

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 2, 2021
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number: 001-32891

Hanesbrands Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State of incorporation)

20-3552316
(I.R.S. employer identification no.)

1000 East Hanes Mill Road
Winston-Salem, North Carolina
(Address of principal executive office)

27105
(Zip code)

(336) 519-8080
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Par Value \$0.01	HBI	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 29, 2021, there were 349,204,513 shares of the registrant's common stock outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains information that may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). Forward-looking statements include all statements that do not relate solely to historical or current facts, and can generally be identified by the use of words such as “may,” “believe,” “will,” “expect,” “project,” “estimate,” “intend,” “anticipate,” “plan,” “continue” or similar expressions. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements regarding our intent, belief and current expectations about our strategic direction, prospects and future results are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. In particular, statements with respect to trends associated with our business, our Full Potential plan, our future financial performance and the potential effects of the ongoing global coronavirus (“COVID-19”) pandemic included in this Quarterly Report on Form 10-Q specifically appearing under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” include forward-looking statements.

More information on factors that could cause actual results or events to differ materially from those anticipated is included from time to time in our reports filed with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K for the year ended January 2, 2021, under the caption “Risk Factors,” and available on the “Investors” section of our corporate website, www.Hanes.com/investors. The contents of our corporate website are not incorporated by reference in this Quarterly Report on Form 10-Q.

PART I

Item 1. Financial Statements

HANESBRANDS INC.
Condensed Consolidated Statements of Income
(in thousands, except per share data)
(unaudited)

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Net sales	\$ 1,789,551	\$ 1,691,863	\$ 5,048,891	\$ 4,438,016
Cost of sales	1,089,890	1,120,392	3,064,920	2,934,515
Gross profit	699,661	571,471	1,983,971	1,503,501
Selling, general and administrative expenses	465,015	382,384	1,341,809	1,064,328
Operating profit	234,646	189,087	642,162	439,173
Other expenses	1,811	4,898	6,227	15,652
Interest expense, net	40,860	43,500	127,760	120,602
Income from continuing operations before income tax expense	191,975	140,689	508,175	302,919
Income tax expense	15,228	22,464	55,161	43,008
Income from continuing operations	176,747	118,225	453,014	259,911
Loss from discontinued operations, net of tax	(24,970)	(14,947)	(435,823)	(3,326)
Net income	<u>\$ 151,777</u>	<u>\$ 103,278</u>	<u>\$ 17,191</u>	<u>\$ 256,585</u>
Earnings (loss) per share - basic:				
Continuing operations	\$ 0.50	\$ 0.34	\$ 1.29	\$ 0.74
Discontinued operations	(0.07)	(0.04)	(1.24)	(0.01)
Net income	<u>\$ 0.43</u>	<u>\$ 0.29</u>	<u>\$ 0.05</u>	<u>\$ 0.73</u>
Earnings (loss) per share - diluted:				
Continuing operations	\$ 0.50	\$ 0.34	\$ 1.29	\$ 0.73
Discontinued operations	(0.07)	(0.04)	(1.24)	(0.01)
Net income	<u>\$ 0.43</u>	<u>\$ 0.29</u>	<u>\$ 0.05</u>	<u>\$ 0.72</u>

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.
Condensed Consolidated Statements of Comprehensive Income
(in thousands)
(unaudited)

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Net income	\$ 151,777	\$ 103,278	\$ 17,191	\$ 256,585
Other comprehensive income (loss):				
Translation adjustments	(42,330)	23,678	(78,762)	1,557
Unrealized gain (loss) on qualifying cash flow hedges, net of tax of \$(2,637), \$3,035, \$(8,953) and \$(214), respectively	7,124	(11,250)	18,520	(9,644)
Unrecognized income from pension and postretirement plans, net of tax of \$(1,647), \$(1,396), \$(5,262) and \$(4,462), respectively	4,806	3,798	15,873	10,952
Total other comprehensive income (loss)	(30,400)	16,226	(44,369)	2,865
Comprehensive income (loss)	<u>\$ 121,377</u>	<u>\$ 119,504</u>	<u>\$ (27,178)</u>	<u>\$ 259,450</u>

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	October 2, 2021	January 2, 2021	September 26, 2020
Assets			
Cash and cash equivalents	\$ 873,628	\$ 900,615	\$ 716,921
Trade accounts receivable, net	928,039	768,221	921,434
Inventories	1,629,506	1,367,758	1,996,851
Other current assets	172,617	158,700	191,541
Current assets of discontinued operations	304,124	234,086	279,331
Total current assets	3,907,914	3,429,380	4,106,078
Property, net	440,804	477,821	484,939
Right-of-use assets	372,212	432,631	422,543
Trademarks and other identifiable intangibles, net	1,227,457	1,293,847	1,230,757
Goodwill	1,136,173	1,158,938	1,154,449
Deferred tax assets	327,196	367,976	193,015
Other noncurrent assets	51,049	64,773	93,849
Noncurrent assets of discontinued operations	—	494,501	482,911
Total assets	\$ 7,462,805	\$ 7,719,867	\$ 8,168,541
Liabilities and Stockholders' Equity			
Accounts payable	\$ 1,239,960	\$ 891,868	\$ 1,088,556
Accrued liabilities	718,545	609,864	590,778
Lease liabilities	122,545	136,510	143,753
Notes payable	—	—	11
Current portion of long-term debt	37,500	263,936	—
Current liabilities of discontinued operations	299,498	222,183	208,506
Total current liabilities	2,418,048	2,124,361	2,031,604
Long-term debt	3,626,547	3,739,434	3,972,212
Lease liabilities - noncurrent	276,595	331,577	317,834
Pension and postretirement benefits	321,323	381,457	324,683
Other noncurrent liabilities	183,723	216,091	256,238
Noncurrent liabilities of discontinued operations	—	112,989	116,437
Total liabilities	6,826,236	6,905,909	7,019,008
Stockholders' equity:			
Preferred stock (50,000,000 authorized shares; \$.01 par value)			
Issued and outstanding — None	—	—	—
Common stock (2,000,000,000 authorized shares; \$.01 par value)			
Issued and outstanding — 349,204,407, 348,802,220 and 348,288,056, respectively	3,492	3,488	3,483
Additional paid-in capital	316,112	307,883	306,157
Retained earnings	928,293	1,069,546	1,454,676
Accumulated other comprehensive loss	(611,328)	(566,959)	(614,783)
Total stockholders' equity	636,569	813,958	1,149,533
Total liabilities and stockholders' equity	\$ 7,462,805	\$ 7,719,867	\$ 8,168,541

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.

Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except per share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balances at July 3, 2021	349,115	\$ 3,491	\$ 310,148	\$ 829,479	\$ (580,928)	\$ 562,190
Net income	—	—	—	151,777	—	151,777
Dividends (\$0.15 per common share)	—	—	—	(52,963)	—	(52,963)
Other comprehensive loss	—	—	—	—	(30,400)	(30,400)
Stock-based compensation	—	—	6,079	—	—	6,079
Net exercise of stock options, vesting of restricted stock units and other	89	1	(115)	—	—	(114)
Balances at October 2, 2021	349,204	\$ 3,492	\$ 316,112	\$ 928,293	\$ (611,328)	\$ 636,569

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balances at January 2, 2021	348,802	\$ 3,488	\$ 307,883	\$ 1,069,546	\$ (566,959)	\$ 813,958
Net income	—	—	—	17,191	—	17,191
Dividends (\$0.45 per common share)	—	—	—	(158,444)	—	(158,444)
Other comprehensive loss	—	—	—	—	(44,369)	(44,369)
Stock-based compensation	—	—	9,887	—	—	9,887
Net exercise of stock options, vesting of restricted stock units and other	402	4	(1,658)	—	—	(1,654)
Balances at October 2, 2021	349,204	\$ 3,492	\$ 316,112	\$ 928,293	\$ (611,328)	\$ 636,569

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.

Condensed Consolidated Statements of Stockholders' Equity (Continued)
(in thousands, except per share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balances at June 27, 2020	348,093	\$ 3,481	\$ 302,522	\$ 1,404,326	\$ (631,009)	\$ 1,079,320
Net income	—	—	—	103,278	—	103,278
Dividends (\$0.15 per common share)	—	—	—	(52,928)	—	(52,928)
Other comprehensive income	—	—	—	—	16,226	16,226
Stock-based compensation	—	—	4,538	—	—	4,538
Net exercise of stock options, vesting of restricted stock units and other	195	2	(903)	—	—	(901)
Balances at September 26, 2020	348,288	\$ 3,483	\$ 306,157	\$ 1,454,676	\$ (614,783)	\$ 1,149,533

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balances at December 28, 2019	362,449	\$ 3,624	\$ 304,395	\$ 1,546,224	\$ (617,648)	\$ 1,236,595
Net income	—	—	—	256,585	—	256,585
Dividends (\$0.45 per common share)	—	—	—	(160,264)	—	(160,264)
Other comprehensive income	—	—	—	—	2,865	2,865
Stock-based compensation	—	—	13,572	—	—	13,572
Net exercise of stock options, vesting of restricted stock units and other	303	4	445	—	—	449
Share repurchases	(14,464)	(145)	(12,255)	(187,869)	—	(200,269)
Balances at September 26, 2020	348,288	\$ 3,483	\$ 306,157	\$ 1,454,676	\$ (614,783)	\$ 1,149,533

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended	
	October 2, 2021 ⁽¹⁾	September 26, 2020 ⁽¹⁾
Operating activities:		
Net income	\$ 17,191	\$ 256,585
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	63,183	67,676
Amortization of acquisition intangibles	15,696	18,503
Other amortization	8,610	8,091
Impairment of intangible assets and goodwill	163,047	20,319
Loss on classification of assets held for sale	266,742	—
Amortization of debt issuance costs	10,250	8,303
Other	(1,888)	25,658
Changes in assets and liabilities:		
Accounts receivable	(201,925)	(175,879)
Inventories	(292,465)	(259,367)
Other assets	7,042	(43,359)
Accounts payable	391,034	189,566
Accrued pension and postretirement benefits	(40,468)	(18,965)
Accrued liabilities and other	121,327	134,091
Net cash from operating activities	<u>527,376</u>	<u>231,222</u>
Investing activities:		
Capital expenditures	(55,320)	(49,033)
Proceeds from sales of assets	2,479	331
Other	8,437	7,618
Net cash from investing activities	<u>(44,404)</u>	<u>(41,084)</u>
Financing activities:		
Repayments on Term Loan Facilities	(315,625)	—
Borrowings on Accounts Receivable Securitization Facility	—	227,061
Repayments on Accounts Receivable Securitization Facility	—	(227,061)
Borrowings on Revolving Loan Facilities	—	1,638,000
Repayments on Revolving Loan Facilities	—	(1,756,189)
Borrowings on Senior Notes	—	700,000
Borrowings on International Debt	—	31,222
Repayments on International Debt	—	(36,383)
Borrowings on notes payable	109,397	166,558
Repayments on notes payable	(109,597)	(166,108)
Share repurchases	—	(200,269)
Cash dividends paid	(157,099)	(158,132)
Other	(3,000)	(15,258)
Net cash from financing activities	<u>(475,924)</u>	<u>203,441</u>
Effect of changes in foreign exchange rates on cash	<u>(27,207)</u>	<u>9,052</u>
Change in cash, cash equivalents and restricted cash	(20,159)	402,631
Cash, cash equivalents and restricted cash at beginning of year	910,603	329,923
Cash, cash equivalents and restricted cash at end of period	890,444	732,554
Less restricted cash at end of period	—	1,073
Cash and cash equivalents at end of period	<u>\$ 890,444</u>	<u>\$ 731,481</u>
Balances included in the Condensed Consolidated Balance Sheets:		
Cash and cash equivalents	\$ 873,628	\$ 716,921
Cash and cash equivalents included in current assets of discontinued operations	16,816	14,560
Cash and cash equivalents at end of period	<u>\$ 890,444</u>	<u>\$ 731,481</u>

(1) The cash flows related to discontinued operations have not been segregated and remain included in the major classes of assets and liabilities. Accordingly, the Condensed Consolidated Statements of Cash Flows include the results of continuing and discontinued operations.

Capital expenditures included in accounts payable at October 2, 2021 and January 2, 2021 were \$4,569 and \$17,931, respectively. For the nine months ended October 2, 2021 and September 26, 2020, right-of-use assets obtained in exchange for lease obligations were \$46,039 and \$39,532, respectively.

