CULP, INC.

AMENDED AND RESTATED CHARTER
OF THE
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The purposes of the Audit Committee (the "Committee") are as follows:

(a) to assist the Board of Directors (the "Board") of Culp, Inc. (the "Corporation") in its oversight of (1) the accounting and financial reporting processes of the Corporation, the audits of the financial statements of the Corporation, and the integrity of the Corporation's financial statements, (2) the Corporation's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Corporation's internal audit function and independent auditor; and

(b) to prepare a Committee report as required by the Securities and Exchange Commission (the "SEC") to be included in the Corporation's proxy statement for its annual meeting of shareholders.

The Committee's primary responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting process and internal control system;
- select the Corporation's independent auditor (subject to shareholder ratification) and set the terms of the audit engagement;
- review, oversee and appraise the performance of the Corporation's independent auditor (including resolution of any disagreements between management and the auditor regarding financial reporting) and internal audit staff; and
- provide an open avenue of communication among the independent auditor, the internal auditor, financial and senior management, and the Board of Directors.

While the Committee has the responsibilities and authority set forth in this Charter, the Committee's function is one of oversight only. The Committee is not responsible for planning or conducting audits or for determining that the Corporation's financial statements and disclosures are complete, accurate and in accordance with generally accepted accounting principles ("GAAP"). Management and the independent auditor have this responsibility.

II. COMPOSITION

The Committee shall be comprised of three or more directors appointed by the Board, each of whom shall be an independent director under the standards of the listing exchange(s) upon which the Company's stock is traded (the "Listing Exchange"), applicable rules and regulations of the SEC, and the Corporation's corporate governance guidelines; free from any relationship that would interfere with the exercise of independent judgment as a member of the

Committee; and shall also satisfy the additional qualifications for audit committee membership set forth in SEC and Listing Exchange rules and regulations, as they may be amended from time to time, including, but not limited to, not having participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the prior three years, all as determined by the Board. All members of the Committee shall have a working familiarity with basic finance and accounting practices and have the ability to read and understand fundamental financial statements, including the Corporation's balance sheet, income statement, and cash flow statement, and at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member's financial sophistication. In addition, t o the extent practicable, at least one member of the Committee should qualify as an "audit committee financial expert" as defined in applicable SEC rules. A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management experience and financial sophistication. The Committee must report to the Corporation on a timely basis to enable the Corporation to disclose under applicable SEC rules whether or not at least one Committee member is an "audit committee financial expert" as defined in the SEC rules.

If a Committee member serves on more than two other public company audit committees, the Board of Directors must have determined that this simultaneous service would not impair the Committee member's ability to serve on the Corporation's audit committee, and the Corporation must disclose this determination on its website or in its proxy statement for its annual meeting.

Unless the Board appoints a Chair of the Committee, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

III. MEETINGS

The Committee shall meet at least five times a year, and otherwise as frequently as circumstances dictate. The Committee shall report regularly to the Board of Directors on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board of Directors as appropriate. The Committee may ask members of management or others to attend any meeting and provide information or advice as needed. As part of its responsibility to foster open communication, the Committee shall meet periodically with each of management, the internal auditors and the independent auditor in separate executive sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately. However, the Committee shall meet regularly without such individuals present.

IV. ACTIVITIES

The following shall be among the principal areas of responsibility and recurring responsibilities of the Committee in carrying out its oversight role. These responsibilities are set forth as a guide, with the understanding that the Committee may supplement them as appropriate.

The Committee shall:

<u>Review of Documents and Reports; Audit Committee Report</u>

1. Review this Charter at least annually and recommend any proposed changes to the

Board.

2. Review and discuss with management and the independent auditor the Corporation's annual audited financial statements and quarterly financial statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Corporation's annual report on Form 10-K and quarterly reports on Form 10-Q.

3. Discuss with management and the independent auditor, as appropriate, the Corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. These discussions may be general in nature, covering, e.g., the types of information to be disclosed and the type of presentation to be made, as opposed to the specific content of each release or each piece of guidance.

4. Review the regular reports to management prepared by the internal auditors and by the independent auditor, management's responses to those reports, any "internal control" or management letter issued or proposed to be issued by the independent auditor.

5. Provide a report to be included in each proxy statement of the Corporation for its annual meeting of shareholders, which report shall include the name of each Committee member and shall:

(i) State whether the Committee has reviewed and discussed the audited financial statements with management;

(ii) Represent that the Committee has discussed the conduct of the audit with the independent auditor and the matters required to be discussed by applicable auditing standards;

(iii) Represent that the Committee has received the written disclosures and the letter from the independent auditor required by applicable regulatory independence standards; and

(iv) State whether, based on a review of the audited financial statements and discussions with the independent auditor, the Committee recommended that the Corporation's financial statements be included in its annual report for filing with the SEC.

Independent Auditor

6. Select and appoint an independent registered public accounting firm to act as the Corporation's independent auditor for the purpose of auditing the Corporation's annual financial statements, books, records, accounts and internal controls over financial reporting (subject to shareholder ratification), considering such independent auditor's independence and effectiveness, and review and approve the audit plan for each fiscal year, including the scope of the proposed audit and the fees and other compensation to be paid to the independent auditor.

The Committee shall have the sole authority and responsibility to appoint, and, if necessary, terminate and replace, the independent auditor, and shall be directly responsible for the engagement, compensation, retention, evaluation and oversight of the independent auditor.

