

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

METZLER INVESTMENT GMBH

Plaintiff

- and -

GILDAN ACTIVEWEAR INC., GLENN J. CHAMANDY,
GLENN CHAMANDY HOLDINGS CORPORATION
and LAURENCE G. SELLYN

Defendants

Proceeding under the *Class Proceedings Act, 1992*

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

(Class Action)
SUPERIOR COURT

NO.: 500-06-000458-097

GASTON RIOUX
Petitioner

v.

LES VÊTEMENTS DE SPORT GILDAN INC./GILDAN
ACTIVEWEAR INC., GLENN CHAMANDY HOLDINGS
CORPORATION, GLENN J. CHAMANDY and LAURENCE G.
SELLYN
Respondents

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re GILDAN ACTIVEWEAR INC.
SECURITIES LITIGATION

This Document Relates to:
ALL ACTIONS.

x
: Civil Action No. 1:08-cv-05048-HB
:
: CLASS ACTION
:
:
:
:
x

SETTLEMENT AGREEMENT
(August 2, 2010)

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RECITAL

- I. The Parties intend to and hereby do finally resolve the Actions, and the claims that are or could have been asserted in them, subject to the approval of the Courts, without prejudice or admission of liability.

FOR VALUE RECEIVED, the Parties agree as follows:

SECTION 1 - DEFINITIONS

1.1 Defined Terms

(A) In this Settlement Agreement, including the Recitals and Schedules hereto:

- (1) *Actions* means the Ontario Action, the Québec Motion and the U.S. Action.
- (2) *Administration Expense* and *Administration Expenses* means, individually or collectively, all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to approval, implementation and administration of this Settlement Agreement including the Non-Refundable Expenses, and the fees, disbursements and taxes paid to the Administrator, and any other expenses ordered by the Courts, which shall all be paid from the Settlement Amount.
- (3) *Administrator* means the third-party firm selected by Class Counsel and appointed by the Courts to administer, process and distribute the Settlement Amount in accordance with the terms of the Settlement Agreement, and any employees of such firm.
- (4) *Administrator's Escrow Account* means an Escrow Account overseen by the Administrator.
- (5) *Approval Motion* and *Approval Motions* means, individually or collectively, as the case may be, a motion brought by the Plaintiffs before each of the Courts for orders finally approving the Settlement Agreement.
- (6) *Approval Order* and *Approval Orders* means, individually or collectively, as the case may be, the order(s) and/or judgment(s) sought to be issued by the Courts as a result of the Approval Motions, substantially in the forms attached hereto as Schedules "H", "I" and "J".
- (7) *Authorized Claimant* means any Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator postmarked on or before the Claims Deadline, or any other period permitted by the Courts or Class Counsel, and who the Administrator has determined is eligible to receive compensation from the Net Settlement Amount.

- (8) **Claim Form** means the form approved by the Courts and which, when completed and submitted to the Administrator in a timely manner, enables a Class Member to apply for compensation pursuant to the Settlement Agreement.
- (9) **Claims Deadline** means the last date by which a Class Member may mail or submit a Claim Form and all required supporting documentation to the Administrator in order to be eligible for compensation from the Net Settlement Amount, which shall be the date no earlier than one hundred twenty (120) calendar days after the date on which the Short-Form Notice is first published.
- (10) **Class** and **Class Member(s)** means the Ontario Class, the Québec Class and the U.S. Class.
- (11) **Class Counsel** means Siskinds ^{LLP}, Siskinds Desmeules s.e.n.c.r.l., Robbins Geller Rudman & Dowd LLP and Labaton Sucharow LLP.
- (12) **Class Counsel Fees** means the fees, expenses and applicable taxes or charges of Class Counsel, as approved by the Courts which are to be paid from the Settlement Amount.
- (13) **Class Period** means the period from and including August 2, 2007 to and including April 29, 2008.
- (14) **Courts** means the Ontario Court, the Québec Court and the U.S. Court.
- (15) **Defendants** means the defendants/respondents in the Actions, namely, Gildan, Glenn Chamandy Holdings Corporation and the Individual Defendants.
- (16) **Defendant Releasors** means the Defendants, on behalf of themselves, their personal representatives, agents, heirs, executors, administrators, trustees, beneficiaries, successors and assigns.
- (17) **Effective Date** means the date upon which all the grounds for termination of this Settlement Agreement under section 8 expire.
- (18) **Eligible Shares** means common shares of Gildan purchased or otherwise acquired during the Class Period. The date of purchase or acquisition shall be the trade date not the settlement date.
- (19) **Escrow Account** means a liquid money market account or equivalent security with one of the Canadian Schedule 1 banks in Ontario having a rating equivalent to, or better than that of an interest bearing account of that Canadian Schedule 1 bank, to be held and maintained in trust in accordance with the terms of this Settlement Agreement.
- (20) **Escrow Agent** means Siskinds ^{LLP} or such other person appointed by the Courts.
- (21) **Excluded Person** and **Excluded Persons** means (1) the Defendants; (2) Gildan and Glenn Chamandy Holdings Corporation's respective subsidiaries, affiliates,

directors, officers, successors and assigns; (3) all members of the immediate families of the Individual Defendants; (4) all trusts in which any of the Defendants are a trustee or beneficiary; and (5) all entities over which any of the foregoing persons or entities has or had during the Class Period any legal or de facto control.

- (22) **Exempt Québec Class Members / Les Personnes Exclues du Groupe du Québec** means entities resident in the province of Québec who are precluded from being a member of a group in a class action by operation of Article 999 of the *Code of Civil Procedure*, R.S.Q., c. C-25, as amended, namely: legal persons established for a private interest, partnership or association, who employed more than 50 persons at any time during the period from June 16, 2007 to June 16, 2008, and who otherwise fit within the Québec Class.
- (23) **Final** means:
- (i) if no appeals are brought with respect to any of the Approval Orders, the expiry date of any time provided under the corresponding rules of the applicable Court or legislation for noticing or filing any appeal from an Approval Order; and
 - (ii) if an appeal is brought with respect to any of the Approval Orders, then the date on which the ultimate court of appeal to which an appeal (if any) was taken has dismissed any such appeal or otherwise upheld the Approval Order and no further appeals lie in respect of such Approval Order.
- (24) **Gildan** means the defendant/respondent Gildan Activewear Inc./Les Vêtements de Sport Gildan Inc., a corporation incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, with its head office located in Montréal, Québec.
- (25) **Individual Defendants** means Glenn J. Chamandy and Laurence G. Sellyn.
- (26) **Long-Form Notice** means the form of notice attached as Schedule “G” hereto, or such other form of notice as may be approved by the Courts for the purpose of providing Class Members with detailed information regarding, among other things: (i) the certification of the Ontario and U.S. Actions and the granting of authorization of the Québec Motion, for settlement purposes only; (ii) the dates and location of the Approval Motions; (iii) the manner in which Class Members may submit a Claim Form or Opt-Out Request and file an objection to the settlement; (iv) the average recovery per share; and (v) Class Counsels’ fee and expense applications.
- (27) **Net Settlement Amount** means the Settlement Amount less: (i) any Administration Expenses actually expended; and (ii) Class Counsel Fees.

- (28) **Newspapers** means the National Post, the Globe and Mail (National Edition), La Presse, Le Soleil and Investor's Business Daily (National Edition), and any further or alternative publications as may be ordered by the Courts.
- (29) **Non-Refundable Expense** and **Non-Refundable Expenses** means, individually or collectively: (i) all of the reasonable out of pocket costs, fees and expenses (a) of providing the Pre-Approval Notices to Class Members, including the expenses reasonably and actually incurred by Class Counsel or the Administrator, as the case may be, in locating and identifying Class Members, and translating the Settlement Agreement, the Pre-Approval Notices and the Claim Form, and (b) associated with the maintenance of the Escrow Account; and (ii) any and all Taxes payable on the Settlement Amount.
- (30) **Ontario Action** means the action titled *Metzler Investment GmbH v. Gildan Activewear Inc., et al.* commenced in the Ontario Court under Court File No. 58574CP.
- (31) **Ontario Class and Ontario Class Members** means all persons who purchased or otherwise acquired Eligible Shares and either: (i) are now or were at the time of the purchase or acquisition of such shares Canadian residents or (ii) purchased or otherwise acquired such shares on the Toronto Stock Exchange; but does not include persons who are either: (i) Excluded Persons or (ii) members of the Québec Class.
- (32) **Ontario Court** means the Ontario Superior Court of Justice.
- (33) **Opt-Out Class Members** means those Class Members who timely and validly opt out from the Class in accordance with subsection 7.1 herein and the Pre-Approval Order.
- (34) **Opt-Out & Objection Deadline** means the date falling sixty (60) calendar days after the date on which the Short-Form Notice is first published, or such other date as may be set by the Courts, which shall be the last day by which Class Members may mail or submit to the Administrator: (i) an Opt-Out Request and all required supporting documentation in order to exclude themselves from the Class; or (ii) an objection regarding the settlement.
- (35) **Opt-Out Request** means the signed letter of request for exclusion which, when completed and submitted in a timely manner to the Administrator allows a Class Member to exclude themselves from the Class. The letter must contain all of the information required by the Pre-Approval Orders.
- (36) **Opt-Out Review Period** means the fifteen (15) calendar day period following Class Counsel's receipt of the Termination Notice.
- (37) **Opt-Out Threshold** means the requisite number of Eligible Shares purchased or otherwise acquired by Opt-Out Class Members, which, if exceeded, gives rise to Gildan's option to terminate the Settlement Agreement pursuant to subsection 8.1(A), herein and as further particularized in the Opt-Out Threshold Agreement.

- (38) ***Opt-Out Threshold Agreement*** means the agreement which sets the Opt-Out Threshold which shall be kept confidential by the Parties and their counsel and shall be shown to the Courts in camera, if requested, but shall not otherwise be disclosed, unless disclosure is ordered by one of the Courts.
- (39) ***Party*** and ***Parties*** means, individually or collectively, the Plaintiffs and the Defendants.
- (40) ***Plaintiffs*** means, collectively, the plaintiff in the Ontario Action, Metzler Investment GmbH, the petitioner in the Québec Motion, Gaston Rioux, and the plaintiffs in the U.S. Action, City of St. Clair Shores Police and Fire Retirement System, Norfolk County Retirement System, City of Pontiac Policemen's and Fireman's Retirement Systems, and City of Detroit Policeman's and Fireman's Retirement Systems.
- (41) ***Plan of Allocation*** means the Plaintiffs' plan for distribution of the Net Settlement Amount to Authorized Claimants, generally in accordance with the plan set out in Schedule "A".
- (42) ***Plan of Notice*** means the plan for dissemination of the Pre-Approval Notices, generally in accordance with the plan set out in Schedule "B", or such other plan of dissemination as approved by the Courts.
- (43) ***Pre-Approval Motion*** and ***Pre-Approval Motions*** means, individually or collectively, as the case may be, a motion brought by the Plaintiffs before each of the Courts for issuance of the Pre-Approval Orders, among other things:
- (i) certifying the Ontario and U.S. Actions and authorizing the Québec Motion for settlement purposes only and subject to the terms set forth in subsection 8.3(A) herein;
 - (ii) setting dates for the hearing of the Approval Motions;
 - (iii) approving the Claims Deadline and Opt-Out & Objection Deadline; and
 - (iv) approving and authorizing the publication and dissemination of the Pre-Approval Notices.
- (44) ***Pre-Approval Notices*** means the notice to the Class of the Approval Motions substantially in the form of the Short-Form Notice and the Long-Form Notice, as may be amended and approved by the Courts.
- (45) ***Pre-Approval Order*** and ***Pre-Approval Orders*** means, individually or collectively, as the case may be, the order(s) sought to be issued by the Courts at the Pre-Approval Motions, substantially in the forms attached hereto as Schedules "C", "D" and "E".
- (46) ***Québec Class and Québec Class Members*** means all persons who purchased or otherwise acquired Eligible Shares and who were at that time, or are now,

residents of Québec other than (i) Excluded Persons; and (ii) Exempt Québec Class Members.

- (47) **Québec Court** means the Québec Superior Court.
- (48) **Québec Motion** means the motion for authorization to institute a class action titled *Gaston Rioux v. Les Vêtements de Sport Gildan Inc./Gildan Activewear Inc., et al.* pending before the Québec Court under Court File No. 500-06-000458-097 (formerly Court File No. 200-06-000103-088).
- (49) **Released Party** and **Released Parties** means any and all of the Defendants, their past or present subsidiaries, parents, principals, affiliates, general or limited partners or partnerships, successors and predecessors, heirs, and assigns, and their respective officers, directors, employees, attorneys, advisors, investment advisors, investment bankers, underwriters, insurers, co-insurers, re-insurers, accountants, auditors, consultants, administrators, executors, trustees, personal representatives, immediate family members, and any person, firm, trust, partnership, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest or which is affiliated with any of the Defendants, and the legal representatives, successors in interest or assigns of the Defendants.
- (50) **Released Plaintiff Parties** means the Plaintiffs, Class Counsel and all Class Members who do not opt out of their respective Class.
- (51) **Releasors** means, individually and collectively, the Plaintiffs and all Class Members who do not opt out of the Class on behalf of themselves, their personal representatives, agents, heirs, executors, administrators, trustees, beneficiaries, current and former employee plan members and contributors, successors and assigns.
- (52) **Settled Claim** and **Settled Claims** means any and all claims, debts, demands, rights, actions, causes of action, suits, matters, issues, damages, losses or liabilities whatsoever (including, but not limited to, any claims for interest, legal fees, expert or consulting fees, and any other costs, expenses or liability whatsoever other than those set forth herein), whether based on United States, Canadian or other foreign federal, state, provincial, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims: (i) that have been asserted or proposed as claims or amended claims in any of the Actions; or (ii) that could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of or relate in any manner to the allegations, transactions, facts, matters, breaches, occurrences, financial statements, forecasts, statements, representations or omissions involved, set forth, or referred to in the Actions or in proposed amendments to the Actions (except that Settled Claims does not include all claims, rights or causes of action or liabilities whatsoever related to the settlement of the Actions, including enforcements of the settlement and any of the terms of this Settlement Agreement or orders or judgments issued by the Courts in

connection with the settlement or confidentiality obligations with respect to settlement communications).

- (53) ***Settled Defendants' Claim*** and ***Settled Defendants' Claims*** means any and all claims, rights or causes of action or liabilities whatsoever, whether based on United States or Canadian federal, state, provincial, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Action or in any forum by the Defendants or any of them or the successors and assigns of any of them against any of the Plaintiffs or Class Members or their lawyers, which arise out of or relate in any way to the institution or prosecution of the Actions (except that Settled Defendants' Claims does not include all claims, rights or causes of action or liabilities whatsoever related to the settlement of the Actions, including enforcement of the settlement and any of the terms of this Settlement Agreement, the Stipulation and Agreement Concerning Settlement Discovery dated July 27, 2010, orders or judgments issued by the Courts in connection with the settlement, or confidentiality obligations with respect to the settlement communications).
- (54) ***Settlement Agreement*** means this agreement, including the Recitals and Schedules hereto.
- (55) ***Settlement Amount*** means USD \$22.5 million, plus interest accrued thereon from the date it is deposited into the Escrow Account.
- (56) ***Short-Form Notice*** means the form of notice attached as Schedule "F" hereto, or such other form of notice as may be approved by the Courts for the purpose of providing Class Members with summary information regarding, among other things: (i) the certification of the Ontario and U.S. Actions and the granting of authorization of the Québec Motion, for settlement purposes only; (ii) the dates and location of the Approval Motions; (iii) the manner in which Class Members may submit a Claim Form or Opt-Out Request and file an objection to the settlement; (iv) the average recovery per share; and (v) Class Counsels' fee and expense applications.
- (57) ***Taxes*** means (i) any and all applicable taxes, duties and similar charges imposed by a government authority (including any estimated taxes, interest or penalties) arising in any jurisdiction with respect to the income or gains earned on or in respect of the Settlement Amount, including, without limitation, any taxes that may be imposed upon the Defendants or their insurers with respect to any income or gains earned on or in respect of the Settlement Amount for any period while it is held by the Escrow Agent; and (ii) any and all expenses, liabilities and costs incurred in connection with the taxation of the Settlement Amount (including without limitation, expenses of tax attorneys and accountants). Taxes imposed on the Defendants or their insurers shall include amounts equivalent to taxes that would be payable by the Defendants or their insurers but for the existence of relief from taxes by virtue of loss carry forwards or other tax attributes, determined by

such Defendant or insurer, acting reasonably, and accepted by the Escrow Agent, acting reasonably.

- (58) **Termination Notice** means the written notice through which the Defendants indicate their intention to exercise their discretion to terminate the Settlement Agreement pursuant to subsection 8.1(A), herein.
- (59) **Unknown Claims** means claims that any of the Releasors do not know or suspect to exist, which, if known by him, her or it, might affect, or might have affected his, her, or its settlement with and release of the Released Parties or might affect, or might have affected his, her or its decision to object or not to object to the Settlement Agreement.
- (60) **U.S. Action** means the consolidated action titled *In re Gildan Activewear Inc. Securities Litigation* before the U.S. Court, bearing Civil Action No. 1:08-cv-05048-HB.
- (61) **U.S. Class or U.S. Class Members** means all persons who purchased or otherwise acquired Eligible Shares and either: (i) are now or were at the time of the purchase or acquisition U.S. residents or (ii) purchased or otherwise acquired such shares on the New York Stock Exchange; other than (i) Excluded Persons; and (ii) members of the Québec Class.
- (62) **U.S. Class Counsel** means Robbins Geller Rudman & Dowd LLP and Labaton Sucharow LLP.
- (63) **U.S. Class Counsel Fees** means the fees, expenses and applicable taxes or charges of U.S. Class Counsel, as approved by the U.S. Court which are to be paid from the Settlement Amount.
- (64) **U.S. Court** means the United States District Court for the Southern District of New York.

SECTION 2 - SETTLEMENT CONSIDERATION

2.1 Payment of the Settlement Amount

- (A) In consideration of the full and final releases of Settled Claims in favour of the Released Parties, the dismissal of the Actions with prejudice and such other terms provided for herein, Gildan shall cause its insurers to pay into the Escrow Account described in subsection 4.1(A) herein the sum of USD \$22.5 million within the later of: (i) fourteen (14) business days of the issuance of the last of the Pre-Approval Orders; and (ii) forty-five (45) calendar days from the execution of this Settlement Agreement.
- (B) No further sum shall be sought from or be payable by or on behalf of the Released Parties, including for legal fees, costs, interest, disbursements, Taxes, administration, mailings, translations and any other costs or expenses involved in the full and final completion and implementation of this settlement and the dismissals of the Actions, provided that any costs or expenses associated with Gildan fulfilling its obligation pursuant to subsection 5.4(A) shall be borne by Gildan and shall not be a charge against the Settlement Amount.
- (C) This is not a claims made settlement. Subject to subsections 3.1(D), 4.1(B) and 8.3(B), none of the Settlement Amount shall be returned or otherwise paid to the Defendants or its insurers funding the settlement.

SECTION 3 - RELEASES AND DISMISSALS

3.1 No Further Claims

- (A) Upon the Effective Date, the Releasors release and forever discharge, and are forever barred and enjoined from prosecuting any Settled Claims against any of the Released Parties, and shall not institute, continue, maintain or assert, either directly or indirectly, whether in the United States, Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, proceeding, complaint, claim or demand against any Released Party or any other person who may claim any form of contribution or indemnity from any Released Party in respect of any Settled Claim or any matter related thereto.

