

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Gildan Activewear Inc. (“Gildan” or the “Corporation”) considers good corporate governance practices to be an important factor in the overall success of the Corporation.

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

The Board is committed to adhering to the highest corporate governance standards and these guidelines reflect that commitment. These guidelines are revised on an ongoing basis in order to comply with and exceed Canadian and U.S. corporate governance standards. Our Corporate Governance Guidelines include the following:

COMPOSITION OF THE BOARD AND ITS COMMITTEES

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

The Board is composed of a majority of individuals who qualify as independent directors, as determined by the Board. The Corporate Governance Committee, the Audit and Finance Committee and the Compensation and Human Resources Committee must be composed solely of independent directors (as determined by the Board). The independent Board and committee members meet together and separately from management during each regularly scheduled Board and committee meeting under the leadership of the Corporation’s Board Chair and committee chair as the case may be.

In addition, each member of the Audit and Finance Committee must be financially literate and at least one member of such Committee must have accounting or related financial experience and be an audit committee financial expert. In determining whether or not a director is independent, financially literate or is an audit committee financial expert, the Board follows the applicable Canadian and U.S. securities legislation and regulations as well as the NYSE Corporate Governance Standards.

Because of the Audit and Finance Committee’s demanding role and responsibilities, the mandate of such Committee provides that the Board Chair, together with the Corporate Governance Committee Chair, review any invitation to Audit and Finance Committee members to join the audit committee of another publicly-listed entity.

Where a member of the Audit and Finance Committee simultaneously serves on the audit committee of more than three public companies, including the Corporation, the Board determines whether such simultaneous service impairs the ability of such member to effectively serve on the Audit and Finance Committee and either requires a correction to the situation or makes the required disclosure.

CONFLICTS OF INTEREST

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

INTERLOCKING OUTSIDE BOARDS

To maintain director independence and to avoid potential conflicts of interest, the Board has adopted a policy whereby Board members are prohibited from serving together as directors on any outside boards of publicly-traded companies, unless authorized by the Board, in its discretion.

CHANGES IN THE PROFESSIONAL RESPONSIBILITIES OF DIRECTORS AND AGE OF RETIREMENT

When a director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the director shall offer a letter of resignation to the Corporate Governance Committee. The Committee will recommend action to be taken regarding the resignation offer, based on the circumstances of retirement, if that is the case, or in the case of a new position, the responsibility and type of position, and industry involved. Directors are encouraged to limit the number of other boards on which they serve. Directors should advise the Chairpersons of the Board and the Corporate Governance Committee before accepting an invitation to serve on another public company board.

The Board has also adopted a policy on retirement age for directors whereby a director would not, unless otherwise determined by the Board, in its discretion, be nominated for re-election at the annual meeting of shareholders following his or her seventy-second (72nd) birthday.

MAJORITY VOTING

The Board has adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender his or her resignation to the Board promptly following the shareholders' meeting. The Corporate Governance Committee will consider the offer of resignation and will make a recommendation to the Board on whether to accept it. The Board will make its final decision and announce it in a press release within ninety (90) days following the shareholders' meeting. A director who tenders his or her resignation

pursuant to this policy will not participate in any meeting of the Board or the Corporate Governance Committee at which the resignation is considered.

RESPONSIBILITIES OF THE BOARD AND BOARD COMMITTEES

The Board is responsible for the supervision of the management of the Corporation's business and affairs, with the objective of increasing shareholder value. Although management conducts the day-to-day operations of the Corporation, the Board has a duty of stewardship and regularly assesses and monitors management's performance. The responsibilities of the Board are further detailed in its mandate.

From time to time, the Board may delegate certain tasks to its committees. However, such delegation does not relieve the Board of its overall responsibilities. The Board has adopted formal mandates for the Audit and Finance Committee, the Corporate Governance Committee and the Compensation and Human Resources Committee. These mandates describe the responsibilities delegated to each committee.

The Board has also adopted formal mandates for the Chairman of the Board and the chairs of each of the Audit and Finance Committee, Corporate Governance Committee and Compensation and Human Resources Committee.

