

Gildan Provides Timeline of Events Leading Up to CEO's Removal

Montreal, Tuesday, January 23, 2024 – Gildan Activewear Inc. (GIL: TSX and NYSE) (“Gildan” or “the Company”) today provides details on the timeline of events leading up to Glenn Chamandy’s removal as CEO.

For more than a month, Browning West and Glenn Chamandy have claimed that the Board of Directors carried out a flawed CEO succession process. The facts, backed by years of documentation and Mr. Chamandy’s own words, tell a much different story.

In December 2021, the Board and Mr. Chamandy agreed to an orderly three-year succession plan. Had Mr. Chamandy abided by his agreement, rather than attempting to entrench himself as CEO, the recent turmoil at Gildan would have been avoided.

We now know that Mr. Chamandy never intended to abide by the agreed succession plan. He made that clear when he told the Globe and Mail on December 16, 2023 *“I had no intention of leaving. You know, my view is that I would leave when I think the time is right for the company.”*

The Board, on the other hand, has consistently acted to carry out its fiduciary duties to ensure management had a strategy for the longer term, to prepare for the succession of the CEO and to position Gildan for future success by recruiting and appointing a highly qualified CEO.

A Timeline of Facts

2021

At the May 2021 Board meeting, Mr. Chamandy informed the Board that he planned to retire within three to five years.

That was followed by a December 7, 2021 meeting where the Chair Donald 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 leaving 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.

2022

In January 2022, the Board hired a leading executive search firm to advise the Board on Gildan’s CEO succession as well as to conduct internal assessment and development work.

In March 2022, the Board, including Mr. Chamandy, discussed and approved a CEO position description and profile. Over the next year, that profile was used to evaluate internal candidates and to narrow the external search from a universe of 515 profiles to a list of 37 potential candidates.

2023

In May 2023, the executive search firm began the external phase of the search, further refining the list of potential CEO candidates.

At the August 2023 Board meetings, Mr. Chamandy demanded that he be provided with a definitive and final timeline on the succession process, which was considered by the independent Board members at a special meeting of the Board on August 31, 2023.

Prior to this special meeting, Mr. Chamandy sent a memorandum outlining his new proposal and thoughts regarding CEO succession planning to Mr. Berg. Contrary to the plan agreed to in December 2021, this proposal contemplated yet another three-year timeline, prolonging Mr. Chamandy's tenure far beyond the original timeframe. According to Mr. Chamandy, he needed to stay on for several more years to oversee internal development and transition thereafter.

The Board held its special meeting on August 31, 2023 to review the succession plan, Mr. Chamandy's proposal, and determine the succession timeframe. At that meeting, the Board decided to continue to evaluate both internal and external candidates for CEO and rejected Mr. Chamandy's proposal extending him as CEO for an additional three years as it included no new facts to justify delaying the plan originally agreed to. In particular, it was noted that there was no new strategy being proposed that required Mr. Chamandy's ongoing oversight and that Mr. Chamandy's recent actions to terminate a senior executive in Manufacturing, within seven months of his joining Gildan, indicated no willingness or ability to develop internal successors. It was clear that Mr. Chamandy was out of ideas to move Gildan forward.

By September, the CEO search had narrowed to a shortlist of 21 candidates.

On September 6, 2023, Mr. Berg and Director Luc Jobin met with Mr. Chamandy in Montreal to inform him of the Board's decisions and answer his demand for a definitive timeline on the succession process. A slide deck was provided to Mr. Chamandy indicating the Board would continue to consider internal and external candidates, with a tentative retirement date between July 31 and December 31, 2024, with a reasonable overlap period where Mr. Chamandy would relinquish his CEO title but stay on through an orderly transition until his retirement.

By early October, as the succession process advanced, Mr. Chamandy contacted Mr. Berg to meet and discuss how his succession was tied to the strategy he had for Gildan. Mr. Berg offered, and Mr. Chamandy accepted, an opportunity to present his strategy proposal and his related succession plan at the Board meeting on October 30, 2023.

Mr. Chamandy's October 30th presentation was not, as he now claims, a routine annual strategy exercise. This was a formal strategy proposal.

The idea that Mr. Chamandy put forward on October 30, 2023 was for Gildan to embark on a risky and highly dilutive multi-billion-dollar acquisition strategy predicated on him remaining as CEO for several more years to oversee integration and his eventual succession. As the Board has stated in earlier communications, it was dubious about these high-risk acquisitions, particularly in light of Mr. Chamandy's inability to answer even the most basic questions about his strategic proposal.

