PROCEDURES FOR REPORTING BY EMPLOYEES OF COMPLAINTS AND CONCERNS REGARDING QUESTIONABLE ACTS

Adopted by the Board of Directors on August 12, 2009
Last updated January 21, 2015

These Procedures replace the “Reporting Employee Concerns of Questionable Acts” Policy Statement adopted by the Board of Directors on February 3, 2004.
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Throughout these Procedures, the words “Gildan” or “Company” refer to Gildan Activewear Inc., its subsidiaries and affiliated companies.

For the sake of conciseness, wherever the forms “he”, “him” and “his” appear in these Procedures, they are to be understood in the generic sense that includes “she” and its related forms.

I. INTRODUCTION

In keeping with Gildan’s commitment to maintaining high ethical standards in all of its operations and business practices, Gildan has established these procedures for the receipt, retention and treatment of complaints and concerns received by the Company from its employees, either anonymously or openly, regarding improper practices or questionable acts by Gildan, its employees, officers, directors, consultants, contractors, agents or suppliers (the “Procedures”).

While Gildan encourages its employees to present concerns and resolve differences through normal management channels, these Procedures have been introduced in part for those instances where an employee reasonably believes that an improper practice or questionable act has not or will not be appropriately resolved with his immediate supervisor or department head. These Procedures have also been adopted to protect Gildan from improper practices or questionable acts committed by an employee, officer, director, consultant, contractor, agent or supplier that may adversely affect the integrity and reputation of Gildan. In all cases, Gildan strives to be proactive in promoting the practice of employees voicing their concerns and undertakes to investigate, remedy and respond to all good faith complaints or concerns within a reasonable time frame.

These Procedures are intended to replace the existing policy and procedures entitled “Reporting Employee Concerns of Questionable Acts” adopted by the Company’s Board of Directors on February 3, 2004.

II. PRINCIPLES

It is the responsibility of every Gildan officer, employee and member of the Board of Directors to bring to the attention of the organization in a timely fashion knowledge of any situation, improper practice or questionable act which might adversely affect the integrity and reputation of Gildan or otherwise harm its employees, customers, shareholders or the community at large.

Improper practices or questionable acts are terms used in these Procedures to describe any illegal, fraudulent, dishonest, or unethical actions by the Company, its employees,
officers, directors, consultants, contractors, agents or suppliers. Concerns of improper practices or questionable acts would include, but not necessarily be limited to:

- questionable accounting practices, internal accounting controls or auditing matters;
- internal control weaknesses;
- theft or fraud;
- conflicts of interest;
- breaches of confidentiality;
- improper use of the Gildan name or property;
- any violation of Gildan’s Code of Conduct by Gildan or any of its employees, contractors, consultants, agents or suppliers; or
- any violation of Gildan’s Code of Ethics and Code of Conduct by Gildan or any of its employees, officers or directors.

No person who in good faith reports improper practices or questionable acts in accordance with these Procedures shall suffer reprisals or retaliation of any kind, including dismissal, demotion, suspension, threats, harassment or any other manner of discrimination in the terms and conditions of employment. Retaliation against an employee who has reported any improper practice or questionable act in good faith is a violation of these Procedures.

When necessary, the Company’s Executive Management Committee may monitor appointment, termination, promotion, performance review and other employment decisions to ensure that prohibited retaliation does not occur. Any Gildan employee who is determined to have engaged in such retaliation will be subject to disciplinary action, up to and including termination of employment.

A knowingly false complaint or report, however, is a violation of these Procedures and subjects the complaining or reporting employee to discipline, up to and including termination.

III. REPORTING OF CONCERNS

1. Communication Reporting Structure
To assist in the effective receipt, retention, reporting, follow-up and resolution of concerns of improper practices or questionable acts, the following communication reporting structure has been implemented:

(i) **Management Channels**

Employees who believe improper practices or questionable acts have or will occur are encouraged to report their concerns through normal management channels, if they feel comfortable doing so. Employees are not required, however, to report improper practices or questionable acts to anyone whom they believe is participating in or condoning the practice or act.

