

ONTARIO  
SUPERIOR COURT OF JUSTICE

B E T W E E N :

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  
Petitioner

RIOUX

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.  
SECURITIES LITIGATION : Civil Action No. 1:08-cv-05048-HB  
: :  
: 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 January 25, 2011 at 10:00 a.m., at the Courthouse, 80 Dundas Street, London, Ontario;

**In Québec:** on March 1, 2011 at 1:30 p.m. in Courtroom 15.07 of the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, Québec; and

**In the United States:** on March 2, 2011 at 10:00 a.m. in Courtroom 23B of 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.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b> (These rights and options – <b>and the deadlines to exercise them</b> – are explained in this Notice.)	
<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment. A Claim Form must be submitted by <b>March 10, 2011</b> to the Administrator (identified below).
<b>OPT OUT</b> <b>(Exclude Yourself from the</b>	Get no payment. This is the only option that prevents you from releasing the Defendants and the other Released Parties from Settled Claims (defined

<b>Class)</b>	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 <b>January 10, 2011</b> .
<b>OBJECT</b>	Write to either Siskinds <sup>LLP</sup> , 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 <b>January 10, 2011</b> .
<b>GO TO THE SETTLEMENT HEARINGS</b>	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 <b>January 10, 2011</b> .
<b>DO NOTHING</b>	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 favour 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”)
The Honourable Harold Baer 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. In addition, the Parties do not agree on the amount of damages that would be recoverable even if Plaintiffs were to prevail on the claims asserted in the Actions. The Parties disagree about, among other things: (i) whether the Defendants were liable; (ii) whether they made misleading or material misstatements to investors; and (iii) the amount of inflation, if any, caused by the alleged misstatements.

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 favour 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 65 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 \$0.35 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 24, 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 March 10, 2011*.

If you did not receive a Claim Form, you can get one on the internet at [www.GildanActiveWearSettlement.com](http://www.GildanActiveWearSettlement.com). You can also ask for a Claim Form by calling 1-866-432-5534 toll-free, or sending an e-mail to [Gildan@nptricepoint.com](mailto:Gildan@nptricepoint.com)

**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 January 25, 2011, in Québec, on March 1, 2011, and in New York, on March 2, 2011. *See* page 3, 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 favourably 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 Releasers 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 the address 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 January 10, 2011. You cannot exclude yourself by telephone or e-mail.*

Gildan Activewear Securities Litigation  
Claims Administrator  
P.O. Box 3355  
London, ON N6A 4K3  
Canada

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 January 10, 2011.

**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 20% of 2/3 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 \$140,000 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 in an amount equal to 25% 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 5% of 2/3 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 \$2,000 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 Québec Court awarding fees and disbursements not exceeding 25% 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 25% of 1/3 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 \$150,000 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 will not exceed 25% of the Settlement Amount, *plus* expenses, interest and taxes. Class Counsel anticipate that the legal fees *including* expenses, interest and taxes will not exceed 30% of the Settlement Amount. These requested legal fees, expenses, interest and taxes, if approved in full by the Courts, would amount to a maximum of approximately USD \$6,750,000, or approximately USD \$0.10 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 a 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 choose 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 January 10, 2011*.

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 January 25, 2011 at 10:00 a.m., at the Ontario Superior Court of Justice, 80 Dundas Street, London, Ontario.

The Québec Court will hold an approval hearing on March 1, 2011 at 1:30 p.m., in Courtroom 15.07 of the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, Québec.

The U.S. Court will hold a fairness hearing on March 2, 2011 at 10:00 a.m., in Courtroom 23B 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 [www.GildanActiveWearSettlement.com](http://www.GildanActiveWearSettlement.com), and by Class Counsel at [www.classaction.ca](http://www.classaction.ca), [www.rgrdlaw.com](http://www.rgrdlaw.com) and [www.labaton.com](http://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](http://www.classaction.ca), [www.rgrdlaw.com](http://www.rgrdlaw.com), [www.labaton.com](http://www.labaton.com) and [www.GildanActiveWearSettlement.com](http://www.GildanActiveWearSettlement.com). You can also get a copy of the Settlement Agreement by contacting the Administrator using the contact information listed below:

Gildan Activewear Securities Litigation  
Claims Administrator  
P.O. Box 3355  
London, ON N6A 4K3  
Canada

Telephone: 1-866-432-5534  
Email address: [Gildan@npricepoint.com](mailto:Gildan@npricepoint.com)  
Website: [www.GildanActiveWearSettlement.com](http://www.GildanActiveWearSettlement.com)

### **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 <sup>LLP</sup>  
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 <sup>LLP</sup>  
58 South Service Road, Suite 200  
Melville, NY 11747  
1.800.449.4900  
srudman@rgrdlaw.com

Jonathan Gardner  
Labaton Sucharow <sup>LLP</sup>  
140 Broadway  
New York, NY 10005  
1.888.219.6877  
settlementquestions@labaton.com

## **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 \$0.50 per record (excluding postage), upon submission of appropriate documentation to the Administrator prior to January 10, 2011. The Administrator shall not pay in excess of Fifteen Thousand United States Dollars (USD \$15,000), in the aggregate, to all brokers and/or nominees that submit such invoices, and, if the aggregate amount of such invoices exceeds Fifteen Thousand United States Dollars (USD \$15,000), then the Administrator shall distribute the sum of Fifteen Thousand United States Dollars (USD \$15,000) to such brokers and/or nominees on a *pro rata* basis. No reimbursements shall be paid to brokers and/or nominees until after January 10, 2011.

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

November 10, 2010

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