the Employer’s board of directors (the “Board”). Executive’s initial Base Salary shall be approximately

\$260,000 per annum, translated into local currency as applicable and subject to exchange rate fluctuations. The Base Salary shall be reviewed annually by or pursuant to authority granted by the Board in connection with its annual review of executive compensation to determine if such Base Salary should be increased for the following year in recognition of services to the Company. The Base Salary shall be payable at such intervals in conformity with the Employer’s prevailing practice as such practice shall be established or modified from time to time.

- (b) Bonuses; Additional Compensation. Executive will be eligible to receive bonuses and to participate in compensation plans of the Employer in accordance with any plan or decision that the Board, or any committee or other person authorized by the Board, may in its sole discretion determine from time to time.
- (c) Reimbursement of Expenses. Executive shall be paid or reimbursed by the Employer, or an applicable subsidiary or affiliate thereof, in accordance with and subject to the Employer's (or the relevant subsidiary's or affiliate's) general expense reimbursement policies and practices, for all reasonable travel and other business expenses incurred by Executive in performing his obligations under this Agreement.
- (d) Other Benefits. During the period of employment hereunder, Executive shall be entitled to participate in all other benefits of employment generally available to other executives of the Employer and those benefits for which such persons are or shall become eligible, when and as he becomes eligible therefore.

5. Termination of Employment.

- (a) Termination as a Result of Executive's Death or Disability. Executive's employment hereunder shall terminate automatically upon Executive's death and may be terminated by the Employer upon Executive's "Disability" (as hereinafter defined). If Executive's employment hereunder is terminated by reason of Executive's death or Disability, Executive's (or Executive's estate's) right to benefits under this Agreement will terminate as of the date of such termination and all of the Employer's obligations hereunder shall immediately cease and terminate, except that (i) Executive or Executive's estate, as the case may be, will be entitled to receive accrued Base Salary and benefits through the date of termination and (ii) all outstanding unvested equity awards issued to Executive by the Employer shall vest in full upon such termination of employment. As used herein, Executive's "Disability" shall have the meaning set forth in any long-term disability plan in which Executive participates, and in the absence thereof shall mean the determination in good faith by the Board that, due to physical or mental illness, Executive shall have failed to perform his duties on a full-time basis hereunder for one hundred eighty (180) consecutive days and shall not have returned to the performance of his duties hereunder on a full-time basis before the end of such period. If Disability has occurred, termination of Executive's employment hereunder shall occur within thirty (30) days after written notice of such termination is given (which notice may be given before the end of the one hundred eighty (180) day period described above so as to cause termination of employment to occur as early as the last day of such period).
- (b) Termination by Executive for Good Reason or by the Employer other than as a Result of Executive's Death or Disability or for Cause.
 - (i) Executive may terminate Executive's employment hereunder for "Good Reason" (as hereinafter defined), if Good Reason exists, upon at least five (5) days prior written notice to the Employer, and the Employer may terminate Executive's employment hereunder for any reason or for no reason, other than as a result of Executive's death or Disability or for Cause (as hereinafter defined), in each case with the consequences set forth in this Section 5(b).
 - (ii) If Executive's employment hereunder is terminated by Executive for Good Reason or by the Employer other than by reason of Executive's death or Disability and other than for Cause, then, subject to Executive entering into and not revoking a release of claims in favor of the Employer and the Company pursuant to Section 5(e) below, and Executive fully complying with the covenants set forth in Section 6, Executive shall be entitled to the following benefits:

- (1) Cash severance payments equal in the aggregate to twelve (12) months of Executive's annual Base Salary at the time of termination, payable as soon as practicable pursuant to the Company's normal payroll practices.
- (2) In the event Executive elects COBRA continuation coverage for the level of medical coverage he had in force at the time of his termination, the Employer shall reimburse Executive for the monthly cost of such continuation coverage until the earlier of (A) the date Executive ceases to maintain such continuation coverage in effect or
(B) twelve (12) months from the termination of Executive's employment.
- (iii) For purposes of this Agreement, "Good Reason" shall mean: (1) a material reduction (without Executive's express written consent) in Executive's title or responsibilities; (2) the Employer's material breach (without Executive's express written consent) of Sections 2 or 4 of this Agreement; or (3) following a "Change of Control" (as such term is defined in the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan), Executive not being an officer of the ultimate surviving parent business entity resulting from such Change of Control transaction, in a substantially similar role to that performed by Executive for the Employer prior to such Change of Control, for a period of at least twelve (12) months thereafter; provided, that with respect to the foregoing clauses (1) and (2), Executive has provided the Employer written notice of the event or circumstance purporting to constitute Good Reason within thirty (30) days of the event or circumstance occurring and the Employer has not cured such event or circumstance within fifteen (15) days following the date Executive provides such notice. If the Employer thereafter intentionally repeats the breach it previously cured, such breach shall no longer be deemed curable.
- (c) Termination by Executive other than for Good Reason. Executive may terminate his employment with the Employer other than for Good Reason upon thirty (30) days prior written notice to the Employer, after which the Employer shall have no further obligation hereunder to Executive, except for payment of accrued Base Salary and benefits through the termination date. If Executive so notifies the Employer of such termination, the Employer shall have the right to accelerate the effective date of such termination to any date after the Employer's receipt of such notice, but such acceleration will not be deemed to constitute a termination of Executive's employment by the Employer without Cause, and the consequences of such termination will continue to be governed by this subsection.
- (d) Termination by the Employer for Cause. The Employer may terminate Executive's employment under this Agreement at any time for "Cause" (as hereinafter defined) whereupon the Employer shall have no further obligation hereunder to Executive, except for payment of amounts of Base Salary and benefits accrued through the termination date. For purposes of this Agreement, "Cause" shall mean: (i) the continued willful failure by Executive to substantially perform his duties to the Company,
(ii) the willful engaging by Executive in gross misconduct materially and demonstrably injurious to the Company or (iii) Executive's material breach of Sections 3, 6 or 7 of this Agreement; provided, that with respect to any breach that is curable by Executive, as determined by the Board in good faith, the Employer has provided Executive written notice of the material breach and Executive has not cured such breach, as determined by the Board in good faith, within fifteen (15) days following the date the Employer provides such notice.
- (e) Waiver and Release. In consideration for and as a condition to the payments and benefits provided and to be provided under Section 5(b)(ii) of this Agreement other than those provided under Section 9 (indemnification), Executive agrees that Executive will, within thirty (30) days after the termination of Executive's employment hereunder, deliver to the Employer a fully executed release agreement substantially in a form then used by and agreeable to the Employer and which shall fully and irrevocably release and discharge the Company, its directors, officers, and employees from any and all

claims, charges, complaints, liabilities of any kind, known or unknown, owed to Executive, other than any rights Executive may have under the terms of this Agreement that survive such termination of employment and other than any vested rights of Executive under any of the Company's employee benefit plans or programs that, by their terms, survive or are unaffected by such termination of employment.

