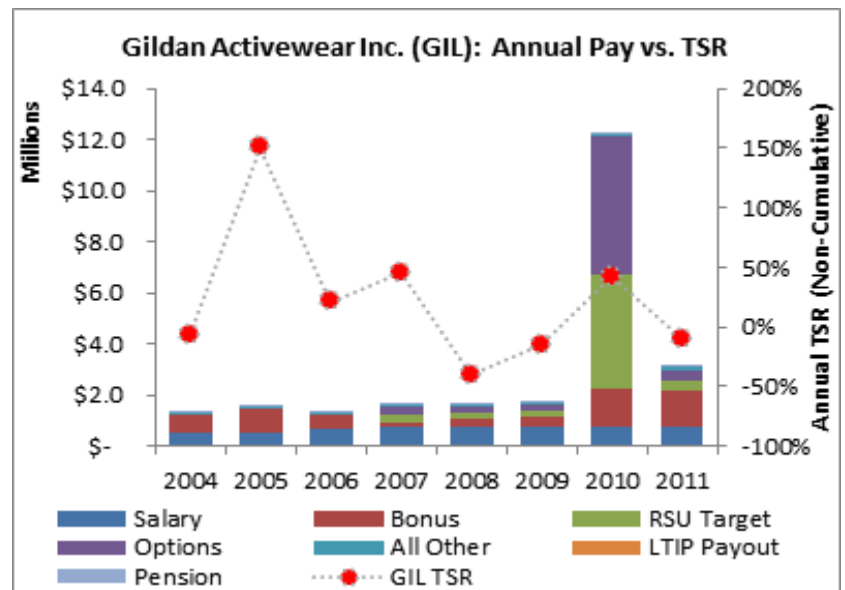
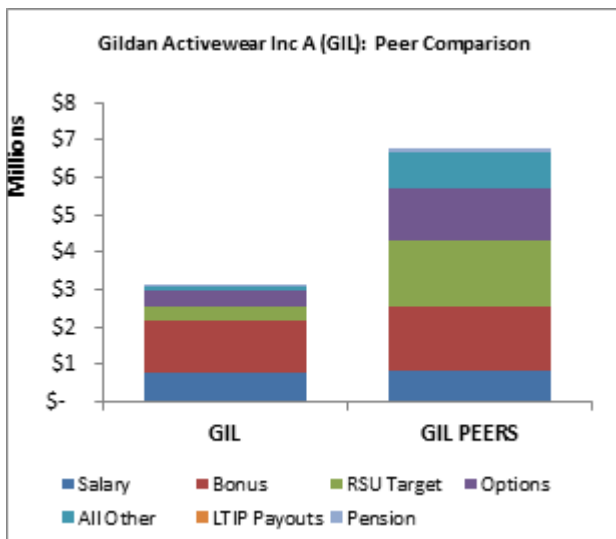


Gildan Activewear Inc (GIL): 2004-2011 Pay for Performance

PAY FOR PERFORMANCE SCORE				
1 YEAR = 2	4 YEAR = 0	6 YEAR = 3	8 YEAR = 5	TOTAL: 10/24

At the beginning of the 2010 fiscal year, GIL CEO Glenn Chamandy was granted a "Special One-Time Equity Award" of options and PSUs in recognition of his importance to GIL's strategic success. At the time of grant, the value of this award was \$9.5m according to a binomial tree valuation of the options and target grant date value of PSUs. The next highest total CEO pay in any year for GIL was \$3.1m in 2011, and the 2010 special grant on its own is worth approximately the same value as the CEO's total pay from 2005-2009 combined. As a result, the special grant in 2010 has a significant impact on our calculations in each of our observation periods, resulting in a relatively low Pay for Performance Score of 10 out of 24.

GIL's operational performance in 2011 was very strong, ranking in the top three out of 11 in ROE and ROA. Short-term TSR performance has not been good, with negative results in three of the past four years, however longer term shareholders have enjoyed robust returns in both 6- and 8-year observations. Except for the outlying 2010 year, GIL's CEO levels are significantly below the average of its peers.



COMPANY'S DISCLOSED PEER FIRMS	
TICKER	NAME
TSE:MG	Magna International Inc.
TSE:THI	Tim Hortons Inc.
TSE:RON	RONA Inc.
TSE:CTC.A	Canadian Tire Corporation Limited
TSE:TRI	Thomson Reuters Corporation
TSE:AIM	Aimia Inc.
TSE:CGX	Cineplex Inc.
TSE:CJR.B	CORUS Entertainment Inc.
TSE:DOL	Dollarama Inc.
TSE:DII.B	Dorel Industries Inc.