- (B) Upon the Effective Date, this Settlement Agreement shall operate conclusively as an estoppel and full defence in the event of any action, suit, cause of action, proceeding, complaint, claim or demand brought by any Releasors against any of the Released Parties with respect to Settled Claims, and this Settlement Agreement may be pleaded in the event of any such action, suit, cause of action, proceeding, complaint, claim or demand and relied upon for the purpose of an application to dismiss the action, suit, cause of action, proceeding, complaint, claim or demand on a summary basis. Following the Effective Date, no Releasor may seek to avoid the application of this Settlement Agreement based on a lack of privity or mutuality. In the event that any Releasor initiates or seeks to prosecute, in any action, suit, cause of action, proceeding, complaint, claim or demand of any kind, a Settled Claim against any of the Released Parties, the Released Party against whom the Settled Claim is asserted shall be entitled to recover from such Releasor its actual costs, including actual legal fees, on a full indemnity basis, in defending the action, suit, cause of action, proceeding, complaint, claim or demand.
- (C) With respect to any and all Settled Claims, the Parties stipulate and agree that upon the Effective Date the Releasors shall be deemed to have, and by operation of the Approval Orders shall have expressly waived and relinquished, to the fullest extent permitted by law, any and all Unknown Claims and the provisions, rights, and benefits of section 1542 of the *California Civil Code* and of any law, regulation or provision of any code of civil procedure of any other jurisdiction within or outside Canada or the United States which is similar, comparable, or equivalent to section 1542 of the *California Civil Code*, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Releasors may hereafter discover facts in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Settled Claims, but Releasors, upon the Effective Date, shall be deemed to have, and by operation of the Approval Orders shall have, fully, finally, and forever settled and released any and all Settled Claims, known or unknown, suspected or unsuspected,

contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and each Class Member shall be deemed to have acknowledged, and by operation of the Approval Orders shall have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement Agreement of which this release is a part.

- (D) None of the Released Parties shall have any responsibility for or liability with respect to (i) any act, omission or determination of the Plaintiffs, Class Counsel, the Escrow Agent or the Administrator in connection with the administration of the Settlement Amount or otherwise in relation to this settlement; (ii) the management, investment or distribution of the Settlement Amount; (iii) the Plan of Allocation; (iv) the determination, administration, calculation or payment of any claims made against the Net Settlement Amount; (v) any losses suffered by, or fluctuations in the value of, the Settlement Amount or the Net Settlement Amount; (vi) the payment or withholding of any Taxes, or any expenses or costs incurred in connection with any taxation of the Settlement Amount or Net Settlement Amount or the filing of any returns; or (vii) any payments to the Fonds d'aide aux recours collectifs. The Escrow Agent or the Administrator, as the case may be, shall indemnify and hold harmless the Released Parties for any claims relating to such matters (including, without limitation, attorney fees and expenses in enforcing this subsection) and such amounts shall be paid from the Settlement Amount as a Non-Refundable Expense.

3.2 Defendants' Release

- (A) Upon the Effective Date, in consideration of the obligations herein, the Defendant Releasers release and forever discharge each and every one of the Settled Defendants' Claims against any of the Released Plaintiff Parties, and are forever barred and enjoined from prosecuting the Settled Defendants' Claims against the Released Plaintiff Parties.

- (B) Upon the Effective Date, this Settlement Agreement shall operate conclusively as an estoppel and full defense in the event of any action, suit, cause of action, proceeding, complaint, claim or demand brought by any Defendant Releasors against any of the Released Plaintiff Parties with respect to Settled Defendants' Claims and this Settlement Agreement may be pleaded in the event of any such action, suit, cause of action, proceeding, complaint, claim or demand and relied upon for the purpose of an application to dismiss the action, suit, cause of action, proceeding, complaint, claim or demand on a summary basis. In the event that any Defendant Releasor initiates or seeks to prosecute in any action, suit, cause of action, proceeding, complaint, claim or demand of any kind, a Settled Defendants' Claim against any of the Released Plaintiff Parties, the Released Plaintiff Party against whom the Settled Defendants' Claim is asserted shall be entitled to recover from such Defendant Releasor its actual costs, including actual legal fees, on a full indemnity basis, in successfully defending the action, suit, cause of action, proceeding, complaint, claim or demand.

3.3 Dismissal of the Actions

- (A) Upon the Effective Date, the Actions shall be dismissed without costs and with prejudice and on the merits, and in Québec, this event shall put an end to the Québec Motion by way of a transaction in accordance with Article 2631 of the *Civil Code of Québec*, S.Q. 1991, c.64, as amended.

SECTION 4 - INTERIM MANAGEMENT OF THE SETTLEMENT AMOUNT

4.1 Duties and Responsibilities of the Escrow Agent

- (A) Except as provided under subsection 4.1(B), the Escrow Agent shall hold the Settlement Amount in an Escrow Account that shall be subject to the jurisdiction of the Courts and shall not pay out any portion of the Settlement Amount from the Escrow Account without an order from any or all of the Courts, as the case may be, made by motion on notice to the Parties.
- (B) The Escrow Agent shall hold the Settlement Amount in the Escrow Account until:
- (i) such time as Non-Refundable Expenses become payable, at which time the Escrow Agent may pay such Non-Refundable Expenses from the Settlement Amount;
 - (ii) such time as Gildan elects to terminate the Settlement Agreement in accordance with subsection 8.1(A) herein, in which case the Settlement Amount less any amount paid for Non-Refundable Expenses shall be returned by the Escrow Agent to Gildan's insurers who funded the Settlement Amount pursuant to subsection 2.1(A) as directed in writing by such insurers;
 - (iii) following the issuance of all of the Approval Orders, and the issuance of an order approving U.S. Class Counsel's application for legal fees and expenses, and upon such date the Escrow Agent shall immediately settle U.S. Class Counsel Fees and any outstanding Administration Expenses;
 - (iv) the Effective Date, and within ten (10) business days of the Effective Date, the Escrow Agent shall pay any portion of the Settlement Amount that remains after payment of U.S. Class Counsel Fees and any Administration Expenses incurred to date, to the Administrator for deposit into the Administrator's Escrow Account; or
 - (v) such time as this Settlement Agreement is terminated in accordance with subsection 8.2(A), within ten (10) business days of such date, the Settlement Amount that remains after payment of any Non-Refundable Expenses incurred to date shall be returned by the Escrow Agent or Administrator, as the case may be, to Gildan's insurers who funded the Settlement Amount as directed in writing by such insurers.

4.2 Taxes

- (A) Except as provided in subsection 4.2(E), below, all Taxes in respect of the Settlement Amount, including any related expenses, shall be payable from the Settlement Amount

and shall be paid by the Escrow Agent or the Administrator, as appropriate, without further order of the Court.

- (B) The Parties, their legal counsel and the Administrator agree to treat the Settlement Amount as being at all times a “qualified Settlement Amount” within the meaning of Treasury Reg. 1.468B-2(k)(1) of the Internal Revenue Code. In addition, the Escrow Agent or the Administrator, as appropriate, shall timely make such elections as necessary or advisable to carry out this provision, including the “relation-back election” (as defined in Treasury Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent or the Administrator, as appropriate, to properly and timely prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.
- (C) For the purpose of §468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent or the Administrator, as the case may be. The Escrow Agent or the Administrator shall timely and properly file, or cause to be timely and properly filed, all informational and other tax returns necessary or advisable with respect to the Settlement Amount (including, without limitation, the returns described in Treasury Reg. §1.468B-2(k)). Such returns (as well as the election described in subsection 4.2(B), above) shall be consistent with this subsection and in all events shall reflect that all Taxes on the income earned by the Settlement Amount shall be paid out of the Settlement Amount as a Non-Refundable Expense.
- (D) Taxes or related expenses (including any amounts to be paid to any of the Released Parties for indemnification pursuant to subsection 3.1(D)) shall be treated as, and considered to be, a Non-Refundable Expense, and shall be timely paid by the Escrow Agent or the Administrator, as appropriate, from the Settlement Amount without prior order from the Court. The Escrow Agent or the Administrator, as appropriate, shall be obligated (notwithstanding anything within this Settlement Agreement to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes or related

expenses (as well as any amounts that may be required to be withheld under Treasury Reg. §1.468B-2(l)(2) or otherwise under any applicable law in respect of such distribution). All payments or distributions to Authorized Claimants from the Settlement Amount shall be net of Taxes.

- (E) Notwithstanding any of the foregoing, if the Escrow Agent, or the Administrator, as the case may be, returns any portion of the Settlement Amount to Gildan's insurers who funded the Settlement Amount (a "Returned Amount"), pursuant to the terms of this Settlement Agreement, the Taxes payable on the income earned in respect of the Returned Amount shall be the responsibility of such insurers (however, such insurers shall not be responsible for any penalties, interest or other charges relating to (i) the failure to timely pay Taxes or withhold and remit to the relevant government authority withholding taxes, or (ii) the filing of any returns required of the Escrow Agent in respect of the Settlement Amount while the Returned Amount was under its control and maintenance).

4.3 Currency Conversions

- (A) Following the Effective Date, the Escrow Agent may convert, or may direct the Administrator to convert, some or all of the Settlement Amount to Canadian currency to facilitate the payment of:
- (i) Class Members' compensation in the currency commensurate with the currency of their transactions in Eligible Shares; and
 - (ii) Class Counsel Fees in the currency of the applicable Court awarded fee award.
- (B) All Parties shall be informed about any currency conversion which takes place. The timing and extent of the conversion, however, shall occur at the direction of the Escrow Agent and no liability shall flow from such conversion.

SECTION 5 - COURT APPROVALS

5.1 Best Efforts

- (A) The Parties shall cooperate and use their best efforts to implement the terms of the Settlement Agreement and to secure the Courts' prompt approval of the Settlement Agreement and dismissal with prejudice of the Actions.
- (B) The Parties agree to hold in abeyance all proceedings and steps in the Actions, other than the motions provided for in the Settlement Agreement or to enforce the confidentiality obligations under the Stipulation and Settlement Agreement Concerning Settlement Discovery, until the Effective Date, or the termination of the Settlement Agreement, whichever occurs first.

5.2 Pre-Approval Motions

- (A) Promptly following the execution of the Settlement Agreement, Class Counsel shall file the Pre-Approval Motions with the Courts, and shall seek to obtain the Pre-Approval Orders.
- (B) For the purpose of settlement only, the Defendants will consent to the issuance of the Pre-Approval Orders. If the Settlement Agreement is not approved or is otherwise terminated, any and all Pre-Approval Orders certifying any of the Actions as class proceedings and certifying the Class, and related findings of the Court concerning certification, shall be automatically set aside on consent upon notice to the Courts, and the Actions shall proceed as though the Actions had never been certified and such findings in respect of class certification had never been made, without prejudice to any Party to either seek or oppose class certification.

5.3 Dissemination of Pre-Approval Notice

- (A) Following the hearing and determination of the last Pre-Approval Motions, Class Counsel shall cause the Pre-Approval Notices to be published in the Newspapers and otherwise disseminated in accordance with the Plan of Notice, subject to any amendment or additional direction of the Courts.

5.4 Information and Assistance from the Defendants

- (A) Within seven (7) business days of the execution of this Settlement Agreement, Gildan shall:
- (i) provide Class Counsel with the available information from Gildan's transfer agent of the names and last known addresses of Gildan's registered shareholders during the Class Period. Such information shall be provided in an electronic format acceptable to the Administrator provided it is already available in such format without additional expense to Gildan; and
 - (ii) authorize the Administrator to solicit information from brokerage firms concerning the names and addresses of all individuals and entities identified by the brokerage firms as having a beneficial interest in the Eligible Shares, for the sole purposes of identifying putative Class Members and providing notice to the Class Members so identified.
- (B) The costs and expenses associated with Gildan fulfilling its obligation pursuant to subsection 5.4(A), shall be borne by Gildan and shall not be a charge against the Settlement Amount.
- (C) Class Counsel and/or the Administrator shall treat as confidential and may use the information obtained in accordance with subsection 5.4(A), above, for the purpose of delivering the Pre-Approval Notices, or otherwise for the purpose of administering and implementing the Settlement Agreement and the Plan of Allocation, but for no other purpose whatsoever.

5.5 Notice of Termination

- (A) If the Settlement Agreement is terminated, as provided in subsections 8.1(A) and 8.2(A), a notice of the termination of the Settlement Agreement shall be posted on the websites of Class Counsel and the Administrator.

SECTION 6 - ADMINISTRATION AND IMPLEMENTATION

6.1 Appointment of the Administrator

- (A) Subject to approval of the Courts, Class Counsel shall select a firm to serve as the Administrator who shall agree to attorn to the jurisdiction of each of the Courts.

6.2 Duties of the Administrator

- (A) The Administrator shall administer and distribute the Settlement Amount in accordance with the powers, rights, duties and responsibilities set out in the Settlement Agreement and in the Plan of Allocation and, with respect to individuals and entities who are Québec Class Members, also in accordance with the regulation respecting the percentage withheld for the *Fonds d'aide aux recours collectifs*.

6.3 Administrator's Escrow Account

- (A) The Administrator shall hold that portion of the Settlement Amount transferred by the Escrow Agent to the Administrator pursuant to subsection 4.1(B)(iv) herein in the Administrator's Escrow Account, which shall be subject to the jurisdiction of the Courts.
- (B) The Administrator's Escrow Account shall be established and maintained in a manner that minimizes transactional costs and risks and maximizes the amount available for distribution.

6.4 Payments from the Settlement Amount

- (A) Except in accordance with subsection 6.4(B), below, the Administrator shall not pay out any amount from the Administrator's Escrow Account without an order approving such payment by the appropriate Court, made by motion on notice to the Parties.
- (B) The Administrator shall hold such amounts in the Administrator's Escrow Account until:
- (i) any remaining Administration Expenses become payable, at which time the Administrator shall pay such remaining Administration Expenses as they become due;
 - (ii) the Effective Date, and upon such date the Administrator shall immediately settle any Class Counsel Fees which remain unpaid;
 - (iii) the Effective Date and after all submitted claims have been processed and any disputes arising therefrom have been resolved, after which time the Administrator shall distribute the Net Settlement Amount, *pro rata*, to each Authorized Claimant in accordance with the Plan of Allocation and such further approval(s) or order(s) of the Courts as may be necessary, or as circumstances may require.

6.5 Claims Submission Process

- (A) In order to seek payment from the Net Settlement Amount, a Class Member must submit a completed Claim Form to the Administrator, in accordance with the provisions of the Pre-Approval Orders, on or before the Claims Deadline, and any Class Member who fails to do so shall not share in any distribution made in accordance with the Plan of Allocation unless the applicable Court which has certified the Class to which such Class Member belongs orders otherwise. Notwithstanding the foregoing, Class Counsel may, in their discretion, accept late filed claims for processing if the distribution of the Net Settlement Amount is not delayed thereby.
- (B) In order to remedy any deficiency in the completion of a timely submitted Claim Form, the Administrator may require that additional information be submitted by a Class Member who timely submits a Claim Form. Such Class Members shall have until the later of thirty (30) calendar days from the date of the communication or the Claims Deadline to rectify the deficiency, or such other time as the applicable Court permits. Any person who does not respond to such a request for information within the timeframe noted above shall be forever barred from receiving any payments pursuant to the Settlement Agreement, subject to any order of the applicable Court to the contrary, but will in all other respects be subject to, and bound by, the provisions of the Settlement Agreement, including the releases of the Settled Claims provided herein.
- (C) Any Class Member who does not submit a Claim Form or whose Claim Form is not approved shall nonetheless be subject to, and bound by, the provisions of the Settlement Agreement, including the releases of Settled Claims provided herein, unless they timely and validly opt-out.
- (D) All payments to Authorized Claimants from the Net Settlement Amount shall be net of Taxes.

6.6 Conclusion of Administration

- (A) If the Administrator's Escrow Account retains a positive balance after one hundred eighty (180) calendar days from the date of distribution of the Net Settlement Amount (whether by reason of tax refunds, un-cashed cheques or otherwise), the Administrator shall, if

feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. Any balance below CAD\$40,000.00 which still remains thereafter shall be donated to such charities or other organizations the Plaintiffs may determine (it being the Plaintiffs' intention that any such balances be distributed as follows: (i) 76% to the Small Investor Protection Association; (ii) 13% to the *Fonds d'aide aux recours collectifs*; and (iii) 11% to such registered U.S. charity designated by U.S. Class Counsel.

- (B) Upon the conclusion of the administration, or at such other time as the Courts direct, the Administrator shall report to the Courts on the administration and shall account for all monies it has received, administered and disbursed and may obtain an order from the Courts discharging it as Administrator.

6.7 Disputes Concerning the Decisions of the Administrator

- (A) In the event that a Class Member disputes the Administrator's decision, whether in whole or in part, the Class Member may appeal the decision by submitting a dispute in writing to either:
- (i) the Québec Court if they are a Québec Class Member;
 - (ii) the U.S. Court, if they reside in the United States, or if they reside outside of the United States and Canada and conducted transactions in Eligible Shares over the New York Stock Exchange; and
 - (iii) the Ontario Court, if they reside in Canada and are not a Québec Class Member, or if they reside outside of Canada and the United States and conducted transactions in Eligible Shares over the Toronto Stock Exchange.
- (B) No Class Member shall have any claim against the Plaintiffs, Class Counsel, the Released Parties or the Administrator based on investments, costs, expenses, administration, allocations, payments or distributions that are made in accordance with the Settlement Agreement, the Plan of Allocation and/or with any order(s) or judgments(s) of the Courts.

SECTION 7 - OPT OUTS AND OBJECTIONS

7.1 Opt Out Procedure

- (A) Each Class Member who wishes to opt out must submit a properly prepared Opt-Out Request along with all required supporting documents:
- (i) in the case of Ontario Class Members or U.S. Class Members, to the Administrator on or before the Opt-Out & Objection Deadline; and
 - (ii) in the case of Québec Class Members, to the Clerk of the Québec Court by registered or certified mail, and to the Administrator, in both cases, on or before the Opt-Out & Objection Deadline.
- (B) In order to remedy any deficiency in the completion of a timely submitted Opt-Out Request, the Administrator may require that additional information be submitted by a Class Member who submits a timely Opt-Out Request. Class Members shall have until the Opt-Out & Objection Deadline to remedy the deficiency.
- (C) If a Class Member fails to submit a properly completed Opt-Out Request and/or all required supporting documents to the Administrator or fails to remedy any deficiency by the Opt-Out & Objection Deadline, the Class Member shall be deemed to not have opted out of the Actions, subject to any order of the Courts to the contrary, and will in all other respects be subject to, and bound by, the provisions of the Settlement Agreement and the releases contained herein.
- (D) Persons who timely and validly opt out of being a Class Member, in accordance with this section 7 and the Pre-Approval Order, shall be excluded from any and all rights and obligations arising from this Settlement Agreement.
- (E) Except as provided in subsection 7.1(F) below, Class Members who do not timely and validly opt out shall be deemed to have elected to participate in this Settlement Agreement regardless of whether such Class Members timely submit Claim Forms or receive payments pursuant to the Settlement Agreement.
- (F) Québec Class Members who have commenced proceedings against any Defendant regarding the Settled Claims and who fail to discontinue such proceedings by the Opt-Out & Objection Deadline shall be deemed to have opted out.

- (G) The Plaintiffs undertake and agree that, despite anything contained in this section, they will not opt out, and the Parties agree that Class Counsel will not solicit, entice or encourage any member of the Class for the purpose of causing that person to opt out. Class Counsel shall not act for any Opt-Out Class Members, individually or collectively, in any continuing or subsequent actions relating to Settled Claims.

7.2 Notification of the Number of Opt Outs

- (A) Within five (5) business days following the Opt-Out & Objection Deadline, the Administrator shall provide the Parties with:
- (i) the names of those Class Members, if any, who have opted out of the Class;
 - (ii) the number of Eligible Shares purchased or otherwise acquired by each Class Member who opted out; and
 - (iii) copies of the Opt-Out Requests actually submitted.

7.3 Objection Procedure

- (A) Each Class Member who wishes to make an objection to the Settlement Agreement must submit a written objection to Class Counsel by the Opt-Out & Objection Deadline. The written objection should include:
- (i) the objector's name, address, telephone number, fax number (where applicable) and email address;
 - (ii) a brief statement outlining the nature of, and reason for, the objection;
 - (iii) documents establishing that the objector purchased or otherwise acquired Eligible Shares; and
 - (iv) a statement as to whether the objector intends to appear at the Approval Motion in person or by legal counsel, and, if by legal counsel, the name, address, telephone number, fax number and email address of such legal counsel.
- (B) Submitting an objection does not disqualify a Class Member from subsequently submitting a Claim Form.