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.**Notes to Condensed Consolidated Financial Statements
(amounts in thousands, except per share data)
(unaudited)****(1) Basis of Presentation**

These statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) and, in accordance with those rules and regulations, do not include all information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Management believes that the disclosures made are adequate for a fair statement of the results of operations, financial condition and cash flows of Hanesbrands Inc. and its consolidated subsidiaries (the “Company” or “Hanesbrands”). In the opinion of management, the condensed consolidated interim financial statements reflect all adjustments, which consist only of normal recurring adjustments, necessary to state fairly the results of operations, financial condition and cash flows for the interim periods presented herein. The preparation of condensed consolidated interim financial statements in conformity with GAAP requires management to make use of estimates and assumptions that affect the reported amounts and disclosures. Actual results may vary from these estimates.

These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended January 2, 2021. The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year.

In the first quarter of 2021, the Company announced that as part of its strategic plan, it was exploring alternatives for its European Innerwear business and subsequently reached the decision to exit this business. The Company determined that its European Innerwear business met held-for-sale and discontinued operations accounting criteria at the end of the first quarter of 2021. Accordingly, the Company began to separately report the results of its European Innerwear business as discontinued operations in its Condensed Consolidated Statements of Income, and to present the related assets and liabilities as held for sale in the Condensed Consolidated Balance Sheets. These changes have been applied to all periods presented. Unless otherwise noted, discussion within these notes to the condensed consolidated interim financial statements relates to continuing operations. See note “Discontinued Operations” for additional information.

(2) Recent Accounting Pronouncements***Income Taxes***

In December 2019, the FASB issued ASU 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.” The new accounting rules reduce complexity by removing specific exceptions to general principles related to intraperiod tax allocations, ownership changes in foreign investments, and interim period income tax accounting for year-to-date losses that exceed anticipated losses. The new accounting rules also simplify accounting for franchise taxes that are partially based on income, transactions with a government that result in a step up in the tax basis of goodwill, separate financial statements of legal entities that are not subject to tax, and enacted changes in tax laws in interim periods. The new accounting rules were effective for the Company in the first quarter of 2021. The adoption of the new accounting rules did not have a material impact on the Company’s financial condition, results of operations, cash flows or disclosures.

Codification Improvements

In October 2020, the FASB issued ASU 2020-10, “Codification Improvements.” The new accounting rules improve the consistency of the Codification by including all disclosure guidance in the appropriate Disclosure Section (Section 50) that had only been included in the Other Presentation Matters Section (Section 45) of the Codification. Additionally, the new rules also clarify guidance across various topics including defined benefit plans, foreign currency transactions, and interest expense. The new accounting rules were effective for the Company in the first quarter of 2021. The adoption of the new accounting rules did not have a material impact on the Company’s financial condition, results of operations, cash flows or disclosures.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” In January 2021, the FASB clarified the scope of that guidance with the issuance of ASU 2021-01, “Reference Rate Reform: Scope.” The new accounting rules provide optional expedients and

HANESBRANDS INC.**Notes to Condensed Consolidated Financial Statements — (Continued)**
(amounts in thousands, except per share data)
(unaudited)

exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. The amendments in this standard can be adopted any time before the fourth quarter of 2022. The Company is currently in the process of evaluating the impact of adoption of the new rules on the Company's financial condition, results of operations, cash flows and disclosures.

(3) Discontinued Operations

In the first quarter of 2021, the Company announced that as part of its strategic plan, it was exploring alternatives for its European Innerwear business and subsequently reached the decision to exit this business. The Company determined that its European Innerwear business met held-for-sale and discontinued operations accounting criteria at the end of the first quarter of 2021. Accordingly, the Company began to separately report the results of its European Innerwear business as discontinued operations in its Condensed Consolidated Statements of Income, and to present the related assets and liabilities as held for sale in the Condensed Consolidated Balance Sheets. These changes have been applied to all periods presented. On November 4, 2021, the Company announced that it has reached an agreement to sell its European Innerwear business to an affiliate of Regent, L.P., pending the completion of consultation with the European and French works councils representing employees of the European Innerwear business and customary closing conditions. Under the agreement, the purchaser will receive all the assets and operating liabilities of the European Innerwear business. The transaction is expected to close in the first quarter of 2022.

The operations of the European Innerwear business were previously reported primarily in the International segment. Certain expenses related to its operations were included in general corporate expenses, restructuring and other action-related charges and amortization of intangibles which were previously excluded from segment operating profit and have been reclassified to discontinued operations for all periods presented. Discontinued operations does not include any allocation of corporate overhead expense or interest expense.

Upon meeting the criteria for held for sale classification which qualified as a triggering event, the Company performed a full impairment analysis of the disposal group's indefinite-lived intangible assets and goodwill. As a result of the strategic decision to exit the European Innerwear business, forecasts were revised to include updated market conditions and the removal of strategic operating decisions that would no longer occur under the Company's ownership. The revised forecasts indicated impairment charges of certain indefinite-lived trademarks and license agreements as well as the full goodwill balance attributable to the European Innerwear business. As a result of this impairment analysis, a non-cash charge of \$155,745 was recorded as "Impairment of intangible assets and goodwill" in the summarized discontinued operations financial information for the nine months ended October 2, 2021. In addition, the Company recorded non-cash charges of \$30,562 and \$266,742 as "Loss on classification of assets held for sale" in the summarized discontinued operations financial information for the quarter and nine months ended October 2, 2021, respectively, to record a valuation allowance against the net assets held for sale to write down the carrying value of the disposal group to the estimated fair value less costs of disposal. The non-cash charge recorded in the quarter ended October 2, 2021 primarily resulted from changes in working capital balances and foreign exchange rates. The Company will continue to assess the valuation allowance in each interim period until the European Innerwear business is sold. Additionally, the Company recorded an impairment charge of \$7,302 in continuing operations on an indefinite-lived trademark for the nine months ended October 2, 2021 which is reflected in the "Selling, general and administrative expenses" line in the Condensed Consolidated Statement of Income. This charge relates to the full impairment of an indefinite-lived trademark related to a specific brand within the European Innerwear business that was excluded from the disposal group as it is not being marketed for sale. The Company intends to exit this brand subsequent to the sale of the European Innerwear business.

During the second quarter of 2020, the Company completed a quantitative impairment analysis for certain indefinite-lived intangible assets as a result of the significant impact of the COVID-19 pandemic on their performance. Based on this analysis, the Company recorded impairment charges of \$20,319 on certain indefinite-lived trademarks and other intangible assets within the European Innerwear business which are reflected in the "Impairment of intangible assets and goodwill" line in the summarized discontinued operations financial information for the nine months ended September 26, 2020.

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
(amounts in thousands, except per share data)
(unaudited)

The Company expects to continue certain sales from its supply chain to the European Innerwear business on a transitional basis after the sale of the business. Those sales and the related profit are included in continuing operations in the Condensed Consolidated Statements of Income and in “Other” in note “Business Segment Information” in all periods presented and have not been eliminated as intercompany transactions in consolidation. The related receivables from the European Innerwear business have been reclassified to “Trade accounts receivable, net” in the Condensed Consolidated Balance Sheets for all periods presented.

The operating results of the discontinued operations only reflect revenues and expenses that are directly attributable to the European Innerwear business that will be eliminated from continuing operations. The key components from discontinued operations related to the European Innerwear business are as follows:

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Net sales	\$ 147,529	\$ 125,913	\$ 400,880	\$ 459,175
Cost of sales	75,171	80,671	213,831	239,219
Gross profit	72,358	45,242	187,049	219,956
Selling, general and administrative expenses	64,941	59,758	209,467	188,573
Impairment of intangible assets and goodwill	—	—	155,745	20,319
Loss on classification of assets held for sale	30,562	—	266,742	—
Operating income (loss)	(23,145)	(14,516)	(444,905)	11,064
Other expenses	271	411	885	1,197
Interest expense, net	110	368	269	1,774
Income (loss) from discontinued operations before income tax expense	(23,526)	(15,295)	(446,059)	8,093
Income tax expense (benefit)	1,444	(348)	(10,236)	11,419
Net loss from discontinued operations, net of tax	\$ (24,970)	\$ (14,947)	\$ (435,823)	\$ (3,326)

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(amounts in thousands, except per share data)
(unaudited)

Assets and liabilities of discontinued operations classified as held for sale in the Condensed Consolidated Balance Sheets as of October 2, 2021, January 2, 2021 and September 26, 2020 consist of the following:

	October 2, 2021	January 2, 2021 ⁽¹⁾	September 26, 2020 ⁽¹⁾
Cash and cash equivalents	\$ 16,816	\$ 8,822	\$ 14,560
Trade accounts receivable, net	88,684	84,632	71,994
Inventories	127,209	123,337	173,701
Other current assets	16,066	17,295	19,076
Property, net	61,898	67,950	68,809
Right-of-use assets	33,680	34,637	38,574
Trademarks and other identifiable intangibles, net	208,108	284,170	270,404
Goodwill	—	96,692	91,664
Deferred tax assets	7,990	5,438	7,862
Other noncurrent assets	4,360	5,614	5,598
Allowance to adjust assets to estimated fair value, less costs of disposal	(260,687)	—	—
Total assets of discontinued operations	\$ 304,124	\$ 728,587	\$ 762,242
Accounts payable	\$ 69,122	\$ 77,636	\$ 64,492
Accrued liabilities	118,076	133,431	125,812
Lease liabilities	8,544	10,332	12,956
Notes payable	595	784	5,246
Lease liabilities - noncurrent	26,536	28,775	29,770
Pension and postretirement benefits	42,076	46,569	46,647
Other noncurrent liabilities	34,549	37,645	40,020
Total liabilities of discontinued operations	\$ 299,498	\$ 335,172	\$ 324,943

(1) Amounts at January 2, 2021 and September 26, 2020 have been classified as current and long-term in the Condensed Consolidated Balance Sheets.

The cash flows related to discontinued operations have not been segregated and are included in the Condensed Consolidated Statements of Cash Flows. The following table presents cash flow and non-cash information related to discontinued operations:

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Depreciation	\$ —	\$ 2,803	\$ 2,608	\$ 8,150
Amortization	\$ —	\$ 1,333	\$ 1,460	\$ 3,877
Capital expenditures	\$ 2,085	\$ 724	\$ 6,155	\$ 6,124
Impairment of intangible assets and goodwill	\$ —	\$ —	\$ 155,745	\$ 20,319
Loss on classification of assets held for sale	\$ 30,562	\$ —	\$ 266,742	\$ —
Other investing activities	\$ 1,501	\$ 1,795	\$ 4,875	\$ 3,626
Capital expenditures included in accounts payable at end of period	\$ 70	\$ 35	\$ 70	\$ 35
Right-of-use assets obtained in exchange for lease obligations	\$ 1,454	\$ 197	\$ 4,591	\$ 398

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
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(4) Revenue Recognition

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied, which occurs at a point in time, upon either shipment or delivery to the customer. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods, which includes estimates for variable consideration. Variable consideration includes trade discounts, rebates, volume-based incentives, cooperative advertising and product returns, which are offered within contracts between the Company and its customers, employing the practical expedient for contract costs. Incidental items that are immaterial to the context of the contract are recognized as expense at the transaction date.

The following table presents the Company's revenues disaggregated by the customer's method of purchase:

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Third-party brick-and-mortar wholesale	\$ 1,312,440	\$ 1,192,959	\$ 3,570,710	\$ 3,243,572
Consumer-directed	477,111	498,904	1,478,181	1,194,444
Total net sales	\$ 1,789,551	\$ 1,691,863	\$ 5,048,891	\$ 4,438,016

Revenue Sources
Third-Party Brick-and-Mortar Wholesale Revenue

Third-party brick-and-mortar wholesale revenue is primarily generated by sales of the Company's products to retailers to support their brick-and-mortar operations. Also included within third-party brick-and-mortar wholesale revenue is royalty revenue from licensing agreements. The Company earns royalties through license agreements with manufacturers of other consumer products that incorporate certain of the Company's brands. The Company accrues revenue earned under these contracts based upon reported sales from the licensees. Additionally, in the quarter and nine months ended September 26, 2020, third-party brick-and-mortar wholesale revenue included \$4,053 and \$518,309, respectively, of revenue from contracts with governments generated from the sale of both cloth face coverings and gowns for use during the COVID-19 pandemic.

Consumer-Directed Revenue

Consumer-directed revenue is primarily generated through sales driven directly by the consumer through company-operated stores and e-commerce platforms, which include both owned sites and the sites of the Company's retail customers.