The Board was concerned that Mr. Chamandy appeared disinterested in Gildan's existing business and offered no new ideas about how to advance that business. The Board asked Mr. Chamandy to provide a more detailed analysis of his plan that addressed risks and mitigation. Instead, Mr. Chamandy gave the Board an ultimatum: Either approve his acquisition strategy and resulting succession plan, or he would immediately leave and sell his stock.

The following week, on November 8, 2023, Mr. Chamandy welcomed the founders of activist hedge fund Browning West, and a number of Browning West investors, on an exclusive visit to the Gildan manufacturing plant in Honduras.

On a phone call on November 24th, following a Board meeting to consider Mr. Chamandy's ultimatum, 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 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 the Chair without the Chair's knowledge.

Mr. Chamandy did not wait until Monday. Instead, on Saturday, November 25, he sent the Board a letter reiterating his demands and setting a deadline for Monday, November 27, 2023. On Sunday, November 26, before the Board had even responded, Mr. Chamandy began moving out of his office.

Throughout 2023, Mr. Chamandy repeatedly said that he would "go gracefully" when the Board decided the time was right for Gildan. But Mr. Chamandy could not let go, devising ill-considered acquisitions that would have cost Gildan billions in an effort to justify staying on as CEO.

By December, it was clear that Mr. Chamandy was disengaged and had no new ideas about how to advance Gildan's existing business and was focused on his interests and not those of the Company. His ultimatums, his decision to upend the carefully planned succession plan, his disruptive behavior and his unwillingness to cooperate and his concealed taping of a private and confidential conversation led to an unreconcilable break in the relationship between the Board and Mr. Chamandy and left the Board no choice but to terminate him.

Moving Forward

It was Mr. Chamandy who had no credible long-term strategy or vision for Gildan. It was Mr. Chamandy who proposed a risky, multi-billion-dollar acquisitions strategy, backed by no serious analysis. It was Mr. Chamandy who gave the Board ultimatums. It was Mr. Chamandy who threatened to leave but in the end would not agree to a negotiated retirement or resignation, forcing the Board to terminate him. It was Mr. Chamandy who attempted to create chaos at Gildan by misleading investors regarding both the timing and reasons for his termination. It was Mr. Chamandy who failed to disclose that he had invested in funds managed by a Gildan shareholder who has now come out in support of reinstalling him as CEO and that a senior executive of the same shareholder had purchased a multi-million-dollar property at Mr. Chamandy's luxury golf resort in Barbados. And it was Mr. Chamandy who now admits that he had no intention of leaving Gildan despite agreeing years earlier to an orderly succession process, working through that process and indicating he would go gracefully.

The Company has already detailed in earlier communications that the Board had gradually lost trust and confidence in Mr. Chamandy. Furthermore, it became clear that he increasingly disengaged as CEO as he focused more on personal pursuits like developing his private golf resort.

It was time for a change of leadership at Gildan, and the Board made the right decision for the Company.

The Company is now focused on the future and the Board will continue to act in Gildan's best interests, including by engaging with stakeholders.

Vince Tyra has joined the Board of Directors and is off to an impressive start as CEO. He is meeting with employees, customers and investors and will be visiting Gildan locations. Mr. Tyra is bringing the stability and thoughtful leadership that Gildan and investors demand as we move forward with confidence and optimism.

Caution Concerning Forward-Looking Statements

Certain statements included in this press release 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. 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 our most recent Management's Discussion and Analysis 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 and financial conditions globally or in one or more of the markets we serve and our ability to implement our growth strategies and plans. 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 press release.

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 press release are made as of the date hereof, 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 press release are expressly qualified by this cautionary statement.

About Gildan

Gildan is a leading manufacturer of everyday basic apparel. The Company's product offering includes activewear, underwear and socks, sold to a broad range of customers, including wholesale distributors, screenprinters or embellishers, as well as to retailers that sell to consumers through their physical stores and/or e-commerce platforms and to global lifestyle brand companies. The Company markets its products in North America, Europe, Asia Pacific, and Latin America, under a diversified portfolio of Company-owned brands including Gildan®, American Apparel®, Comfort Colors®, GOLDTOE®, Peds®, in addition to the Under Armour® brand through a sock licensing agreement providing exclusive distribution rights in the United States and Canada.

Gildan owns and operates vertically integrated, large-scale manufacturing facilities which are primarily located in Central America, the Caribbean, North America, and Bangladesh. Gildan operates with a strong commitment to industry-leading labour, environmental and governance practices throughout its supply chain in accordance with its comprehensive ESG program embedded in the Company's long-term business strategy. More information about the Company and its ESG practices and initiatives can be found at www.gildancorp.com.