(ii) **Additional Channels of Communication**

Where an employee reasonably believes that an improper practice or questionable act cannot be appropriately resolved with his immediate supervisor or department head, or that he could suffer retaliation by reporting through normal management channels, or that such reporting would not provide the necessary level of confidentiality or as the employee otherwise prefers, the following additional channels of communication are available:

A. Concerns may be reported by delivering a detailed written description of the issue to any one of the members of the Ethics and Fraud Compliance Committee (the “Committee”) via e-mail at employeesconcerns@gildan.com or by regular mail to 600 de Maisonneuve Boulevard West, 33rd Floor, Montreal, Quebec, Canada, H3A 3J2 (see Section 3 below for a description of the Committee’s members and responsibilities).

B. If a member of the Committee or a senior officer of the Company is involved in the matter that is the subject of the complaint, then the reporting employee should deliver a detailed written description of the issue to the independent Chairman of the Board (c/o Mr. William D. Anderson via e-mail at bill.anderson@bell.ca or by regular mail at 600 de Maisonneuve Boulevard West, 33rd Floor, Montreal, Quebec, Canada, H3A 3J2).

C. If a member of the Committee or a senior officer of the Company is involved in the matter and it relates to questionable accounting practices, internal accounting controls or auditing matters, then the reporting
employee should deliver a detailed written description of the issue to the independent Chairman of the Audit and Finance Committee of the Board (c/o Mr. Russell Goodman via e-mail at goodman.tremblant@gmail.com or by regular mail at 600 de Maisonneuve Boulevard West, 33rd Floor, Montreal, Quebec, Canada, H3A 3J2).

D. If the reporting employee does not feel comfortable reporting the matter directly to a member of the Committee, the Chairman of the Board or the Chairman of the Audit and Finance Committee, or if the employee wishes to remain anonymous, the employee should report his complaint through the Integrity and Social Responsibility Hotline (the “Hotline”), the confidential call-answering service that has been set up by the Company through a third-party service provider (see Section 2 below for more details on the Hotline).

E. Any supervisor or manager who receives a complaint of improper practices or questionable acts that cannot be adequately addressed through normal management channels must immediately report the complaint through one of the additional channels of communication outlined above.

(iii) Reporting Complaints

When reporting an improper practice or questionable act, employees are asked to be as factual as possible so as to provide sufficient information on the subject matter in order to allow a thorough investigation, as well as to protect other Gildan employees from inaccurate and potentially harmful accusations arising from misconstrued or misunderstood actions, activities or rumours. Employees are encouraged to leave their names and contact information so that an adequate investigation can be performed, but an employee may make an anonymous complaint if he or she desires.

(iv) Review of Complaints

Complaints received through these Procedures will be reviewed as follows:

A. All complaints received through the Hotline will be reported to the Committee by the third-party Hotline service provider.

B. The Committee will inform the Chairman of the Audit and Finance Committee of any complaints it receives that involve questionable accounting practices, internal accounting controls or auditing matters that,
if true, would have a material impact on Gildan, and the Chairman of the Audit and Finance Committee will be involved in the investigation and resolution of the complaint.

C. The Committee will review each complaint it receives and assign to one or more members of the Committee the responsibility for investigating, resolving and concluding on each reported concern or questionable act. To the extent reasonably practicable, Committee members will be assigned complaints related to their field of responsibility and will use their departments’ resources, or outside resources as considered necessary, for the investigation, resolution and conclusion of such complaints. The findings and conclusions of each Committee member’s investigation will be presented to the Committee.

D. Complaints will be addressed by the Committee with reasonable promptness, considering such factors as the nature and severity of the issue involved and the number of prior complaints being handled by the Committee at the time.

E. The Committee, the Chairman of the Board and the Chairman of the Audit and Finance Committee, as applicable, may retain and/or consult with external auditors, external legal counsel and other experts, on a confidential basis, as necessary to investigate and resolve the complaint.