- (C) Class Counsel shall, upon receipt, provide counsel for the Defendants with copies of any objections received, and shall file with the Courts prior to the Approval Motions all objections received by the Opt-Out & Objection Deadline.

SECTION 8 - TERMINATION OR FAILURE TO OBTAIN APPROVALS

8.1 The Defendants' Right to Terminate for Exceeded Opt-Out Threshold

- (A) Notwithstanding any other provision in the Settlement Agreement, any of the Defendants, in their sole discretion, may elect to terminate the Settlement Agreement if the Opt-Out Threshold is exceeded. In order to terminate the Settlement Agreement the Defendants must deliver a Termination Notice to Class Counsel within ten (10) business days of the Administrator notifying the Defendants of the number of Eligible Shares purchased or otherwise acquired by each Class Member who has opted out pursuant to subsection 7.2 after which date the right to terminate the Settlement Agreement will expire.
- (B) If the Opt-Out Threshold is not exceeded, the Defendants' right to terminate the Settlement Agreement pursuant to subsection 8.1(A) is inoperative and of no force and effect.
- (C) The Opt-Out Threshold shall be stated in the confidential Opt-Out Threshold Agreement signed prior to, or contemporaneously with, the execution of the Settlement Agreement.
- (D) Class Counsel may review the validity of any request to opt out of the Class and/or attempt to cause the applicable Class Members to retract, revoke or withdraw any Opt-Out Request during the Opt-Out Review Period.
- (E) If, within the Opt-Out Review Period, Class Counsel succeeds in causing the filing of retractions, revocations or withdrawals of Opt-Out Requests and/or issuance of orders disqualifying the Opt-Out Requests such that the number of shares represented by the remaining Opt-Out Class Members does not exceed the Opt-Out Threshold, then the Termination Notice shall automatically be deemed a nullity, and the settlement shall proceed in accordance with the terms of the Settlement Agreement.

- (F) If the grounds for termination pursuant to subsection 8.1(A) remain following the Opt-Out Review Period, the Settlement Agreement will be deemed terminated, unless the Defendants withdraw their Termination Notice.
- (G) If the Settlement Agreement is terminated as a result of the Defendants' election pursuant to subsection 8.1(A), the Parties agree to cooperate in bringing a consent motion before the Courts, as soon as possible following termination of the Settlement Agreement, to obtain orders:
- (i) decertifying or otherwise vacating the certification of the Actions as class proceedings as set out in the Pre-Approval Orders; and
 - (ii) declaring this Settlement Agreement null and void and of no force or effect except for the provisions of those sections listed in subsection 8.3(A).

8.2 Other Grounds for Termination

- (A) Prior to the Approval Orders becoming Final, the Plaintiffs, Gilman and the Individual Defendants each have the right to terminate the Settlement Agreement by providing written notice of his or its election to do so to all other Parties within thirty (30) calendar days of any of the following:
- (i) the date upon which any one of the Courts refuses to issue the corresponding Pre-Approval Order (as set forth in Schedules "C", "D" or "E") in any material respect;
 - (ii) the date upon which any one of the Courts refuses to approve the Settlement Agreement;
 - (iii) the date upon which any one of the Courts refuses to issue the corresponding Approval Order (as set for the in Schedules "H", "I" or "J") in any material respect other than such terms relating to Class Counsel Fees;
 - (iv) the date upon which an Approval Order is Finally modified or reversed in any material respect by any level of appellate court, other than such terms relating to Class Counsel Fees; or
 - (v) the date upon which any one of the Courts refuses to adopt the Plan of Allocation (as set forth in Schedule "A") in any material respect.

8.3 Effect of Termination Generally

- (A) If the Settlement Agreement is not approved by the Courts, or if it is terminated as contemplated by subsection 8.1(A) or 8.2(A): (i) the Parties shall revert to their litigation positions immediately prior to the execution of this Settlement Agreement as though the Settlement Agreement and any related orders had not been issued and entered; and (ii) the Settlement Agreement shall have no further force and effect, shall not be binding on the Parties and shall not be admissible as evidence or otherwise in the Actions, provided however that sections 1, 3.1(D), 4.1(A) and (B)(ii) and (v), 4.2, 5.1(B), 5.2(B), 5.4(C), 5.5, 8.1-8.4, 9.1(B), 10, 11.1, 11.3, 11.5, 11.7 and 11.9-11.12 of the Settlement Agreement shall survive and shall continue in full force and effect.
- (B) The Escrow Agent shall within ten (10) business days of termination of the Settlement Agreement: (i) account to the Courts and the Parties for the amounts paid from and currently maintained in the Escrow Account; and (ii) return the Settlement Amount that remains after the payment of any Administration Expenses incurred to date to Gildan's insurers who funded the Settlement Amount as directed in writing by such insurers.

8.4 Disputes Relating to Termination

- (A) If there is any dispute about the termination of this Settlement Agreement or concerning Administration Expenses, the Ontario Court shall determine any dispute by motion on notice to the Parties and the Administrator.

SECTION 9 - CLASS COUNSEL FEES

9.1 Motion for Approval of Class Counsel Fees and Expenses

- (A) Class Counsel will submit fee and expense applications for consideration by the Courts. The Defendants shall take no position on Class Counsel's request for an award of legal fees and reimbursement of expenses.
- (B) Class Counsel's motions for approval of Class Counsel Fees shall be returnable together with the Approval Motions, or promptly following the hearing of such motions. Determination as to the amount of Class Counsel Fees awarded will be made by the

appropriate Courts, and any amounts awarded as U.S. Class Counsel Fees shall be paid in accordance with subsection 4.1(B)(iii) herein, notwithstanding any objections thereto or opportunity to appeal therefrom, subject to the obligation on U.S. Class Counsel to repay within ten (10) business days to the Administrator's Escrow Account or to Gildan's insurers who funded the Settlement Amount, as the case may be, U.S. Class Counsel Fees plus accrued interest, at the same rate as is earned by the Net Settlement Amount in the Administrator's Escrow Account, if the applicable orders awarding U.S. Class Counsel Fees are overturned or reversed on appeal or if the Settlement Agreement is terminated pursuant to subsection 8.2(a)(iii), (iv) or (v) herein. If U.S. Class Counsel Fees are reduced on appeal, U.S. Class Counsel shall repay the sum by which U.S. Class Counsel Fees are reduced plus accrued interest as noted above.

- (C) Class Counsel are not precluded from making additional applications for expenses incurred in accordance with further implementing the terms of this Settlement Agreement, provided that payment of such expenses is sought from the Settlement Amount and not from the Defendants. The Defendants shall have no responsibility for, nor any liability whatsoever with respect to, any payment of Class Counsel Fees.
- (D) Any decision by the Courts concerning the amount of Class Counsel Fees shall not affect the validity of the settlement of the Actions as provided under the Settlement Agreement.

SECTION 10 - NO ADMISSION OF WRONGDOING

10.1 No Admission of Liability

- (A) The Defendants are entering into this settlement to eliminate the burden and expense of further litigation. The Defendants have denied and continue to deny (i) each and all of the claims and contentions alleged in the Actions; (ii) all charges of wrongdoing, liability and/or violation of law against them arising out of any of the conduct, statements, acts, or omissions alleged against them, or that could have been alleged against them in the Actions; and (iii) the allegations that anyone suffered damage or was otherwise harmed by the conduct alleged in the Actions.

10.2 Agreement Not Evidence

- (A) Neither the Settlement Agreement nor anything contained herein, shall be offered or received as evidence or interpreted in any of the Actions or any other action or proceeding as any presumption, concession or admission: (i) of the validity of any claim that has been or could have been asserted in the Actions, or the deficiency of any defence that has been or could have been asserted in the Actions; (ii) of wrongdoing, fault, neglect or liability by the Defendants; and (iii) that the consideration to be given hereunder represents the amount that could be or would have been recovered in the Actions after trial. The foregoing shall not be interpreted to preclude the Settlement Agreement being offered as evidence to effectuate the provisions of the Settlement Agreement.

SECTION 11 - MISCELLANEOUS

11.1 Entire Agreement

- (A) The Settlement Agreement, together with the Stipulation and Agreement Concerning Settlement Discovery and the Opt-Out Threshold Agreement, constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of the Settlement Agreement, unless expressly incorporated herein or in the Stipulation and Agreement Concerning Settlement Discovery or the Opt-Out Threshold Agreement. The Settlement Agreement may not be modified or amended except in writing and on consent of all Parties or their successors-in-interest.

11.2 Translation of Settlement Documents

- (A) To the extent required by law, this Settlement Agreement, the Plan of Allocation, the Plan of Notice and the Pre-Approval Notices shall be translated into the French language for submission to the Québec Court and for the issuance of orders from the Québec Court. Class Counsel shall cause such translations to be performed, and the cost of

obtaining such translations shall constitute an Administration Expense that is payable out of the Settlement Amount.

- (B) In the event that a dispute arises concerning the interpretation or effect of a provision of the Settlement Agreement or a translation thereof, the English version of the Settlement Agreement shall be paramount and its terms shall supersede those of any translation.

11.3 Ongoing Jurisdiction

- (A) The Settlement Agreement shall be governed by, construed and interpreted in accordance with the laws of the province of Ontario. To the extent that the laws of Québec and the United States are applicable to the proceedings arising from this Settlement Agreement which occur in those jurisdictions, the law of the applicable jurisdiction shall apply to those proceedings.
- (B) All Courts shall retain jurisdiction with respect to implementation and enforcement of the terms of this Settlement Agreement and the Parties submit to the jurisdiction of the Courts for purposes of implementing and enforcing the settlement provided herein.

11.4 Motions for Directions

- (A) Any one or more of the Parties, the Escrow Agent or the Administrator may apply to the Courts for directions in respect of any matter in relation to the Settlement Agreement and Plan of Allocation.
- (B) All motions contemplated by the Settlement Agreement shall be on notice to the Parties.

11.5 Interpretation

- (A) In the Settlement Agreement:
 - (i) the division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Settlement Agreement; and
 - (ii) the terms “the Settlement Agreement”, “herein”, “hereto” and similar expressions refer to the Settlement Agreement as a whole and not to any particular section or other portion of the Settlement Agreement.

- (B) In the computation of time in this Settlement Agreement, except where a contrary intention appears,
- (i) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including, unless otherwise provided, all calendar days; and
 - (ii) only in the case where the time for doing an act expires on a holiday (as defined in the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, R.1.03(1)), the act may be done on the next day that is not a holiday.

11.6 Binding Effect

- (A) The Settlement Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and all of their respective successors in interest, heirs, administrators, trustees and assigns and, upon the Effective Date, Class Members and their respective successors, heirs, beneficiaries, current and former employee plan members and contributors, executors, administrators, trustees and assigns.

11.7 Negotiated Agreement

- (A) The Settlement Agreement has been the subject of arm's-length negotiations among the Parties, each of which has been represented and advised by competent counsel and all Parties have contributed substantially and materially to the preparation of this Settlement Agreement, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of the Settlement Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of the Settlement Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of the Settlement Agreement.

11.8 Public Statements

- (A) All Parties and their respective counsel shall provide each other with reasonable advance notice of any news releases or postings on their website (including the contents thereof) announcing this settlement and agree such statements shall not make any disparaging

statements about the any of the Parties, or their counsel, and shall reflect that the settlement is made without any admissions of liability, wrongdoing or fault.

11.9 Notice

- (A) Where the Settlement Agreement requires a notice or any other communication or document to be given to the Parties, such notice, communication or document shall be provided by email, facsimile or letter by overnight delivery to the representative of the person to whom notice is being provided, as identified below:

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Email: amark@ogilvyrenault.com / stenai@ogilvyrenault.com

Brian Frawley
Sullivan & Cromwell ^{LLP}
125 Broad Street
New York, New York 10004-2498
Telephone: 212.558.4000
Facsimile: 212.558.3588
Email: frawleyb@sullcrom.com

11.10 Authorized Signatures

(A) Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement on behalf of the Party for whom he or she is signing.

11.11 Acknowledgements

- (A) Each of the Parties hereby affirms and acknowledges that:
 - (i) their representative, with the authority to bind the Party with respect to the matters set forth herein, has read and understood the Settlement Agreement;
 - (ii) the terms of the Settlement Agreement and the effects thereof have been fully explained to them or their representative by their counsel;
 - (iii) their representative fully understands each term of the Settlement Agreement and its effect.

11.12 Counterparts

(A) The Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing the Settlement Agreement.

The Parties have executed this Settlement Agreement as of the date on the cover page.

METZLER INVESTMENT GMBH
By its counsel,
Siskinds LLP and Diaz Reus & Targ LLP

By: _____
A. Dimitri Lascaris

& By: _____
Alexander Reus

PER: DIMITRI LASCARIS
SISKINDS LLP

GASTON RIOUX
By his counsel,
Siskinds Desmeules s.e.n.c.r.l.

By: _____
Simon Hebert

Per: Dimitri Lascaris
Siskinds LLP

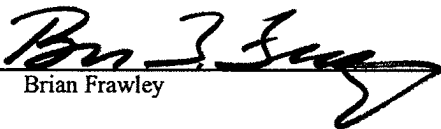
**CITY OF ST. CLAIR SHORES POLICE AND FIRE
RETIREMENT SYSTEM, NORFOLK COUNTY
RETIREMENT SYSTEM, CITY OF PONTIAC
POLICEMEN'S AND FIREMAN'S RETIREMENT
SYSTEMS, AND CITY OF DETROIT POLICEMAN'S
AND FIREMAN'S RETIREMENT SYSTEMS**
By their counsel,
Robbins Geller Rudman & Dowd ^{LLP} and
Labaton Sucharow ^{LLP}

**GILDAN ACTIVEWEAR INC., GLENN J. CHAMANDY,
GLENN CHAMANDY HOLDINGS CORPORATION AND
LAURENCE G. SELLYN**
By their counsel,
Ogilvy Renault ^{LLP} and Sullivan & Cromwell ^{LLP}

By: _____
Samuel H. Rudman / David A. Rosenfeld

By: _____
Alan Mark / Steve Tenai

& By: _____
Jonathan Gardner / Mark Goldman

& By:  _____
Brian Frawley

CITY OF ST. CLAIR SHORES POLICE AND FIRE
RETIREMENT SYSTEM, NORFOLK COUNTY
RETIREMENT SYSTEM, CITY OF PONTIAC
POLICEMEN'S AND FIREMAN'S RETIREMENT
SYSTEMS, AND CITY OF DETROIT POLICEMAN'S
AND FIREMAN'S RETIREMENT SYSTEMS
By their counsel,
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Labaton Sucharow ^{LLP}

GILDAN ACTIVEWEAR INC., GLENN J. CHAMANDY,
GLENN CHAMANDY HOLDINGS CORPORATION AND
LAURENCE G. SELLYN
By their counsel,
Ogilvy Renault ^{LLP} and Sullivan & Cromwell ^{LLP}

By: David A. Rosenfeld / by ees
Samuel H. Rudman / David A. Rosenfeld

By: [Signature]
Alan Mark / Steve Tenai

& By: Jonathan Gardner / Mark Goldman
Jonathan Gardner / Mark Goldman

& By: _____
Brian Frawley

SCHEDULE “A” – PLAN OF ALLOCATION

DEFINED TERMS

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to purchase or otherwise acquire Eligible Shares;
 - (b) “**Authorized Canadian Claimant**” means an Authorized Claimant who purchased or otherwise acquired their Eligible Shares on the TSX, or who was a Canadian resident at the time some or all of their Eligible Shares were purchased or acquired, regardless of the exchange over which the Eligible Shares were purchased or acquired. For the purposes of this Plan of Allocation, residency shall be confirmed by consideration of a Claimant’s address at the time their Eligible Shares were purchased or acquired;
 - (c) “**Authorized U.S. Claimant**” means an Authorized Claimant who purchased or otherwise acquired their Eligible Shares on the NYSE, other than Canadian residents. Where an Authorized U.S. Claimant has acquired Eligible Shares on both the TSX and NYSE, such claimant will be treated as an Authorized U.S. Claimant with respect to those Eligible Shares acquired on the NYSE and as an Authorized Canadian Claimant with respect to those Eligible Shares acquired on the TSX;
 - (d) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Deadline;
 - (e) “**Disposition Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of their Eligible Shares; provided, however, that with respect to any Eligible Shares that the Claimant continues to hold, they shall be deemed to have been disposed of for an amount equal to the number of Eligible Shares still held, multiplied by the difference between the average price per common share paid for those Eligible Shares (including any commissions paid in respect thereof determined on a per common share basis) and (i) in the case of TSX transactions CAD\$26.51; or (ii) in the case of NYSE transactions USD\$25.97.
 - (f) “**FIFO**” means the principle of first-in first-out, wherein common shares are deemed to be sold in the same order that they were purchased or otherwise acquired (i.e. the first common shares purchased or otherwise acquired are deemed to be the first sold); and which requires, in the case of a Claimant who held common shares of Gildan at the commencement of the Class Period, that

those common shares be deemed to have been sold completely before Eligible Shares are sold, or deemed sold;

- (g) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense;
- (h) “**Nominal Entitlement**” means an Authorized Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis of each Authorized Claimant’s *pro rata* share of the Net Settlement Amount.

CALCULATION OF NET LOSS

2. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Amount.
3. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss they become an Authorized Claimant, and the Administrator will go on to calculate their Nominal Entitlement.

CALCULATION OF COMPENSATION

4. The Administrator will apply FIFO to distinguish the sale of Gildan common shares held at the beginning of the Class Period from the sale of Eligible Shares, and will continue to apply FIFO to determine the purchase or acquisition transactions which correspond to the sale of Eligible Shares. The Administrator will use this data in the calculation of an Authorized Claimant’s Nominal Entitlement according to the formulas listed below.
5. The date of sale or deemed disposition shall be the trade date, as opposed to the settlement date, of the transaction.
6. For the purposes of any calculation under the Plan of Allocation, the Administrator will account for any stock splits or consolidations that occur after the Class Period, such that Authorized Claimants’ holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period.

7. An Authorized Claimant's Nominal Entitlement will be calculated as follows:
- I. No Nominal Entitlement shall be available for any Eligible Shares *disposed of* prior to the first alleged corrective disclosure, that is, *prior to April 29, 2008*.**
 - II. For Eligible Shares *disposed of* during the 10 trading day period following the alleged corrective disclosure, that is, *on or between April 29 and May 12, 2008*, the Nominal Entitlement shall be:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the per share price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition).
 - III. For Eligible Shares *disposed of* after the 10 trading day period following the alleged corrective disclosure, that is, *after the close of trading on May 12, 2008*, the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the per share price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); and
 - B. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and (i) in the case of TSX transactions CAD\$26.51; or (ii) in the case of NYSE transactions USD\$25.97 [in both cases being the 10 trading day volume weighted average trading price of Gildan common shares from April 29 to May 12, 2008].

IV. For Eligible Shares still held at the time the Claim Form is completed, the Nominal Entitlement shall be:

- A. an amount equal to the number of Eligible Shares still held, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and (i) in the case of TSX transactions CAD\$26.51; or (ii) in the case of NYSE transactions USD\$25.97 [in both cases being the 10 trading day volume weighted average trading price of Gildan common shares from April 29 to May 12, 2008].

FINAL DISTRIBUTION

8. 89% of the Net Settlement Fund is allocated for *pro rata* distribution among Authorized Canadian Claimants. Such distributions shall be made in Canadian currency. The remaining 11% of the Net Settlement Fund shall be distributed in U.S. currency on a *pro rata* basis among Authorized U.S. Claimants.
9. Once all Nominal Entitlements have been calculated, the Administrator will convert the Nominal Entitlements of all Authorized Canadian Claimants who conducted transactions on the NYSE from U.S. currency to Canadian currency based on the exchange rate as of the date the currency conversion is performed. After currency conversion, the Nominal Entitlements of all Authorized Canadian Claimants will be recorded in Canadian currency.