6. Certain Covenants by Executive.

- (a) Confidential Information. Executive acknowledges that in his employment hereunder he will occupy a position of trust and confidence. Executive shall not, except in the course of the good faith performance of his duties hereunder or as required by applicable law, without limitation in time or until such information shall have become public other than by Executive's unauthorized disclosure, disclose to others or use, whether directly or indirectly, any Confidential Information (as hereinafter defined) regarding the Company. For purposes of this Agreement, "Confidential Information" shall mean information about the Company or its clients or customers that was learned by Executive in the course of his employment by the Employer, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information, but excludes information (i) which is in the public domain through no unauthorized act or omission of Executive; or (ii) which becomes available to Executive on a non-confidential basis from a source other than the Company without breach of such source's confidentiality or non-disclosure obligations to the Company. Executive agrees to deliver or return to the Employer, at the Employer's request at any time or upon termination or expiration of his employment or as soon thereafter as possible, (i) all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company or prepared by Executive during the term of his employment by the Employer and (ii) all notebooks and other data relating to research or experiments or other work conducted by Executive in the scope of such employment. Upon the date of termination of Executive's employment hereunder, Executive shall, as soon as possible but no later than two (2) days after the date of termination, surrender to the Employer all Confidential Information in Executive's possession and return to the Employer all Company property in Executive's possession or control, including but not limited to, all paper records and documents, computer disks and access cards and keys to any Company facilities.
- (b) Non-Competition. During the period of Executive's employment hereunder and for a period of twelve (12) months after the date of termination of his employment, Executive shall not, directly or indirectly, in the "Restricted Territory" (as hereinafter defined), without the prior written consent of the Employer, provide consultative services or otherwise provide services to (whether as an employee or a consultant, with or without pay) or, own, manage, operate, join, control, participate in, or be connected with (as a shareholder, partner, or otherwise), any business, individual, partner, firm, corporation, or other entity that is then a competitor of the Company (each such competitor a "Competitor of the Company"); provided, however, that the "beneficial ownership" by Executive, either individually or as a member of a "group," as such terms are used in Rule 13d of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of not more than five percent (5%) of the voting stock of any publicly held corporation shall not alone constitute a violation of this Agreement. For purposes of this Agreement, "Restricted Territory" shall mean: (i) the State of North Carolina, (ii) the other contiguous states of the United States of America, and (iii) any other jurisdiction in which the Company is doing or does business during Executive's employment hereunder. Executive and the Employer acknowledge and agree that the business of the Company extends throughout the contiguous states of the United States of America and internationally.
- (c) Non-Solicitation of Customers and Suppliers. During the period of Executive's employment hereunder and for a period of twelve (12) months after the date of termination of Executive's

employment hereunder, Executive shall not, directly or indirectly, influence or attempt to influence customers or suppliers of the Company to divert any of their business to any Competitor of the Company.

- (d) Non-Solicitation of Employees. Executive recognizes that he possesses and will possess Confidential Information about other employees of the Company relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with customers of the Company. Executive recognizes that the information he possesses and will possess about these other employees is not generally known, is of substantial value to the Company in developing its business and in securing and retaining customers, and has been and will be acquired by him because of his business position with the Company. Executive agrees that, during the period of Executive's employment hereunder and for a period of twelve (12) months thereafter, he will not, directly or indirectly, solicit, recruit, induce or encourage or attempt to solicit, recruit, induce, or encourage any employee of the Company (i) for the purpose of being employed by him or by any Competitor of the Company on whose behalf he is acting as an agent, representative or employee or (ii) to terminate his or her employment or any other relationship with the Company. Executive also agrees that Executive will not convey any Confidential Information or trade secrets about other employees of the Company to any other person.

(e) Post-Termination Covenants by Executive.

- (i) Upon the termination of Executive's employment hereunder, regardless of (A) the date, cause, or manner of the Termination of Employment, (B) whether the Termination of Employment is with or without Cause or is a result of Executive's resignation, or (C) whether the Employer provides severance benefits to Executive under this Agreement (the "Termination of Employment"), Executive shall resign and does resign (1) as a member of the Board if serving on the Board at that time and (2) from all positions as an officer, director or manager of the Company and from any other positions with the Company, with all such resignations to be effective upon the date of the Termination of Employment.
- (ii) From and after the Termination of Employment, Executive agrees not to make any statements to the Company's employees, customers, vendors, or suppliers or to any public or media source, whether written or oral, regarding Executive's employment hereunder or termination from the Employer's employment, except as may be approved in writing by an executive officer of the Employer in advance. Executive further agrees not to make any statement (including to any media source, or to the Company's suppliers, customers or employees) or take any action that would disrupt, impair, embarrass, harm or affect adversely the Company or any of the employees, officers, directors, or customers of the Company or place the Company or such individuals in any negative light.
- (iii) From and after the Termination of Employment, Executive agrees to cooperate with and provide assistance to the Company and its legal counsel in connection with any litigation (including arbitration or administrative hearings) or investigation affecting the Company, in which, in the reasonable judgment of the Company's counsel, Executive's assistance or cooperation is needed. Executive shall, when requested by the Company, provide testimony or other assistance and shall travel at the Company's request in order to fulfill this obligation. In connection with such litigation or investigation, the Company shall attempt to accommodate Executive's schedule, shall reimburse Executive (unless prohibited by law) for any actual loss of wages in connection therewith, shall provide Executive with reasonable notice in advance of the times in which Executive's cooperation or assistance is needed, and shall reimburse Executive for any reasonable expenses incurred in connection with such matters.