(5) Stockholders' Equity

Basic earnings per share ("EPS") was computed by dividing net income (loss) by the number of weighted average shares of common stock outstanding during the period. Diluted EPS was calculated to give effect to all potentially issuable dilutive shares of common stock using the treasury stock method.

The reconciliation of basic to diluted weighted average shares outstanding is as follows:

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Basic weighted average shares outstanding	351,071	350,703	351,020	353,419
Effect of potentially dilutive securities:				
Stock options	20	90	17	151
Restricted stock units	1,157	809	956	380
Employee stock purchase plan and other	3	2	3	6
Diluted weighted average shares outstanding	352,251	351,604	351,996	353,956

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
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The following securities were excluded from the diluted earnings per share calculation because their effect would be anti-dilutive:

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Stock options	83	151	167	50
Restricted stock units	48	—	40	499

On October 26, 2021, the Company’s Board of Directors declared a regular quarterly cash dividend of \$0.15 per share on outstanding shares of common stock to be paid on November 30, 2021 to stockholders of record at the close of business on November 9, 2021.

On February 6, 2020, the Company’s Board of Directors approved a new share repurchase program for up to 40,000 shares to be repurchased in open market transactions, subject to market conditions, legal requirements and other factors. Additionally, management has been granted authority to establish one or more trading plans under Rule 10b5-1 of the Exchange Act in connection with share repurchases, which will allow the Company to repurchase shares in the open market during periods in which the stock trading window is otherwise closed for the Company and certain of the Company’s officers and employees pursuant to the Company’s insider trading policy. Unless terminated earlier by the Company’s Board of Directors, the new program will expire when the Company has repurchased all shares authorized for repurchase under the new program. The new program replaced the Company’s previous share repurchase program for up to 40,000 shares that was originally approved in 2016. For the quarters ended October 2, 2021 and September 26, 2020 and the nine months ended October 2, 2021, the Company did not enter into any transactions to repurchase shares under the new program. For the nine months ended September 26, 2020, the Company entered into transactions to repurchase 14,464 shares at a weighted average repurchase price of \$13.83 per share under the new program. The shares were repurchased at a total cost of \$200,269. At October 2, 2021, the remaining repurchase authorization under the current share repurchase program totaled 25,536 shares. The primary objective of the share repurchase program is to utilize excess cash to generate shareholder value. Share repurchases were previously prohibited under the Senior Secured Credit Facility as a result of the amendment signed in April 2020. The Company terminated such amendment when it submitted its April 3, 2021 compliance certificate which removed the prohibition from that point forward. See Note “Debt” for additional information on the Company’s debt facilities.

(6) Inventories

Inventories consisted of the following:

	October 2, 2021	January 2, 2021	September 26, 2020
Raw materials	\$ 71,893	\$ 67,111	\$ 74,791
Work in process	103,927	108,844	115,189
Finished goods	1,453,686	1,191,803	1,806,871
	<u>\$ 1,629,506</u>	<u>\$ 1,367,758</u>	<u>\$ 1,996,851</u>

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Notes to Condensed Consolidated Financial Statements — (Continued)
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(7) Debt

Debt consisted of the following:

	Interest Rate as of October 2, 2021	Principal Amount		Maturity Date
		October 2, 2021	January 2, 2021	
Senior Secured Credit Facility:				
Revolving Loan Facility	—	\$ —	\$ —	December 2022
Term Loan A	1.33%	609,375	625,000	December 2022
Term Loan B	—	—	300,000	December 2022
Australian Revolving Loan Facility	—	—	—	July 2022
5.375% Senior Notes	5.38%	700,000	700,000	May 2025
4.875% Senior Notes	4.88%	900,000	900,000	May 2026
4.625% Senior Notes	4.63%	900,000	900,000	May 2024
3.5% Senior Notes	3.50%	579,643	610,724	June 2024
Accounts Receivable Securitization Facility	—	—	—	June 2022
Total debt		3,689,018	4,035,724	
Less long-term debt issuance costs		24,971	32,354	
Less current maturities		37,500	263,936	
Total long-term debt		\$ 3,626,547	\$ 3,739,434	

As of October 2, 2021, the Company had \$995,824 of borrowing availability under the \$1,000,000 Revolving Loan Facility after taking into account \$4,176 of standby and trade letters of credit issued and outstanding under this facility. In March 2021, the Company repaid the outstanding balance of Term Loan B which consisted of a required excess cash flow prepayment of \$238,936 and a voluntary prepayment of \$61,064.

The Company's accounts receivable securitization facility (the "Accounts Receivable Securitization Facility") entered into in November 2007 was amended in March 2021. The latest amendment decreased the fluctuating facility limit to \$175,000 (previously \$225,000) and extended the maturity date to June 2022. Additionally, the amendment changed certain ratios and borrowing base calculations, raised pricing and added certain receivables to the pledged collateral pool for the facility. Borrowings under the Accounts Receivable Securitization Facility are permitted only to the extent that the face of the receivables in the collateral pool, net of applicable reserves and other deductions, exceeds the outstanding loans and also subject to a fluctuating facility limit, not to exceed \$175,000. The Company's maximum borrowing capacity under the Accounts Receivable Securitization Facility was \$175,000 as of October 2, 2021. The Company had \$166,214 of borrowing availability under the Accounts Receivable Securitization Facility at October 2, 2021.

The Company had \$43,051 of borrowing availability under the Australian Revolving Loan Facility and \$13,856 of borrowing availability under other international credit facilities after taking into account outstanding borrowings and letters of credit outstanding under the applicable facilities at October 2, 2021. The Australian Revolving Loan Facility, originally entered into in July 2016, was amended in July 2021 to extend the maturity date to July 2022 and to reduce the bilateral cash advance limit from A\$50,000 to A\$46,000 with an offsetting increase in the bank overdraft limit from A\$10,000 to A\$14,000.

In April 2020, given the rapidly changing business environment and level of uncertainty being created by the COVID-19 pandemic and the associated impact on future earnings, the Company amended its Senior Secured Credit Facility prior to any potential covenant violation in order to modify the financial covenants and to provide operating flexibility during the COVID-19 crisis. The amendment changed certain provisions and covenants under the Senior Secured Credit Facility through the fiscal quarter ended July 3, 2021, after which the covenants were to revert to their original, pre-amendment levels. The Company voluntarily terminated the covenant relief amendment when it submitted its April 3, 2021 compliance certificate. After termination, the covenants reverted to their original, pre-amendment levels for the fiscal quarter ended July 3, 2021.

As of October 2, 2021, the Company was in compliance with all financial covenants under its credit facilities and other outstanding indebtedness. Under the terms of its Senior Secured Credit Facility, among other financial and non-financial covenants, the Company is required to maintain a minimum interest coverage ratio and a maximum leverage ratio. The interest coverage ratio covenant is the ratio of the Company's EBITDA for the preceding four fiscal quarters to its consolidated total interest expense and the maximum leverage ratio covenant is the ratio of the Company's net debt to EBITDA for the preceding

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four fiscal quarters. EBITDA is defined as earnings before interest, income taxes, depreciation expense and amortization, as computed pursuant to the Senior Secured Credit Facility.

The Company expects to maintain compliance with its covenants for at least one year from the date of these financial statements based on its current expectations and forecasts. If economic conditions caused by the COVID-19 pandemic do not continue to improve or otherwise worsen, including as a result of any new virus variants or vaccine distribution or efficacy, and the Company's earnings and operating cash flows do not continue to recover as currently estimated by management, this could impact the Company's ability to maintain compliance with its financial covenants and require the Company to seek additional amendments to its Senior Secured Credit Facility. If the Company is not able to obtain such necessary additional amendments, this would lead to an event of default and, if not cured timely, its lenders could require the Company to repay its outstanding debt. In that situation, the Company may not be able to raise sufficient debt or equity capital, or divest assets, to refinance or repay the lenders.

The Company intends to refinance its Senior Secured Credit Facility in the fourth quarter of 2021, subject to market conditions. In conjunction with the refinancing, the Company intends to redeem its 5.375% Senior Notes using proceeds from the transaction and cash on hand. Redemption of the 5.375% Senior Notes will require payment of a make-whole premium, which along with transaction fees is estimated to result in a one-time charge of approximately \$45,000 in the fourth quarter of 2021.

(8) Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss ("AOCI") are as follows:

	Cumulative Translation Adjustment ⁽¹⁾	Cash Flow Hedges	Defined Benefit Plans	Income Taxes	Accumulated Other Comprehensive Loss
Balance at July 3, 2021	\$ (89,252)	\$ (8,826)	\$ (654,048)	\$ 171,198	\$ (580,928)
Amounts reclassified from accumulated other comprehensive loss	—	14,905	6,179	(3,980)	17,104
Current-period other comprehensive income (loss) activity	(42,330)	(5,144)	274	(304)	(47,504)
Total other comprehensive income (loss)	(42,330)	9,761	6,453	(4,284)	(30,400)
Balance at October 2, 2021	\$ (131,582)	\$ 935	\$ (647,595)	\$ 166,914	\$ (611,328)
	Cumulative Translation Adjustment ⁽¹⁾	Cash Flow Hedges	Defined Benefit Plans	Income Taxes	Accumulated Other Comprehensive Loss
Balance at January 2, 2021	\$ (52,820)	\$ (26,538)	\$ (668,730)	\$ 181,129	\$ (566,959)
Amounts reclassified from accumulated other comprehensive loss	—	24,818	19,286	(9,977)	34,127
Current-period other comprehensive income (loss) activity	(78,762)	2,655	1,849	(4,238)	(78,496)
Total other comprehensive income (loss)	(78,762)	27,473	21,135	(14,215)	(44,369)
Balance at October 2, 2021	\$ (131,582)	\$ 935	\$ (647,595)	\$ 166,914	\$ (611,328)

(1) Cumulative Translation Adjustment includes translation adjustments and net investment hedges. See Note, "Financial Instruments and Risk Management" for additional disclosures about net investment hedges.

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	Cumulative Translation Adjustment ⁽¹⁾	Cash Flow Hedges	Defined Benefit Plans	Income Taxes	Accumulated Other Comprehensive Loss
Balance at June 27, 2020	\$ (179,259)	\$ 9,641	\$ (619,140)	\$ 157,749	\$ (631,009)
Amounts reclassified from accumulated other comprehensive loss	—	(7,278)	5,428	657	(1,193)
Current-period other comprehensive income (loss) activity	23,678	(7,007)	(234)	982	17,419
Total other comprehensive income (loss)	23,678	(14,285)	5,194	1,639	16,226
Balance at September 26, 2020	\$ (155,581)	\$ (4,644)	\$ (613,946)	\$ 159,388	\$ (614,783)
	Cumulative Translation Adjustment ⁽¹⁾	Cash Flow Hedges	Defined Benefit Plans	Income Taxes	Accumulated Other Comprehensive Loss
Balance at December 28, 2019	\$ (157,138)	\$ 4,786	\$ (629,360)	\$ 164,064	\$ (617,648)
Amounts reclassified from accumulated other comprehensive loss	—	(15,452)	15,717	241	506
Current-period other comprehensive income (loss) activity	1,557	6,022	(303)	(4,917)	2,359
Total other comprehensive income (loss)	1,557	(9,430)	15,414	(4,676)	2,865
Balance at September 26, 2020	\$ (155,581)	\$ (4,644)	\$ (613,946)	\$ 159,388	\$ (614,783)

(1) Cumulative Translation Adjustment includes translation adjustments and net investment hedges. See Note, “Financial Instruments and Risk Management” for additional disclosures about net investment hedges.