SCHEDULE “B” – PLAN OF NOTICE

Capitalised terms used in this Plan of Notice have the meanings ascribed to them in the Settlement Agreement.

PART 1 – NOTICE OF CERTIFICATION & SETTLEMENT APPROVAL MOTIONS

Subject to such alternative or additional direction by the Courts, the Pre-Approval Notices will be disseminated as follows:

Internet Publication

The Long-Form Notice will be posted, in both the English and French languages, on (i) www.classaction.ca; (ii) www.rgrdlaw.com; (iii) www.labaton.com; and (iv) on the website to be established by the Administrator to assist the administration of the settlement.

National Publication of the Pre-Approval Notice in Canada and the United States

Publication of the Short-Form Notice, which notice will be at least a 1/8 page in size, will occur no later than fifteen (15) calendar days following the issuance of the last Pre-Approval Order.

In Canada, such publication will be made in the English language in the national editions of the *National Post* and *Globe and Mail* and in the French language in *La Presse* and *Le Soleil*. The English and French language versions of Short-Form Notice will also be issued across *Marketwire*, a major business newswire in Canada.

In the U.S., such publication will be made in the English language only in the national edition of *Investor's Business Daily*, and by issuance of the Short-Form Notice across *Business Wire*, a major national business newswire in the U.S.

Individual Notice

Within fifteen (15) calendar days of the issuance of the last Pre-Approval Order,

1. the Administrator shall mail the Long-Form Notice to the last known addresses of all individuals and entities identified from Gildan's transfer records as provided to the Administrator by Gildan pursuant to section 5.4 of the Settlement Agreement;
2. the Administrator shall send the Long-Form Notice to all major brokerage firms in Canada and the U.S. requesting that the brokerage firms send forthwith to the Administrator the names and addresses of all persons identified by the brokerage firms as having a beneficial interest in Gildan common stock purchased or otherwise acquired during the Class Period, and to mail the Long-Form Notice to all individuals or entities so identified; and

3. class Counsel shall mail or email the Long-Form Notice to those individuals and entities who have contacted them regarding this litigation and have provided Class Counsel with their contact information.

Additionally, Class Counsel will make toll free numbers and email addresses available to the public that will enable Class Members to obtain more information about the settlement, the claims, opt-out and objection processes, and to request that a copy of the Long-Form Notice or Claim Form be sent to them directly. The Administrator will directly mail or email the Long-Form Notice and/or Claim Form to any Class Member who contacts them and requests same. Additionally, the public may view, or obtain copies of, the Settlement Agreement, the Long-Form Notice and Claim Form at the Administrator's website.

PART – 2: APPROVAL NOTICE

Within 72 hours after the issuance by the Courts of any order granting or refusing to approve the Settlement, such orders will be posted on the websites of Class Counsel and the Administrator. Such orders will also be sent directly to any person who requests it. Class Members will be made aware of the availability of those orders through the Long-Form Notice.

SCHEDULE “C” – ONTARIO PRE-APPROVAL ORDER

Court File No. 58574CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE ____ DAY
JUSTICE LYNNE LEITCH) OF _____, 2010

B E T W E E N:

METZLER INVESTMENT GMBH

Plaintiff

and

GILDAN ACTIVEWEAR INC., GLENN J. CHAMANDY, GLENN J. CHAMANDY
HOLDINGS CORPORATION, and LAURENCE G. SELLYN

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the Plaintiff for, *inter alia*, an Order certifying this action as a class proceeding for the purpose only of settlement and approving the form and method of dissemination of notice to class members was heard in London, Ontario on _____, 2010.

ON READING the materials filed, including the settlement agreement dated August _____, 2010 between the parties (the “Settlement Agreement”), and on hearing the submissions of counsel for the Plaintiff and counsel for the Defendants:

1. **THIS COURT DECLARES** that except as otherwise stated, this Order incorporates and adopts the definitions set forth in the Settlement Agreement, which is attached hereto as **Schedule “A”**.
2. **THIS COURT ORDERS** that, subject to paragraph 21 herein, the within proceeding is certified as a class proceeding, for purposes of settlement only, pursuant to the *Class Proceedings Act, 1992*, S.O. 1992, c.6, sections 2 and 5.
3. **THIS COURT ORDERS** that the “Ontario Class” is defined and certified as:

All persons who purchased or otherwise acquired common shares of Gildan during the period from and including August 2, 2007 to and including April 29, 2008 and either: (i) are now or were at the time of such purchase or acquisition Canadian residents or (ii) purchased or otherwise acquired such shares on the Toronto Stock Exchange; but does not include persons who are either: (i) Excluded Persons or (ii) members of the Québec Class.

4. **THIS COURT DECLARES** that the causes of action asserted in this Action on behalf of the Ontario Class are negligence, negligent and reckless misrepresentation and unjust enrichment.
5. **THIS COURT ORDERS** that Metzler Investment GmbH is appointed as the Representative Plaintiff for the Ontario Class within this proceeding.
6. **THIS COURT ORDERS** that the within proceeding is certified for settlement purposes only on the basis of the following common issues:

Were Gildan's pleaded public statements during the Class Period materially false and/or misleading regarding: (i) the comparable scale of production of its Dominican Republic manufacturing facility to that of its more mature Honduras manufacturing facility; and (ii) Gildan's earnings per share for Fiscal 2008 guidance?

7. **THIS COURT ORDERS** that Siskinds ^{LLP} is hereby appointed and approved as the Escrow Agent and [name of Administrator] is hereby appointed and approved as the

Administrator for purposes of the proposed settlement and carrying out the duties respectively assigned to the Escrow Agent and the Administrator under the Settlement Agreement, and shall be subject to the jurisdiction of this Court for all matters relating to the Ontario Action, including the administration, interpretation, effectuation or enforcement of the Settlement Agreement and this Order.

8. **THIS COURT ORDERS** that the form and content of the Long-Form Notice, substantially in the form attached hereto as **Schedule “B”**, is hereby approved.
9. **THIS COURT ORDERS** that the form and content of the Short-Form Notice, substantially in the form attached hereto as **Schedule “C”** is hereby approved.
10. **THIS COURT ORDERS** that the Administrator shall cause the Short-Form Notice and the Long-Form Notice to be published and/or disseminated in accordance with the Plan of Notice attached as Schedule “B” to the Settlement Agreement.
11. **THIS COURT ORDERS** that individuals or entities who would otherwise be members of the Ontario Class but who elect to opt out of the Ontario Class must do so by preparing and signing an Opt-Out Request which clearly states that the Ontario Class Member requests exclusion from the Class, and includes the Ontario Class Member's name, address, telephone number and email address (if available) all of the date(s), price(s), and the number(s) of all of the Gildan common shares they purchased, acquired or sold during the Class Period and on which exchange, and by sending his, her or its Opt-Out Request to the Administrator, at the address indicated in the Pre-Approval Notices, postmarked no later than the Opt-Out & Objection Deadline, namely, sixty (60) calendar days after the date the Short-Form Notice is first published pursuant to paragraph 10

above. Subject to further order of the Court, no person or entity may opt out of the Ontario Class after the expiry of the Opt-Out & Objection Deadline.

12. **THIS COURT ORDERS** that any potential member of the Ontario Class who elects to opt out of the Ontario Class in accordance with paragraph 11 of this Order may not participate in the settlement, if approved.
13. **THIS COURT ORDERS** that any Ontario Class Member who does not validly opt out in the manner and time prescribed above shall be deemed to have elected to participate in the settlement and be bound by the terms of the Settlement Agreement if approved and all related Court Orders, regardless of whether the Ontario Class Member has timely filed a Claim Form.
14. **THIS COURT ORDERS** that the form and content of the Claim Form, substantially in the form attached hereto as **Schedule “D”**, is hereby approved.
15. **THIS COURT ORDERS** that in order to be entitled to participate in a distribution from the Net Settlement Amount, each member of the Ontario Class shall take the following actions and be subject to the following conditions:
 - (a) submit a properly executed Claim Form to the Administrator, at the address indicated in the Pre-Approval Notices, postmarked no later than the Claims Deadline, namely, one hundred twenty (120) calendar days after the date set herein for the publication of the Short-Form Notice;
 - (b) submit, together with the Claim Form, any supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Administrator;

- (c) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury;
 - (d) if the person executing the Claim Form is acting in a representative capacity, a certification of his, her or its current authority to act on behalf of the Ontario Class Member must be included in the Claim Form;
 - (e) each Claim Form shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first class mail, postage prepaid) provided that such Claim Form is actually received prior to the distribution of the Net Settlement Amount; and
 - (f) any Claim Form submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Pre-Approval Notices, provided that such Claim Form is actually received prior to the distribution of the Net Settlement Amount.
16. **THIS COURT ORDERS** that, as part of the Claim Form, each Ontario Class Member shall submit to the jurisdiction of this Court with respect to the claim submitted, and shall (subject to the approval of the Settlement Agreement by the Courts) release all Settled Claims against the Released Parties.
17. **THIS COURT ORDERS** that Ontario Class Members who wish to file with the Court an objection or comment to the Settlement Agreement or to the approval of the fees of counsel for the Plaintiff shall deliver a written statement to counsel for the Plaintiff, at the address indicated in the Pre-Approval Notices, no later than sixty (60) calendar days after the date the Short-Form Notice is first published pursuant to paragraph 10 above, and counsel for the Plaintiff shall file all such submissions with the Court prior to the hearing of the Approval Motion.

18. **THIS COURT ORDERS** that if the Settlement Agreement is terminated pursuant to any rights of termination therein, then:

- (a) this Order (except for paragraphs 1 and 18 herein) shall be set aside, be of no further force or effect, and be without prejudice as to any party;
- (b) the Ontario Action shall be immediately decertified as a class proceeding pursuant to Section 10 of the *Class Proceedings Act, 1992*, without prejudice to the Plaintiff's ability to reapply for certification and the Defendants' ability to oppose certification on any and all grounds; and
- (c) each party to the Ontario Action shall be restored to their respective position in the Ontario Action as it existed immediately prior to the execution of the Settlement Agreement.

THE HONOURABLE
JUSTICE LYNNE LEITCH

SCHEDULE “D” – QUÉBEC PRE-APPROVAL ORDER
COUR SUPÉRIEURE
(Recours collectif)

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL

N° : 500-06-000458-097

DATE : ●

EN PRÉSENCE DE : L'HONORABLE ●, J.C.S.

GASTON RIOUX

Requérant;

c.

LES VÊTEMENTS DE SPORT GILDAN INC. ET AUTRES

Intimés

JUGEMENT

- [1] **VU** que les Intimés consentent à la requête pour fins de règlement seulement ;
- [2] **VU** les pièces versées au dossier;
- [3] **VU** les déclarations des procureurs des parties et les représentations faites de part et d'autre;
- [4] **VU** les articles 1025, 1045 et 1046 du Code de procédure civile;
- [5] **APRÈS EXAMEN**, il y a lieu de faire droit à la requête;

POUR CES MOTIFS, LE TRIBUNAL:

- [6] **ACCUEILLE** la requête;

[7] **DÉCLARE** que les définitions contenues dans l'Entente de Règlement sont utilisées pour ce jugement et par conséquent sont considérées comme étant partie intégrante de ce jugement;

[8] **AUTORISE** l'exercice d'un recours collectif contre les Intimés pour fins de règlement seulement sous réserve de ce qui est mentionné au paragraphe 21 des présentes;

[9] **ATTRIBUE** au Requéran le statut de représentant des personnes faisant partie du groupe ci-après décrit (ci-après désignées « les Membres du Groupe du Québec ») :

- Toute personne ayant acheté ou autrement acquis, au cours de la période comprise entre le 2 août 2007 et le 29 avril 2008 inclusivement, des actions ordinaires de Gildan, et qui était à ce moment résident du Québec, ou qui l'est maintenant, sauf (i) les Personnes Exclues, et (ii) les Personnes Exclues du Groupe du Québec;

[10] **DÉSIGNE** le cabinet Siskinds LLP pour agir à titre de gardien (Escrow Agent) de la somme à être entiercée et **DÉSIGNE** la firme • pour agir à titre d'administrateur des réclamations avec les pouvoirs, obligations et devoirs énumérés dans l'Entente de Règlement proposée dans cette affaire en ce qui a trait au gardien (Escrow Agent) et à l'Administrateur (Administrator) avec, notamment, l'obligation de détenir et de distribuer l'argent en fidéicommiss en conformité avec l'Entente de Règlement proposée dans cette affaire et en accord avec le Règlement sur le pourcentage prélevé par le Fonds d'aide aux recours collectifs (R.R.Q. c. R-2.1, r.3.1.) étant entendu qu'ils seront soumis à la juridiction de cette Cour en ce qui a trait à toute chose liée au Recours du Québec (Québec Action) y compris l'administration, l'interprétation et la mise en œuvre de l'Entente de Règlement proposée dans cette affaire et ce jugement;

[11] **APPROUVE** les avis aux Membres du Groupe, dans leur version anglaise et française, selon l'annexe I au présent jugement;

[12] **ORDONNE** qu'un avis, en anglais et en français, substantiellement conforme aux avis joints au présent jugement comme annexe I, soit publié par l'Administrateur selon le protocole de diffusion contenu dans l'annexe II au présent jugement;

[13] **ORDONNE** que tout Membre du Groupe désirant formuler une opposition à l'Entente de Règlement ou à l'approbation des honoraires des avocats du Requéran le fasse par écrit et que tel écrit contienne obligatoirement les renseignements qui suivent:

a. Le nom de la personne qui s'oppose, son adresse, son numéro de téléphone, son numéro de télécopieur et adresse de courriel, le cas échéant.

b. Un bref résumé de la nature et des motifs de l'opposition.

c. Tout document permettant d'établir que la personne s'opposant à l'Entente de Règlement a acquis des titres de Gildan au cours de la Période du Recours.

d. Une déclaration sur l'intention de la personne s'opposant au règlement d'être présente lors de l'audience d'approbation en personne, ou d'être représentée par un conseiller légal et, si la personne s'opposant à la transaction a choisi d'être représentée par un conseiller légal, le nom,

l'adresse, le numéro de téléphone, le numéro de télécopieur et, le cas échéant, l'adresse courriel de ce conseiller.

[14] **DÉCLARE** que toutes ces oppositions écrites doivent être transmises par courrier, télécopieur ou courriel et devront être reçues par les Procureurs du Groupe le ou avant le • à 17:00 à l'adresse apparaissant dans les avis annexés à ce jugement comme annexe I;

[15] **ORDONNE** que chaque Membre du Groupe qui désire s'exclure et ainsi ne pas être lié par l'Entente de Règlement proposée dans cette affaire le fasse par écrit et que tel écrit contienne obligatoirement, outre la signature du Membre du Groupe :

- a. Une affirmation précise à l'effet que le Membre du Groupe veut s'exclure du groupe.
- b. Le nom de la personne s'excluant du groupe, son adresse, son numéro de téléphone, son numéro de télécopieur et adresse de courriel, le cas échéant.
- c. Les indications sur la quantité d'actions de Gildan achetées au cours de la Période du Recours avec les dates et prix d'achat ou de vente.

[16] **FIXE** le délai d'exclusion à • jours à compter de la première publication de l'Avis, délai à l'expiration duquel les Membres du Groupe qui ne se seront pas prévalus de ce droit de s'exclure seront liés par l'Entente de Règlement et par tout jugement à intervenir;

[17] **DÉCLARE** que pour être admissibles, les demandes d'exclusion devront être faites par écrit et transmises par courrier enregistré ou recommandé aux adresses qui suivent :

Greffier Cour Supérieure de Montréal
Greffé civil

•

Ainsi qu'à l'Administrateur :

•Avec les informations requises au paragraphe 15 ci-haut (ainsi que toutes les pièces justificatives requises) et ce au plus tard •(•);

[18] **APPROUVE** le Formulaire de Réclamation (R-•) et **ORDONNE** que les Membres du Groupe désirant formuler une réclamation le fassent en utilisant ce formulaire étant entendu, cependant, que l'Administrateur aura la possibilité de mettre en œuvre une procédure permettant aux courtiers de formuler une réclamation pour leurs clients s'ils reçoivent l'autorisation d'agir ainsi;

[19] **ORDONNE** que toute personne qui désire obtenir une indemnité en vertu de l'Entente de Règlement proposée en cette affaire ne devienne éligible à toute distribution que si elle soumet un Formulaire de Réclamation (R-•) avec toutes les pièces justificatives appropriées, auprès de l'Administrateur, au plus tard • mois après la publication de l'avis d'approbation, à moins que ce Tribunal n'en décide autrement, ou à moins que ce Tribunal ne proroge la Date Limite pour formuler une réclamation;

[20] **FIXE** pour audition la requête pour obtenir l'autorisation d'exercer un recours collectif pour fin de règlement et pour approbation de l'Entente de Règlement proposée en cette affaire, au • à compter de • en la salle • du Palais de Justice de Montréal;

[21] **ORDONNE** que si l'Entente de Règlement proposée en cette affaire est résiliée tel que prévu à l'article 8 de ladite Entente, alors :

a. le présent jugement (sauf les paragraphes 7 and 21) sera nul et non avvenu et sans préjudice aux droits des parties ;

b. le recours collectif autorisé par le présent jugement sera automatiquement décertifié conformément à l'article 1022 du Code de procédure civile sans préjudice aux droits du Requéant de déposer une nouvelle Requête pour autorisation d'exercer un recours collectif contre les Intimés et sans préjudice aux droits de ceux-ci de la contester et;

c. les parties à la Requête pour autorisation d'exercer un recours collectif seront remises dans le même état qu'elles étaient immédiatement avant la signature de l'Entente de Règlement;

[22] **LE TOUT** sans frais.

●, J.C.S.

Me Simon Hébert – casier 15
Siskinds, Desmeules, Avocats
Procureurs du Requéant

Me ●

●

Procureurs des Intimés

SCHEDULE “E” – U.S. PRE-APPROVAL ORDER

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

| | | |
|------------------------------|---|-----------------------------------|
| _____ | x | |
| In re GILDAN ACTIVEWEAR INC. | : | Civil Action No. 1:08-cv-05048-HB |
| SECURITIES LITIGATION | : | |
| _____ | : | <u>CLASS ACTION</u> |
| | : | |
| This Document Relates To: | : | PRELIMINARY ORDER FOR NOTICE |
| | : | AND HEARINGS IN CONNECTION |
| ALL ACTIONS. | : | WITH SETTLEMENT PROCEEDINGS |
| _____ | x | |

WHEREAS, on August __, 2010, the parties to the above-entitled action (the “U.S. Action”) entered into a Settlement Agreement (the “Stipulation”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions for the proposed settlement of the claims alleged in the Complaint on the merits and with prejudice; and the Court having read and considered the Stipulation and the accompanying documents; and the parties to the Stipulation having consented to the entry of this Order, and all capitalized terms used, but not otherwise defined, herein having the meanings defined in the Stipulation;

WHEREAS, it is a condition to the effectiveness of the proposed Settlement that the Canadian putative class proceedings identified in the Stipulation (the “Canadian Class Actions”) be also settled and dismissed with prejudice and the Settlement be approved by the Ontario Superior Court of Justice and the Superior Court of the Province of Québec before which the Canadian Class Actions are pending; and

WHEREAS, all terms not otherwise defined shall have the same definitions set forth in the Stipulation.

NOW THEREFORE, IT IS HEREBY ORDERED, this __ day of _____, 2010, that:

1. The Court does hereby preliminarily approve the Stipulation and the Settlement set forth therein as being fair, reasonable and adequate to U.S. Class Members (defined in ¶2 below), subject to further consideration at the Settlement Fairness Hearing described in ¶5 below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, this U.S. Action is hereby certified as a class action on behalf of all Persons who purchased or otherwise acquired Gildan common stock during the period between August 2, 2007 through April 29, 2008, inclusive (the “Class Period”) and either: (i) are now or were at the time of the purchase or acquisition U.S. residents or (ii) purchased or otherwise acquired such shares on the New York Stock Exchange; other than (i) Excluded Persons; and (ii) members of the Québec Class (the “U.S. Class” or “U.S. Class Members”).