The Corporation expects its directors to commit sufficient time and effort to the Corporation's business. The directors are expected to attend all Board meetings and review in advance all meeting materials. The Board also ensures that prospective Board candidates fully understand the role of the Board and its committees and the contribution that individual directors are expected to make, including, in particular, the personal commitment that the Corporation expects of its directors.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

The Corporate Governance Committee establishes performance-enhancing measures, and assesses and reviews annually the performance and effectiveness of the Board, Board committees, the Board and committee chairs and individual directors, the whole in accordance with its mandate.

DIRECTOR COMPENSATION

The compensation of directors is determined annually by the Board based on the reviews and recommendations of its Corporate Governance Committee. In accordance with its mandate, the Corporate Governance Committee reviews annually and makes recommendations to the Board on the adequacy and form of the compensation for non-executive directors, taking into account the responsibilities and risks involved and the importance of not compromising directors' independence. It also reviews and makes recommendations, on an annual basis, on the amount and form of compensation for the Board Chair and committee chairs. The Committee may retain and replace any independent firm to advise on directors' compensation, including fixing such firm's fees and other retention terms.

The Board of Directors believes that the economic interests of directors should be aligned with those of the Corporation's shareholders. To achieve this, all non-executive directors are expected to own a significant amount of the Corporation's common shares and/or deferred share units. The Board has therefore adopted a formal stock ownership policy pursuant to which each non-executive director is expected, over a period of five (5) years, to own and maintain ownership of an amount of common shares (or deferred share units) which is equivalent in value to three (3) times the annual Board retainer (based on the market value of the common shares on the New York Stock Exchange).

The Corporation has adopted a deferred share unit plan for the non-executive directors to help them meet the stock ownership policy requirements. Under the plan, at least 50% of each director's retainer fee is paid in the form of deferred share units. Such units are redeemed and paid in cash by the Corporation when a director ceases to act as such.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

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

New directors are provided with an extensive information package on the Corporation's business, its strategic and operational business plans, its operating performance, its governance system and its financial position. In addition, the Board Chair ensures that Board members have access to education and information on an ongoing basis and as required. Senior management makes regular presentations to the Board on the main areas of the Corporation's business. Directors are also encouraged to tour the Corporation's various facilities.

RETENTION OF INDEPENDENT ADVISORS

In performing its responsibilities, the Board or any committee of the Board may, as required and subject to advising the Chairman of the Board, engage an outside advisor for advice and assistance at the expense of the Corporation.

DIRECT ACCESS TO MANAGEMENT

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

MANAGEMENT SUCCESSION

The Board, directly and through its Compensation and Human Resources Committee, is responsible for overseeing the existence of appropriate mechanisms regarding succession planning for the Corporation's officers. It chooses the Chief Executive Officer of the Corporation (the "CEO") and approves the appointment of other senior

officers of the Corporation as well as the terms and conditions of their appointment and termination or retirement. The Committee oversees the succession planning systems and policies for management put in place by the CEO, including processes to identify, develop and retain the talent of outstanding personnel.

CODE OF BUSINESS CONDUCT

The Board has adopted a Code of Ethics and Business Conduct that governs the behaviour of the Corporation's directors, officers and employees.

COMPLAINTS REGARDING AUDITING AND ACCOUNTING MATTERS

Complaints about accounting, internal accounting controls or auditing matters can be confidentially and anonymously submitted in accordance with our Policy for the Receipt, Retention and Treatment of Complaints Received by Gildan from Non-Employees Regarding Accounting, Internal Accounting Controls or Auditing Matters.

As for concerns of any employee of the Corporation concerning accounting or auditing matters, they can be submitted confidentially and anonymously through a well-defined reporting mechanism.

COMMUNICATION WITH THE BOARD CHAIR

Shareholders and other interested parties may communicate confidentially with the Board Chair or with non-management directors as a group by mail at Gildan Activewear Inc., 600 de Maisonneuve West, 33rd Floor, Montreal, Quebec, Canada, H3A 3J2 or by e-mail at corporate.governance@gildan.com. Communications received in this manner will be processed in accordance with procedures approved by the Board's independent directors.

AMENDMENT

These guidelines will be periodically reviewed by the Board and may be amended from time to time.

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Adopted by the Board of Directors on February 3, 2004
Last amended on December 10, 2009.