



## **CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “**Board**”) of Gildan Activewear Inc. (“**Gildan**” or the “**Company**”) considers strong and transparent corporate governance practices to be an important factor in the overall success of the Company and the Board is committed to adopting and adhering to the highest standards in corporate governance.

The Company continuously reviews its corporate governance practices in order to best comply with Canadian securities legislation, the disclosure and listing requirements of the Toronto Stock Exchange, the U.S. *Sarbanes-Oxley Act of 2002*, other applicable U.S. securities legislation, and the NYSE Corporate Governance Standards approved by the U.S. Securities and Exchange Commission.

Gildan’s Corporate Governance Guidelines (the “**Guidelines**”) provide an overview of the principles, policies and practices of the Board of Directors, which are designed to ensure the independence of the Board and its ability to effectively supervise management’s operation of the Company. The Guidelines are reviewed on an annual basis in order to respond to regulatory developments and emerging best practices with a view to enhancing the Company’s overall governance, with a more comprehensive review occurring every three years.

### **The Board of Directors**

The Board is responsible for the supervision of the management of the Company’s business and affairs, with a view to its long-term interests. Although management conducts the day-to-day operations of the Company, the Board has a duty of stewardship and regularly assesses and monitors management’s performance. The responsibilities of the Board are further detailed in its mandate, which is available on the Company’s website.

### **Committees of the Board**

To assist in exercising its responsibilities, the Board has established three standing committees: the Audit and Finance Committee, the Corporate Governance and Social Responsibility Committee and the Compensation and Human Resources Committee.

Each committee has a mandate that sets out its responsibilities, qualifications for membership, structure and operations. All members of the Board’s committees must qualify as independent directors. In addition, each member of the Audit and Finance Committee must be financially literate and at least one member of such Committee must have accounting or related financial experience and be an audit committee financial expert. The Chair of each committee reports regularly to the Board on the business of the committee and makes recommendations to the Board as necessary or appropriate. Each committee reviews and assesses the adequacy of its mandate on an annual basis and recommends changes for approval by the Board.

The Board has also adopted formal mandates for the Chair of the Board and the Chairs of each of the Audit and Finance Committee, the Corporate Governance and Social Responsibility Committee and the Compensation and Human Resources Committee.

Subject to the Board's term limits and policy for retirement age of directors, each committee chair shall serve for a term of five years, renewable for up to an additional term of up to three years at the discretion of the Board.

### **Board Size**

The Board has the authority under the Company's articles to fix the number of directors, provided that such number is within the range of five to twelve. The Corporate Governance and Social Responsibility Committee is responsible for monitoring the size and composition of the Board and following its annual review, makes recommendations to the Board as necessary.

### **Director Independence**

To better align the interests of the Board with those of Gildan's shareholders, the majority of the directors must qualify as independent directors within the meaning of all applicable laws, rules and regulations. The independence of directors is determined by the Board based on the results of independence questionnaires completed by each director annually, as well as other factual circumstances reviewed by the Board on an ongoing basis.

### **Independent Chair**

The Board shall be led by a Chair who is an independent director. The Board believes this structure contributes to the Board's ability to function independently of management and provide effective oversight. Subject to the Board's term limits and policy for retirement age of directors, the Chair of the Board shall serve for a term of five years, renewable for up to an additional five years at the discretion of the Board.

### **Director Selection**

The Corporate Governance and Social Responsibility Committee is responsible for developing, reviewing and monitoring criteria, as well as establishing procedures for selecting directors. Once the Committee identifies candidates qualified to become Board members, the Committee recommends to the Board such candidates for election at the next annual meeting of shareholders. The Committee uses a skills matrix to assist with reviewing the skills and experience of director candidates and the Board as a whole.

The skills matrix outlines the desired complement of qualifications, attributes, skills, and experience that are important to and necessary for the proper functioning of the Board. The matrix includes industry specific experience and business expertise, such as strategy and risk management, accounting and finance, human capital management and compensation, corporate governance and regulatory, digital and technology, senior leadership experience, manufacturing operations, supply chain, environment and sustainability, and others.