The Company had the following reclassifications out of AOCI:

Component of AOCI	Location of Reclassification into Income	Amount of Reclassification from AOCI			
		Quarters Ended		Nine Months Ended	
		October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Gain (loss) on forward foreign exchange contracts designated as cash flow hedges	Cost of sales	\$ (4,506)	\$ 5,949	\$ (14,161)	\$ 10,576
	Income tax	1,203	(1,757)	3,855	(3,002)
	Loss from discontinued operations, net of tax	(876)	1,004	(2,398)	3,722
	Net of tax	(4,179)	5,196	(12,704)	11,296
Gain (loss) on cross-currency swap contracts designated as cash flow hedges	Selling, general and administrative expenses	(8,134)	—	(5,523)	—
	Interest expense, net	(1,187)	—	(2,205)	—
	Income tax	996	—	773	—
	Net of tax	(8,325)	—	(6,955)	—
Amortization of deferred actuarial loss and prior service cost	Other expenses	(6,026)	(5,430)	(19,814)	(13,658)
	Income tax	1,580	1,425	4,922	3,919
	Loss from discontinued operations, net of tax	(154)	2	424	(2,063)
	Net of tax	(4,600)	(4,003)	(14,468)	(11,802)
Total reclassifications		\$ (17,104)	\$ 1,193	\$ (34,127)	\$ (506)

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(9) Financial Instruments and Risk Management

The Company uses forward foreign exchange contracts and cross-currency swap contracts to manage its exposures to movements in foreign exchange rates primarily related to the Australian dollar, Euro, Canadian dollar and Mexican peso. The Company also uses a combination of cross-currency swap contracts and long-term debt to manage its exposure to foreign currency risk associated with the Company's net investment in certain European subsidiaries.

	Hedge Type	October 2, 2021	January 2, 2021
U.S. dollar equivalent notional amount of derivative instruments:			
Forward foreign exchange contracts	Cash Flow and Mark to Market	\$ 362,743	\$ 617,912
Cross-currency swap contracts	Cash Flow	\$ 352,920	\$ —
Cross-currency swap contracts	Net Investment	\$ 335,940	\$ 335,940

Fair Values of Derivative Instruments

The fair values of derivative financial instruments related to forward foreign exchange contracts and cross-currency swap contracts recognized in the Condensed Consolidated Balance Sheets of the Company were as follows:

	Balance Sheet Location	Fair Value	
		October 2, 2021	January 2, 2021
Derivatives designated as hedging instruments:			
Forward foreign exchange contracts	Other current assets	\$ 4,588	\$ 1
Cross-currency swap contracts	Other current assets	2,839	918
Forward foreign exchange contracts	Current assets of discontinued operations	—	40
Forward foreign exchange contracts	Other noncurrent assets	232	—
Derivatives not designated as hedging instruments:			
Forward foreign exchange contracts	Other current assets	3,846	2,459
Forward foreign exchange contracts	Current assets of discontinued operations	185	198
Total derivative assets		11,690	3,616
Derivatives designated as hedging instruments:			
Forward foreign exchange contracts	Accrued liabilities	(55)	(12,898)
Cross-currency swap contracts	Accrued liabilities	(1,410)	—
Forward foreign exchange contracts	Current liabilities of discontinued operations	(4)	(4,747)
Forward foreign exchange contracts	Other noncurrent liabilities	(1)	(2,190)
Cross-currency swap contracts	Other noncurrent liabilities	(8,741)	(16,526)
Derivatives not designated as hedging instruments:			
Forward foreign exchange contracts	Accrued liabilities	(820)	(16,488)
Forward foreign exchange contracts	Current liabilities of discontinued operations	(73)	(2,195)
Total derivative liabilities		(11,104)	(55,044)
Net derivative asset (liability)		\$ 586	\$ (51,428)

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Cash Flow Hedges

The Company uses forward foreign exchange contracts and cross-currency swap contracts to reduce the effect of fluctuating foreign currencies on foreign currency-denominated transactions, foreign currency-denominated investments and other known foreign currency exposures. Gains and losses on these contracts are intended to offset losses and gains on the hedged transaction in an effort to reduce the earnings volatility resulting from fluctuating foreign currency exchange rates.

On April 1, 2021, in connection with a reduction in the amount of the 3.5% Senior Notes designated in the European net investment hedge discussed below, the Company entered into three pay-fixed rate, receive-fixed rate cross-currency swap contracts with a total notional amount of €300,000. The Company designated these cross-currency swap contracts to hedge the undesignated portion of the foreign currency cash flow exposure related to the Company's 3.5% Senior Notes, which had a carrying amount of €500,000 as of October 2, 2021. These cross-currency swap contracts, which mature on June 15, 2024, swap Euro-denominated interest payments for U.S. dollar-denominated interest payments, thereby economically converting €300,000 of the Company's €500,000 fixed-rate 3.5% Senior Notes to a fixed-rate 4.7945% USD-denominated obligation.

The Company expects to reclassify into earnings during the next 12 months a net loss from AOCI of approximately \$2,474. The Company is hedging exposure to the variability in future foreign currency-denominated cash flows for forecasted transactions over the next 17 months and for long-term debt over the next 33 months.

The effect of cash flow hedge derivative instruments on the Condensed Consolidated Statements of Income and AOCI is as follows:

	Amount of Gain (Loss) Recognized in AOCI on Derivative Instruments			
	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Forward foreign exchange contracts	\$ 4,827	\$ (7,007)	\$ 11,921	\$ 6,022
Cross-currency swap contracts	(9,971)	—	(9,266)	—
Total	\$ (5,144)	\$ (7,007)	\$ 2,655	\$ 6,022

	Location of Gain (Loss) Reclassified from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income			
		Quarters Ended		Nine Months Ended	
		October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Forward foreign exchange contracts ⁽¹⁾	Cost of sales	\$ (4,506)	\$ 5,949	\$ (14,161)	\$ 10,576
Forward foreign exchange contracts ⁽¹⁾	Loss from discontinued operations, net of tax	(1,078)	1,329	(2,929)	4,876
Cross-currency swap contracts ⁽¹⁾	Selling, general and administrative expenses	(8,134)	—	(5,523)	—
Cross-currency swap contracts ⁽¹⁾	Interest expense, net	(1,187)	—	(2,205)	—
Total		\$ (14,905)	\$ 7,278	\$ (24,818)	\$ 15,452

(1) The Company does not exclude amounts from effectiveness testing for cash flow hedges that would require recognition into earnings based on changes in fair value.

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	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Total cost of sales in which the effects of cash flow hedges are recorded	\$ 1,089,890	\$ 1,120,392	\$ 3,064,920	\$ 2,934,515
Total selling, general and administrative expenses in which the effects of cash flow hedges are recorded	\$ 465,015	\$ 382,384	\$ 1,341,809	\$ 1,064,328
Total interest expense, net in which the effects of cash flow hedges are recorded	\$ 40,860	\$ 43,500	\$ 127,760	\$ 120,602
Total loss from discontinued operations, net of tax in which the effects of cash flow hedges are recorded	\$ (24,970)	\$ (14,947)	\$ (435,823)	\$ (3,326)

Net Investment Hedges

In July 2019, the Company entered into two pay-fixed rate, receive-fixed rate cross-currency swap contracts with a total notional amount of €300,000 that were designated as hedges of a portion of the beginning balance of the Company's net investment in certain European subsidiaries. These cross-currency swap contracts, which mature on May 15, 2024, swap U.S. dollar-denominated interest payments for Euro-denominated interest payments, thereby economically converting a portion of the Company's fixed-rate 4.625% Senior Notes to a fixed-rate 2.3215% Euro-denominated obligation.

In July 2019, the Company also designated the full amount of its 3.5% Senior Notes with a carrying value of €500,000, which is a nonderivative financial instrument, as a hedge of a portion of the beginning balance of the Company's European net investment. As of April 1, 2021, the Company reduced the amount of its 3.5% Senior Notes designated in the European net investment hedge from €500,000 to €200,000. As of October 2, 2021 and January 2, 2021, the U.S. dollar equivalent carrying value of Euro-denominated long-term debt designated as a partial European net investment hedge was \$231,857 and \$610,724, respectively.

The amount of after-tax gains (losses) included in AOCI in the Condensed Consolidated Balance Sheets related to derivative instruments and nonderivative financial instruments designated as net investment hedges and the amount of gains included in the "Interest expense, net" line in the Condensed Consolidated Statements of Income related to amounts excluded from the assessment of hedge effectiveness for derivative instruments designated as net investment hedges are as follows:

	Amount of Gain (Loss) Recognized in AOCI			
	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Euro-denominated long-term debt	\$ 3,966	\$ (13,815)	\$ 21,722	\$ (15,353)
Cross-currency swap contracts	5,650	(10,611)	10,957	117
Total	\$ 9,616	\$ (24,426)	\$ 32,679	\$ (15,236)

	Location of Gain Recognized in Income	Amount of Gain Recognized in Income (Amount Excluded from Effectiveness Testing)			
		Quarters Ended		Nine Months Ended	
		October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Cross-currency swap contracts	Interest expense, net	\$ 1,870	\$ 1,805	\$ 5,484	\$ 5,772

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Total interest expense, net in which the amounts excluded from effectiveness testing for net investment hedges are recorded	\$ 40,860	\$ 43,500	\$ 127,760	\$ 120,602

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Mark to Market Hedges

A derivative used as a hedging instrument whose change in fair value is recognized to act as a hedge against changes in the values of the hedged item is designated as a mark to market hedge. The Company uses forward foreign exchange derivative contracts as hedges against the impact of foreign exchange fluctuations on existing accounts receivable and payable balances and intercompany lending transactions denominated in foreign currencies. Forward foreign exchange derivative contracts are recorded as mark to market hedges when the hedged item is a recorded asset or liability that is revalued in each accounting period. These contracts are not designated as hedges under the accounting standards and are recorded at fair value in the Condensed Consolidated Balance Sheets. Any gains or losses resulting from changes in fair value are recognized directly into earnings. Gains or losses on these contracts largely offset the net remeasurement gains or losses on the related assets and liabilities.

The effect of derivative contracts not designated as hedges on the Condensed Consolidated Statements of Income is as follows:

	Location of Gain (Loss) Recognized in Income on Derivatives	Amount of Gain (Loss) Recognized in Income			
		Quarters Ended		Nine Months Ended	
		October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Forward foreign exchange contracts	Cost of sales	\$ 6,087	\$ (1,472)	\$ 24,711	\$ (11,004)
Forward foreign exchange contracts	Selling, general and administrative expenses	(597)	3,718	2,494	4,646
Forward foreign exchange contracts	Loss from discontinued operations, net of tax	859	(139)	4,812	(3,590)
Total		<u>\$ 6,349</u>	<u>\$ 2,107</u>	<u>\$ 32,017</u>	<u>\$ (9,948)</u>

(10) Fair Value of Assets and Liabilities

As of October 2, 2021, the Company held certain financial assets and liabilities that are required to be measured at fair value on a recurring basis. These consisted of the Company's derivative instruments related to forward foreign exchange derivative contracts, cross-currency swap derivative contracts and deferred compensation plan liabilities. The fair values of forward foreign exchange derivative contracts are determined using the cash flows of the forward contracts, discount rates to account for the passage of time and current foreign exchange market data which are all based on inputs readily available in public markets and are categorized as Level 2. The fair values of cross-currency swap derivative contracts are determined using the cash flows of the swap contracts, discount rates to account for the passage of time, current foreign exchange and interest rate market data and credit risk, which are all based on inputs readily available in public markets and are categorized as Level 2. The fair value of deferred compensation plans is based on readily available current market data and is categorized as Level 2. The Company's defined benefit pension plan investments are not required to be measured at fair value on a quarterly recurring basis.

There were no changes during the quarter and nine months ended October 2, 2021 to the Company's valuation techniques used to measure asset and liability fair values on a recurring basis. As of and during the quarter and nine months ended October 2, 2021, the Company did not have any non-financial assets or liabilities that were required to be measured at fair value on a recurring or non-recurring basis.

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
(amounts in thousands, except per share data)
(unaudited)

The following tables set forth by level within the fair value hierarchy the Company's financial assets and liabilities within continuing operations accounted for at fair value on a recurring basis.

	Assets (Liabilities) at Fair Value as of October 2, 2021			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Forward foreign exchange contracts - assets	\$ 8,666	\$ —	\$ 8,666	\$ —
Cross-currency swap contracts - assets	2,839	—	2,839	—
Forward foreign exchange contracts - liabilities	(876)	—	(876)	—
Cross-currency swap contracts - liabilities	(10,151)	—	(10,151)	—
	478	—	478	—
Deferred compensation plan liability	(19,916)	—	(19,916)	—
Total	\$ (19,438)	\$ —	\$ (19,438)	\$ —

	Assets (Liabilities) at Fair Value as of January 2, 2021			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Forward foreign exchange contracts - assets	\$ 2,460	\$ —	\$ 2,460	\$ —
Cross-currency swap contracts - assets	918	—	918	—
Forward foreign exchange contracts - liabilities	(31,576)	—	(31,576)	—
Cross-currency swap contracts - liabilities	(16,526)	—	(16,526)	—
	(44,724)	—	(44,724)	—
Deferred compensation plan liability	(21,878)	—	(21,878)	—
Total	\$ (66,602)	\$ —	\$ (66,602)	\$ —

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, trade accounts receivable, notes receivable and accounts payable approximated fair value as of October 2, 2021 and January 2, 2021. The carrying amount of trade accounts receivable included allowance for doubtful accounts, chargebacks and other deductions of \$63,193 and \$48,745 as of October 2, 2021 and January 2, 2021, respectively. The fair value of debt, which is classified as a Level 2 liability, was \$3,885,395 and \$4,230,985 as of October 2, 2021 and January 2, 2021, respectively. Debt had a carrying value of \$3,689,018 and \$4,035,724 as of October 2, 2021 and January 2, 2021, respectively. The fair values were estimated using quoted market prices as provided in secondary markets, which consider the Company's credit risk and market related conditions. The carrying amount of the Company's notes payable, which is classified as a Level 2 liability, approximated fair value primarily due to the short-term nature of these instruments.