3. The Court preliminarily finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of U.S. Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the U.S. Class; (c) the claims of the named representatives are typical of the claims of the U.S. Class they seek to represent; (d) the U.S. Lead Plaintiffs will fairly and adequately represent the interests of the U.S. Class; (e) the questions of law and fact common to the members of the U.S.

Class predominate over any questions affecting only individual U.S. Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Also excluded from the U.S. Class are any putative U.S. Class Members who exclude themselves by filing a timely and valid request for exclusion in accordance with the requirements set forth in the Notice (defined in ¶7 below).

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, U.S. Lead Plaintiffs City of St. Clair Shores Police and Fire Retirement System, Norfolk County Retirement System, City of Pontiac Policemen's and Firemen's Retirement System, and City of Detroit Policemen's and Firemen's Retirement Systems are certified as U.S. Class Representatives, and Robbins Geller Rudman & Dowd LLP and Labaton Sucharow LLP are appointed U.S. Class Counsel.

5. A hearing (the "Settlement Fairness Hearing") pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on _____, ____, at __:____, __.m. for the following purposes:

(a) to finally determine whether this U.S. Action satisfies the applicable prerequisites for class action treatment under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure;

(b) to determine whether the proposed Settlement is fair, reasonable and adequate to U.S. Class Members, and should be approved by the Court;

(c) to determine whether the Judgment as provided under the Stipulation should be entered, dismissing the Complaint filed herein, on the merits and with prejudice, and to

determine whether the release by the U.S. Class of the Settled Claims, as set forth in the Stipulation, should be provided to the Released Parties;

(d) to determine whether the proposed Plan of Allocation of the proceeds of the Settlement is fair and reasonable, and should be approved by the Court;

(e) to consider U.S. Class Counsel's application for an award of attorneys' fees and expenses to U.S. Class Counsel; and

(f) to rule upon such other matters as the Court may deem appropriate.

6. The Court reserves the right to approve the Settlement with or without modification as may be agreed to by the Parties and with or without further notice of any kind. The Court further reserves the right to enter its Judgment approving the Settlement and dismissing the Complaint on the merits and with prejudice regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses.

7. The Court approves the form, substance and requirements of the Long-Form Notice; the Claim Form, and Short-Form Notice, annexed hereto as Tabs 1, 2 and 3, respectively, and finds that the form, content, and mailing and distribution of the Long-Form Notice and publishing of the Short-Form Notice substantially in the manner and form set forth in ¶9 of this Order meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. §78u-4(a)(7), including the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), Rule 23.1 of the Local Rules of the Southern and Eastern Districts of New York, and due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons and entities entitled thereto.

8. The Court approves the appointment of _____ as the Administrator.

9. Within ● (●) calendar days of the later of the entry of this Order and the issuance of the Canadian Pre-Approval Orders by the Canadian Courts, the Administrator shall provide notice to the U.S. Class in accordance with the Plan of Notice attached as Exhibit “_” hereto, including by disseminating the Long-Form Notice and the Claim Form.

10. The Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who purchased or acquired Gildan common stock during the Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed, within seven (7) business days of their receipt of the Long-Form Notice, to either forward copies of the Long-Form Notice and Claim Form to their beneficial owners or to provide the Administrator with lists of the names and addresses of the beneficial owners, and the Administrator is ordered to send the Long-Form Notice and Claim Form promptly to such identified beneficial owners. Nominee purchasers who elect to send the Long-Form Notice and Claim Form to their beneficial owners shall send a statement to the Administrator confirming that the mailing was made as directed. Additional copies of the Long-Form Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Amount, upon receipt by the Administrator of proper documentation, for the reasonable expense of sending the Long-Form Notice and Claim Form to beneficial owners.

11. U.S. Class Counsel shall, at least seven (7) calendar days prior to the Settlement Hearing, file with the Court proof of compliance with the notice provisions set forth in the Plan of Notice.

12. The Escrow Agent, the Administrator or its agents are authorized and directed to prepare any tax returns required to be filed on behalf of or in respect of the Settlement Amount and to cause any Taxes due and owing to be paid from the Settlement Amount, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof as contemplated by the Stipulation without further order of the Court.

13. U.S. Class Counsel shall submit their papers in support of final approval of the Settlement and application for attorneys' fees and expenses by no later than _____, 2010. All reply papers in support of such motions shall be filed and served by no later than _____, 2010.

14. In order to be entitled to participate in the Net Settlement Amount, in the event the Settlement is effected in accordance with the terms and conditions set forth in the Stipulation, each U.S. Class Member shall take the following actions and be subject to the following conditions:

(a) A properly executed Claim Form, substantially in the form annexed hereto as Tab 2, must be submitted to the Administrator, at the Post Office Box indicated in the Long-Form Notice, postmarked not later than one hundred and twenty (120) calendar days from the date set herein for the publication of the Short-Form Notice. Such deadline may be further extended by court order. Each Claim Form shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first-class mail, postage prepaid). Any Claim Form submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Long-Form Notice. U.S. Class Counsel may direct the Administrator to accept late claims if it will not materially delay distribution of the Net Settlement Amount.

(b) The Claim Form submitted by each U.S. Class Member must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Administrator; (iii) if the person executing the Claim Form is acting in a representative capacity, a certification of his current authority to act on behalf of the U.S. Class Member must be included in the Claim Form; and (iv) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) As part of the Claim Form, each U.S. Class Member shall submit to the jurisdiction of this Court solely with respect to the claim submitted and shall (subject to effectuation of the Settlement) release all Settled Claims as against the Released Parties provided in the Stipulation.

15. Any Person falling within the definition of the Class may, upon request, be excluded from the Class. Any such Person must submit to the Administrator a written request for exclusion (“Request for Exclusion”) by first class mail postmarked no later than sixty (60) calendar days after the date the Short-Form Notice is first published. Such request for exclusion shall (i) clearly indicate the name, address, telephone number and email address (if available) of the person seeking exclusion, (ii) state that the sender requests to be excluded from the U.S. Class, (iii) must be signed by such person, and (iv) state: the date(s), price(s) and number(s) of Gildan common shares they purchased, acquired or sold during the Class Period and on which

stock exchange. The request for exclusion shall not be effective unless it is found by the Court to be in compliance with this Order. Putative U.S. Class Members requesting exclusion from the U.S. Class shall not be entitled to receive any payment out of the Net Settlement Amount as described in the Stipulation and the Pre-Approval Notices.

16. All U.S. Class Members shall be bound by all determinations and judgments in the U.S. Action concerning the Settlement, including, but not limited to, the release provided for therein, whether favorable or unfavorable to the U.S. Class.

17. Objections to the Settlement, the Plan of Allocation, or the application by U.S. Class Counsel for an award of attorneys' fees and expenses and any supporting papers shall be filed with the Court on or before sixty (60) calendar days after the date the Short-Form Notice is first published, and also delivered to U.S. Class Counsel and Defendants' Counsel by that same date at the addresses identified in the Short-Form Notice. Attendance at the hearing is not necessary; however, any persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the request by U.S. Class Counsel for attorneys' fees and expenses are required to indicate in their written objection their intention to appear at the hearing. U.S. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

18. Any U.S. Class Member who does not object to the Settlement and/or the Plan of Allocation, and any U.S. Class Member who does not object to U.S. Class Counsel's application for an award of attorneys' fees and expenses in the manner prescribed in the Long-Form Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, adequacy or reasonableness of the proposed Settlement, this Order and

the Final Judgment to be entered approving the Settlement, the Plan of Allocation and/or the application by U.S. Class Counsel for an award of attorneys' fees and expenses.

19. Any U.S. Class Member may enter an appearance in the U.S. Action, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by U.S. Class Counsel.

20. All proceedings in the U.S. Action are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation. Pending final determination of whether the Settlement should be approved, neither the U.S. Lead Plaintiffs nor any U.S. Class Member, either directly, representatively, or in any other capacity shall commence or prosecute against any of the Released Persons any action or proceeding in any court or tribunal asserting any of the Settled Claims.

21. The passage of title and ownership of the Settlement Amount to the Escrow Agent in accordance with the terms and obligations of the Stipulation is approved. No person who is not a U.S. Class Member, U.S. Class Counsel, Ontario or Québec Class Member or Canadian class counsel shall have any right to any portion of, or in the distribution of, the Settlement Amount unless otherwise ordered by the Courts or otherwise provided in the Stipulation.

22. All funds held by the Escrow Agent shall remain subject to the jurisdiction of the Courts until such time as such funds shall be distributed pursuant to the Stipulation, the Plan of Allocation and/or further orders of the Courts.

23. Neither Defendants, the Released Parties nor Defendants' counsel shall have any responsibility for the Plan of Allocation or any application for attorneys' fees or expenses

submitted by plaintiffs' counsel or the Lead Plaintiff, and such matters will be considered separately from the fairness, reasonableness and adequacy of the settlement.

24. As provided in the Stipulation, the Escrow Agent may pay the Administrator out of the Settlement Amount the reasonable fees and costs associated with giving notice to the Class, the review of claims and the administration of the Settlement without further order of the Court. In the event the Settlement is not approved by the Courts, or otherwise fails to become effective, neither the U.S. Lead Plaintiffs nor U.S. Class Counsel shall have any obligation to repay to Defendants the reasonable and actual costs of class notice and administrations.

25. If (a) the Settlement is terminated by any of the Defendants in accordance with the Stipulation; or (b) any specified condition to the Settlement set forth in the Stipulation is not satisfied and the Plaintiffs or any of Defendants elect to terminate the Settlement as provided in ¶__ of the Stipulation, then, in any such event, the terms of ¶¶__ and __ of the Stipulation shall apply, and this Order certifying the U.S. Class and the Class Representatives for purposes of the Settlement shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her or its respective position as it existed immediately prior to the execution of the Stipulation.

26. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the U.S. Class other than by oral announcement at the time scheduled for the Settlement Hearing, or any later rehearing, and retains jurisdiction to consider all further applications arising out of or connected with the proposed settlement. The Court may approve the settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the U.S. Class.

27. The Court retains jurisdiction over the U.S. Action to consider all further matters arising out of or connected with the Settlement.

Dated: New York, New York _____

_____, 2010

HONORABLE _____
UNITED STATES DISTRICT JUDGE

SCHEDULE “F” – SHORT-FORM NOTICE
GILDAN ACTIVEWEAR INC. SECURITIES LITIGATION
NOTICE OF CLASS ACTIONS AND PROPOSED SETTLEMENT

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED COMMON SHARES OF GILDAN ACTIVEWEAR INC. (“GILDAN”) DURING THE PERIOD FROM AUGUST 2, 2007 TO AND INCLUDING APRIL 29, 2008, INCLUSIVE (THE “CLASS PERIOD”), OTHER THAN EXCLUDED PERSONS (THE “CLASS” OR THE “CLASS MEMBERS”).

PLEASE READ THIS NOTICE CAREFULLY. IF YOU ARE A MEMBER OF THE CLASS YOUR RIGHTS WILL BE AFFECTED BY A PROPOSED SETTLEMENT OF THESE LAWSUITS AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT.

This summary notice relates to the following actions: *Metzler Investment GmbH v. Gildan Activewear Inc., et al.*, commenced in the Ontario Superior Court of Justice under Court File No. 58574CP (the “Ontario Action”); *Gaston Rioux v. Les Vêtements de Sport Gildan Inc./Gildan Activewear Inc., et al.* commenced in the Québec Superior Court under Court File No. 200-06-000103-088 (now Court File No. 500-06-000458-097) (the “Québec Action”); and *In re Gildan Activewear Inc. Securities Litigation*, consolidated in the United States District Court for the Southern District of New York under Civil Action No. 1:08-cv-05048-HB (the “U.S. Action” and, together with the Ontario Action and the Québec Action, the “Actions”).

The Actions were brought against Gildan, certain of its officers and Glenn Chamandy Holdings Corporation (the “Defendants”) alleging, among other things that Gildan: (i) issued materially misleading earnings guidance for fiscal 2008; (ii) made misleading statements that its Dominican Republic manufacturing facility was operating at a comparable scale of production to that of its mature Honduras facility; and (iii) failed to make timely disclosure of adverse events allegedly affecting the productivity of its Dominican Republic manufacturing facility. The Defendants deny the allegations raised in the Actions.

You are hereby notified by orders of the courts in Ontario, Québec and in the United States (the “Courts”) that the parties in the Actions have reached a proposed settlement of all claims in the amount of USD \$22.5 million funded by Gildan’s insurers (the “Settlement Amount”), subject to obtaining approval of the Courts. More information is available in the Settlement Agreement and in the Notice of Proposed Settlement and Settlement Approval Hearings (the “Long Form Notice”), which you can obtain by contacting the Administrator or Class Counsel using the information at the end of this notice. The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants.

SETTLEMENT APPROVAL HEARINGS

Hearings will be held to determine whether: to approve the Settlement Agreement; to approve the proposed Plan of Allocation for the net settlement proceeds; to finally certify the Class; and to grant the application of Class Counsel (identified below) for legal fees, expenses and taxes. Hearings will be held:

In Ontario: on _____, 2010 at _____ a.m./p.m., at the Courthouse, 80 Dundas Street, London, Ontario.

In Québec: on _____, 2010 at _____ a.m./p.m. at the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, Québec.

In the United States: on _____, 2010 at _____ a.m./p.m. at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York.

In addition to seeking the Courts' approval of the Settlement Agreement, Class Counsel (as identified below) will seek the Courts' approval of their legal fees not to exceed 25% of the Settlement Amount, plus expenses and applicable taxes, not to exceed USD \$ _____, ("Class Counsel Fees"). In addition to Class Counsel Fees, the fees of the Administrator (identified below) together with any other amounts incurred or payable relating to the approval, notification, implementation and administration of the settlement will be deducted from the Settlement Amount before it is distributed to Class Members.

DEADLINES

If you wish to object to the Settlement you must do so in writing. All objections must be submitted to Class Counsel (at the addresses listed below) postmarked no later than **[date falling 60 days after the first publication of the Short-Form Notice]**. Your objection will only be heard by the Court that has certified the Class of which you are a member. The composition of the class certified by each of the Courts can be reviewed in the Long-Form Notice or obtained by contacting the Administrator or Class Counsel as noted below. Which class you belong to depends on your residence now or at the time you acquired Gildan's shares during the Class Period or whether you acquired your shares during the Class Period on the TSX or NYSE. If you are a member of the U.S. Class or a member of more than one Class, and you want your objection to be heard by the U.S. Court, you must also send your objection to: The Clerk of the Court, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY, 10007. Otherwise, your objection will be heard by the Ontario Court.

If the Courts approve the proposed settlement, all Class Members, regardless of whether they submit a Claim Form, will be bound by the terms of the Settlement Agreement, unless they exclude themselves from the Class ("opt-out"). If you do not want to be bound by the Settlement ***you must opt out***. By opting out you will also be barred from making a claim and receiving compensation. To opt out, you must mail a letter stating you want to be excluded from the Class (the "Opt-Out Request"), including the required information and supporting documents listed in the Long-Form Notice to the Administrator, post-marked no later than **[date falling 60 days after the publication of the Short-Form Notice]**. If you are an individual or legal entity that resides in Québec (*other than* a legal person resident in Québec established for a private interest, partnership or association, who employed more than 50 persons at any time during the period from June 16, 2007 to June 16, 2008), you must also timely send a complete copy of your completed Opt-Out Request to the Clerk of the Québec Superior Court, at the following address: The Clerk of the Court, Québec Superior Court, Montréal Courthouse, 1 Notre-Dame Street East, Montréal, QC H2Y 1B6 (Court File No. 500-06-000458-097). If you fall within more than one Class, you must take the necessary steps to opt-out of each Class in order not to be bound by the terms of the Settlement Agreement.

In order to be eligible for compensation under the Settlement, you must complete and submit a Claim Form, including any supporting documentation, to the Administrator post-marked no later

than [date falling 120 days after the first publication of the Short-Form Notice]. If you do not timely return a signed and properly completed Claim Form, you will still be bound by any judgment of the applicable Court even though you will not share in the Settlement money.

FOR MORE INFORMATION

Employees of the Courts cannot answer questions about the Actions. Please direct all questions to the Administrator or Class Counsel.

The Administrator can be contacted at: [Toll Free Number]; [Mailing Address]; [E-mail Address]; [www.XXX.com].

Inquiries, other than requests for the Settlement Agreement, Long Form Notice and Claim Form, may be made to Class Counsel:

In Canada:

A. Dimitri Lascaris
Siskinds^{LLP}
Barristers & Solicitors
680 Waterloo Street
London, ON N6A 3V8
1.800.461.6166 x.2380
dimitri.lascaris@siskinds.com

Simon Hebert
Siskinds Desmeules s.e.n.c.r.l.
Les Promenades du Vieux-Québec
43 Rue Buade, Bur 320
Québec City, QC G1R 4A2
418.694.2009
simon.hebert@siskindsdesmeules.com

In the United States:

Samuel H. Rudman
Robbins Geller Rudman & Dowd^{LLP}
58 South Service Road, Suite 200
Melville, NY 11747
1.800.449.4900
srudman@rgrdlaw.com

Jonathan Gardner
Labaton Sucharow^{LLP}
140 Broadway
New York, NY 10005
1.888.753.2796
jgardner@labaton.com

[Date of Publication]

PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE, THE QUÉBEC SUPERIOR COURT
AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

SCHEDULE "G" – LONG-FORM NOTICE

Court File No.: 58574CP

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

METZLER INVESTMENT GMBH

Plaintiff

– and –

GILDAN ACTIVEWEAR INC., GLENN J. CHAMANDY,
GLENN CHAMANDY HOLDINGS CORPORATION
and LAURENCE G. SELLYN

Defendants

Proceeding under the *Class Proceedings Act, 1992*

.....
CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

(Class Action)
SUPERIOR COURT

NO.: 500-06-000458-097

GASTON RIOUX
Petitioner

v.

LES VÊTEMENTS DE SPORT GILDAN INC./GILDAN
ACTIVEWEAR INC., GLENN CHAMANDY HOLDINGS
CORPORATION, GLENN J. CHAMANDY and LAURENCE G.
SELLYN
Respondents
.....

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____ x

In re GILDAN ACTIVEWEAR INC. : Civil Action No. 1:08-cv-05048-HB
SECURITIES LITIGATION :
: CLASS ACTION
:

_____ :
This Document Relates to: :

ALL ACTIONS. :
_____ x

**GILDAN ACTIVEWEAR INC. SECURITIES LITIGATION
NOTICE OF PROPOSED SETTLEMENT
AND SETTLEMENT APPROVAL HEARINGS**

This Notice provides you with important information concerning the proposed settlement of three class action lawsuits (the “Actions”) separately brought by Metzler Investment GmbH in Ontario, Canada, Gaston Rioux in Québec, Canada, and City of St. Clair Shores Police and Fire Retirement System, Norfolk County Retirement System, City of Pontiac Policemen’s and Fireman’s Retirement Systems, and City of Detroit Policeman’s and Fireman’s Retirement Systems in the United States, on behalf of themselves and the classes described herein, against Gildan Activewear Inc. (“Gildan”), Glenn J. Chamandy, Glenn Chamandy Holdings Corporation and Laurence G. Sellyn (collectively, the “Defendants”).

IF YOU PURCHASED OR OTHERWISE ACQUIRED COMMON SHARES OF GILDAN DURING THE PERIOD FROM AUGUST 2, 2007 TO AND INCLUDING APRIL 29, 2008, INCLUSIVE, YOUR RIGHTS MAY BE AFFECTED BY THESE CLASS ACTIONS AND YOU MAY BE ENTITLED TO A PAYMENT FROM THIS PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY.

This Notice was authorized by the Ontario Superior Court of Justice, the Québec Superior Court and the United States District Court for the Southern District of New York. This is not a solicitation from a lawyer.

