



**May 12, 2024**

## **CEO SUCCESSION PLANNING PROCESS**

Gildan Activewear Inc. (“Gildan” or the “Company”) is providing supplemental disclosure to what has been disclosed in the Company’s Management Information Circular (“MIC”) filed on April 29, 2024, and references to existing public disclosure regarding the Company’s CEO succession planning process. As made clear in this documentation, Mr. Glenn J. Chamandy was involved in Gildan’s multi-year CEO succession planning process, particularly starting in 2021. This submission has been prepared in response to requests from shareholders and their representatives.

### **Appendix A: Timeline of Key Milestones in Gildan’s CEO Search Process**

Provided in Appendix A is a timeline and description of key milestones that were achieved in Gildan’s CEO search process. The process, which was led by a leading international executive search firm, was conducted in accordance with best practices for recruiting a public company CEO.

### **Appendix B: Select Excerpts of Gildan’s 2024 MIC**

Provided in Appendix B is select excerpts of Gildan’s 2024 MIC, highlighting relevant publicly disclosed information about the Company’s robust CEO succession planning process, Mr. Chamandy’s misconduct, and the recruitment of Gildan’s President and CEO Vince Tyra.

### **Appendix C: March 31, 2022 Board Meeting Minutes**

Provided in Appendix C is a copy of the March 31, 2022, meeting minutes of the board of directors (the “Board”) of Gildan as recorded by Gildan’s external legal advisor. The only agenda item of this meeting was CEO succession planning. As the record shows, Mr. Chamandy was present at the meeting.

The meeting minutes demonstrate that the CEO position description was discussed by the Board. The CEO position was prepared by a working group of independent directors with the assistance of Gildan’s executive search firm and input from members of the Company’s senior management.

Page 3 of the meeting minutes summarizes the views that Mr. Chamandy expressed about the CEO profile. Among his comments, Mr. Chamandy said that it would be important to clarify whether the CEO’s focus was on Gildan’s customer or consumer, and that a potential CEO’s skillset should be evaluated alongside the skillset of the broader management team.

The Board is taking an extraordinary step of disclosing confidential and private meeting records in response to shareholder requests to confirm Mr. Chamandy’s involvement in the succession planning process, and specifically, his involvement in the creation of the CEO position description more than 2 years ago.

## Appendix D: CEO Position Description

Provided in Appendix D is a copy of the CEO Position Description that was discussed at the March 31, 2022, Board Meeting.

**GILDAN ACTIVEWEAR INC.**

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### Caution Concerning Forward-Looking Statements

Certain statements included in this document constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities legislation and regulations and are subject to important risks, uncertainties, and assumptions. This forward-looking information includes, amongst others, information with respect to our objectives and strategies to achieve these objectives. Forward-looking statements generally can be identified by the use of conditional or forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “project”, “assume”, “anticipate”, “plan”, “foresee”, “believe”, or “continue”, or the negatives of these terms or variations of them or similar terminology. We refer you to the Company’s filings with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission, as well as the risks described under the “Financial risk management”, “Critical accounting estimates and judgments”, and “Risks and uncertainties” sections of the Company’s Management’s Discussion and Analysis for the year ended December 31, 2023 (“FY2023 MD&A”) for a discussion of the various factors that may affect these forward-looking statements. Material factors and assumptions that were applied in drawing a conclusion or making a forecast or projection are also set out throughout such document.

Forward-looking information is inherently uncertain and the results or events predicted in such forward-looking information may differ materially from actual results or events. Material factors, which could cause actual results or events to differ materially from a conclusion or projection in such forward-looking information, include, but are not limited to changes in general economic, financial or geopolitical conditions globally or in one or more of the markets we serve, including the pricing and inflationary environment, and our ability to implement our growth strategies and plans, as well as those factors listed in the FY2023 MD&A under the “Risks and uncertainties” section and “Caution regarding forward-looking statements” sections. These factors may cause the Company’s actual performance in future periods to differ materially from any estimates or projections of future performance expressed or implied by the forward-looking statements included in this document.