These areas of expertise are intended to dovetail with general qualifications and attributes the Corporate Governance and Social Responsibility Committee seeks in all Board members and candidates, such as high personal and professional ethics and integrity, practical wisdom, senior insight, sound business judgement, a willingness to devote the required amount of time to carry out the duties and responsibilities of Board service, and a willingness to represent the best interests of the Company. The skills matrix is reviewed annually by the Corporate Governance and Social Responsibility Committee to reflect its assessment of the Board's current needs and the Company's strategic priorities.

### **Diversity**

The Company is committed to diversity, equity, and inclusion at all levels in the workplace and on the Board. This includes a commitment to ensuring there are no systemic barriers or biases in the Company's policies, procedures and practices. The Company believes that supporting a diverse workplace is a business imperative that helps the Company and its Board attract and retain the brightest and most talented individuals.

As set forth in the Board Diversity Policy, the Corporate Governance and Social Responsibility Committee will consider diversity, including gender, as well as age, ethnicity, and geographic background, when reviewing qualified candidates for recommendation for appointment or election to the Board to ensure that the Board is comprised of a diverse membership. The Corporate Governance and Social Responsibility Committee will from time to time consider adopting measurable objectives for achieving diversity on the Board and recommend such objectives to the Board for adoption. The Board is committed to achieve at least 30% female representation on the Board as well as to have representation on the Board of at least one racially/ethnically diverse director.

### **Majority Voting**

The Company complies with the majority voting requirements under the CBCA.

### **Attendance at Meetings**

The Company expects its directors to commit sufficient time and effort to the Company's business. Directors are expected to attend all meetings of the Company's shareholders, meetings of the Board of Directors, and meetings of the committees on which they serve. Directors are required to attend a minimum of 75% of Board and committee meetings held in a fiscal year, except where the Corporate Governance and Social Responsibility Committee determines that there were extenuating circumstances that prevented the director from meeting this attendance requirement. The Corporate Governance and Social Responsibility Committee will report any such exception and the reasons therefor to the Board. Information and materials that are important to the directors' understanding of the business to be conducted at the Board or committee meeting will be distributed to the directors in advance of the meeting. Directors are expected to spend the time required to prepare for each meeting to properly discharge their responsibilities.

### **Other Directorships**

Directors are encouraged to limit the number of other boards on which they serve. The Corporate Governance and Social Responsibility Committee will consider the following guidelines, among others, in determining whether an existing director or director candidate is able to devote the requisite time and attention to the Company's affairs:

- Directors should not hold more than four public company directorships, including Gildan;
- Directors who are CEOs or other senior executives of public companies should not hold more than two public company directorships, including Gildan;
- Gildan's President and Chief Executive Officer may not hold more than two public company directorships, including Gildan; and
- Directors may not sit on more than three public company audit committees, including Gildan, without the consent of the Corporate Governance and Social Responsibility Committee and the Board.

Directors should advise the Chairs of the Board and the Corporate Governance and Social Responsibility Committee before accepting an invitation to serve on another board (public, private or not-for-profit) in order to assess whether the director will be able to continue to devote sufficient time to the Company's affairs. The Corporate Governance and Social Responsibility Committee has the discretion to determine, in certain circumstances, whether a director is able to hold public company directorships that exceed the foregoing guidelines and will report its decision in that regard to the Board.

Furthermore, because of the Audit and Finance Committee's demanding role and responsibilities, the Chairs of the Board and the Corporate Governance and Social Responsibility Committee must review any invitation to Audit and Finance Committee members to join the audit committee of another publicly listed entity. Where a member of the Audit and Finance Committee simultaneously serves on the audit committee of more than three public companies, including the Company, the Board determines whether such simultaneous service impairs the ability of such member to effectively serve on Gildan's Audit and Finance Committee. The Board then either requires a correction to the situation or makes the required disclosure that such simultaneous service does not impair the director's ability to serve as a member of the Committee.