The independent auditor reports directly to the Committee. The Committee's authority includes resolution of disagreements between management and the auditor regarding financial reporting and the receipt of communications from the auditor as may be required under professional standards applicable to the auditor.

The Committee shall also have the authority to select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation.

7. Pre-approve all audit and permitted non-audit and tax services that may be provided by the Corporation's independent auditors, and establish and maintain written policies regarding pre-approval of all audit services and permissible non-audit services to be provided to the Corporation by the independent auditor, and monitor compliance with those policies.

8. At least annually, obtain and review a report by the independent auditor describing (i) the independent auditor's internal quality-control procedures; (ii) any issues raised by the most recent internal quality-control review, peer review, or Public Company Accounting Oversight Board ("PCAOB") review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by it, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditor and the Corporation or any of its subsidiaries; and to discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors. Based on this report, the Committee shall evaluate the independent auditor's qualifications, performance and independence. The Committee shall also assure the regular rotation of the lead audit partner at the Corporation's independent auditors.

9. Review any major non-audit services that have been provided by the independent auditor and the fees therefor in order to ensure that those services have not and will not affect the independence of the independent auditor.

10. Set clear hiring policies for employees or former employees of the independent auditor.

Financial Reporting Processes

11. Discuss with management and the independent auditor the adequacy and effectiveness of the Corporation's internal control over financial reporting, including any significant deficiencies or material weaknesses or changes reported by management and any special audit steps adopted in light of significant control deficiencies or material weaknesses, and the effectiveness of the Corporation's disclosure controls and procedures and management reports thereon.

12. Discuss with the independent auditor and with management, as appropriate, the quality, not just acceptability, of the Corporation's financial reporting and accounting principles and standards, significant changes in such standards or principles or in their application, the clarity of the disclosures in the financial statements and key accounting judgments affecting the Corporation's financial statements, including the rationale for, and alternatives to, those judgments and the impact of the alternatives on the Corporation's financial statements.

13. Consider and review with the independent auditor its significant findings and recommendations, including proposed adjustments, together with management's responses.

14. Review with management and the Corporation's independent auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Corporation's financial statements.

15. Review with management and the Corporation's independent auditors any major issues regarding accounting principles and financial statement presentation and consider, and approve if appropriate, any major changes to the Corporation's auditing and accounting principles and practices suggested by the independent auditor or management.

16. Hold timely discussions with the independent auditor regarding (i) all critical accounting policies and practices; (ii) all alternative treatments of financial information within GAAP related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) other material written communications between the independent auditor and management.

17. Review and discuss with the Corporation's independent auditor any other matters required to be discussed by applicable requirements of the PCAOB and the SEC.

Process Improvement

18. Regularly review with management and the independent auditor any problems or difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to requested information, and management's responses to any such problems or difficulties.

19. Review any significant disagreement between management and the independent auditor in connection with the preparation of the financial statements and management's response to any such disagreements.

20. Review with the independent auditor and management the extent to which any changes or improvements in financial or accounting practices that have been approved by the Committee have been implemented.

21. Establish, maintain and oversee procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal control over financial reporting or accounting controls, or auditing matters. These procedures shall include procedures for the confidential, anonymous submission by employees of concerns regarding accounting, internal control over financial reporting or accounting controls, and/or auditing matters.

Internal Auditors

22. Review, discuss with management and the independent auditor and approve matters related to the internal audit function, including the scope of and changes in its purposes and the responsibilities, organizational structure, resources (including budget and staffing) and qualifications of the internal auditors.

23. Review with management and the internal auditor, or such others as the Committee deems appropriate, the Corporation's internal audit system and the results of internal audits.

Risk Oversight

24. Regularly review and discuss with management, and with the internal audit staff and the independent auditor, as appropriate, risks faced by the Corporation, and the policies, procedures and practices by which management assesses and manages the Corporation's risks, including the Corporation's major financial risk exposure and the steps management has taken to monitor and mitigate such exposure.

25. Regularly review and discuss with management the Corporation's policies, procedures and practices with respect to enterprise risk assessment and risk management (including those risks related to information security, cybersecurity, data protection, sustainability and environmental issues).

Miscellaneous

26. At each meeting of the Board of Directors, report any Committee activities since the last directors' meeting and make such recommendations as the Committee deems appropriate.

27. Review and discuss with management, and with the internal auditor and the independent auditor, as appropriate, the Corporation's compliance with legal and regulatory requirements and developments with respect to those requirements that are of major significance to the Corporation.

28. Review, investigate and monitor other matters pertaining to the integrity or independence of management or the Board, including conflicts of interest, related party transactions, issues regarding adherence to standards of business conduct and other matters involving the Corporation's compliance programs, including the Corporation's Code of Business Conduct and Ethics.

29. Conduct and present to the Board an annual evaluation of the Committee's performance.

V. RESOURCES

Both the independent auditor and the internal auditor may contact the Committee or its Chair directly to review sensitive items that can impact the accuracy of financial reporting or to discuss significant issues that, in their judgment, may warrant follow-up by the Committee.

In discharging its responsibilities, the Committee shall be empowered to investigate any matter brought to its attention, with full access to all books, records, facilities, and personnel of the Corporation. The Committee shall also have the power to retain outside counsel or accounting or other experts, in each case as and on the terms (including fees) that the Committee deems necessary or appropriate in its sole discretion.

The Committee shall have access to such funds of the Corporation as it may require for any of the purposes or responsibilities stated in this Charter.