There can be no assurance that the expectations represented by our forward-looking statements will prove to be correct. The purpose of the forward-looking statements is to provide the reader with a description of management’s expectations regarding the Company’s future financial performance and may not be appropriate for other purposes. Furthermore, unless otherwise stated, the forward-looking statements contained in this document are made as of the date of this document, and we do not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise unless required by applicable legislation or regulation. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

**APPENDIX A**  
**Timeline of Key Milestones in Gildan's CEO Search Process**

*See attached.*

## **Timeline of Key Milestones in Gildan's CEO Search Process**

- March 2022: longlist of candidates identified in the first stage of the in-depth market mapping
- March 2022 – May 2023: shortlisted candidates filtered by various parameters including but not limited to industry fit, functional experience, culture fit with Gildan etc.
- May 2023 – September 2023: candidates targeted and contacted by the executive search firm on a no-name basis / candidates interested in knowing more about the role were assessed by the executive search firm
- September 2023 – December 2023: candidates presented to Gildan

**APPENDIX B**  
**Select Excerpts of Gildan's 2024 MIC**

*See attached.*

## Select Excerpts of Gildan's 2024 MIC

The relevant passages about Gildan's CEO succession planning process can be found at the following pages of Gildan's 2024 MIC:

- that Mr. Chamandy signaled his retirement plans to the Board in 2021 **[22/143 of the PDF]**
  - **Page 22:** "In May 2021, Mr. Chamandy, who had served as President and CEO since 2004, informed the Board that he planned to retire within three to five years. On December 7, 2021, the Chair of the Board, Don Berg, and Mr. Chamandy agreed to a formal succession process for Mr. Chamandy's retirement which would have seen him stepping down as CEO in December 2024 and retiring from the Company following a reasonable transition period with the new chief executive. Mr. Chamandy agreed to that plan. Mr. Berg and Mr. Chamandy then discussed the CEO succession plan in most of their quarterly feedback meetings and communications over the next two years."
- references to disclosure related to Mr. Chamandy's succession planning objectives and whether there were any consequences for not delivering on these objectives **[Pages 22/143, 71/143, 78/143, 105/143, 107/143 of the PDF]**
  - As President and CEO, Mr. Chamandy was responsible for assisting the Board in developing and executing a succession plan for his own position, as well as for senior executives. Succession planning was part of the individual strategic objectives for Mr. Chamandy, which has a 20% weighting under the Company's STIP program, known as SCORES (see page 105/143). As noted in the MIC, as part of the succession process, the Company had hired a senior executive in manufacturing who was intended to be developed as an internal successor. Until Mr. Chamandy abruptly terminated this senior executive in 2023, the Board had considered that Mr. Chamandy was meeting his individual strategic objective with respect to succession planning, which was reflected in the one-time special award approved in November 2020 as well as the assessment of 100% achievement of his strategic performance under the SCORES plan up to 2022 (see the 2023 MIC at pages 80/123 and 85/123 of the PDF). In 2024, the Board exercised its discretion under the Company's SCORES plan and no bonus was paid to Mr. Chamandy under the 2023 strategic performance objective (see page 107/143).
  - **Page 22:** "In addition, in a move which had raised the Board's concerns around Mr. Chamandy's willingness or ability to develop successors internally, he had recently terminated a senior executive in manufacturing within 9 months of his hiring him to join Gildan for that purpose."
  - **Page 71:** "In conjunction with the management team, the President and CEO is responsible for the following: [...] Providing support to and ensuring development of the executive management team, including executive succession planning."
  - **Page 78:** "The board maintains a comprehensive management succession plan that includes the President and CEO and other senior executives. The HR committee and the board review the succession plan at least once a year through a private session with the President and CEO. The President and CEO presents his succession plan as well as the succession plan for each of the executive officers."
  - **Page 105:** "Our STIP, also known as SCORES, is an annual cash incentive based on the weighted and collective achievements of performance-based corporate financial

objectives (80% weighting) and individual strategic objectives (20% weighting) set for the year.”