SUMMARY NOTICE

The settlement described herein will provide a gross settlement fund of Twenty Two Million Five Hundred Thousand United States Dollars (USD \$22,500,000) (funded by Gildan’s insurers), plus interest (the “Settlement Amount”), for the benefit of investors who purchased or otherwise acquired common shares of Gildan during the period from August 2, 2007 to April 29, 2008, inclusive (the “Class Period”), other than Excluded Persons (as defined herein) (the “Class”). The Settlement also includes full and final releases of known and unknown claims that are or could have been asserted in the Actions against the Defendants and others described herein (the “Released Parties”).

The Settlement resolves the Actions before the Ontario Superior Court of Justice (the “Ontario Court”), the Québec Superior Court (the “Québec Court”) and the United States District Court for the Southern District of New York (the “U.S. Court”) against the Defendants alleging, among other things that Gildan: (i) issued materially misleading earnings guidance for fiscal 2008; (ii) made misleading statements that its Dominican Republic manufacturing facility was operating at a comparable scale of production to that of its mature Honduras facility; and (iii) failed to make

timely disclosure of adverse events allegedly affecting the productivity of its Dominican Republic manufacturing facility. The Defendants deny the allegations raised in the Actions.

In order to become effective, the Settlement must be approved by all of the Courts. Solely for purpose of implementing the Settlement, the Courts have certified the class in the Actions as class proceedings, and approved the form and method of disseminating this Notice to members of the Class (the “Class Members”). Each of the Courts will conduct hearings to consider whether to finally approve the Settlement Agreement according to the following schedule:

In Ontario: on _____, 2010 at _____ a.m./p.m., at the Courthouse, 80 Dundas Street, London, Ontario;

In Québec: on _____, 2010 at _____ a.m./p.m. at the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, Québec; and

In the United States: on _____, 2010 at _____ a.m./p.m. at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York.

If the Settlement is not approved by the Courts and does not become effective for that reason or as otherwise provided under the Settlement Agreement, the certifications of the Actions will be set aside.

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT (These rights and options – and the deadlines to exercise them – are explained in this Notice.) | |
|---|--|
| SUBMIT A CLAIM FORM | The only way to get a payment. A Claim Form must be submitted by _____ to the Administrator (identified below). |
| OPT OUT (Exclude Yourself from the Class) | Get no payment. This is the only option that prevents you from releasing the Defendants and the other Released Parties from Settled Claims (defined below) and allows you to preserve your right to sue the Defendants and the other Released Parties in respect of such claims. If you wish to exclude yourself, you must do so by _____. |
| OBJECT | Write to either Siskinds ^{LLP} , Siskinds Desmeules s.e.n.c.r.l., Robbins Geller Rudman & Dowd LLP or Labaton Sucharow LLP (addresses listed below) (collectively, “Class Counsel”) about why you do not like the Settlement Agreement, Plan of Allocation or Class Counsel fee applications. Class Counsel will file your objection with the appropriate Court(s) but if you are a U.S. Class Member you should also send your objection |

| | |
|--------------------------------------|--|
| | directly to the U.S. Court. If you wish to object, you must do so by _____. |
| GO TO THE SETTLEMENT HEARINGS | If you have submitted an objection, you may also ask to speak to the applicable Court about your decision to object. You must provide notice of your desire to do so within your written objection by _____. |
| DO NOTHING | If the Courts approve the Settlement Agreement, your legal rights will be affected by the settlement whether you act or do not act. If you do nothing you will (i) not get a payment from the settlement; and (ii) give up rights to participate in any other lawsuit against the Defendants and/or other Released Parties regarding Settled Claims (defined below). |

The Courts still have to decide whether to approve the Settlement Agreement. Payments will be made only if all Courts approve the Settlement Agreement and after any appeals are finally resolved and all Claim Forms have been reviewed and processed. Please be patient.

BASIC INFORMATION

1. Why Did I Get This Notice Package?

The Courts have authorized this Notice to be sent to you because you or someone in your family may have purchased or otherwise acquired common shares of Gildan during the period from August 2, 2007 to April 29, 2008, inclusive. Such purchasers may be members of the respective classes certified by the Ontario, Québec or U.S. courts.

If this description applies to you or someone in your family, then you have a right to know about the potential settlement of the Actions, and about all of your options, before the Courts decide whether to approve the Settlement Agreement. If the Courts approve the Settlement Agreement, and after any appeals are resolved in favor of approval of the Settlement Agreement, a claims administrator appointed by the Courts (the “Administrator”) will make payments to Class Members as allowed by the Settlement Agreement.

This Notice explains the Actions, the Settlement Agreement, Class Members’ legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What Is This Lawsuit About?

In 2008 class actions were commenced against the Defendants in Canada and in the United States. The Courts in charge of the Actions and that will consider whether the Settlement Agreement should be approved are as follows:

| Court | Action |
|--|---|
| The Honourable Justice Leitch Ontario Superior Court of Justice 80 Dundas Street London, Ontario, N6A 6B3 | <i>Metzler Investment GmbH v. Gildan Activewear Inc., et al.</i> Court File No. 58574CP (the “Ontario Action”) |
| The Honourable Justice Chrétien Québec Superior Court Montréal Courthouse 1 Notre-Dame Street East Montréal, QC H2Y 1B6 | <i>Gaston Rioux v. Les Vêtements de Sport Gildan Inc./Gildan Activewear Inc., et al.</i> Court File No. 500-06-000458-097 (the “Québec Motion”) |
| [U.S. Judge] United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street New York, NY 10007 | <i>In re Gildan Activewear Inc. Securities Litigation</i> Civil Action No. 1:08-cv-05048-HB (the “U.S. Action”) |

The Courts will resolve the issues for all members of the Class (defined below) who do not exclude themselves from the Class.

Among other things, the Plaintiffs have alleged in the Actions that Gildan’s stock price increased during the period from August 2, 2007 to April 29, 2008 (the “Class Period”) because Gildan: (i) issued materially misleading earnings guidance for fiscal 2008; (ii) made misleading statements that its Dominican Republic manufacturing facility was operating at a comparable scale of production to its more mature Honduras manufacturing facility, and (iii) failed to make timely disclosure of alleged adverse events affecting the productivity of its Dominican Republic textile manufacturing facility. The Defendants deny these allegations and deny that they have violated any laws or duties to the Plaintiffs, the Class Members or anyone else, or caused any of the damages alleged in the Actions.

During the Class Period, Gildan’s shares rose to over USD \$46 per share. Following Gildan’s announcement on April 29, 2008 reducing its fiscal 2008 earnings guidance, Gildan’s stock price fell 30%.

3. What Is a Class Action?

In a class action, one or more people called class representatives (in this case, the plaintiff in the Ontario Action, Metzler Investment GmbH, the petitioner in the Québec Motion, Gaston Rioux, and the plaintiffs in the U.S. Action, City of St. Clair Shores Police and Fire Retirement System, Norfolk County Retirement System, City of Pontiac Policemen's and Fireman's Retirement Systems, and City of Detroit Policeman's and Fireman's Retirement Systems) sue on behalf of people who have similar claims. The people who have similar claims and on whose behalf the class action is brought are collectively called a "Class" or "Class Members." Bringing a case as a class action allows the adjudication of many similar claims of persons or entities that might be economically too small to bring as individual actions.

4. Why Is There a Settlement?

The Courts did not decide in favor of Plaintiffs or Defendants. Instead, these parties agreed to the Settlement. The Settlement avoids the risks and costs of a trial, and eligible Class Members who make a valid claim are eligible to receive compensation even though the Actions will not be adjudicated in favour of the Plaintiffs by the Courts and sooner than if they had to await the uncertain outcome of a trial. *See* "Reasons for the Settlement" above. The Plaintiffs and their attorneys and lawyers in the Actions think that the Settlement Agreement is fair, reasonable and adequate and in the best interests of all Class Members.

To see if you will get money as a result of the Settlement Agreement, you first have to determine if you are a Class Member.

WHO IS IN THE SETTLEMENT

5. How Do I Know If I Am Eligible to Take Part in the Settlement?

The Ontario Court has directed, solely for purposes of the proposed settlement, that everyone who fits this description is a member of the Ontario Class: *All persons who purchased or otherwise acquired common shares of Gildan during the period from and including August 2, 2007 to and including April 29, 2008 and either: (i) are now or were at the time of the purchase or acquisition of such shares Canadian residents or (ii) purchased or otherwise*

acquired such shares on the Toronto Stock Exchange; but does not include persons who are either: (i) Excluded Persons or (ii) members of the Québec Class.

The Québec Court has directed solely for purposes of the proposed settlement, that everyone who fits this description is a member of the Québec Class: *All persons who purchased or otherwise acquired common shares of Gildan during the period from and including August 2, 2007 to and including April 29, 2008 and who were at that time, or are now, residents of Québec other than (i) Excluded Persons; and (ii) Exempt Québec Class Members.* “Exempt Québec Class Members” are entities resident in the province of Québec who are precluded from being a member of a group in a class action by operation of Article 999 of the *Code of Civil Procedure*, R.S.Q., c. C-25, as amended, namely: legal persons established for a private interest, partnership or association, who employed more than 50 persons at any time during the period from June 16, 2007 to June 16, 2008, and who otherwise fit within the Québec Class.

The U.S. Court has directed, solely for purposes of the proposed settlement, that everyone who fits this description is a member of the U.S. Class: *All persons who purchased or otherwise acquired common shares of Gildan during the period from and including August 2, 2007 to and including April 29, 2008 and either: (i) are now or were at the time of the purchase or acquisition U.S. residents or (ii) purchased or otherwise acquired such shares on the New York Stock Exchange; other than (i) Excluded Persons; and (ii) members of the Québec Class.*

Together members of the Ontario Class, the Québec Class and the U.S. Class make up the membership of the Class.

6. What Are the Exceptions to Being Included?

You are *not* a member of the Class if you are an “Excluded Person”. Excluded Persons are: (1) the Defendants; (2) Gildan and Glenn Chamandy Holdings Corporation’s respective subsidiaries, affiliates, directors, officers, successors and assigns; (3) all members of the immediate families of Glenn Chamandy and Laurence Sellyn; (4) all trusts in which any of the Defendants are a trustee or a beneficiary; and (5) all entities over which any of the foregoing persons or entities has or had during the Class Period any legal or de facto control.

In addition, any Class Member who timely submits a valid request for exclusion from the Class in accordance with the requirements and procedures set forth in this Notice is not a member of the Class and cannot participate in the settlement.

If one of your mutual funds purchased common shares of Gildan during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you, your broker or someone else purchased common shares of Gildan on your behalf during the Class Period. Check your investment records or contact your broker to see if you purchased common shares of Gildan during the Class Period.

If you *sold* common shares of Gildan during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you *purchased or otherwise acquired* Gildan common shares during the Class Period.

7. I Am Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call, email or write to Gildan Securities Class Action, c/o the Administrator, at the address listed in Question 24, below. Alternatively, you can fill out and return the Claim Form described in Question 10 below to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What Does the Settlement Provide?

In exchange for the settlement, inclusive of the releases therein, and dismissal of the Actions, the Defendants have agreed to pay, through their insurers, Twenty Two Million Five Hundred Thousand United States Dollars (USD \$22,500,000) in cash, plus interest earned on that sum while held in escrow, to be divided (in accordance with the “Plan of Allocation” prepared by Class Counsel and described at the end of this notice) among all eligible Class Members who send in valid Claim Forms, after payment of Court-approved legal fees and expenses and the costs of claims administration, including, but not limited to, the costs of printing and mailing this Notice and the cost of publishing newspaper notices (the “Net Settlement Amount”).

9. How Much Will My Payments Be?

Plaintiffs estimate that approximately ___ million Gildan common shares that traded on the Toronto Stock Exchange (“TSX”) and New York Stock Exchange (“NYSE”) during the Class Period may have been damaged. Plaintiffs estimate that the average recovery per damaged Gildan common share is approximately USD \$0. ___ before deduction of Court-approved legal fees and expenses.

If you are entitled to a payment under the Settlement Agreement, your actual share of the Net Settlement Amount will depend on how many Class Members send in valid Claim Forms, the total recognized losses for settlement purposes (“Nominal Entitlements”) represented by those valid Claim Forms that Class Members send in, how many Gildan common shares you purchased or otherwise acquired, when you purchased or acquired them, on what exchange you purchased or acquired them, your residence now or at the time you purchased or acquired them, how much you paid for them, when you sold them, and the price for which you sold them.

You can calculate your Nominal Entitlement in accordance with the formula shown below in the Plan of Allocation of the Net Settlement Amount. It is unlikely that you will get a payment for your entire Nominal Entitlement. After all Class Members have sent in their Claim Forms, the payment you get will be a proportion of the Net Settlement Amount taking into account, among other things, your Nominal Entitlement divided by the total of all Nominal Entitlements for Class Members who have sent in valid Claim Forms. See the Plan of Allocation on page ___, below, for more information on your Nominal Entitlement and the proposed allocation among eligible Class Members.

HOW YOU GET PAYMENT – SUBMITTING A CLAIM FORM

10. How Will I Get a Payment?

To qualify for a payment, you must be a member of the Class and you must timely submit a valid Claim Form to the Administrator. A Claim Form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it to the Administrator at the P.O. Box address on the form by first-class mail, ***postmarked no later than _____.***

If you did not receive a Claim Form, you can get one on the internet at [Administrator's website]. You can also ask for a Claim Form by calling [Administrator's toll free telephone number] toll-free, or sending an e-mail to [Administrator's email address].

11. When Will I Get My Payment?

Class Members will only receive payments after the Settlement Agreement has been finally approved by all of the Courts and the Administrator has finished processing all submitted Claim Forms. Hearings will be held in Ontario, on _____, in Québec, on _____, and in New York, on _____. See page ____, above, for specific time and address information. After the Courts decide these issues, however, there may be appeals from those decisions. It is always uncertain whether these appeals can be resolved favorably in support of the settlement, and resolving them can take time, perhaps more than a year. It also takes a long time, often as much as a year, for all the submitted Claim Forms to be accurately reviewed and processed. Please be patient.

12. What Am I Giving Up to Get a Payment and Stay in the Class?

Unless you exclude yourself ("opt out") from the Class in the manner described by this Notice, you are staying in the Class. That means that, upon the Effective Date (defined below), you (and your personal representatives, agents, heirs, executors, administrators, trustees, beneficiaries, successors and assigns, and any person you represent in relation to Gildan common stock purchased or otherwise acquired during the Class Period or in relation to the Settled Claims (all of the foregoing persons and entities are collectively referred to as the "Releasers")), will be held to have fully, finally and forever released and discharged the Released Parties from the Settled Claims, and will forever be barred and enjoined from suing or being part of any other lawsuit against the Released Parties related to the Settled Claims.

It also means that the orders of the Courts, which will include terms providing for such release and bar against further suits relating to Settled Claims by Class Members against the Released Parties, will apply to you and legally bind you.

"Effective Date" means the date upon which all the grounds for termination of the Settlement Agreement under section 8, therein, expire.

“Released Parties” means any and all of the Defendants, their past or present subsidiaries, parents, principals, affiliates, general or limited partners or partnerships, successors and predecessors, heirs, and assigns, and their respective officers, directors, employees, attorneys, advisors, investment advisors, investment bankers, underwriters, insurers, co-insurers, re-insurers, accountants, auditors, consultants, administrators, executors, trustees, personal representatives, immediate family members, and any person, firm, trust, partnership, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest or which is affiliated with any of the Defendants, and the legal representatives, successors in interest or assigns of the Defendants.

“Releasers” means, individually and collectively, the Plaintiffs and all Class Members who do not opt out of the Class on behalf of themselves, their personal representatives, agents, heirs, executors, administrators, trustees, beneficiaries, current and former employee plan members and contributors, successors and assigns.

“Settled Claim” and “Settled Claims” means any and all claims, debts, demands, rights, actions, causes of action, suits, matters, issues, damages, losses or liabilities whatsoever (including, but not limited to, any claims for interest, legal fees, expert or consulting fees, and any other costs, expenses or liability whatsoever other than those set forth herein), whether based on United States, Canadian or other foreign federal, state, provincial, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims: (i) that have been asserted or proposed as claims or amended claims in any of the Actions; or (ii) that could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of or relate in any manner to the allegations, transactions, facts, matters, breaches, occurrences, financial statements, forecasts, statements, representations or omissions involved, set forth, or referred to in the Actions or in proposed amendments to the Actions (except that Settled Claims does not include all claims, rights or causes of action or liabilities whatsoever related to the settlement of the Actions, including enforcements of the settlement and any of the terms of this Settlement Agreement or orders or judgments issued by the Courts in connection with the settlement or confidentiality obligations with respect to settlement communications).

“Unknown Claims” means claims that any of the Releasors do not know or suspect to exist, which, if known by him, her, or it, might affect, or might have affected his, her, or its settlement with and release of the Released Parties or might affect, or might have affected his, her or its decision to object or not to object to the Settlement Agreement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you are a member of the Class, and you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties on your own with respect to the Settled Claims, and you do not want to be bound by the decisions of the Courts regarding the Settlement Agreement, then you must take steps to get out of the Class of which you would otherwise be a member. As referred to above, this is called excluding yourself from, or “opting out” of, the Class.

The Defendants may withdraw from and terminate the Settlement Agreement if Class Members who purchased or otherwise acquired in excess of a certain aggregate number of Gildan common shares exclude themselves from the Class.

13. How Do I Opt Out of the Class?

To exclude yourself from your applicable Class, you must mail a letter to the Administrator stating that you want to be excluded from your Class. The letter must include the following information: (i) your name; (ii) address, (iii) telephone number; (iv) email address (if available); (v) the number of Gildan common shares you purchased or otherwise acquired between August 2, 2007 and April 29, 2008; (vi) the stock exchange on which such securities were purchased or acquired; (vii) the number of securities sold during this time period, if any; (viii) the dates of all such purchases and sales; and (ix) an express statement requesting exclusion from the Class which is signed. If you are eligible to be a member of more than one Class, you must request exclusion from each applicable Class. If you send a letter containing all of the information described above on a timely basis to the Administrator at either one of the addresses below, you will be deemed to have opted out of the Class(es) of which you would otherwise have been a member. All requests for exclusion must be *postmarked no later than* _____. *You cannot exclude yourself by telephone or e-mail.*

[Administrator's Canadian Address]

[Administrator's U.S. Address]

If you are a Québec Class Member you must also send a complete copy of your completed Opt-Out Request to the Clerk of the Québec Superior Court, at the following address: The Clerk of the Court, Québec Superior Court, Montréal Courthouse, 1 Notre-Dame Street East, Montréal, QC H2Y 1B6 (Court File No. 500-06-000458-097) post-marked no later than the Opt-Out & Objection Deadline.

If you ask to be excluded, you will not get a payment as a result of the Settlement Agreement and you cannot object to the settlement. You will not be legally bound by anything that happens in the Actions.

14. If I Do Not Opt Out, Can I Sue the Defendants for the Same Thing Later?

No. Unless you opt out, you give up any right to sue the Defendants and the other Released Parties in respect of the Settled Claims resolved by this Settlement. However, if you opt out and do not send in a Claim Form, you may sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties regarding the Settled Claims. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is _____.

15. If I Opt Out, Can I Get Money from This Settlement?

No. If you opt out, do not send in a Claim Form, because you will be ineligible for compensation from the settlement and will be required to release Settled Claims against the Released Parties as part of the Claim Form.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The law firm of Siskinds LLP, in London, Ontario ("Ontario Class Counsel"), represents members of the Ontario Class in the Ontario Action. The law firm of Siskinds Desmeules s.e.n.c.r.l., in Québec City, Québec ("Québec Class Counsel"), represents members of the Québec Class concerning the Québec Motion. The law firms of Robbins Geller Rudman &

Dowd LLP, in Melville, New York and Labaton Sucharow LLP, in New York, New York (together, “U.S. Class Counsel”), represent the members of the U.S. Class in the U.S. Action.

You will not be personally charged for any of these lawyers. The Courts will determine the amount of legal fees and expenses the lawyers will receive. Any legal fees and expenses granted by the Courts will be paid from the Settlement Amount. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

The attorneys and lawyers representing the Plaintiffs and the Class Members in the Actions state that they have expended considerable time and effort conducting the Actions on a contingent fee basis and have advanced the expenses of each of the Actions in the expectation that, if they were successful in obtaining a recovery for Class Members, they would be paid from such recovery. In this type of litigation, it is customary for the attorneys and lawyers representing plaintiffs and class members to be awarded a percentage of the total recovery as their legal fees.