(11) Income Taxes

The Company's effective income tax rate was 7.9% and 16.0% for the quarters ended October 2, 2021 and September 26, 2020, respectively. The Company's effective income tax rate was 10.9% and 14.2% for the nine months ended October 2, 2021 and September 26, 2020, respectively. The lower effective tax rate for the quarter and nine months ended October 2, 2021 was primarily due to tax benefits related to the adjustments of prior year tax returns and approval of certain filings by taxing authorities during the quarter ended October 2, 2021 and the change in jurisdictional mix of income.

The Company is or could be subject to examinations in the U.S., various state and foreign jurisdictions and believes that it maintains appropriate accruals for unrecognized tax benefits related to uncertain tax positions, which are evaluated each quarter. During the nine months ended October 2, 2021, the Company's liability for unrecognized tax benefits, including interest and penalties, decreased by \$8,435, of which \$8,938 was a discrete reduction of the effective income tax rate. The decrease was related to expirations of statutes of limitations and approvals of certain filings with income tax authorities.

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
(amounts in thousands, except per share data)
(unaudited)

(12) Business Segment Information

The Company's operations are managed and reported in three operating segments, each of which is a reportable segment for financial reporting purposes: Innerwear, Activewear and International. These segments are organized principally by product category and geographic location. Each segment has its own management team that is responsible for the operations of the segment's businesses, but the segments share a common supply chain and media and marketing platforms. Other consists of the Company's U.S.-based outlet stores, U.S. hosiery business and certain sales from its supply chain to the European Innerwear business.

The types of products and services from which each reportable segment derives its revenues are as follows:

- Innerwear includes sales in the United States of basic branded apparel products that are replenishment in nature under the product categories of men's underwear, women's panties, children's underwear and socks, and intimate apparel, which includes bras and shapewear. Innerwear also includes sales of personal protective equipment including products such as cloth face coverings and gowns in 2020.
- Activewear includes sales in the United States of basic branded products that are primarily seasonal in nature to both retailers and wholesalers, as well as licensed sports apparel and licensed logo apparel in collegiate bookstores, mass retailers and other channels.
- International includes sales of products in all of the Company's categories outside the United States, primarily in Australasia, Europe, Asia, Canada and Latin America.

The Company evaluates the operating performance of its segments based upon segment operating profit, which is defined as operating profit before general corporate expenses, restructuring and other action-related charges and amortization of intangibles. The accounting policies of the segments are consistent with those described in Note, "Summary of Significant Accounting Policies" to the Company's consolidated financial statements included in its Annual Report on Form 10-K for the year ended January 2, 2021.

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Net sales:				
Innerwear	\$ 702,617	\$ 792,600	\$ 2,053,702	\$ 2,309,816
Activewear	462,499	324,921	1,230,691	781,300
International	536,483	506,203	1,521,667	1,185,718
Other	87,952	68,139	242,831	161,182
Total net sales	\$ 1,789,551	\$ 1,691,863	\$ 5,048,891	\$ 4,438,016

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(amounts in thousands, except per share data)
(unaudited)

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Segment operating profit:				
Innerwear	\$ 147,651	\$ 172,000	\$ 461,237	\$ 558,075
Activewear	76,172	29,568	177,813	31,925
International	86,371	101,029	235,451	156,936
Other	11,288	3,059	22,394	(12,263)
Total segment operating profit	321,482	305,656	896,895	734,673
Items not included in segment operating profit:				
General corporate expenses	(50,226)	(56,357)	(164,734)	(163,923)
Restructuring and other action-related charges	(29,096)	(52,257)	(67,153)	(108,860)
Amortization of intangibles	(7,514)	(7,955)	(22,846)	(22,717)
Total operating profit	234,646	189,087	642,162	439,173
Other expenses	(1,811)	(4,898)	(6,227)	(15,652)
Interest expense, net	(40,860)	(43,500)	(127,760)	(120,602)
Income from continuing operations before income tax expense	\$ 191,975	\$ 140,689	\$ 508,175	\$ 302,919

The Company incurred pre-tax restructuring and other action-related charges included in operating profit that were reported in the following lines in the Condensed Consolidated Statements of Income:

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Cost of sales	\$ (108)	\$ 47,599	\$ 4,599	\$ 87,828
Selling, general and administrative expenses	29,204	4,658	62,554	21,032
Total restructuring and other action-related charges included in operating profit	\$ 29,096	\$ 52,257	\$ 67,153	\$ 108,860

The components of restructuring and other action-related charges included in operating profit were as follows:

	Quarters Ended		Nine Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Full Potential Plan:				
Professional services	\$ 11,283	\$ —	\$ 36,793	\$ —
Operating model	16,000	—	17,600	—
Impairment of intangible assets	—	—	7,302	—
Other	1,813	—	5,458	—
2020 actions:				
Supply chain actions	—	2,098	—	18,800
Program exit costs	—	356	—	9,854
Other	—	1,195	—	7,311
COVID-19 related charges:				
Supply chain re-startup	—	48,608	—	48,608
Bad debt	—	—	—	9,418
Inventory	—	—	—	14,869
Total restructuring and other action-related charges included in operating profit	\$ 29,096	\$ 52,257	\$ 67,153	\$ 108,860

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
(amounts in thousands, except per share data)
(unaudited)

In the third quarter of 2021, the Company approved an action to resize its U.S. corporate office workforce through a voluntary retirement program. As of October 2, 2021, the Company accrued \$16,000 for employee termination and other benefits in accordance with expected benefit payments, with the charges reflected in the “Selling, general and administrative expenses” line of the Condensed Consolidated Statements of Income and in the pre-tax restructuring and other action-related charges table above. As of October 2, 2021, no benefit payments had been made. The accrual is included in the “Accrued liabilities” line of the Condensed Consolidated Balance Sheet.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis of financial condition and results of operations, or MD&A, contains forward-looking statements that involve risks and uncertainties. Please see "Forward-Looking Statements" in this Quarterly Report on Form 10-Q for a discussion of the uncertainties, risks and assumptions associated with these statements. This discussion should be read in conjunction with our historical financial statements and related notes thereto and the other disclosures contained elsewhere in this Quarterly Report on Form 10-Q. The unaudited condensed interim consolidated financial statements and notes included herein should be read in conjunction with our audited consolidated financial statements and notes for the year ended January 2, 2021, which were included in our Annual Report on Form 10-K filed with the SEC. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those included elsewhere in this Quarterly Report on Form 10-Q and those included in the "Risk Factors" section and elsewhere in our Annual Report on Form 10-K for the year ended January 2, 2021. In particular, statements with respect to trends associated with our business, our Full Potential plan, our future financial performance and the potential effects of the ongoing global coronavirus ("COVID-19") pandemic included in this MD&A include forward-looking statements.

Overview

Hanesbrands Inc. (collectively with its subsidiaries, "we," "us," "our," or the "Company") is a socially responsible leading marketer of everyday basic innerwear and activewear apparel in the Americas, Australia, Europe and Asia/Pacific under some of the world's strongest apparel brands, including *Hanes*, *Champion*, *Bonds*, *Bali*, *Maidenform*, *Playtex*, *Bras N Things*, *JMS/Just My Size*, *Wonderbra*, *Alternative*, *Berlei*, *L'eggs* and *Gear for Sports*. We sell T-shirts, bras, panties, shapewear, underwear, socks, hosiery and activewear produced in our low-cost global supply chain. Our products are marketed to consumers shopping in mass merchants, mid-tier and department stores, specialty stores and the consumer-directed channel, which includes our owned retail locations, as well as e-commerce sites. Our brands hold either the number one or number two market position by units sold in many of the product categories and geographies in which we compete.

Our operations are managed and reported in three operating segments, each of which is a reportable segment for financial reporting purposes: Innerwear, Activewear and International. These segments are organized principally by product category and geographic location. Each segment has its own management team that is responsible for the operations of the segment's businesses, but the segments share a common supply chain and media and marketing platforms. Other consists of our U.S.-based outlet stores, our U.S. hosiery business and certain sales from our supply chain to the European Innerwear business.

Our Key Business Strategies

Our business strategy integrates our brand superiority, industry-leading innovation and low-cost global supply chain to provide higher value products while lowering production costs. We operate in the global innerwear and global activewear apparel categories. These are stable, heavily branded categories where we have a strong consumer franchise based on a global portfolio of industry-leading brands that we have built over multiple decades, through hundreds of millions of direct interactions with consumers. In 2020, we undertook a comprehensive global business review focused on building consumer-centric growth. The review resulted in our Full Potential plan, which is our multi-year growth strategy that focuses on four pillars to drive growth and enhance long-term profitability and identifies initiatives to unlock growth. Our four pillars of growth are to grow the *Champion* brand globally, drive growth in Innerwear with brands and products that appeal to younger consumers, drive consumer-centricity by delivering innovative products and improving awareness through investments in brand marketing and digital capabilities, and streamline our global portfolio. In order to deliver this growth and create a more efficient and productive business model, we have launched a multi-year cost savings program intended to self-fund the investments necessary to achieve the Full Potential plan's objectives. We remain highly confident that our strong brand portfolio, world-class supply chain and diverse category and geographic footprint will help us unlock our full potential, deliver long-term growth and create stockholder value.

In the fourth quarter of 2020, we began the implementation of our Full Potential plan and as part of our strategy to streamline our portfolio, we determined that our personal protective equipment ("PPE") business was no longer a growth opportunity for us and recorded a charge to write down our entire PPE inventory balance to its estimated net realizable value. Additionally, we commenced an initiative to reduce 20% of our SKUs in inventory in order to streamline product offerings while also implementing a formal lifecycle management process.

In the first quarter of 2021, we announced that as part of our strategic plan, we were exploring alternatives for our European Innerwear business and subsequently reached the decision to exit this business. We determined that our European Innerwear business met held-for-sale and discontinued operations accounting criteria during the first quarter of 2021. Accordingly, we began to separately report the results of our European Innerwear business as discontinued operations in our Condensed Consolidated Statements of Income, and to present the related assets and liabilities as held for sale in the Condensed

Consolidated Balance Sheets. See note “Discontinued Operations” to our condensed consolidated interim financial statements included in this Quarterly Report on Form 10-Q for additional information. On November 4, 2021, we announced that we have reached an agreement to sell our European Innerwear business to an affiliate of Regent, L.P., pending the completion of consultation with the European and French works councils representing employees of the European Innerwear business and customary closing conditions. Under the agreement, the purchaser will receive all the assets and operating liabilities of the European Innerwear business for a purchase price of one Euro, subject to a post-closing adjustment to reflect any deviation at closing from a normalized level of working capital. Under the agreement, there is also a potential earnout due to us based on future performance. The transaction is expected to close in the first quarter of 2022.

Impact of COVID-19 on Our Business

The COVID-19 pandemic impacted our business operations and financial results for the third quarter and nine months ended 2021 and 2020 as described in more detail under “Condensed Consolidated Results of Operations - Third Quarter Ended October 2, 2021 Compared with Third Quarter Ended September 26, 2020” and “Condensed Consolidated Results of Operations - Nine Months Ended October 2, 2021 Compared with Nine Months Ended September 26, 2020” below, primarily through reduced traffic and closures of company-operated and third-party retail locations for portions of each of the periods in certain markets and global supply chain disruptions. Global supply chain disruptions primarily due to port congestion, transportation delays as well as labor and container shortages have resulted in higher operating costs and higher levels of inflation. The future impact of the COVID-19 pandemic remains highly uncertain, and our business and results of operations, including our net revenues, earnings and cash flows, could continue to be adversely impacted.