- **Page 107:** “The HR committee assesses performance against a number of strategic objectives to determine the individual component for the named executives. [...] The set objectives can be either quantitative or qualitative in nature, and are categorized as follows: [...] Drive the organization’s capabilities and development [...] The board exercised its discretion under the Company’s SCORES plan and no bonus was paid to Mr. Chamandy for his performance in 2023.”
- that Mr. Chamandy recorded a private conversation with Mr. Berg [**Page 23/143 of the PDF**]
  - **Page 23:** “On a phone call on November 24th, 2023, following this Board meeting, Mr. Berg informed Mr. Chamandy that the Board planned to make a formal offer to an external CEO candidate which would see an orderly transition at the end of Q1 2024. Other options were also discussed that would have seen Mr. Chamandy stay on longer. Mr. Chamandy refused to engage in succession discussions at all and asserted that the Board had to commit to him as the continuing CEO. He threatened to leave immediately if the Board did not do so, said that he would speak to his lawyers and would respond on Monday, November 27th. Mr. Chamandy recorded that private and confidential phone call with Mr. Berg without his knowledge.”
- that Mr. Chamandy wiped his devices [**Page 12/143 of the PDF**]
  - **Page 12:** “Mr. Chamandy also intentionally deleted messages on his corporate-issued devices after his termination and prior to returning them, hampering the Company’s investigation into his actions prior to his departure.”
- that Mr. Chamandy delivered an ultimatum to the Board [**Page 23/143 of the PDF**]
  - **Page 23:** “Mr. Chamandy indicated clearly to the Board that if it did not approve his acquisition strategy and resulting succession plan, he would immediately leave Gildan and sell his stock. [...] Mr. Chamandy continued to press Mr. Berg for an immediate answer to his proposal, which Mr. Berg resisted. On November 24th, 2023, the Board reconvened to consider the results of the external search process and to discuss the response to the CEO’s ultimatum. [...] Mr. Chamandy did not wait until his own Monday deadline. Instead, on Saturday, November 25th, he sent the Board a letter reiterating his demands and setting a deadline for the Board to accept his ultimatum by that Monday.”
- recruitment of Mr. Tyra (number of candidates; number of references; description of the process) [**Pages 4-5/143, 11-12/143 and 21/143 of the PDF, in addition to the Richard Leblanc report**]
  - **Pages 4-5:** “Gildan knew what they were getting when they hired Mr. Tyra as the result of a process that involved 3 highly qualified finalists and 32 reference checks as part of an extensive look at his background.”
  - **Pages 11-12:** “The ensuing succession process which led to the hiring of Mr. Tyra received much scrutiny from media after being attacked falsely by Browning West. Yet, one of Canada’s leading experts on corporate governance and accountability, Dr.

Richard W. Leblanc, who was retained by the Board to provide an independent review of the two and a half-year process, concluded that Gildan followed a good and rigorous process.”

- **Page 21:** “A formal agreement, proposed and agreed to by Mr. Chamandy, was put in place in December 2021. Directors hired a leading executive search firm to oversee the plan, engaged Mr. Chamandy throughout, and evaluated both internal and external candidates. Extensive references were obtained on the successful candidate, Mr. Tyra, that were all satisfactory.”



**APPENDIX C**  
**March 31, 2022 Board Meeting Minutes**

*See attached.*

**GILDAN ACTIVEWEAR INC.**

Meeting of the Board of Directors

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**CONFIDENTIAL**

**ACCESS RESTRICTED TO DIRECTORS and EVP, CHRO and Legal Affairs**

**MINUTES** of the discussion of the members of the Board of Directors (the “**Board**”) of Gildan Activewear Inc. (the “**Corporation**” or “**Gildan**”) with respect to the Corporation's executive succession plan, held in a virtual format only on March 31, 2022 at 17:00 p.m. (Eastern Time) (the “**Meeting**”).