(f) Injunctive Relief. It is expressly agreed that the Employer will or would suffer irreparable injury, for which a remedy in monetary damages alone would be inadequate, if Executive were to violate any of the provisions of this Section 6 and that the Employer would by reason of such violation be entitled to injunctive relief in a court of appropriate jurisdiction, and Executive further consents and stipulates to the entry of such injunctive relief in such a court prohibiting Executive from so violating Section 6 of this Agreement, in addition to any and all damages or other remedies to which the Employer would be entitled at law or in equity. Nothing herein shall be construed as prohibiting the Employer from pursuing any other equitable or legal remedies for such breach or threatened breach, including the recovery of monetary damages from Executive.

(g) Executive's Acknowledgement. Executive acknowledges and agrees that (i) the restrictive covenants in this Section 6 are reasonable in time, territory and scope, and in all other respects and (ii) should any part or provision of any covenant herein be held invalid, void or unenforceable in any court of competent jurisdiction, such invalidity, voidness, or unenforceability shall not render invalid, void or unenforceable any other part or provision of this Agreement. The restrictive covenants contained herein shall be construed as agreements independent of any other provision in this Agreement and the existence of any claim or cause of action of Executive against the Employer, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Employer of these covenants.

(h) Protected Disclosures. Pursuant to the Defend Trade Secrets Act of 2016 (8 U.S.C. § 1833(b)), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if Executive (i) files any document containing the trade secret under seal, and (ii) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section. Notwithstanding any provision in any agreement between Executive and the Company, Executive may disclose any confidential or non- public information (i) to report possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the United States Congress and any agency Inspector General, or make other disclosures that are protected under the whistleblower provisions of federal law or regulation or (ii) as required by law or order by a court; provided, however, Executive agrees to notify the Company in advance if Executive is required to provide information or testimony in connection with any action brought by a non-governmental or non-regulatory person or entity.

(i) Survival of Provisions. The obligations contained in this Section 6 shall survive the termination or expiration of Executive's employment hereunder and shall be fully enforceable thereafter.

7. No Conflict. Executive represents and warrants that Executive is not subject to any agreement, instrument, order, judgment or decree of any kind, or any other restrictive agreement of any character, which would prevent Executive from entering into this Agreement or would conflict with the performance of Executive's duties pursuant to this Agreement. Executive represents and warrants that Executive will not engage in any activity, which would conflict with the performance of Executive's duties pursuant to this Agreement.

8. Notices. Any notice, requests, demands and other communications to be given to a party in connection with this Agreement shall be in writing addressed to such party at such party's "Notice Address," which shall initially be as set forth below:

If to the Company: Unifi, Inc.
7201 West Friendly Avenue Greensboro,
North Carolina 27410 Attn: General Counsel

If to Executive: Lucas de Carvalho Rocha
Most recent address reflected on the
Company's payroll records

A party's Notice Address may be changed or supplemented from time to time by such party by notice thereof to the other party as herein provided. Any such notice shall be deemed effectively given to and received by a party on the first to occur of (a) the date on which such notice is actually delivered (whether by mail, courier, hand delivery, electronic or facsimile transmission or otherwise) to such party's Notice Address and addressed to such party, if such delivery occurs on a business day, or if such delivery occurs on a day which is not a business day, then on the next business day after the date of such delivery, or (b) the date on which such notice is actually received by such party (or, in the case of a party that is not an individual, actually received by the individual designated in the Notice Address of such party). For purposes of the preceding sentence, a "business day" is any day other than a Saturday, Sunday or U.S. federal public legal holiday.