Ontario Class Counsel will ask the Ontario Court, at the settlement approval hearing, for an order awarding them legal fees from the Settlement Amount in a total amount not to exceed ___% of the Settlement Amount plus applicable taxes and interest on such fees at the same rate earned by the Settlement Amount. In addition, Ontario Class Counsel will ask the Ontario Court for reimbursement of expenses not to exceed CAD \$ _____ to be paid out of the Settlement Amount. This request is consistent with the retainer agreement between Ontario Class Counsel and Metzler Investment GmbH (the plaintiff in the Ontario Action), which provides that Ontario Class Counsel is to be paid only in the event that a recovery is obtained for the Ontario Class, and that Ontario Class Counsel may seek an order from the Ontario Court awarding fees and disbursements not exceeding ___% of the Settlement Amount.

Québec Class Counsel will ask the Québec Court, at the settlement approval hearing, for an order awarding them legal fees from the Settlement Amount in a total amount not to exceed ___% of the Settlement Amount plus applicable taxes and interest on such fees at the same rate earned by the Settlement Amount. In addition, Québec Class Counsel will ask the Québec Court for reimbursement of expenses not to exceed CAD \$ _____ to be paid out of the Settlement Amount. This request is consistent with the retainer agreement between Québec Class Counsel

and Gaston Rioux (the petitioner in the Québec Motion), which provides that Québec Class Counsel is to be paid only in the event that a recovery is obtained for the Québec Class, and that Québec Class Counsel may seek an order from the Quebec Court awarding fees and disbursements not exceeding ___% of the Settlement Amount.

U.S. Class Counsel will ask the U.S. Court, at the U.S. fairness hearing, to award legal fees from the Settlement Amount in a total amount not to exceed ___% of the Settlement Amount, plus interest on such fees at the same rate earned by the Settlement Amount. In addition, U.S. Class Counsel will ask the U.S. Court for reimbursement of expenses not to exceed USD \$ _____ to be paid out of the Settlement Amount, plus interest on such expenses at the same rate earned by the Settlement Amount.

Class Members are not personally liable for any such legal fees and expenses.

The combined amount of all requests by Class Counsel for legal fees and expenses, will not exceed ___ % of the Settlement Amount. These requested legal fees and expenses, if approved in full by the Courts, would amount to approximately USD \$ _____, or approximately USD \$ _____ per damaged share.

The attorneys' fees and expenses requested will be the only payment to Class Counsel for their efforts in achieving this settlement, for their risk in undertaking this representation on a wholly contingent basis, and for any work performed subsequent to the Courts' awards of fees for the purpose of completing the administration of the settlement. To date, Class Counsel have not been paid for their services for pursuing the Actions on behalf of the Plaintiffs and the Class Members, and they have not been reimbursed for their out-of-pocket expenses. The fees requested will compensate Class Counsel for their work in achieving the Settlement Amount. The Courts may award less than the amounts being requested by Class Counsel.

Class Counsel, without further notice to the Class, may subsequently apply to one or both of the Courts for additional expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class and any proceedings subsequent to the hearings by the Courts approving the settlement.

OBJECTING TO THE SETTLEMENT, PLAN OF ALLOCATION AND APPLICATIONS FOR LEGAL FEES AND EXPENSES

18. How Do I Tell the Court that I Do Not Like the Settlement, the Proposed Plan of Allocation and/or Applications for Legal Fees and Expenses?

You may write a letter setting out your objection and giving reasons why you think the Court should not approve the Settlement Agreement, Plan of Allocation, or application for legal fees and expenses and mail it to the appropriate Class Counsel (as identified below), and in the case of U.S. Class Members to the Clerk of the Court. The appropriate Court will consider your views if you file a proper objection according to the following procedures:

- The written objection must include: (i) the objector's name, address, telephone number, fax number (where applicable) and email address; (ii) a brief statement outlining the nature of, and reason for, the objection; (iii) documents establishing that the objector purchased or otherwise acquired Eligible Shares; and (iv) a statement as to whether the objector intends to appear at the Approval Motion in person or by legal counsel, and, if by legal counsel, the name, address, telephone number, fax number and email address of such legal counsel.
- If you are an Ontario Class Member, you may object in the Ontario Action by mailing your objection to Ontario Class Counsel at the address listed in Question 25 below. Ontario Class Counsel will ensure that your objection is filed with the Ontario Court and provided to counsel for the Defendants.
- If you are an Québec Class Member, you may object in the Québec Motion by mailing your objection to Québec Class Counsel at the address listed in Question 25 below. Québec Class Counsel will ensure that your objection is filed with the Québec Court and provided to counsel for the Defendants.
- If you are a U.S. Class Member, you may object in the U.S. Action by mailing your objection to either of U.S. Class Counsel at one of the addresses listed in Question 25 below, and to the U.S. Court by addressing your objection to: The Clerk of the Court, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New

York, NY, 10007 re: *In re Gildan Activewear Inc. Securities Litigation*, Civil Action No. 1:08-cv-05048-HB. U.S. Class Counsel will also ensure that your objection is filed with the U.S. Court and provided to counsel for the Defendants.

- If you are a member of more than one Class, you may object in only one court and must chose between the Ontario Court and U.S. Court and follow the corresponding procedure noted above for objections to that court.
- All objections must be submitted to the appropriate Class Counsel, and the Clerk of the Court as necessary, and must *be postmarked no later than* _____.

You do not need to attend any hearing of the Courts to have your objection considered. However, if you wish to attend or to have a lawyer attend on your behalf at a hearing to address your objection, you must indicate this intention in your objection letter and, if you intend to also seek to introduce evidence, provide the identity and an outline of the evidence of any witness you may seek to call to testify and copies of the documents you may seek to introduce. At the hearings conducted by the respective Courts to consider approval of the Settlement Agreement, any Class Member for the respective class certified by that Court who has not previously submitted a request for exclusion from the applicable Class and who has complied with the procedures set out in this Question 18 may appear and be heard, to the extent allowed by the applicable Court, to state their objection. Any such objector may appear in person or arrange, at his or her own expense, for a lawyer to represent him or her at any such hearing. A lawyer attending on behalf of an objector in the U.S. Action must timely file a Notice of Appearance.

19. What Is the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in your respective Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE SETTLEMENT APPROVAL HEARINGS IN THE COURTS

20. When and Where Will the Canadian and U.S. Courts Decide Whether to Approve the Settlement?

The Ontario Court will hold an approval hearing on _____, 2010 at ____ a.m./p.m., at the Ontario Superior Court of Justice, 80 Dundas Street, London, Ontario.

The Québec Court will hold an approval hearing on _____, 2010 at ____ a.m./p.m., in Courtroom ____ of the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, Québec.

The U.S. Court will hold a fairness hearing on _____, 2010 at ____ a.m./p.m., in Courtroom ____ of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York.

The Courts will each hold a separate hearing to consider whether to approve the Settlement Agreement as fair, reasonable, adequate and in the best interests of Class Members. Each Court will also consider at that time whether to approve the proposed Plan of Allocation of the Net Settlement Amount and the legal fee and expense application of those Class Counsel acting in the particular jurisdiction. If there are objections, the Court will consider them, and the presiding judge may listen to people who have properly indicated, within the deadline identified in Question 18 above, an intention to speak at the hearing; however, all decisions regarding the conduct of the hearing(s) will be made by the appropriate presiding judge. The Courts may decide some or all of these issues at their respective hearings, or take them under consideration. We do not know how long these decisions will take.

Within 3 days of the making of any such order, the orders made by the Courts granting or refusing approval of the Settlement Agreement will be posted by the Administrator at [Administrator's website], and by Class Counsel at www.classaction.ca, www.rgrdlaw.com and www.labaton.com. You may also contact the Administrator by telephone to obtain a copy of any orders made following the hearings of the motions.

21. Do I Have to Come to the Hearing?

No. Class Counsel will answer any questions the Courts may have. You are, however, welcome to attend at your own expense. Please be aware that the Courts may change the date and/or the time of the hearings without further notice to Class Members. If you want to come to a hearing, you should check with the appropriate Class Counsel beforehand to be sure that the date and/or time have not changed.

If you send an objection, you do not have to come to court to talk about it. As long as you mail your written objection on time, the appropriate Court will consider it.

Class Members do not need to appear at a hearing or take any other action to indicate their approval of the matters being considered at the hearing.

22. May I Speak at the Hearing?

You may ask the applicable Court for permission to speak at the applicable hearing. If you wish to talk about your own objections, you must indicate this in the letter you send describing your objection pursuant to Question 18 above. If you intend to also introduce evidence at the hearing, you must also identify in your letter the information described in Question 18 above.

If you have hired or will hire a lawyer to attend on your behalf to address your objection, that lawyer must notify the parties indicated at Question 18 of his or her intention to appear to address your objection, and if you are a U.S. Class Member, serve and file a Notice of Appearance with the U.S. Court.

IF YOU DO NOTHING

23. What Happens if I Do Nothing at All?

If you do nothing, you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Parties in respect of the Settled Claims ever again. To share in the Net Settlement Amount, you must submit a Claim Form (see Question 10). To start, continue or be part of any other lawsuit against the Defendants and the other Released Parties

concerning the Settled Claims you must have properly excluded yourself from the appropriate Class in accordance with the procedures set forth in this Notice (see Question 13).

GETTING MORE INFORMATION

24. Are There More Details About the Settlement?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may review the Settlement Agreement at www.classaction.ca, www.rgrdlaw.com, www.labaton.com and [Administrator's website]. You can also get a copy of the Settlement Agreement by contacting the Administrator using the contact information listed below:

[Administrator's Canadian Address]

[Administrator's U.S. Address]

25. How Do I Get More Information?

The pleadings in the Ontario Action are available for inspection in Court File No. 57453CP at the Ontario Superior Court of Justice, 80 Dundas Street, London, ON N6A 6B3. The materials in the court file are available to be inspected on weekdays (other than holidays) between 8:30 a.m. and 5:00 p.m.

The pleadings in the Québec Action are available for inspection in Court File No. 500-06-000458-097 at the Montréal Courthouse, Superior Court Records Office, 1 Notre-Dame Street East, Montréal, QC H2Y 1B6. The materials in the court file are available to be inspected on weekdays (other than holidays) between 8:30 a.m. and 4:30 p.m.

For more detailed information concerning the matters involved in the U.S. Action, reference is made to the various pleadings, papers and orders filed in the U.S. Action, which may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007, on weekdays (other than court holidays) between 8:30 a.m. and 5:00 p.m.

Class Counsel may also be contacted using the following information:

In Canada:

A. Dimitri Lascaris
Siskinds ^{LLP}
Barristers & Solicitors
680 Waterloo Street
London, ON N6A 3V8
1.800.461.6166 x.2380
dimitri.lascaris@siskinds.com

Simon Hebert
Siskinds Desmeules s.e.n.c.r.l.
Les Promenades du Vieux-Québec
43 Rue Buade, Bur 320
Québec City, QC G1R 4A2
418.694.2009
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In the United States:

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PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

The Net Settlement Amount will be distributed in accordance with the Plan of Allocation described below to Class Members who submit valid, timely Claim Forms to the Administrator.

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) **“Acquisition Expense”** means the total monies paid by the Claimant (including brokerage commissions) to purchase or acquire Eligible Shares;
 - (b) **“Authorized Canadian Claimant”** means an Authorized Claimant who purchased or otherwise acquired their Eligible Shares on the TSX, or who was a Canadian resident at the time some or all of their Eligible Shares were purchased or acquired, regardless of the exchange over which the Eligible Shares were purchased or acquired. For the purposes of this Plan of Allocation, residency shall be confirmed by consideration of a Claimant’s address at the time their Eligible Shares were purchased or acquired;

- (c) “**Authorized U.S. Claimant**” means an Authorized Claimant who purchased or otherwise acquired their Eligible Shares on the NYSE, other than Canadian residents. Where an Authorized U.S. Claimant has acquired Eligible Shares on both the TSX and NYSE, such claimant will be treated as an Authorized U.S. Claimant with respect to those Eligible Shares acquired on the NYSE and as an Authorized Canadian Claimant with respect to those Eligible Shares acquired on the TSX;
- (d) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Deadline;
- (e) “**Disposition Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of their Eligible Shares; provided, however, that with respect to any Eligible Shares that the Claimant continues to hold, they shall be deemed to have been disposed of for an amount equal to the number of Eligible Shares still held, multiplied by the difference between the average price per common share paid for those Eligible Shares (including any commissions paid in respect thereof determined on a per common share basis) and (i) in the case of TSX transactions CAD\$26.51; or (ii) in the case of NYSE transactions USD\$25.97.
- (f) “**FIFO**” means the principle of first-in first-out, wherein common shares are deemed to be sold in the same order that they were purchased or otherwise acquired (i.e. the first common shares purchased or otherwise acquired are deemed to be the first sold); and which requires, in the case of a Claimant who held common shares of Gildan at the commencement of the Class Period, that those common shares be deemed to have been sold completely before Eligible Shares are sold, or deemed sold;
- (g) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense;

- (h) “**Nominal Entitlement**” means an Authorized Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis of each Authorized Claimant’s *pro rata* share of the Net Settlement Amount.

CALCULATION OF NET LOSS

2. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Amount.
3. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss they become an Authorized Claimant, and the Administrator will go on to calculate their Nominal Entitlement.

CALCULATION OF COMPENSATION

4. The Administrator will apply FIFO to distinguish the sale of Gildan common shares held at the beginning of the Class Period from the sale of Eligible Shares, and will continue to apply FIFO to determine the purchase or acquisition transactions which correspond to the sale of Eligible Shares. The Administrator will use this data in the calculation of an Authorized Claimant’s Nominal Entitlement according to the formulas listed below.
5. The date of sale or deemed disposition shall be the trade date, as opposed to the settlement date, of the transaction.
6. For the purposes of any calculation under the Plan of Allocation, the Administrator will account for any stock splits or consolidations that occur after the Class Period, such that Authorized Claimants’ holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period.

7. An Authorized Claimant's Nominal Entitlement will be calculated as follows:
- I. No Nominal Entitlement shall be available for any Eligible Shares *disposed of* prior to the first alleged corrective disclosure, that is, *prior to April 29, 2008*.**
 - II. For Eligible Shares *disposed of* during the 10 trading day period following the alleged corrective disclosure, that is, *on or between April 29 and May 12, 2008*, the Nominal Entitlement shall be:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the per share price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition).
 - III. For Eligible Shares *disposed of* after the 10 trading day period following the alleged corrective disclosure, that is, *after the close of trading on May 12, 2008*, the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the per share price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); and
 - B. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and (i) in the case of TSX transactions CAD\$26.51; or (ii) in the case of NYSE transactions USD\$25.97 [in both cases being the 10 trading day volume weighted average trading price of Gildan common shares from April 29 to May 12, 2008].

IV. For Eligible Shares still held at the time the Claim Form is completed, the Nominal Entitlement shall be:

- A. an amount equal to the number of Eligible Shares still held, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and (i) in the case of TSX transactions CAD\$26.51; or (ii) in the case of NYSE transactions USD\$25.97 [in both cases being the 10 trading day volume weighted average trading price of Gildan common shares from April 29 to May 12, 2008].

FINAL DISTRIBUTION

8. 89% of the Net Settlement Amount is allocated for *pro rata* distribution among Authorized Canadian Claimants. Such distributions shall be made in Canadian currency. The remaining 11% of the Net Settlement Amount shall be distributed in U.S. currency on a *pro rata* basis among Authorized U.S. Claimants.
9. Once all Nominal Entitlements have been calculated, the Administrator will convert the Nominal Entitlements of all Authorized Canadian Claimants who conducted transactions on the NYSE from U.S. currency to Canadian currency based on the exchange rate as of the date the currency conversion is performed. After currency conversion, the Nominal Entitlements of all Authorized Canadian Claimants will be recorded in Canadian currency.

The Courts have jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds. The Courts may also modify this Plan of Allocation in the interests of justice without further notice to Class Members. Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim or cause of action against Class Counsel, the Defendants, the Administrator, or other person designated by the Courts, based on distributions made substantially in accordance with this Plan

of Allocation, or such alternative plan of allocation in respect of the Settlement that may be approved by the Courts.

**SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER
NOMINEES**

If you held Gildan common shares purchased or otherwise acquired during the period from and including August 2, 2007 to and including April 29, 2008, as nominee for a beneficial owner, then WITHIN 7 (SEVEN) BUSINESS DAYS OF YOUR RECEIPT OF THIS NOTICE, you must either (1) send a copy of this Notice and Claim Form by first class mail to all beneficial owners; or (2) provide a list of the names and addresses of beneficial owners to the Administrator at the address listed in Question 24, above.

If you choose to mail the Notice and Claim Form yourself, you may obtain from the Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Claim Form and which would not have been incurred but for the obligation to forward the Notice and Claim Form, up to a maximum of USD \$0.25 per record (excluding postage), upon submission of appropriate documentation to the Administrator prior to [the Opt-Out & Objection Deadline]. The Administrator shall not pay in excess of Five Thousand United States Dollars (USD \$5,000), in the aggregate, to all brokers and/or nominees that submit such invoices, and, if the aggregate amount of such invoices exceeds Five Thousand United States Dollars (USD \$5,000), then the Administrator shall distribute the sum of Five Thousand United States Dollars (USD \$5,000) to such brokers and/or nominees on a *pro rata* basis. No reimbursements shall be paid to brokers and/or nominees until after [the Opt-Out & Objection Deadline].

***PLEASE DO NOT CONTACT THE COURTS REGARDING THIS NOTICE.
DIRECT ALL OF YOUR QUESTIONS TO THE ADMINISTRATOR OR CLASS COUNSEL.***

[Date of Publication]

PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE, THE QUÉBEC SUPERIOR COURT
AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

SCHEDULE “H” – ONTARIO APPROVAL ORDER

Court File No. 58574CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
JUSTICE LYNNE LEITCH) _____, THE ____ DAY
OF _____, 2010

B E T W E E N :

METZLER INVESTMENT GMBH

Plaintiff

and

GILDAN ACTIVEWEAR INC., GLENN J. CHAMANDY, GLENN J. CHAMANDY
HOLDINGS CORPORATION, and LAURENCE G. SELLYN

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION made by the Representative Plaintiff for, *inter alia*, an Order approving and implementing the Settlement Agreement, dated August _____, 2010, entered into between the parties herein and the parties to parallel class actions proceeding in Québec and in the United States was heard in London, Ontario on _____, 2010.

ON READING the materials filed, including the Settlement Agreement attached as Schedule “A,” and on hearing the submissions of counsel for the Representative Plaintiff and counsel for the Defendants:

1. **THIS COURT DECLARES** that, except as otherwise stated, this Order incorporates and adopts the definitions set forth in the Settlement Agreement.

2. **THIS COURT DECLARES** that the settlement provided for in the Settlement Agreement is fair, reasonable and in the best interests of members of the Ontario Class.
3. **THIS COURT ORDERS** that the Settlement Agreement attached to this Order as **Schedule “A”** is hereby approved pursuant to s.29 of the *Class Proceedings Act, 1992*.
4. **THIS COURT ORDERS** that the Settlement Agreement forms part of this Order and is binding upon the Representative Plaintiff and upon all members of the Ontario Class including those persons who are minors or mentally incapable, and that the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are disposed of in respect of the Ontario Action, and the Settlement Agreement shall be implemented in accordance with its terms.
5. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, the Representative Plaintiff and each member of the Ontario Class, on behalf of themselves, their personal representatives, agents, heirs, executors, administrators, trustees, beneficiaries, former and current employee plan members and contributors, successors and assigns, and any person they represent in relation to Gildan common stock purchased or otherwise acquired during the Class Period or in relation to the Settled Claims (all of the foregoing persons and entities are collectively referred to as the “Ontario Class Releasers”), shall release and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Released Parties from the Settled Claims.
6. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, each of the Ontario Class Releasers shall consent and shall be deemed to have consented to the dismissal without costs and with prejudice of any other action or proceeding he, she or it

has commenced against the Released Parties with respect to a Settled Claim, and is hereby permanently barred and enjoined from instituting, commencing or prosecuting any Settled Claim against the Released Parties.