**PRESENT:** Donald C. Berg, Chair  
Maryse Bertrand  
Marc Caira  
Glenn J. Chamandy  
Shirley E. Cunningham  
Charles M. Herington  
Craig A. Leavitt  
Anne Martin-Vachon  
Luc Jobin

The following member of the Board was absent:

Russel Goodman, Director, who relayed questions and observations to the chair in advance.

The following individuals were also present at the Meeting, upon invitation:

Arun Bajaj, EVP, Chief Human Resources Officer & Legal Affairs of the Corporation  
Marc Normandin, Egon Zehnder  
Valerie Spriet, Egon Zehnder  
Francis Blais-Lord, Associate, Stikeman Elliott LLP

**Chair and Secretary**

With the consent of the members of the Board, Mr. Donald C. Berg acted as Chair of the Meeting and Francis Blais-Lord acted as secretary of the Meeting.

**Quorum and Notice**

A quorum of the members of the Board was present. Notice of the Meeting had been properly given. The Chair declared the Meeting to be properly constituted.

**Transaction of Business**

Mr. Donald C. Berg provided opening remarks and indicated that the purpose of the Meeting was for the Working Group on Executive Succession Planning (the “**Working Group**”) to present to the Board the results of their work to date regarding the elaboration of a CEO position description. The goal of this Meeting is to gain alignment on role specifications and discuss more thoroughly certain elements of the CEO description and profile prepared by the Working Group.

Ms. Maryse Bertrand, as Chairperson of the Working Group provided the members of the Board with an overview of the work conducted to date. More particularly, the initial timeline had the Working Group deliver an initial CEO position description and profile no later than by the end of the first quarter of 2022; therefore, such milestone is met. The document was prepared over the quarter with the assistance of Egon Zehnder, which conducted interviews and assessments with the Working Group members and members of senior management. Such profile was then refined through various meetings of the Working Group, including a so called “calibration meeting” whereby actual profiles were presented to the Working Group in order to assist the Working Group in establishing priorities. Ms. Bertrand further explained that comments made during the Meeting will be taken into consideration by the Working Group and will be incorporated in the profile. A further update will be provided to the Board at its next regularly scheduled meeting.

Following such introductory remarks, Mr. Marc Normandin, of Egon Zehnder, proceeded with an overview of the role specifications. Mr. Normandin further cautioned the Board that the role description and specifications are meant to serve as guidelines only, in that the perfect individual rarely exists. Nuances and compromises will surely have to be made at the time of identifying real candidates for the position.

Ms. Valerie Spriet, of Egon Zehnder, further explained that, as it is the case when creating this types of profiles, a couple areas of tension were identified, namely: (i) how significant manufacturing qualifications must be; (ii) the actual degree of prior experience in the apparel world which is deemed essential; and (iii) the tension between the Corporation being a customer-oriented company or a consumer-oriented (branded) company.

On the first point, Mr. Berg and Ms. Bertrand explained that a suitable candidate does not necessarily have to be an engineer who understands all the various steps involved in manufacturing garments like Gildan does, but rather someone who understands the importance of manufacturing being at the core of what the Corporation does, who understands what it is to be a manufacturing company and how to reduce costs using efficient manufacturing processes. On the second point, the views of the Working Group were that there are not that many low cost apparel manufacturing companies out there, and therefore there might be a need to broaden the profile specifications in this regard, and maybe look for candidates coming from different manufacturing industries or businesses. On the third point, Ms. Bertrand explained that it was felt that the Corporation should remain a customer-oriented company (with the customers being the companies and persons the Corporation is selling to, and the consumers being the actual end-users, garment-wearers). Nonetheless, understanding consumer-trends remains important, in the sense that it will inform the demand from the customers up the chain as well; however, understanding the consumers does not necessarily equal becoming a consumer/branded oriented organization, which would be viewed as a major shift and not necessarily recommended.

A director expressed concerns around the lack of clarity on short-term and long-term strategies. The director felt that the profile presented at the Meeting was heavily focused on the future strategy of the Corporation (taking it forward), but less on abilities and capabilities of managing

the day-to-day operations of the Corporation, which is also paramount to an organization such as Gildan.