9. Indemnification.

- (a) General. Subject to the limitations set forth in this Section 9, the Employer shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, Executive if Executive was or is made or is threatened to be made a party to or is otherwise involved in any pending, threatened or completed action, suit, arbitration, alternative dispute resolution proceeding, investigation, administrative hearing, or other proceeding, whether by or in the right of the Employer, any other Company, or any other person or entity, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that Executive is or was a director, officer, employee or agent of the Employer or is or was serving at the request of the Employer as a director, officer, member, employee or agent of any other Company or other enterprise, including service with respect to employee benefit plans, against all cost, expense, liability and loss (including without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive or on Executive's behalf in connection with any Proceeding and any appeal therefrom. Executive's rights under this Section 9 shall continue after Executive has ceased acting as a director, officer, member, employee or agent of a Company and shall inure to the benefit of the heirs, executors and administrators of Executive. The Employer's obligation to provide the indemnification set forth in this Section 9(a) shall be subject to Executive having acted in good faith and in a manner Executive reasonably believed to be in or not opposed to the best interests of any Company, and, with respect to any criminal action or proceeding, having had no reasonable cause to believe Executive's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Executive did not act in good faith and in a manner which Executive reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Executive's conduct was unlawful.

- (b) Advancement of Expenses. Subject to the limitations set forth in this Section 9, the Employer shall pay the reasonable expenses (including reasonable attorneys' fees) incurred by Executive in defending any Proceeding in advance of its final disposition; provided, however, that such advancement of expenses shall be made only upon receipt of an undertaking by Executive, in a form approved by the Employer, to repay all amounts advanced if it shall ultimately be determined that Executive is not entitled to be indemnified therefor. Executive agrees to reimburse the Employer for all expenses advanced under this Section 9 in the event and only to the extent it shall ultimately be determined by a final adjudication that Executive is not entitled to be indemnified by the Employer for such expenses.
- (c) Claims for Indemnification or Advancement; Determination of Eligibility.
- (i) Any claim by Executive for indemnification or advancement of expenses under this Agreement shall be made in a writing delivered to the Employer, setting forth in reasonable detail the basis for such indemnification or advancement and the amount requested, and accompanied by appropriate documentation to support the amount so requested (or, in the case of advancement of expenses to be incurred, the basis on which such amount is to be determined). A claim for advancement may include future expenses reasonably expected to be incurred, provided they are generally described in the claim, and provided that the Employer shall not be required to advance particular expenses covered by the claim until it has received appropriate substantiation that those expenses have been incurred and are appropriately included within the advances approved by the Employer pursuant to this Section 9(c).
- (ii) Promptly upon its receipt of a written claim for advancement of expenses to which Executive is entitled hereunder, and within sixty (60) days after its receipt of a written claim for indemnity to which Executive is entitled hereunder, the Employer shall pay such advancement (and any future related submissions for advancement of expenses as they are incurred) or such claim for indemnity in full to or as directed by Executive. If and to the extent it is required by law that the Employer make any particular determination as to Executive's eligibility to receive such advancements or indemnity, or whether Executive has met the standards set forth in Section 9(a) hereof, the Employer shall make such determination as promptly as practicable in good faith and in accordance with such requirements of law, and in any event within sixty (60) days after its receipt of the claim from Executive. In the event that the Employer fails to make such determination as to Executive's eligibility, or makes a determination that Executive is ineligible for indemnification or advancement of expenses hereunder, within such sixty (60)-day period, then Executive may seek such determination from a court of competent jurisdiction. In any such proceeding, the Employer shall have the burden of proving that Executive was not entitled to the requested indemnification or advancement of expenses, and any prior determination by the Employer to the contrary shall be to no effect and shall not be given any weight by the court, it being the intention of the parties that any determination by the court as to Executive's eligibility for and entitlement to indemnification or advancement of expenses hereunder shall be made de novo based upon the terms of this Agreement and the evidence presented to such court.
- (d) Limitations on Claims. In addition to the limitations on indemnification set forth in Section 9(a) above, the Employer shall not be obligated pursuant to this Agreement:
- (i) To indemnify or advance expenses to Executive with respect to a Proceeding initiated by Executive, except (i) for Proceedings authorized or consented to by the Board; or (ii) in the event a claim for indemnification or payment of expenses (including attorneys' fees) made under this Agreement is not paid in full within sixty (60) days after a written claim therefor has been received by the Employer, Executive may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of