Outlook for the fourth quarter of 2021

We estimate our fourth quarter 2021 guidance as follows:

- Net sales of approximately \$1.71 billion to \$1.78 billion;
- Operating profit of approximately \$182 million to \$202 million;
- Full Potential plan-related charges of approximately \$18 million included in operating profit;
- Interest expense and other expenses of approximately \$85 million combined, including a one-time charge of \$45 million for a make-whole premium and transaction fees related to our anticipated debt refinancing;
- An effective tax rate from continuing operations of approximately 12%;
- Diluted earnings per share from continuing operations of approximately \$0.24 to \$0.29;
- Cash flow from operating activities of approximately \$23 million to \$73 million; and
- Capital expenditures of approximately \$20 million to \$30 million.

Seasonality and Other Factors

Absent the effects of the COVID-19 pandemic, our operating results are typically subject to some variability due to seasonality and other factors. For instance, we have historically generated higher sales during the back-to-school and holiday shopping seasons and during periods of cooler weather, which benefits certain product categories such as fleece. Sales levels in any period are also impacted by our customers’ decisions to increase or decrease their inventory levels in response to anticipated consumer demand. Our customers may cancel orders, change delivery schedules or change the mix of products ordered with minimal notice to us. Media, advertising and promotion expenses may vary from period to period during a fiscal year depending on the timing of our advertising campaigns for retail selling seasons and product introductions.

Although the majority of our products are replenishment in nature and tend to be purchased by consumers on a planned, rather than on an impulse basis, our sales are impacted by discretionary consumer spending trends. Discretionary spending is affected by many factors that are outside our control, including, among others, general business conditions, interest rates, inflation, consumer debt levels, the availability of consumer credit, currency exchange rates, taxation, energy prices, unemployment trends and other matters that influence consumer confidence and spending. Consumers' purchases of discretionary items, including our products, could decline during periods when disposable income is lower, when prices increase in response to rising costs, or in periods of actual or perceived unfavorable economic conditions. As a result, consumers may choose to purchase fewer of our products, to purchase lower-priced products of our competitors in response to higher prices for our products, or may choose not to purchase our products at prices that reflect our price increases that become effective from time to time.

Disruptions to the global supply chain due to factory closures, port congestion, container shortages, trucking capacity shortages, transportation delays and labor shortages may negatively impact product availability, revenue growth and gross margins. Global supply chain disruptions could also cause our business to be affected by inflation which we would work to mitigate through a combination of cost savings and operating efficiencies, as well as pricing actions, which could have an adverse impact on demand.

Changes in product sales mix can impact our gross profit as the percentage of our sales attributable to higher margin products, such as intimate apparel and men's underwear, and lower margin products, such as seasonal and replenishable activewear, fluctuate from time to time. In addition, sales attributable to higher and lower margin products within the same product category fluctuate from time to time. Our customers may change the mix of products ordered with minimal notice to us, which makes trends in product sales mix difficult to predict. However, certain changes in product sales mix are seasonal in nature, as sales of socks, hosiery and fleece products generally have higher sales during the last two quarters (July to December) of each fiscal year as a result of cooler weather, back-to-school shopping and holidays, while other changes in product mix may be attributable to consumers' preferences and discretionary spending.

Condensed Consolidated Results of Operations — Third Quarter Ended October 2, 2021 Compared with Third Quarter Ended September 26, 2020

	Quarters Ended		Higher (Lower)	Percent Change
	October 2, 2021	September 26, 2020		
	(dollars in thousands)			
Net sales	\$ 1,789,551	\$ 1,691,863	\$ 97,688	5.8 %
Cost of sales	1,089,890	1,120,392	(30,502)	(2.7)
Gross profit	699,661	571,471	128,190	22.4
Selling, general and administrative expenses	465,015	382,384	82,631	21.6
Operating profit	234,646	189,087	45,559	24.1
Other expenses	1,811	4,898	(3,087)	(63.0)
Interest expense, net	40,860	43,500	(2,640)	(6.1)
Income from continuing operations before income tax expense	191,975	140,689	51,286	36.5
Income tax expense	15,228	22,464	(7,236)	(32.2)
Income from continuing operations	176,747	118,225	58,522	49.5
Loss from discontinued operations, net of tax	(24,970)	(14,947)	(10,023)	67.1
Net income	\$ 151,777	\$ 103,278	\$ 48,499	47.0 %

Net Sales

Net sales increased 6% during the third quarter of 2021 versus the third quarter of 2020 primarily due to the following:

- Strong consumer demand and point-of-sale trends in the U.S., Europe, the Americas, and certain markets in Asia; and
- The favorable impact from foreign exchange rates in our International business of approximately \$8 million.

Partially offset by:

- The exit of the PPE business as part of our Full Potential plan, which contributed net sales of \$179 million in the third quarter of 2020; and
- Net sales in Australia and Japan were negatively impacted due to extended government COVID-19 related lockdowns in the third quarter of 2021.

Operating Profit

Operating profit as a percentage of net sales was 13.1% during the third quarter of 2021, representing an increase from 11.2% in the prior year. Operating margin benefited from fixed cost leverage from higher sales, favorable sales mix and the favorable impact from foreign exchange rates, which more than offset higher transportation costs, increased investments in brand marketing and higher levels of inflation. Selling, general and administrative expenses in the third quarter of 2020 benefited from temporary cost savings initiatives implemented in response to the COVID-19 pandemic. The third quarter of 2020 also included operating profit related to the PPE business that was exited.

Included in operating profit in the third quarter of 2021 were charges of \$29 million related to the implementation of our Full Potential plan. Included in operating profit in the third quarter of 2020 were charges of \$52 million primarily related to supply chain re-startup charges related to incremental costs incurred, such as freight and sourcing premiums, to expedite product delivery to meet customer demand following the extended shut-down of parts of our manufacturing network as a result of the COVID-19 pandemic in 2020.

Other Highlights

Other Expenses – Other expenses decreased \$3 million in the third quarter of 2021 compared to the third quarter of 2020 primarily due to lower pension expense in 2021.

Interest Expense – Interest expense was lower by \$3 million in the third quarter of 2021 compared to the third quarter of 2020 primarily due to lower outstanding debt balances during the third quarter of 2021 compared to the third quarter of 2020. Our weighted average interest rate on our outstanding debt was 4.12% for the third quarter of 2021, compared to 4.07% for the third quarter of 2020.

Income Tax Expense – Our effective income tax rate was 7.9% and 16.0% for the third quarters of 2021 and 2020, respectively. The lower effective tax rate for the third quarter of 2021 was primarily due to tax benefits related to the adjustments of prior year tax returns and approval of certain filings by taxing authorities during the third quarter of 2021 and the change in jurisdictional mix of income.

Discontinued Operations – The results of our discontinued operations include the operations of our European Innerwear business which we reached the decision to exit at the end of the first quarter of 2021 in connection with our Full Potential plan. See note “Discontinued Operations” to our condensed consolidated interim financial statements included in this Quarterly Report on Form 10-Q for a discussion of a non-cash charge to record a valuation allowance against the net assets held for sale to write down the carrying value to the estimated fair value less costs of disposal.

Operating Results by Business Segment — Third Quarter Ended October 2, 2021 Compared with Third Quarter Ended September 26, 2020

	Net Sales		Higher (Lower)	Percent Change
	Quarters Ended			
	October 2, 2021	September 26, 2020		
	(dollars in thousands)			
Innerwear	\$ 702,617	\$ 792,600	\$ (89,983)	(11.4)%
Activewear	462,499	324,921	137,578	42.3
International	536,483	506,203	30,280	6.0
Other	87,952	68,139	19,813	29.1
Total	\$ 1,789,551	\$ 1,691,863	\$ 97,688	5.8 %

	Operating Profit and Margin				Higher (Lower)	Percent Change
	Quarters Ended					
	October 2, 2021		September 26, 2020			
	(dollars in thousands)					
Innerwear	\$ 147,651	21.0 %	\$ 172,000	21.7 %	\$ (24,349)	(14.2)%
Activewear	76,172	16.5	29,568	9.1	46,604	157.6
International	86,371	16.1	101,029	20.0	(14,658)	(14.5)
Other	11,288	12.8	3,059	4.5	8,229	269.0
Corporate	(86,836)	NM	(116,569)	NM	29,733	(25.5)
Total	\$ 234,646	13.1 %	\$ 189,087	11.2 %	\$ 45,559	24.1 %

Innerwear

Innerwear net sales decreased 11% compared to the third quarter of 2020 primarily due to our exit of the PPE business in 2021 as a result of the implementation of our Full Potential plan. Net sales of PPE represented \$166 million of the decrease in the third quarter of 2021 compared to the third quarter of 2020. This decrease was partially offset by increases in all of our core apparel categories. Net sales in our Men's, Kids and Socks businesses increased mid-to-high single digits and net sales in our Women's business increased approximately 20%, driven by strong point-of-sale growth across channels in the third quarter of 2021.

Innerwear operating margin was 21.0%, a decrease from 21.7% in the same period a year ago due to fixed cost deleverage from lower sales, higher transportation costs, increased investments in brand marketing and higher levels of inflation. The third quarter of 2020 also included operating profit related to the PPE business that was exited.

Activewear

Activewear net sales increased 42% compared to the third quarter last year driven by lower comparable sales in the third quarter of 2020 due to COVID-19 pandemic-related shutdowns. We experienced growth in all product categories, including double-digit growth in both the *Champion* and *Hanes* brands. We experienced strong point-of-sale trends across several channels in the third quarter of 2021.

Activewear operating margin was 16.5%, an increase from 9.1% in the same period a year ago. Operating margin improvement primarily resulted from fixed cost leverage from higher sales and favorable sales mix, which more than offset increased investments in brand marketing.

International

Net sales in the International segment increased 6% as a result of lower sales in the third quarter of 2020 due to the negative impact of the COVID-19 pandemic. Net sales grew in the Americas, Europe and certain markets in Asia driven by strong consumer demand for our brands while net sales in Australia and Japan were negatively impacted due to extended government COVID-19 related lockdowns in the third quarter of 2021. The favorable impact of foreign currency exchange rates increased net sales approximately \$8 million in the third quarter of 2021. International net sales on a constant currency basis, defined as net sales excluding the impact of foreign currency, increased 4%. The impact of foreign exchange rates is calculated by applying prior period exchange rates to the current year financial results. The third quarter of 2020 included net sales of PPE of \$13 million.

International operating margin was 16.1%, a decrease from 20.0% in the same period a year ago. The decrease in operating margin primarily resulted from fixed cost deleverage due to COVID-19 related shutdowns in Australia and Japan in the third quarter of 2021 and increased investments in brand marketing partially offset by fixed cost leverage from higher sales in the Americas, Europe and certain markets in Asia and the favorable impact from foreign exchange rates.

Other

Other net sales increased primarily due to increased sales at our retail outlets during the third quarter of 2021 as a result of stores reopening after temporary store closures during the third quarter of 2020 due to the COVID-19 pandemic. Operating margin increased due to the increase in sales volume.

We expect to continue certain sales from our supply chain to the European Innerwear business after the sale of the business. Those sales and the related profit are included in Other in all periods presented and have not been eliminated as intercompany transactions in consolidation.

Corporate

Corporate expenses were lower in the third quarter of 2021 compared to the third quarter of 2020 due to lower restructuring and other action-related charges. Included in restructuring and other action-related charges in the third quarter of 2021 were \$29 million of charges related to the implementation of our Full Potential plan including a charge of \$16 million for an action to resize our U.S. corporate office workforce through a voluntary retirement program which is expected to be paid within one year and is reflected in the "Selling, general and administrative expenses" line of the Condensed Consolidated Statements of Income. Included in restructuring and other action-related charges in the third quarter of 2020 were \$49 million of supply chain re-startup charges primarily related to incremental costs incurred, such as freight and sourcing premiums, to expedite product delivery to meet customer demand following the extended shut-down of parts of our manufacturing network as a result of the COVID-19 pandemic in 2020. Supply chain actions in the third quarter of 2020 include actions to reduce overhead costs. Program exit charges are costs incurred during the third quarter of 2020 associated with exiting the C9

Champion mass program and the DKNY intimate apparel license at the end of 2019. Other charges in the third quarter of 2020 include action-related costs such as workforce reductions.