### **Interlocking Directorships**

To maintain director independence and to avoid potential conflicts of interest, the Board reviews the number of board interlocks among its directors. Unless otherwise determined by the Board, no more than two directors may serve together on the board of another public company, and directors may not serve together on the boards of more than two other public companies.

### **Change in Principal Occupation**

When a director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the director shall offer to resign from the Board in order to allow the Corporate Governance and Social Responsibility Committee to review the impact of the change on the composition of the Board and make a recommendation to the Board on action to be taken, if any.

### **In Camera Sessions**

To maintain independence from management, the independent Board members meet at each quarterly and special Board meeting, without the presence of management and under the leadership of the independent Chair of the Board. Similarly, each committee of the Board holds separate sessions without management present under the leadership of its Committee Chair at each quarterly and special committee meeting.

### **Disclosure of Conflicts of Interest**

In accordance with applicable law and Gildan company policy, each director is required to disclose to the Board any potential conflict of interest he or she may have in a matter before the Board or a committee thereof at the beginning of the Board or committee meeting. A director who is in a potential conflict of interest must not attend any part of the meeting during which the matter is discussed or participate in a vote on such matter.

### **Board Succession Planning and Renewal**

The Board recognizes the importance of undergoing a regular process of renewal to help it maximize its effectiveness over the long-term. To this effect, the Board reviews its succession plan on an annual basis and has adopted an emergency succession plan in the event of any unforeseen circumstance. Accordingly, the Board has adopted a policy whereby a non-executive director will not, unless otherwise determined by the Board, in its discretion, be nominated for re-election at the annual meeting of shareholders after reaching the earlier of the age of 75 or 15 years of service on the Board. The decision to extend a director's tenure will be reviewed by the Board on an annual basis.

### **Annual Board Performance Assessment**

The Corporate Governance and Social Responsibility Committee is responsible for the board assessment process. This is a comprehensive process that involves assessing the performance and effectiveness of the board as a whole, the committees, committee chairs, and individual directors. The assessment is conducted on an annual basis by the Corporate Governance and Social Responsibility Committee and every third year includes an external assessment conducted by a third-party consultant. When the board assessment is conducted internally, it includes two parts: (i) questionnaires completed by individual directors, and (ii) one-on-one sessions with the Chair of the Board for the purpose of evaluating the Board's responsibilities and functions, its operations, how it compares with boards of other companies on which the directors serve and the performance of the Board's committees, and inviting directors to make suggestions for improving the performance of the Chair of the Board, Committee Chairs and individual directors.

The results of the questionnaires are compiled by the Corporate Secretary for the Chair of the Board on a confidential basis to encourage full and frank commentary. The Chair of the Board then meets with each director individually to engage in a full and frank two-way discussion about board effectiveness and to discuss any areas for improvement.

The results of the questionnaires as well as any issues raised during individual interviews, including, when applicable, the results of the third-party board performance assessment are presented and are discussed at the next regular meeting of the Corporate Governance and Social Responsibility Committee. Based on the outcome of the discussion, the Chair of this Committee then presents to the Board the Committee's findings and its recommendations to enhance the performance and effectiveness of the Board and its committees.

### **Director Compensation**

The Company's director compensation program is designed to attract and retain highly qualified individuals to serve on the Board and its committees, align the interests of directors with the long-term interests of its shareholders, and provide appropriate compensation for the risks and responsibilities associated with being a director of the Board.

The compensation of directors is determined by the Board based on the reviews and recommendations of its Corporate Governance and Social Responsibility Committee who may retain any independent firm to advise on directors' compensation. In accordance with its mandate, the Corporate Governance and Social Responsibility Committee reviews regularly and makes recommendations to the Board on the adequacy and form of the compensation for non-executive directors, taking into account the responsibilities and risks involved and the importance of not compromising directors' independence. The Committee also reviews regularly and makes recommendations to the Board on the amount and form of compensation for the Chair of the Board and the Committee Chairs.