(v) Follow-Up and Resolution of Complaints

The Committee generally will report the findings and conclusions reached at the end of the investigation to the employee who reported the complaint (if known). If the employee reported through the Hotline, then the Committee will inform the employee through the Hotline.

(vi) Internal Reporting of Complaints

The Committee will present a quarterly status report to the Company’s Executive Management Committee on the complaints received and, where applicable, investigation results and remedial actions. In addition, certain complaints, such as those concerning questionable accounting practices, internal accounting controls or auditing matters, will be reported quarterly (or more frequently, as needed) to the Audit and Finance Committee for an independent review.
2. **Integrity and Social Responsibility Hotline**

While employees are encouraged to report improper practices or questionable acts through normal management channels, the Company also has set up the Hotline as the channel of communication through which employees can make confidential and anonymous complaints regarding these matters if they are more comfortable doing so. The key features of the Hotline are as follows:

- The Hotline is operated by an independent, third-party service provider to provide a confidential call-answering service to receive, retain, record and report all incoming telephone calls from employees wishing to report concerns of improper practices or questionable acts by Gildan, its employees, officers, directors, consultants, contractors, agents or suppliers.

- The call-answering service is offered 24 hours a day, seven days a week, and is available in the local languages of each country in which Gildan operates.

- The toll-free Hotline number is specific to each country and is posted in each office or plant location.

- New employees are informed of the existence of the Hotline by the local Human Resources Department when they begin work at Gildan.

- Details of the reported complaint will be recorded and sorted by its nature (i.e., safety or security matter, accounting, auditing or finance matter, human resources matter or legal matter).

- The employee making a complaint will be assigned an identification number and a call back time will be scheduled in order to protect the confidentiality of subsequent communications with the employee.

- The Hotline will receive, retain and record all calls. The Hotline service provider will report complaints to the Committee on a monthly basis, except for high-priority matters, which will be communicated on a same-day basis.
3. **Ethics and Fraud Compliance Committee**

(i) **Mandate**

The Committee is responsible for overseeing the implementation and administration of these Procedures and for ensuring the effective receipt, retention, reporting, follow-up and resolution of reports of concerns by employees of improper or questionable acts concerning Gildan, its employees, officers, directors, consultants, contractors, agents or suppliers.

(ii) **Composition**

The Committee consists of the persons holding the following or comparable positions within Gildan:

- General Counsel, who serves as the chairperson of the Committee
- Director of Corporate Compliance
- Person in charge of finance
- Person in charge of external reporting and SOX compliance
- Person in charge of human resources
- Person in charge of corporate security
- Person in charge of corporate social responsibility
- Person in charge of enterprise risk management

(iii) **Meetings**

The Committee will meet regularly as needed, but in any event, at least once per fiscal quarter.

4. **Employee Confidentiality**

Information concerning a complaint and information obtained during an investigation will be kept confidential and will not be disclosed to others, to the extent reasonably possible, except on a “need to know” basis or as required by law.
The Hotline is designed to protect employee confidentiality and employee complaints made through the Hotline will remain anonymous. Employees using the service will be assigned an identification number registered with the complaint subject, together with a scheduled call back time, so that subsequent communications can be conducted in a confidential and timely manner.

The nature of certain complaints may require employees to identify themselves to the Committee in order to address and/or correct a situation. In these cases, the Committee’s investigation will be conducted so as to protect the identity of the employee to the extent reasonably possible and nothing will be disclosed to others except on a “need to know” basis or as required by law.

Nothing in these Procedures, however, is intended to prohibit an employee from exercising his or her option to report questionable accounting practices, internal accounting controls or auditing matters anonymously.

5. **Additional Information**

There Procedures are intended as guidelines only. Nothing in these Procedures is intended to alter an employee’s at-will employment status or create any contractual obligations on the part of the Company. Further, the Company reserves the right to modify or deviate from these Procedures in its sole discretion, consistent with applicable law.

Employees with questions regarding these Procedures should contact Eva Gazurek, Director, Legal Affairs and Corporate Compliance, at (514) 340-8928 or egazurek@gildan.com.