	Quarters Ended	
	October 2, 2021	September 26, 2020
	(dollars in thousands)	
Restructuring and other action-related charges included in operating profit:		
Full Potential Plan:		
Professional services	\$ 11,283	\$ —
Operating model	16,000	—
Other	1,813	—
2020 actions:		
Supply chain actions	—	2,098
Program exit costs	—	356
Other	—	1,195
COVID-19 related charges:		
Supply chain re-startup	—	48,608
Total restructuring and other action-related charges included in operating profit	<u>\$ 29,096</u>	<u>\$ 52,257</u>

Condensed Consolidated Results of Operations — Nine Months Ended October 2, 2021 Compared with Nine Months Ended September 26, 2020

	Nine Months Ended		Higher (Lower)	Percent Change
	October 2, 2021	September 26, 2020		
	(dollars in thousands)			
Net sales	\$ 5,048,891	\$ 4,438,016	\$ 610,875	13.8 %
Cost of sales	3,064,920	2,934,515	130,405	4.4
Gross profit	1,983,971	1,503,501	480,470	32.0
Selling, general and administrative expenses	1,341,809	1,064,328	277,481	26.1
Operating profit	642,162	439,173	202,989	46.2
Other expenses	6,227	15,652	(9,425)	(60.2)
Interest expense, net	127,760	120,602	7,158	5.9
Income from continuing operations before income tax expense	508,175	302,919	205,256	67.8
Income tax expense	55,161	43,008	12,153	28.3
Income from continuing operations	453,014	259,911	193,103	74.3
Loss from discontinued operations, net of tax	(435,823)	(3,326)	(432,497)	13,003.5
Net income	<u>\$ 17,191</u>	<u>\$ 256,585</u>	<u>\$ (239,394)</u>	<u>(93.3)%</u>

Net Sales

Net sales increased 14% during the nine months of 2021 versus the nine months of 2020 primarily due to the following:

- Retailers continuing to replenish inventory levels as well as strong consumer demand and point-of-sale trends as stores reopened after temporary closures due to the COVID-19 pandemic and incremental sales partially as a result of higher U.S. government stimulus spending;
- A lower sales comparison in the nine months of 2020 due to COVID-19 pandemic-related shutdowns; and
- The favorable impact from foreign exchange rates in our International business of approximately \$102 million.

Partially offset by:

- The exit of the PPE business as part of our Full Potential plan, which contributed net sales of \$792 million in the nine months of 2020.

Operating Profit

Operating profit as a percentage of net sales was 12.7% for the nine months of 2021, representing an increase from 9.9% in the prior year. Operating margin benefited from fixed cost leverage from higher sales and the favorable impact from foreign exchange rates, which more than offset higher transportation costs, increased investments in brand marketing and higher levels

of inflation. Selling, general and administrative expenses in the nine months of 2020 benefited from temporary cost savings initiatives implemented in response to the COVID-19 pandemic. The nine months of 2020 also included operating profit related to the PPE business that was exited.

Included in operating profit in the nine months of 2021 were charges of \$67 million related to the implementation of our Full Potential plan. Included in operating profit in the nine months of 2020 were charges of \$109 million primarily related to supply chain actions, program exits, asset write-down charges recorded as a result of the effects of the COVID-19 pandemic and supply chain re-startup charges related to incremental costs incurred, such as freight and sourcing premiums, to expedite product delivery to meet customer demand following the extended shut-down of parts of our manufacturing network as a result of the COVID-19 pandemic in 2020.

Other Highlights

Other Expenses – Other expenses decreased \$9 million in the nine months of 2021 compared to the same period in 2020 due to lower pension expense and lower funding fees for sales of accounts receivable to financial institutions in 2021.

Interest Expense – Interest expense was higher by \$7 million in the nine months of 2021 compared to the same period in 2020, driven by a higher weighted average interest rate on our borrowings during the nine months of 2021 and interest expense on cross-currency swap contracts entered into on April 1, 2021 that are being used to hedge foreign currency cash flows. Our weighted average interest rate on our outstanding debt was 4.12% for the nine months of 2021, compared to 3.90% for the nine months of 2020.

Income Tax Expense – Our effective income tax rate was 10.9% and 14.2% for the nine months of 2021 and 2020, respectively. The lower effective tax rate for the nine months of 2021 was primarily due to tax benefits related to the adjustments of prior year tax returns and approval of certain filings by taxing authorities during the nine months of 2021 and the change in jurisdictional mix of income.

Discontinued Operations – The results of our discontinued operations include the operations of our European Innerwear business which we reached the decision to exit at the end of the first quarter of 2021 in connection with our Full Potential plan. See note “Discontinued Operations” to our condensed consolidated interim financial statements included in this Quarterly Report on Form 10-Q for a discussion of non-cash asset impairment charges and non-cash charges to record a valuation allowance against the net assets held for sale to write down the carrying value to the estimated fair value less costs of disposal.

Operating Results by Business Segment — Nine Months Ended October 2, 2021 Compared with Nine Months Ended September 26, 2020

	Net Sales				Higher (Lower)	Percent Change
	Nine Months Ended					
	October 2, 2021	September 26, 2020				
	(dollars in thousands)					
Innerwear	\$ 2,053,702	\$ 2,309,816	\$	(256,114)	(11.1)%	
Activewear	1,230,691	781,300		449,391	57.5	
International	1,521,667	1,185,718		335,949	28.3	
Other	242,831	161,182		81,649	50.7	
Total	\$ 5,048,891	\$ 4,438,016	\$	610,875	13.8 %	

	Operating Profit and Margin				Higher (Lower)	Percent Change
	Nine Months Ended					
	October 2, 2021	September 26, 2020				
	(dollars in thousands)					
Innerwear	\$ 461,237	22.5 %	\$ 558,075	24.2 %	\$ (96,838)	(17.4)%
Activewear	177,813	14.4	31,925	4.1	145,888	457.0
International	235,451	15.5	156,936	13.2	78,515	50.0
Other	22,394	9.2	(12,263)	(7.6)	34,657	NM
Corporate	(254,733)	NM	(295,500)	NM	40,767	(13.8)
Total	\$ 642,162	12.7 %	\$ 439,173	9.9 %	\$ 202,989	46.2 %

Innerwear

Innerwear net sales decreased 11% compared to the nine months of 2020 primarily due to our exit of the PPE business in 2021 as a result of the implementation of our Full Potential plan. Net sales of PPE represented \$779 million of the decrease in

the nine months of 2021 compared to the nine months of 2020. This decrease was partially offset by increases in all of our core apparel categories primarily as a result of a lower sales comparison in the nine months of 2020 due to COVID-19 pandemic-related shutdowns, retailers continuing to replenish inventory levels and strong consumer demand and point-of-sale trends as stores reopened after temporary closures due to the COVID-19 pandemic and incremental sales partially as a result of higher U.S. government stimulus spending.

Innerwear operating margin was 22.5%, a decrease from 24.2% in the same period a year ago due to fixed cost deleverage from lower sales, higher transportation costs, increased investments in brand marketing and higher levels of inflation. The nine months of 2020 also included operating profit related to the PPE business that was exited.

Activewear

Activewear net sales increased 58% compared to the nine months of 2020 driven by lower comparable sales in the nine months of 2020 due to COVID-19 pandemic-related shutdowns and incremental sales partially as a result of higher U.S. government stimulus spending in the nine months of 2021. We experienced growth in all product categories.

Activewear operating margin was 14.4%, an increase from 4.1% in the same period a year ago. Operating margin improvement primarily resulted from fixed cost leverage from higher sales and favorable sales mix, which more than offset increased investments in brand marketing.

International

Net sales in the International segment increased 28% as a result of lower sales in the nine months of 2020 due to the negative impact of the COVID-19 pandemic and the favorable impact of foreign currency exchange rates of approximately \$102 million in the nine months of 2021. International net sales on a constant currency basis, defined as net sales excluding the impact of foreign currency, increased 20%. The impact of foreign exchange rates is calculated by applying prior period exchange rates to the current year financial results. The nine months of 2020 included net sales of PPE of \$13 million. Net sales in certain of our international markets continue to be negatively impacted by COVID-19 related shutdowns.

International operating margin was 15.5%, an increase from 13.2% in the same period a year ago. Operating margin improvement primarily resulted from fixed cost leverage from higher sales, favorable sales mix and the favorable impact from foreign exchange rates, which more than offset increased investments in brand marketing.

Other

Other net sales increased primarily due to increased sales at our retail outlets during the nine months of 2021 as a result of stores reopening after temporary store closures during the nine months of 2020 due to the COVID-19 pandemic. Operating margin increased due to the increase in sales volume.

We expect to continue certain sales from our supply chain to the European Innerwear business after the sale of the business. Those sales and the related profit are included in Other in all periods presented and have not been eliminated as intercompany transactions in consolidation.

Corporate

Corporate expenses in the nine months of 2021 included incremental recurring COVID-19 related costs such as cleaning and health-related supplies to protect our employees and customers, as well as higher compensation expense compared to the nine months of 2020. Corporate expenses were lower in the nine months of 2021 compared to the same period of 2020 due to lower restructuring and other action-related charges and bad debt expense. Included in restructuring and other action-related charges in the nine months of 2021 were \$67 million of charges related to the implementation of our Full Potential plan including a charge of \$16 million for an action to resize our U.S. corporate office workforce through a voluntary retirement program and impairment charges of \$7 million related to the full impairment of an indefinite-lived trademark related to a specific brand within the European Innerwear business that was excluded from the disposal group as it is not being marketed for sale. Included in restructuring and other action-related charges in the nine months of 2020 were \$49 million of supply chain re-startup charges primarily related to incremental costs incurred, such as freight and sourcing premiums, to expedite product delivery to meet customer demand following the extended shut-down of parts of our manufacturing network as a result of the COVID-19 pandemic in 2020 and \$24 million of asset write-down charges recorded as a result of the effects of the COVID-19 pandemic. Supply chain actions in the nine months of 2020 include actions to reduce overhead costs. Program exit charges are costs incurred during the nine months of 2020 associated with exiting the *C9 Champion* mass program and the DKNY intimate apparel license at the end of 2019. Other charges in the nine months of 2020 include action-related costs such as workforce reductions.

	Nine Months Ended	
	October 2, 2021	September 26, 2020
(dollars in thousands)		
Restructuring and other action-related charges included in operating profit:		
Full Potential Plan:		
Professional services	\$ 36,793	\$ —
Operating model	17,600	—
Impairment of intangible assets	7,302	—
Other	5,458	—
2020 actions:		
Supply chain actions	—	18,800
Program exit costs	—	9,854
Other	—	7,311
COVID-19 related charges:		
Supply chain re-startup	—	48,608
Bad debt	—	9,418
Inventory	—	14,869
Total restructuring and other action-related charges included in operating profit	<u>\$ 67,153</u>	<u>\$ 108,860</u>

Liquidity and Capital Resources

Cash Requirements and Trends and Uncertainties Affecting Liquidity

We rely on our cash flows generated from operations and the borrowing capacity under our credit facilities to meet the cash requirements of our business. Our primary uses of cash are payments to our employees and vendors in the normal course of business, capital expenditures, maturities of debt and related interest payments, contributions to our pension plans, regular quarterly dividend payments and income tax payments.

Based on our current estimate of future earnings and cash flows, we believe we have sufficient cash and available borrowings for at least one year from the issuance of these financial statements based on our current expectations and forecasts.

Our primary sources of liquidity are cash generated from global operations and cash available under our Revolving Loan Facility, our Australian Revolving Loan Facility, our Accounts Receivable Securitization Facility and our international credit facilities.

We had the following borrowing capacity and available liquidity under our credit facilities as of October 2, 2021:

	As of October 2, 2021	
	Borrowing Capacity	Available Liquidity
(dollars in thousands)		
Senior Secured Credit Facility:		
Revolving Loan Facility	\$ 1,000,000	\$ 995,824
Australian Revolving Loan Facility	43,051	43,051
Accounts Receivable Securitization Facility ⁽¹⁾	166,214	166,214
Other international credit facilities	60,105	13,856
Total liquidity from credit facilities	<u>\$ 1,269,370</u>	<u>\$ 1,218,945</u>
Cash and cash equivalents		873,628
Total liquidity		<u>\$ 2,092,573</u>

(1) Borrowing availability under the Accounts Receivable Securitization Facility is subject to a quarterly fluctuating facility limit, not to exceed \$175 million, and permitted only to the extent that the face of the receivables in the collateral pool, net of applicable reserves and other deductions, exceeds the outstanding loans.