### **Director Share Ownership**

The Board of Directors believes that the economic interests of directors should be aligned with those of the Company's shareholders. To achieve this and to ensure that directors are focused on the Company's long-term success, all non-executive directors are expected to own a significant amount of the Company's common shares and/or deferred share units. The Board has therefore adopted a formal director share ownership policy pursuant to which each non-executive director is expected, over a period of five years of joining the board, to own and maintain ownership of an amount of Gildan common shares (or deferred share units) which is equivalent in value to six times the cash portion of the annual Board retainer (based on the market value of the common shares on the New York Stock Exchange). Directors must maintain the required ownership during their director tenure and are prohibited from purchasing financial instruments designed to hedge, monetize, or offset a decrease in the market value of Gildan's equity securities.

The Company has adopted a Deferred Share Unit Plan for the non-executive directors to align their economic interests with those of the Company's shareholders and help them meet the director share ownership policy requirements.

A proportion of the annual Board retainer fee is paid in the form of deferred share units. Board members are also credited with additional deferred share units whenever cash dividends are paid on common shares of the Company.

### **Director Orientation and Continuing Education**

The mandate of the Corporate Governance and Social Responsibility Committee provides that this Committee is responsible for developing, monitoring, and reviewing orientation, mentorship programs, and continuing education programs for directors.

New directors are provided with an extensive information package on the Company's business, its strategic and operational business plans, its operating performance, its governance system and its financial position. New directors also attend one-on-one orientation sessions with the President and CEO and other senior executives to develop a greater understanding of our business and operations. The committee chairs also meet with new directors to discuss board and committee priorities and expectations of individual directors. The Board ensures that new Board members fully understand the role of the Board and its committees and the contribution that individual directors are expected to make, including, in particular, the personal commitment that the Company expects of its directors. To this effect, new directors are assigned to a current director who serves as a mentor to offer ongoing guidance regarding the work of the board and committees and other matters.

In addition, the Chair of the Board, in consultation with the Corporate Governance and Social Responsibility Committee, ensures that Board members have access to education and information on an ongoing basis and as required. To facilitate ongoing education of the Company's directors, senior management makes regular presentations to the Board on the main areas of the Company's business and arranges for external experts to present to the Board and/or its committees on topics of interest which are relevant to the Company's business. Further, the Committee will periodically canvass the directors to determine their training and education needs and interests and arrange trips to Gildan's various facilities and operations. Finally, directors are encouraged to participate in outside professional development programs and the Company reimburses each director up to a pre-determined amount each year to cover expenses associated with participation in such programs.

### **Retention of Independent Advisors**

In performing their responsibilities, the Board or any committee of the Board may, as required and subject to advising the Chair of the Board, engage an outside advisor for advice and assistance at the Company's expense. Any individual director may also, subject to the approval of the Chair of the Board, retain an outside advisor at the Company's expense.

### **Direct Access to Management**

Members of the Board have full access to the management of the Company. In addition, the Board encourages management to address the Board in those instances where a manager's expertise and assistance can enhance the Board's understanding of a particular issue under its consideration.

## **CEO and Executive Succession Planning**

The Board, directly and through its Compensation and Human Resources Committee, is responsible for overseeing the existence of appropriate mechanisms regarding succession planning for the Chief Executive Officer of the Company (the “CEO”) and other key management positions. The Board formally addresses succession planning at least once a year during a private session with the CEO. At the meeting, the CEO presents to the Board his succession plan, as well as the succession plans of each of the executive officers. The Board assesses whether there is a readiness to fill potential vacancies with qualified people by discussing the qualifications required for the key positions, the competencies and development considerations for each potential successor candidate, and the performance of individual executives in their current roles.

## **Code of Ethics and Other Corporate Policies**

Gildan is committed to the highest standards of ethical business conduct. The Board has adopted the Gildan Code of Ethics (the “Code of Ethics”), which is applicable to all Gildan directors, officers and employees. The Code of Ethics has been developed to serve as both as a framework in guiding the Company’s operations and business practices throughout the world and as a guide to help employees make decisions that are consistent with Gildan’s core values and principles.