prosecuting such claim, including attorneys' fees. In any such action, the Employer shall have the burden of proving that Executive was not entitled to the requested indemnification or payment of expenses under applicable law or this Agreement.

- (ii) To indemnify Executive for any expenses incurred by Executive with respect to any Proceeding instituted by Executive to enforce or interpret this Agreement, unless Executive is successful in establishing Executive's right to indemnification in such Proceeding, in whole or in part; provided, however, that nothing in this Section 9(d)(ii) is intended to limit the Employer's obligation with respect to the advancement of expenses to Executive in connection with any Proceeding instituted by Executive to enforce or interpret this Agreement, as provided in Section 9(c) above.
- (iii) To indemnify Executive in connection with proceedings or claims involving the enforcement of the provisions of this Agreement (other than as otherwise specifically provided for in this Section 9) or any other employment, severance or compensation plan or agreement that Executive may be a party to, or beneficiary of, with the Employer or any other Company.
- (iv) To indemnify Executive on account of any proceeding with respect to which final judgment is rendered against Executive for payment or an accounting of profits arising from the purchase or sale by Executive of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, any similar successor statute, or similar provisions of state statutory law or common law.
- (e) Non-Exclusivity of Rights. The right conferred on Executive by this Section 9 shall not be exclusive of any other rights which Executive may have or hereafter acquire under any statute, provision of the Employer's articles of incorporation or bylaws, agreement, vote of shareholders or disinterested directors or otherwise, or under any insurance maintained by the Employer; but such rights in the aggregate shall not entitle Executive to duplicative multiple recoveries. No amendment or alteration of the Employer's articles of incorporation or bylaws or any other agreement shall adversely affect the rights provided to Executive under this Section 9.
- (f) Savings Clause. If any provision or provisions of this Agreement shall be invalidated on any ground by any court of competent jurisdiction, then the Employer shall nevertheless indemnify Executive as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Employer, to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the full extent permitted by applicable law.

10. Dispute Resolution.

(a) Any dispute between Executive and the Employer arising out of this Agreement or the performance or nonperformance hereof (except with respect to Section 9), shall, upon the demand of either Executive or the Employer, be settled by binding arbitration in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association as in effect at the time the arbitration is commenced and the provisions of this subsection:

- (i) The arbitration shall be conducted in Greensboro, North Carolina by a panel of three impartial arbitrators selected in accordance with such rules, unless the parties

shall hereafter mutually agree in writing to have the arbitration conducted by a single arbitrator.

(ii) In conducting the arbitration and rendering their award, the arbitrators shall give effect to the terms of this Agreement, including the choice of applicable law, shall give effect to any other agreement of the parties relating to the conduct of the arbitration, and shall give effect to applicable statutes of limitations.

(iii) The costs of the arbitration, including the fees and expenses of the arbitrators and of the American Arbitration Association, shall be allocated to such parties as, and in such proportions as, the arbitrators shall determine to be just and equitable, which determination shall be set forth in the award.

(iv) Judgment upon the award of the arbitrators may be entered by any court of competent jurisdiction.