A director indicated that, in his views, the word (or the subject of) “innovation” was missing from the profile. It is important that the proposed candidates are open to different points of view than those currently shared by the Board and management and be able to challenge the current status quo. Potential candidates must also have the required agility to think outside the box, change certain elements of the business strategy if needed, while at the same time not departing too much from the core strengths of Gildan.

Members of the Board also indicated that the skills identified in the profile were very objective and questioned whether the inclusion of additional soft skills in the profile itself would not be beneficial. Mr. Normandin explained that, while soft skills are also indubitably important in a senior management position (for instance, being humble, showing empathy, being courageous, curiosity, insightfulness, etc.), the evaluation of those skills would be made at a later stage, during the formal assessment and the further interviews conducted with the candidates. How such candidates lead and what drives them to lead (motivation, incentives, etc.) is a matter of great importance to Egon Zehnder in the identification of suitable candidates and will be evaluated; however, the profile should remain as objective as possible in this first step to identify the candidates with the required skillset.

Ms. Bertrand indicated that the strong ESG profile of the Corporation dictates in favor of finding a suitable successor having such values at heart.

Mr. Glenn Chamandy expressed his views regarding the profile presented to the Board. He reiterated the importance of clarifying whether the role of the CEO should be customer versus consumer (end-user, garment-wearer) focused. He then echoed Egon Zehnder’s remarks that the profile should be used as a guide but that actual candidates may not possess all the necessary qualities. Mr. Chamandy explained that, as a result, priorities will likely need to be established among the CEO profile qualities in identifying and selecting the CEO candidates. Mr. Chamandy indicated that a team approach could be used as a strategy to compensate a CEO candidate’s weakness in manufacturing, for example, with the skills of a strong senior executive with deep expertise in such area.

There was consensus at the Board level that what the Corporation is looking for is a “strategic operator”. The Board agreed that the CEO’s role is to be the gatekeeper of the business strategy, in order for the Corporation not to lose competitive advantage over time. A strategic operator is someone who not only has an acute understanding of the operations, but can challenge, steer the ship and make prompt, high-quality decisions in difficult times. In comparison, a “good operator”, can do anything that they are asked to do, whereas a “strategic operator” has the ability to determine what it is that needs to be done in order to achieve the most optimal results for the business. There was consensus at the Board level on that point, and that this should inform the level of manufacturing expertise required in the CEO candidate.

### **In Camera Session**

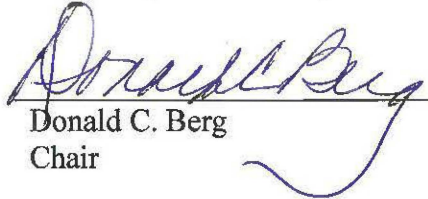
Following the formal part of the Meeting, the independent members of the Board met without management or invitees present at approximately 6:00 p.m. (Eastern Time).

**Next Steps**

The immediate next steps consist of wordsmithing the language of the profile and circulating a final version to the Board for their reference in due time.

**Termination of Meeting**

As there was no further business to transact, the Meeting was terminated at approximately 6:20 p.m. (Eastern Time).

  
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Donald C. Berg  
Chair

  
\_\_\_\_\_  
Francis Blais-Lord  
Secretary

**APPENDIX D**  
**CEO Position Description**

*See attached.*

## Role Specification

### Project Horizon, Gildan Activewear

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# EgonZehnder

#### Contacts

**Valerie Spriet**

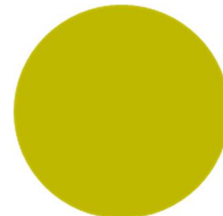
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Role Specification

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## Chief Executive Officer Priorities

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### Organizational priorities

#### **Define and drive a profitable, long-term growth strategy and enduring shareholder value creation**

- Understand best sources of growth
- Understand the role of branding and/or branded products in our mix
- Balance growth and profit
- Balance "push" and "pull" strategies: supply and demand
- Understand the long-term viability of current strategy
- Proactively manage shareholder value