FY 2011 FINANCIAL PERFORMANCE RANKINGS						
#	PEER	TSR	PEER	ROE	PEER	ROA
1	TSE:DOL	49.1%	TSE:THI	33.2%	TSE:THI	17.5%
2	TSE:THI	21.9%	TSE:DOL	19.4%	TSE:GIL	12.5%
3	TSE:CGX	20.7%	TSE:GIL	17.8%	TSE:DOL	12.3%
4	TSE:CJR.B	7.7%	TSE:CJR.B	13.3%	TSE:CJR.B	7.2%
5	TSE:CTC.A	-1.6%	TSE:MG	12.0%	TSE:MG	6.7%
6	TSE:AIM	-8.6%	TSE:CTC.A	10.6%	TSE:DII.B	4.9%
7	TSE:GIL	-10.5%	TSE:DII.B	8.2%	TSE:CGX	4.0%
8	TSE:TRI	-24.2%	TSE:CGX	7.9%	TSE:CTC.A	3.8%
9	TSE:DII.B	-24.3%	TSE:RON	-4.9%	TSE:AIM	-1.4%
10	TSE:RON	-31.0%	TSE:AIM	-5.4%	TSE:RON	-3.2%
11	TSE:MG	-32.9%	TSE:TRI	-8.3%	TSE:TRI	-4.2%

CEO COMPENSATION RANKINGS AGAINST COMPANY'S DISCLOSED PEER FIRMS										
	PEER	TOTAL PAY	PEER	SALARY	PEER	BONUS	PEER	TOTAL CASH	PEER	TOTAL EQUITY
1	TSE:MG	\$10,963,496	TSE:TRI	\$1,533,057	TSE:MG	\$6,852,034	TSE:MG	\$7,159,140	TSE:CGX	\$5,766,852
2	TSE:THI	\$10,300,889	TSE:CTC.A	\$1,250,000	TSE:TRI	\$2,501,949	TSE:TRI	\$4,035,007	TSE:CTC.A	\$3,801,610
3	TSE:TRI	\$8,068,910	TSE:CJR.B	\$901,250	TSE:GIL	\$1,414,144	TSE:CTC.A	\$2,564,562	TSE:TRI	\$3,758,416
4	TSE:CGX	\$7,898,692	TSE:RON	\$876,413	TSE:DOL	\$1,375,000	TSE:GIL	\$2,188,998	TSE:MG	\$3,426,017
5	TSE:CTC.A	\$6,672,204	TSE:DII.B	\$840,000	TSE:CTC.A	\$1,314,562	TSE:CJR.B	\$2,124,049	TSE:THI	\$2,814,346
6	TSE:CJR.B	\$5,292,749	TSE:THI	\$818,040	TSE:AIM	\$1,225,222	TSE:AIM	\$1,992,589	TSE:CJR.B	\$2,731,544
7	TSE:AIM	\$3,959,838	TSE:CGX	\$803,419	TSE:CJR.B	\$1,222,799	TSE:DOL	\$1,875,000	TSE:AIM	\$1,551,415
8	TSE:GIL	\$3,109,890	TSE:GIL	\$774,854	TSE:CGX	\$806,104	TSE:CGX	\$1,609,523	TSE:RON	\$952,857
9	TSE:DOL	\$2,425,500	TSE:AIM	\$767,367	TSE:THI	\$645,107	TSE:DII.B	\$1,470,000	TSE:GIL	\$794,735
10	TSE:RON	\$1,827,911	TSE:DOL	\$500,000	TSE:DII.B	\$630,000	TSE:THI	\$1,463,147	TSE:DOL	\$547,500
11	TSE:DII.B	\$1,535,077	TSE:MG	\$307,106	TSE:RON	\$87,641	TSE:RON	\$964,054	TSE:DII.B	\$0

PAY FOR PERFORMANCE SCORING

For 2012, the Clarkson Centre for Board Effectiveness (CCBE), prepared a Pay for Performance report for each firm currently listed on the TSX 60 Index that has at least 8 years of historical compensation or share price data available. The CCBE's Performance Score measures how closely CEO pay and TSR are aligned over four different time horizons. Compensation data is gathered from the firm's public filings, and valued at the time of grant. Options are valued using the binomial tree fair value method, and PSUs are valued at the grant date value of the target payout. TSR is calculated using a 30-day average start and end date share price, and assumes the reinvestment of dividends.

CCBE collected pay and performance data for up to ten peer companies for each TSX 60 constituent. Peer companies were selected from each TSX 60 constituent's performance benchmarking peer group, as disclosed in its most recent Management Information Circular. If a performance peer group was not disclosed, the CCBE collected information on the disclosed constituents of the total pay benchmarking peer group. If a peer group had more than 10 constituents, we randomly selected ten from among the disclosed list.

Our Pay for Performance Score takes into account alignment between change in CEO pay and TSR in 1-, 4-, 6- and 8-year observations. CEO pay change is 'smoothed' to account for outlying years. For example, in our 8-year observation we calculate CEO pay change as the percent change of the sum of total CEO pay from 2004-2007 against the sum of total CEO pay from 2008-2011. This helps to normalize our longer observations for unusual events like CEO turnover and large one-time payouts. The Pay for Performance Score gives significantly more weight to longer-term observations than shorter ones.

1-YEAR SCORE	4-YEAR SCORE	6-YEAR SCORE	8-YEAR SCORE
A = 3	A = 4	A = 7	A = 10
B = 3	B = 3	B = 5	B = 8
C = 2	C = 2	C = 3	C = 5
D = 1	D = 1	D = 1	D = 3
E = 0	E = 0	E = 0	E = 0