(b) Nothing in this Section 10 shall preclude any party from applying to a court of competent jurisdiction for, and obtaining if warranted, preliminary or ancillary relief pending the conduct of such arbitration, or an order to compel the arbitration provided for herein.

(c) Any claim arising out of Section 9, including a claim by Executive for indemnification or advancement of expenses thereunder, shall be brought before the state courts of the State of North Carolina pursuant to Section 12.

11. Assignment; Successors. This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder; provided that, this Agreement shall be binding upon and, subject to the provisions hereof, inure to the benefit of any successor of the Employer and such successor shall be deemed substituted for the Employer under the terms of this Agreement; but any such substitution shall not relieve the Employer of any of its obligations under this Agreement. As used in this Agreement, the term "successor" shall include any person, firm, corporation, or like business entity which at any time, whether by merger, purchase or otherwise, acquires all or a controlling interest in the assets or business of the Employer.

12. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of North Carolina, without giving effect to its principles of conflict of laws. Executive and the Employer each hereby irrevocably consent that both parties are subject to the jurisdiction of the state courts of the State of North Carolina for all purposes in connection with any action or proceeding that arises out of or relates to this Agreement, and further agree that the sole and exclusive venue for any such dispute shall be the General Court of Justice, Superior Court Division, in Guilford County, North Carolina.

13. Withholding. The Employer shall make such deductions and withhold such amounts from each payment made to Executive hereunder as may be required from time to time by law, governmental regulation or order.

14. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

15. Waiver; Modification. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power

hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect except by a writing executed by each party hereto.

16. Severability. The parties have entered into this Agreement for the purposes herein expressed, with the intention that this Agreement be given full effect to carry out such purposes. Therefore, consistent with the effectuation of the purposes hereof, the invalidity or unenforceability of any provision hereof or part thereof shall not affect the validity or enforceability of any other provision hereof or any other part of such provision.

17. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements between them with respect to the subject matter hereof. Without limiting the generality of the foregoing, the obligations under this Agreement with respect to any termination of employment of Executive, for whatever reason, supersede any severance or related obligations of the Company in any policy, plan or practice of the Company or any agreement between Executive and the Company.

18. Counterparts. This Agreement may be executed by the parties hereto in multiple counterparts and shall be effective as of the Effective Date when each party shall have executed and delivered a counterpart hereof, whether or not the same counterpart is executed and delivered by each party. When so executed and delivered, each such counterpart shall be deemed an original and all such counterparts shall be deemed one and the same document. Transmission of images of signed signature pages by facsimile, e-mail or other electronic means shall have the same effect as the delivery in person of manually signed documents.

19. Compliance with Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), to the extent applicable. Notwithstanding any provision herein to the contrary, this Agreement shall be interpreted, operated and administered consistent with this intent. Each separate installment under this Agreement shall be treated as a separate payment for purposes of determining whether such payment is subject to or exempt from compliance with the requirements of Section 409A. In addition, in the event that Executive is a "specified employee" within the meaning of Section 409A (as determined in accordance with the methodology established by the Employer as in effect on the date of termination of Executive's employment hereunder), any payment or benefits hereunder that are nonqualified deferred compensation subject to the requirements of Section 409A shall be provided to Executive no earlier than six (6) months after the date of Executive's "separation from service" within the meaning of Section 409A.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Employer has caused this Agreement to be executed by its duly authorized officer, and Executive has hereunto signed this Agreement, on the Signature Date to be effective as of the Effective Date.

“Employer”:

Unifi, Inc.