#### **Drive the business operationally and commercially**

- Respect and leverage the strengths of the business and not pivoting 180 degrees
- Ensure margin, profit and returns
- Maintain focus on cost and quality
- Manufacture and deliver in a differentiated way
- Maintain and enhance partner relationships
- Focus on organisational maturity through increased reliance on processes and data analytics, while also maintaining agility and entrepreneurialism

#### **Create and harness a strong team and evolve the culture while retaining the core values**

- Proactively recruit talent, particularly in key gap areas and in line with the future strategy
- Create broad succession options
- Ensure a team-based culture
- Ensure an inclusive focus

#### **Understand the customer and the consumer and ensure demand side focus**

- Understand end user consumer needs as means to anticipate trends and consider evolutions
- Build deep relationships with customers (retailers, wholesalers, print screeners, etc.) and actively engage them towards Gildan

#### **Ensure strong stakeholder relationships and views**

- Tell the Gildan story to investors and ensure strong multiples
- Partner with the Board and other key stakeholders
- Manage key partner relationships to enhance outcomes

## Chief Executive Officer Critical Experiences

Experience	Must have	Nice to have
Current or former CEO		<input type="radio"/>
Previous experience managing end to end Profit & Loss of relevant scale and scope	<input type="radio"/>	
Public company experience		<input type="radio"/>
Apparel sector experience		<input type="radio"/>
Manufacturing experience / expertise (has overseen manufacturing at a minimum)		<input type="radio"/>
Consumer sector experience	<input type="radio"/>	
B2B / B2C Marketing		<input type="radio"/>
Track record of strategic growth	<input type="radio"/>	
U. experience / knowledge	<input type="radio"/>	
International experience / knowledge	<input type="radio"/>	
Has operated in B2B environment	<input type="radio"/>	
Digital /e-Commerce knowledge		<input type="radio"/>
Balance sheet experience		<input type="radio"/>
Experience leading a large and globally distributed team	<input type="radio"/>	
M&A and integration experience		<input type="radio"/>
Track record of senior talent development and & succession planning	<input type="radio"/>	

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## Chief Executive Officer Competencies Targets

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### **Shapes Strategy**

Shapes the Company strategy, cuts through complexity and ambiguity to shape strategic assumptions and define the strategy for the organization. Provides thought leadership, developing future scenarios, creating differentiating moves, and driving long-term value. Creates a culture of ongoing strategic debate to enable to tackle challenges of internal and external disruption. Initiates processes and practices that enable all key parts of the organization to have a voice into the strategic dialogue.

### **Drive Results**

Improves business practices for higher performance levels, creating better ways of doing things, benchmarking and role modelling high performance. Identifies and examines alternatives including evaluating benefits, costs and risks, and instils this approach into their teams and organization.

### **Drives Commercial Outcomes**

Generates and opens up new commercial options for the company that improve profitability, applying disciplined risk and return criteria. Is able to maximize profits and seize competitive advantage through quickly developing new insights by integrating information from multiple internal and external sources. Moves quickly and decisively, having confidence in managing risks and encouraging commercial behaviour in the organization.

### **Drives Change**

Mobilizes others to pursue, initiate and communicate opportunities for change, creating change agents within the organization. Creates a compelling vision and takes actions to influence individuals to change themselves while engaging others broadly in change. Publicly tracks and recognizes progress of change and engages people throughout the change process, reinforcing desired behaviours that ensure timely and effective change implementation.

### **Builds Relationships and Influences**

Ensures internal and external collaboration, establishing partnerships and proactively building relationships with stakeholders. Uses a diverse and tailored portfolio of influencing strategies, persuading others, listening to input and advice and adeptly dealing with conflict resolution. Is a strong communicator who initiates sharing of information in the organization and is able to communicate the big picture broadly both internally and externally.

### **Leads Teams and Developing People**

Creates a sense of team and empowers teams to perform independently with each other as a cohesive group. Values diversity, builds collective competency, creates purpose, embeds values and breaks down silos. Has a track record of proactively and systematically building team and individual capability, understands and taps into both performance and potential, builds robust succession, actively develops others and recruits talent.

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