The Code of Ethics addresses several matters, including conflicts of interest, integrity of corporate records, confidentiality of corporate information, protection and use of corporate assets and opportunities, employee relations, protection of human rights, health and safety, anti-corruption laws, insider trading, compliance with laws and reporting of unethical or illegal behaviour. The Corporate Governance and Social Responsibility Committee is responsible for monitoring compliance with the Code of Ethics. The Code of Ethics is distributed to and signed by each of the Company’s employees when they are hired. In addition, the Company conducts an annual compliance certification process whereby officers and select employees are required to certify their compliance with the Code of Ethics and other corporate key policies such as the Anti-corruption Policy and Compliance Program, the Information Assets Protection Policy and Procedures as well as to disclose any existing or potential conflicts of interests. The General Counsel and Corporate Secretary of the Company reports the results of such process to the Board on an annual basis.

In addition to the Code of Ethics, the Board has adopted various corporate policies, including the Whistleblowing Policy for Employees and External Stakeholders Concerns, that provide both employees and non- employees with a mechanism for reporting unethical or questionable acts by the Company or employees thereof.

## **Shareholder Engagement**

The Board recognizes the importance of engaging in constructive and meaningful communications with the Company’s shareholders and values their input and insights. To facilitate this engagement, the Company has adopted a Shareholder Engagement Policy which outlines the Board’s approach to communication and engagement with the Company’s shareholders.



On an annual basis as part of its shareholder engagement plan, the Chair of the Board meets with institutional shareholders to engage proactively and reactively with Gildan's key institutional shareholders and to discuss governance-related matters. The Chair of the Board determines which committee chairs or other directors will attend the meetings based on the topics to be discussed. Those directors will prepare a report on the meeting for the Corporate Governance and Social Responsibility Committee.

Shareholders may initiate communications with and provide feedback directly to the Board, care of the Corporate Secretary, either (i) by mail in an envelope marked "confidential" addressed to the Gildan Board of Directors, Gildan Activewear Inc., 600 de Maisonneuve Boulevard West, 33rd Floor, Montreal, Quebec, H3A 3J2, Canada, or (ii) by e-mail at [corporate.governance@gildan.com](mailto:corporate.governance@gildan.com).

### **Risk Management**

Effective risk oversight is an important priority for the Board. The Board has implemented a risk governance framework to:

- understand critical risks in the Company's business and strategy;
- allocate responsibilities for risk oversight among the full Board and its committees;
- oversee the systems in place to identify and manage business risks and opportunities; and
- foster an appropriate culture of risk awareness.

The Board implements its risk oversight function both as a whole and through its committees based on the above-mentioned risk governance framework, which sets out specific policies and processes for the continuous assessment of risks to our business. These include risks related to our operations, finances, compliance, cybersecurity, strategy, and the environment, including climate change as well as political, social, and human rights risks. The Audit and Finance Committee oversees both the processes in place to identify business risks and opportunities and the implementation of processes to manage such risks and opportunities. This Committee also oversees risks related to the Company's financial statements, the financial reporting process and accounting matters. Similarly, the Compensation and Human Resources Committee oversees risk identification and management in relation to compensation policies and, on an annual basis, identifies and assesses the risks associated with each component of the senior executives' global compensation. Finally, the Corporate Governance and Social Responsibility Committee oversees compliance with Gildan's policies and practices relating to business ethics, bribery and corruption, as well as environmental and social responsibility matters, including climate change, labour, human rights, health and safety, and other sustainability issues.

The Audit and Finance Committee receives regular updates from management on its risk management process and initiatives. In addition, once a year, management presents to the Board, in connection with its long-term strategic plan, an analysis of each of the key risks that could increase the variability of the plan.

**Amendment**

These Guidelines may be amended by the Board from time to time.

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Adopted by the Board of Directors on February 3, 2004.

Last amended on July 31, 2024.