By: /s/ EDMUND M. INGLE

Name: Edmund M. Ingle

Title: CEO

“Executive”:

/s/ LUCAS DE CARVALHO ROCHA

Name: Lucas de Carvalho Rocha

**U.S. Producers of Polyester Textured Yarn File Trade Petitions against
Indonesia, Malaysia, Thailand, and Vietnam**

WASHINGTON, November 2, 2020 /PRNewswire/ -- Last week, two major U.S. synthetic yarn producers – Unifi Manufacturing, Inc. (“Unifi”) and Nan Ya Plastics Corporation, America (“Nan Ya”) (collectively, “Petitioners”) – filed petitions alleging that dumped imports of polyester textured yarn from Indonesia, Malaysia, Thailand, and Vietnam are causing material injury to the domestic industry. The purpose of these petitions is to establish conditions of fair competition in the U.S. market. The petitioning domestic producers are asking the U.S. government to investigate the dumping and injury and to impose antidumping duties on the imports of polyester textured yarn from the subject countries.

The products affected by this case are made by Unifi at its production facility in Yadkinville, North Carolina, and by Nan Ya at its production facility in Lake City, South Carolina.

The petitions allege that producers in Indonesia, Malaysia, Thailand, and Vietnam are dumping polyester textured yarn in the U.S. market at sizeable margins:

Country	Dumping Margin Alleged
Indonesia	15.51 percent
Malaysia	75.13 percent
Thailand	56.80 percent
Vietnam	42.29 percent

The petitions were filed concurrently with the United States Department of Commerce (the “Commerce Department”) and the United States International Trade Commission (the “USITC”).

The filing is in response to surging volumes of unfairly-priced polyester textured yarn imports from Indonesia, Malaysia, Thailand, and Vietnam. In January 2020, antidumping and countervailing duty orders were put in place on imports of polyester textured yarn from China and India. Imports from Indonesia, Malaysia, Thailand, and Vietnam replaced the imports from China and India and surged into the U.S. market, causing further injury to U.S. producers. Subject import volume increased from 23.8 million pounds in 2017 to 43.3 million pounds in 2019, or by approximately 81.7 percent over that three-year period. Polyester textured yarn imports from the subject countries continued to rapidly enter the U.S. market in the first half of 2020. The subject imports undersold the domestic industry, taking sales from and exerting considerable downward pricing pressure on U.S. producers.

"Unfortunately, unfairly traded imports from Indonesia, Malaysia, Thailand and Vietnam have surged into the U.S. market, replacing the imports from China and India, and causing

further injury to the domestic industry," said Paul Rosenthal of Kelley Drye & Warren LLP, counsel to Petitioners, adding that they "hope this case will restore fair conditions to the U.S. market and save the jobs of American workers."

As a result of increasing volumes of low-priced imports, the domestic industry has suffered. U.S. producers have experienced declining domestic production and shipment volumes and deteriorating financial performance as a result of the lost sales and price depression and suppression caused by the subject imports.

FACT SHEET

Antidumping duties: Antidumping duties are intended to offset the amount by which a product is sold at less than fair value, or "dumped," in the United States. The margin of dumping is calculated by the Commerce Department. Estimated duties in the amount of the dumping are collected from importers at the time of importation. The USITC, an independent agency, will determine whether the domestic industry is materially injured or threatened with material injury by reason of the unfairly traded imports.

Next steps: The Commerce Department will determine whether to initiate the antidumping duty investigations within 20 days of the filing of the petitions, and the USITC will reach a preliminary determination of material injury or threat of material injury within 45 days of the petition filing. The entire investigative process will take approximately one year, with final determinations of dumping and injury likely occurring by the end of 2021.

Product descriptions: The product covered by the petitions is polyester textured yarn, which is synthetic multifilament yarn that is manufactured from polyester (polyethylene terephthalate). Polyester textured yarn goes through a texturing process, which imparts special properties to the filaments of the yarn, including stretch, bulk, strength, moisture absorption, insulation, and the appearance of a natural fiber. The petitions include all forms of polyester textured yarn, regardless of surface texture or appearance, yarn density and thickness (as measured in denier), number of filaments, finish (luster), cross section, color, or texturing method, and whether packed on spindles, tubes, or beams.

Petitioning companies: The petitioning companies are Unifi Manufacturing, Inc. and Nan Ya Plastics Corporation, America, represented by Kelley Drye & Warren LLP.

SOURCE Kelley Drye & Warren LLP

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