7. **THIS COURT ORDERS** that, upon the Effective Date, the Ontario Class Releasers shall not institute, continue, maintain or assert, either directly or indirectly, whether in the United States, Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, proceeding, complaint, claim or demand against any Released Party or any other person who may claim any form of contribution or indemnity from any Released Party in respect of any Settled Claim or any matter related thereto, and are permanently barred and enjoined from doing so.
8. **THIS COURT ORDERS** that, upon the Effective Date, the Defendant Releasers release and forever discharge each and every one of the Settled Defendants' Claims against any of the Released Plaintiff Parties, and are hereby forever barred and enjoined from prosecuting a Settled Defendants' Claim against the Released Plaintiff Parties.
9. **THIS COURT ORDERS** that neither this Order, the Settlement Agreement, nor any of their terms and provisions, nor any of the negotiations or proceedings connected with the Settlement Agreement, nor any of the documents or statements referred to therein shall be:
 - (a) offered or received against the Released Parties as evidence of or construed as or deemed to be evidence of any presumption, concession or admission by any of the Defendants with respect to the truth of any fact alleged in the Fresh as Amended Statement of Claim or the validity of any claim that has been or could have been asserted in the Ontario Action or in any litigation, or the deficiency of any defence that has been or could have been asserted in the Ontario Action, or in any

litigation, or of any liability, negligence, fault, or wrongdoing of the Released Parties;

- (b) offered or received against the Released Parties as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any of the Released Parties;
- (c) offered or received against the Released Parties as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing or in any way referred to for any other reason as against any of the Released Parties, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to enforce and give effect to the provisions of the Settlement Agreement; provided, however, that the Released Parties may refer to it to effect the release and liability protection granted them hereunder;
- (d) construed against the Released Parties as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; or
- (e) construed as or received in evidence as an admission, concession or presumption against the Representative Plaintiff or any member of the Ontario Class that any of their claims are without merit, or that any defences asserted by the Defendants have any merit, or that damages recoverable under the Fresh as Amended Statement of Claim would not have exceeded the amounts set forth under the Settlement Agreement.

10. **THIS COURT DECLARES** that the Plan of Allocation, attached as Schedule “A” to the Settlement Agreement, is approved as fair and reasonable.

11. **THIS COURT ORDERS** that this Court shall retain jurisdiction over the parties herein, the members of the Ontario Class, the Escrow Agent and the Administrator for all matters

relating to the Ontario Action and the Ontario Class, including the administration, interpretation, effectuation or enforcement of the Settlement Agreement and this Order, and including any application for fees and expenses incurred by or paid to counsel for the Plaintiff and the Administrator in overseeing and administering the Settlement Agreement, in distributing settlement proceeds to members of the Ontario Class, and in complying with the terms of this Order.

12. **THIS COURT ORDERS** that, on notice to the Court but without further order of the Court, the parties to the Settlement Agreement may agree to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.
13. **THIS COURT ORDERS AND DECLARES** that the Released Parties have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement.
14. **THIS COURT ORDERS** that if the Settlement Agreement is terminated pursuant to any rights of termination therein, then:
 - (a) this Order (except for paragraphs 1,9,11,13 and 14 herein) shall be set aside, be of no further force or effect, and be without prejudice to any party;
 - (b) the Ontario Action shall be immediately decertified as a class proceeding pursuant to Section 10 of the *Class Proceedings Act, 1992*, without prejudice to the Representative Plaintiff's ability to reapply for certification and the Defendants' ability to oppose certification on any and all grounds; and
 - (c) each party to the Ontario Action shall be restored to his, her or its respective position in the Ontario Action as it existed immediately prior to the execution of the Settlement Agreement.

15. **THIS COURT ORDERS AND ADJUDGES** that, upon the Effective Date, the Ontario Action shall be and is hereby dismissed against the Defendants with prejudice and without costs.

THE HONOURABLE
JUSTICE LYNNE LEITCH

SCHEDULE "I" – QUÉBEC APPROVAL ORDER

COUR SUPÉRIEURE (Recours collectif)

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL

N° : 500-06-000458-097

DATE : ●

EN PRÉSENCE DE : L'HONORABLE ●, J.C.S.

GASTON RIOUX

Requérant;

c.

LES VÊTEMENTS DE SPORT GILDAN INC. ET AUTRES

Intimés

JUGEMENT

[1] **ATTENDU** que les parties sont impliquées dans un litige de la nature d'un recours collectif;

[2] **ATTENDU** que le Requérant a conclu une entente afin de régler l'ensemble des réclamations des Membres du Groupe du Québec avec les Intimés;

[3] **VU** la requête sous étude ;

[4] **VU** que les Intimés consentent à la requête ;

[5] **VU** les pièces versées au dossier;

[6] **VU** les déclarations des procureurs des parties et les représentations faites de part et d'autre;

[7] **VU** les articles 1025, 1045 et 1046 du Code de procédure civile;

[8] **APRÈS EXAMEN**, il y a lieu de faire droit à la requête;

POUR CES MOTIFS, LE TRIBUNAL:

[9] **ACCUEILLE** la requête;

[10] **DÉCLARE** que les définitions contenues dans l'Entente de Règlement sont utilisées pour ce jugement et par conséquent sont considérées comme étant partie intégrante de ce jugement;

[11] **DÉCLARE** que l'Entente de Règlement R-1 jointe à ce jugement en annexe «A», avec ses propres annexes est valable, équitable, raisonnable, dans le meilleur intérêt des Membres du Groupe et constitue une transaction au sens de l'article 2631 du Code civil du Québec mettant fin définitivement à cette affaire, liant toutes les parties et tous les membres qui y sont décrits à l'exception de ceux qui s'exclurent;

[12] **DÉCLARE** que la version anglaise de l'Entente de Règlement constitue l'entente entre les parties sur laquelle ces dernières se sont entendues, et que la version française n'est qu'une traduction, de sorte qu'en cas de divergence entre la version anglaise et la version française, la première devra primer;

[13] **APPROUVE** l'Entente de Règlement R-• conclue entre les parties en règlement du présent dossier ;

[14] **DÉCLARE** que l'Entente de Règlement dans son intégralité (y compris son préambule, ses définitions et ses annexes ainsi que toutes les dispositions prévoyant le rejet des procédures, les libérations et quittances) fait partie intégrante de ce jugement;

[15] **APPROUVE** l'avis détaillé et l'avis d'approbation, en langue anglaise, conforme au modèle produit au soutien de la requête sous la cote R-• et joint à ce jugement en annexe «B» et **ORDONNE** qu'il soit diffusé selon le mode de diffusion prévu à l'Annexe « C » de l'Entente de Règlement R-• avec une traduction française qui sera fidèle au contenu des avis R-• ;

[16] **APPROUVE** le Formulaire de Réclamation (R-•) et **ORDONNE** que les Membres du Groupe désirant formuler une réclamation le fassent en utilisant ce formulaire étant entendu, cependant, que l'Administrateur aura la possibilité de mettre en œuvre une procédure permettant aux courtiers de formuler une réclamation pour leurs clients s'ils reçoivent l'autorisation d'agir ainsi;

[17] **ORDONNE** que toute personne qui désire obtenir une indemnité en vertu de l'Entente de Règlement ne devienne éligible à toute distribution que si elle soumet un Formulaire de Réclamation (R-•) avec toutes les pièces justificatives appropriées, auprès de l'Administrateur,

au plus tard • mois après la publication de l'avis d'approbation, à moins que ce Tribunal n'en décide autrement, ou à moins que ce Tribunal ne proroge la Date Limite pour formuler une réclamation;

[18] **APPROUVE** le Protocole de Distribution et **ORDONNE** qu'il soit appliqué conformément à ses dispositions;

[19] **ORDONNE** et **DÉCLARE** qu'à l'arrivée de la Date Effective/Effective Date, chaque Partie Donnant Quittance/Releasor aura donné quittance et sera réputée, de manière concluante, avoir donné quittance de manière complète, finale, irrévocablement et pour toujours aux Parties Quittancées/Released Parties à l'égard des Réclamations Quittancées/Settled Claims;

[20] **DÉCLARE** que chaque Membre du Groupe du Québec/Quebec Class Member qui formulera une réclamation dans le cadre de l'Entente de Règlement ou qui ne se sera pas valablement exclu du Groupe du Québec/Quebec Class sera présumé avoir irrévocablement consenti au rejet final et définitif de tous les autres recours intentés par celui-ci (celle-ci) contre les Parties Quittancées/Released Parties, sans frais et sans réserve;

[21] **DÉCLARE** que toute autre action instituée au Québec par tout Membre du Groupe du Québec/Quebec Class Member en rapport avec les Réclamations Quittancées, qui formulera une réclamation dans le cadre de l'Entente de Règlement ou qui ne se sera pas valablement exclu du Groupe du Québec/Quebec Class sera par la présente rejetée contre les Parties Quittancées/Released Parties, sans frais et sans réserve;

[22] **ORDONNE** et **DÉCLARE** que ce jugement, y compris l'Entente de Règlement, lie chaque Membre du Groupe du Québec/Quebec Class Member qui ne se sera pas valablement exclu du recours;

[23] **ORDONNE** que chaque Partie Donnant Quittance/Releasor ne puisse, directement ou indirectement, au Canada, aux Etats-Unis ou ailleurs, pour son propre compte ou pour le compte de tout groupe ou de toute autre personne, tenter, continuer, maintenir ou faire valoir toute poursuite, action, cause d'action, réclamation ou demande, contre n'importe laquelle des Parties Quittancées/ Released Parties ou toute autre personne qui pourrait formuler une réclamation visant une contribution ou un dédommagement, ou toute autre forme de réclamation visant une autre forme de dédommagement, contre n'importe laquelle des Parties Quittancées/ Released Parties eu égard à n'importe laquelle des Réclamations Quittancées/Settled Claims ou toute affaire liée à ce qui précède, au Canada ou ailleurs;

[24] **DÉCLARE** que les Intimés n'ont aucune responsabilité ni implication quant à l'administration de l'Entente de Règlement ;

[26] **ORDONNE** que si l'Entente de Règlement proposée en cette affaire est résiliée tel que prévu à l'article 8 de ladite Entente, alors :

a. le présent jugement (sauf les paragraphes 10 et 26) sera nul et non avvenu et sans préjudice aux droits des parties ;

b. le recours collectif autorisé par le présent jugement sera automatiquement décertifié conformément à l'article 1022 du Code de procédure civile sans préjudice aux droits du

Requérant de déposer une nouvelle Requête pour autorisation d'exercer un recours collectif contre les Intimés et sans préjudice aux droits de ceux-ci de la contester et;

c. les parties à la Requête pour autorisation d'exercer un recours collectif seront remises dans le même état qu'elles étaient immédiatement avant la signature de l'Entente de Règlement;

[27] **LE TOUT** sans frais, sauf en ce qui a trait à ce que prévu à l'Entente de Règlement.

●, J.C.S.

Me Simon Hébert – casier 15
Siskinds, Desmeules, Avocats
Procureurs du Requérant

Me ●

●

Procureurs des Intimés

SCHEDULE “J” – U.S. APPROVAL ORDER

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

| | | |
|------------------------------|---|-----------------------------------|
| _____ | x | |
| In re GILDAN ACTIVEWEAR INC. | : | Civil Action No. 1:08-cv-05048-HB |
| SECURITIES LITIGATION | : | |
| _____ | : | <u>CLASS ACTION</u> |
| | : | |
| This Document Relates To: | : | ORDER & FINAL JUDGMENT |
| | : | |
| ALL ACTIONS. | : | |
| _____ | x | |

WHEREAS, on the ___ day of _____, 2010, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Settlement Agreement dated August __, 2010 (the “Stipulation”) are fair, reasonable and adequate for the settlement of all claims asserted by the U.S. Class against the defendants in the Complaint now pending in this Court under the above caption (the “Action”), including the release of the Released Parties, and should be approved; (2) whether judgment should be entered dismissing the Complaint on the merits and with prejudice in favor of the defendants herein and as against all persons or entities who are members of the U.S. Class herein who have not timely and validly requested exclusion therefrom; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the members of the U.S. Class; and (4) whether and in what amount to award U.S. Lead Plaintiffs’ Counsel fees and expenses;

WHEREAS, the Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing substantially in the form approved by the Court was given to all U.S. Class Members in accordance with the preliminary order for notice and hearings in connection with the settlement proceedings.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. All capitalized terms used herein having the meanings set forth and defined in the Stipulation.

2. The Court has jurisdiction over the subject matter of this Action, the U.S. Lead Plaintiffs, all U.S. Class Members, and the Defendants in this Action.

3. The Court finds that the prerequisites for a class action under Federal Rules of Civil Procedure 23(a) and (b)(3) have been satisfied in that: (a) the number of U.S. Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the U.S. Class; (c) the claims of the U.S. Lead Plaintiffs are typical of the claims of the U.S. Class they seek to represent; (d) the U.S. Lead Plaintiffs have and will fairly and adequately represent the interests of the U.S. Class; (e) the questions of law and fact common to the members of the U.S. Class predominate over any questions affecting only individual U.S. Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure and for purposes of the Settlement, this Court hereby finally certifies this action as a class action on behalf of all persons who purchased or otherwise acquired Gildan common shares during the period between August 2, 2007 through April 29, 2008, inclusive (the "Class Period") and either: (i) are now or were at the time of the purchase or acquisition U.S. residents or (ii) purchased or otherwise acquired such shares on the New York Stock Exchange; other than (i) Excluded Persons; and (ii) members of the Québec Class (the "U.S. Class" or "U.S. Class Members"). Also excluded from

the U.S. Class are the individuals and/or entities listed on Exhibit 1 annexed hereto that the Court finds and concludes timely and validly requested exclusion from the U.S. Class.

5. Notice of the pendency of this Action as a class action and of the proposed Settlement was given to all U.S. Class Members who could be identified with reasonable effort. The form and method of notifying the U.S. Class of the pendency of this Action as a class action and of the terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), Rule 23.1 of the Local Rules of the Southern and Eastern Districts of New York, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all individuals and entities entitled thereto.

6. Pursuant to Federal Rule of Civil Procedure 23, this Court hereby approves the settlement set forth in the Stipulation and finds that said settlement is, in all respects, fair, reasonable and adequate to the Class. All objections to the settlement have been considered and are overruled.

7. Except as to any individual claim of those Persons (identified in Exhibit 1 hereto) who have validly and timely requested exclusion from the U.S. Class, this action and all claims contained therein, as well as all of the Settled Claims, are dismissed with prejudice as to the Lead Plaintiffs and the other members of the U.S. Class, as against each and all of the Released Parties. The Parties are to bear their own costs, except as otherwise provided in the Settlement Agreement.

8. The Court finds that the Settlement Agreement and settlement are fair, reasonable and adequate as to each of the members of the Class, and that the Settlement Agreement and settlement are hereby finally approved in all respects, and the Parties are hereby directed to perform its terms.

9. Upon the Effective Date, U.S. Lead Plaintiffs and each U.S. Class Member, (whether or not such U.S. Class Member executed and delivered a Claim Form), on behalf of themselves, their personal representatives, agents, heirs, executors, administrators, trustees, beneficiaries, current and former employee plan members and contributors, successors and assigns (all of the foregoing persons and entities are collectively referred to as the “U.S. Class Releasers”), shall be permanently barred and enjoined from instituting, commencing or prosecuting any Settled Claims against any of the Released Parties.

10. Upon the Effective Date, the U.S. Class Releasers have fully, finally, and forever released, relinquished, and discharged all Settled Claims against the Released Parties, and the U.S. Class Releasers are bound by this Order and Final Judgment including, without limitation, the release of claims as set forth in the Stipulation, and the U.S. Class Releasees shall have covenanted not to sue the Released Parties with respect to any Settled Claim. The Settled Claims are hereby compromised, settled, released, discharged, and dismissed as against the Released Parties on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

11. Upon the Effective Date, the Defendants and the successors and assigns of any of them, are hereby permanently barred and enjoined from instituting, commencing or prosecuting any Settled Defendants’ Claims. Upon the Effective Date, the Settled Defendants’ Claims of the Released Parties are hereby compromised, settled, released, discharged, and dismissed on the

merits and with prejudice, by virtue of the proceedings herein and this Order and Final Judgment. In the event that any of the Defendants, or successors and assigns of any of them, asserts against the U.S. Lead Plaintiffs, any U.S. Class Member or their respective counsel, any claim that is a Settled Defendants' Claim, then U.S. Lead Plaintiffs, such U.S. Class Member or counsel shall be entitled to use and assert such factual matters included within the Settled Claims only against such person in defense of such Settled Defendants' Claim but not for the purposes of asserting any claim against any other Defendant.

12. All Persons are permanently barred, enjoined, and restrained from instituting, commencing, prosecuting or asserting any claim for contribution or indemnity, however denominated (including but not limited to any claim for breach of contract or misrepresentation), against the Released Parties (or any other claim against the Released Parties where the alleged injury to such Person is such Person's actual or threatened liability to the Class or any Class member), arising out of or related to the claims, acts, facts, statements or omissions that were or could have been alleged in the Actions, but not covering derivative claims or claims under the Employee Retirement Income Security Act of 1974, and all such claims shall be deemed extinguished, discharged, satisfied, and unenforceable. Any person so enjoined, barred, or restrained shall be entitled to appropriate judgment reduction. In addition, this Judgment bars all claims by any Released Party against all Persons for contribution, however denominated (including any claim for breach of contract or misrepresentation), seeking recovery of all or part of the Settlement Amount, and all such claims shall be deemed extinguished, discharged, satisfied, and unenforceable. Nothing herein shall affect any claims of indemnity among the Released Parties.

13. Neither this Order and Final Judgment, the Stipulation, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any of the documents or statements referred to therein, shall be:

(a) offered or received against the Released Parties as evidence of or construed as or deemed to be evidence of any presumption, concession or admission by any of the Released Parties with respect to the truth of any fact alleged by any of the U.S. Lead Plaintiffs or the validity of any claim that has been or could have been asserted in this Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in this Action or in any litigation, or of any liability, negligence, fault, or wrongdoing of the Released Parties;

(b) offered or received against the Released Parties as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any of the Released Parties;

(c) offered or received against the Released Parties as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Released Parties, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that the Released Parties may refer to it to effectuate the liability protection granted them hereunder;

(d) construed against the Released Parties as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; or

(e) construed as or received in evidence as an admission, concession or presumption against U.S. Lead Plaintiffs or any of the U.S. Class Members that any of their claims are without merit, or that any defenses asserted by the Released Parties have any merit, or that damages recoverable under the Complaint would not have exceeded the Gross Settlement Fund.

14. The Court finds and concludes, pursuant to Section 21D(c)(1) of the Securities Exchange Act of 1934, as amended by PSLRA, 15 U.S.C. §78u-4(c)(1), that the U.S. Lead Plaintiffs, U.S. Class Counsel, Defendants and counsel to the Defendants have complied with each requirement of Rule 11(b) of the Federal Rules of Civil Procedure as to any complaint, responsive pleading or dispositive motion.

15. Without affecting the finality of this Judgment, jurisdiction is hereby retained over defendants, the U.S. Lead Plaintiffs and the U.S. Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the U.S. Class.

16. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fee and expense application shall in no way disturb or affect the finality of this Order and Final Judgment's other provisions.

17. In the event that the Settlement does not become Effective in accordance with the terms of the Stipulation, or is terminated pursuant to paragraphs ___ of the Stipulation, paragraphs ___ of the Stipulation shall apply and this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and may not be introduced as evidence or reflected in any action or proceeding by any person or entity, and each party shall be restored to his, her or its respective position as it existed immediately prior to the execution of the Stipulation.

18. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

19. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed.

Dated: New York, New York

_____, 2010

HONORABLE _____
UNITED STATES DISTRICT JUDGE