The following have impacted or may impact our liquidity:

- The COVID-19 pandemic has had a negative impact on our business.
- We have historically paid a regular quarterly dividend. The declaration of any future dividends and, if declared, the amount of any such dividends, will be subject to our actual future earnings, capital requirements, regulatory restrictions, debt covenants, other contractual restrictions and to the discretion of our Board of Directors.

- We have principal and interest obligations under our debt and ongoing financial covenants under those debt facilities. In March 2021, we repaid the outstanding balance of Term Loan B which consisted of a required excess cash flow prepayment of \$239 million and a voluntary prepayment of \$61 million. We intend to refinance our Senior Secured Credit Facility in the fourth quarter of 2021, subject to market conditions, and redeem our 5.375% Senior Notes using proceeds from the transaction and cash on hand.
- We have invested in efforts to accelerate worldwide omnichannel and global growth initiatives, as well as marketing and brand building.
- We have launched a multi-year cost savings program intended to self-fund the investments necessary to achieve our Full Potential plan's objectives.
- We expect capital investments of approximately \$185 million per year through 2024 as part of our Full Potential plan.
- In the future, we may pursue strategic business acquisitions or divestitures.
- We made a contribution of \$40 million to our U.S. pension plan in the nine months ended October 2, 2021. We may also elect to make additional voluntary contributions.
- We may increase or decrease the portion of the current-year income of our foreign subsidiaries that we remit to the United States, which could impact our effective income tax rate. Consistent with our investment strategy as it pertains to our historical foreign earnings as of January 2, 2021, we intend to remit foreign earnings totaling \$668 million.
- We are obligated to make installment payments over an eight-year period related to our transition tax liability resulting from the implementation of the Tax Cuts and Jobs Act, which began in 2018, in addition to any estimated income taxes due based on current year taxable income. In the nine months ended October 2, 2021, we made an installment payment of \$10 million on our transition tax liability. We currently have a remaining balance due of approximately \$41 million to be paid in installment payments through 2025.

Sources and Uses of Our Cash

The information presented below regarding the sources and uses of our cash flows for the nine months ended October 2, 2021 and September 26, 2020 was derived from our condensed consolidated interim financial statements.

	Nine Months Ended	
	October 2, 2021	September 26, 2020
	(dollars in thousands)	
Operating activities	\$ 527,376	\$ 231,222
Investing activities	(44,404)	(41,084)
Financing activities	(475,924)	203,441
Effect of changes in foreign exchange rates on cash	(27,207)	9,052
Change in cash, cash equivalents and restricted cash	(20,159)	402,631
Cash, cash equivalents and restricted cash at beginning of year	910,603	329,923
Cash, cash equivalents and restricted cash at end of period	890,444	732,554
Less restricted cash at end of period	—	1,073
Cash and cash equivalents at end of period	<u>\$ 890,444</u>	<u>\$ 731,481</u>
Balances included in the Condensed Consolidated Balance Sheets:		
Cash and cash equivalents	\$ 873,628	\$ 716,921
Cash and cash equivalents included in current assets of discontinued operations	16,816	14,560
Cash and cash equivalents at end of period	<u>\$ 890,444</u>	<u>\$ 731,481</u>

Operating Activities

Our overall liquidity has historically been driven by our cash flow provided by operating activities, which is dependent on net income and changes in our working capital. As compared to the prior year, higher net cash provided by operating activities was due to changes in working capital primarily accounts payable, partially offset by accounts receivable and inventory. Higher profitability also drove improved year over year cash flow. Net cash from operating activities includes a \$40 million and a \$25 million contribution to our U.S. pension plan made in the first quarter of 2021 and 2020, respectively.

Investing Activities

Investing activities in the nine months of 2021 and 2020 primarily include capital investments into our business. The increase in cash used by investing activities in the nine months of 2021 compared to 2020 was primarily the result of an increase in capital investments into our business as we manage our spending on our focused strategic goals.

Financing Activities

Net cash from financing activities decreased primarily as a result of lower borrowings as compared to the same period of 2020. We increased our borrowings in the nine months of 2020 primarily to strengthen our cash position and to provide us with additional financial flexibility to manage our business during the COVID-19 pandemic. In the nine months of 2021, we repaid the outstanding balance of Term Loan B which consisted of a required excess cash flow prepayment of \$239 million and a voluntary prepayment of \$61 million. We repurchased shares at a total cost of \$200 million in the nine months of 2020.

Financing Arrangements

In March 2021, we amended the Accounts Receivable Securitization Facility. This amendment primarily decreased the fluctuating facility limit to \$175 million (previously \$225 million) and extended the maturity date to June 2022. Additionally, the amendment changed certain ratios and borrowing base calculations, raised pricing and added certain receivables to the pledged collateral pool for the facility. In July 2021, the Australian Revolving Loan Facility, originally entered into in July 2016, was amended to extend the maturity date to July 2022 and to reduce the bilateral cash advance limit from A\$50 million to A\$46 million with an offsetting increase in the bank overdraft limit from A\$10 million to A\$14 million.

In April 2020, given the rapidly changing business environment and level of uncertainty created by the COVID-19 pandemic and the associated impact on future earnings, we amended our Senior Secured Credit Facility prior to any potential covenant violation in order to modify the financial covenants and to provide operating flexibility during the COVID-19 crisis. The amendment changed certain provisions and covenants under the Senior Secured Credit Facility through the fiscal quarter ended July 3, 2021, after which our covenants were to revert to their original, pre-amendment levels. We voluntarily terminated the covenant relief amendment when we submitted our April 3, 2021 compliance certificate. After termination, the covenants reverted to their original, pre-amendment levels for the fiscal quarter ended July 3, 2021.

We believe our financing structure provides a secure base to support our operations and key business strategies. As of October 2, 2021, we were in compliance with all financial covenants under our credit facilities and other outstanding indebtedness. We continue to monitor our covenant compliance carefully. Under the terms of our Senior Secured Credit Facility, among other financial and non-financial covenants, we are required to maintain a minimum interest coverage ratio and a maximum leverage ratio. The interest coverage ratio covenant is the ratio of our EBITDA for the preceding four fiscal quarters to our consolidated total interest expense and the maximum leverage ratio covenant is the ratio of our net debt to EBITDA for the preceding four fiscal quarters. EBITDA is defined as earnings before interest, income taxes, depreciation expense and amortization, as computed pursuant to the Senior Secured Credit Facility.

We expect to maintain compliance with our covenants for at least one year from the date of these financial statements based on our current expectations and forecasts, however economic conditions or the occurrence of events discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended January 2, 2021 or other SEC filings could cause noncompliance. If economic conditions caused by the COVID-19 pandemic do not continue to improve or otherwise worsen, including as a result of any new virus variants or vaccine distribution or efficacy, and our earnings and operating cash flows do not continue to recover as currently estimated by management, this could impact our ability to maintain compliance with our financial covenants and require us to seek additional amendments to our Senior Secured Credit Facility. If we are not able to obtain such necessary additional amendments, this would lead to an event of default and, if not cured timely, our lenders could require us to repay our outstanding debt. In that situation, we may not be able to raise sufficient debt or equity capital, or divest assets, to refinance or repay the lenders.

We intend to refinance our Senior Secured Credit Facility in the fourth quarter of 2021, subject to market conditions. In conjunction with the refinancing, we intend to redeem our 5.375% Senior Notes using proceeds from the transaction and cash on hand. Redemption of the 5.375% Senior Notes will require payment of a make-whole premium, which along with transaction fees is estimated to result in a one-time charge of approximately \$45 million in the fourth quarter of 2021. We

estimate this transaction will result in approximately \$35 million of annual savings in interest expense, with approximately \$4 million recognized in the fourth quarter of 2021. The expected interest expense savings and one-time charge are reflected in our Outlook for the fourth quarter of 2021.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements within the meaning of Item 303(a)(4) of SEC Regulation S-K.

Critical Accounting Policies and Estimates

We have chosen accounting policies that we believe are appropriate to accurately and fairly report our operating results and financial condition in conformity with accounting principles generally accepted in the United States. We apply these accounting policies in a consistent manner. Our significant accounting policies are discussed in Note, "Summary of Significant Accounting Policies," to our financial statements included in our Annual Report on Form 10-K for the year ended January 2, 2021.

The application of critical accounting policies requires that we make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. These estimates and assumptions are based on historical and other factors believed to be reasonable under the circumstances. We evaluate these estimates and assumptions on an ongoing basis and may retain outside consultants to assist in our evaluation. If actual results ultimately differ from previous estimates, the revisions are included in results of operations in the period in which the actual amounts become known. The critical accounting policies that involve the most significant management judgments and estimates used in preparation of our financial statements, or are the most sensitive to change from outside factors, are discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended January 2, 2021. There have been no material changes in these policies from those described in our Annual Report on Form 10-K for the year ended January 2, 2021.

Recently Issued Accounting Pronouncements

For a summary of recently issued accounting pronouncements, see Note, "Recent Accounting Pronouncements" to our condensed consolidated interim financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no significant changes in our market risk exposures from those described in Item 7A of our Annual Report on Form 10-K for the year ended January 2, 2021.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As required by Exchange Act Rule 13a-15(b), our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of October 2, 2021.

Changes in Internal Control over Financial Reporting

In connection with the evaluation required by Exchange Act Rule 13a-15(d), our management, including our Chief Executive Officer and Chief Financial Officer, concluded that no changes in our internal control over financial reporting occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

Although we are subject to various claims and legal actions that occur from time to time in the ordinary course of our business, we are not party to any pending legal proceedings that we believe could have a material adverse effect on our business, results of operations, financial condition or cash flows.

Item 1A. Risk Factors

The risk factors that affect our business and financial results are discussed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended January 2, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3.1	Articles of Amendment and Restatement of Hanesbrands Inc. (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 5, 2006).
3.2	Articles Supplementary (Junior Participating Preferred Stock, Series A) (incorporated by reference from Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 5, 2006).
3.3	Articles of Amendment to Articles of Amendment and Restatement of Hanesbrands Inc. (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 28, 2015).
3.4	Articles Supplementary (Reclassifying Junior Participating Preferred Stock, Series A) (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 2, 2015).
3.5	Amended and Restated Bylaws of Hanesbrands Inc. (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 26, 2017).
4.1	Supplemental Indenture No. 11 (to Indenture dated June 3, 2016), dated as of July 14, 2021, among Hanesbrands Finance Luxembourg S.C.A., HBI IP Holdings Switzerland GmbH and U.S. Bank Trustees Limited.
4.2	Supplemental Indenture No. 12 (to Indenture dated June 3, 2016), dated as of September 20, 2021, among Hanesbrands Finance Luxembourg S.C.A., Hanes Jiboa Holdings LLC, HBI WH Minority Holdings LLC and U.S. Bank Trustees Limited.
4.3	Third Supplemental Indenture (to Indenture dated May 6, 2016), dated as of September 20, 2021, among Hanesbrands Inc., Hanes Jiboa Holdings LLC, HBI WH Minority Holdings LLC and US Bank, National Association.
4.4	First Supplemental Indenture (to Indenture dated May 4, 2020), dated as of September 20, 2021, among Hanesbrands Inc., Hanes Jiboa Holdings LLC, HBI WH Minority Holdings LLC and US Bank, National Association.
10.1	Australian Revolving Facility Agreement – First Amending Agreement dated July 13, 2021, among HBI Holdings Australasia Pty Ltd, the Borrowers party thereto, Westpac Banking Corporation and Westpac New Zealand Limited.
31.1	Certification of Stephen B. Bratspies, Chief Executive Officer.
31.2	Certification of Michael P. Dastugue, Chief Financial Officer.
32.1	Section 1350 Certification of Stephen B. Bratspies, Chief Executive Officer.
32.2	Section 1350 Certification of Michael P. Dastugue, Chief Financial Officer.
101.INS XBRL	Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH XBRL	Taxonomy Extension Schema Document
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document
101.LAB XBRL	Taxonomy Extension Label Linkbase Document
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HANESBRANDS INC.

By: /s/ Michael P. Dastugue
Michael P. Dastugue
Chief Financial Officer
(Duly authorized officer and principal financial officer)

Date: November 4, 2021

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE No. 11 (this “*Supplemental Indenture*”), dated as of July 14, 2021, between Hanesbrands Finance Luxembourg S.C.A., a corporate partnership limited by shares (*société en commandite par actions*) incorporated under the laws of the Grand Duchy of Luxembourg having its registered office at 33-39, Rue du Puits Romain, L-8070 Betrange, Grand Duchy of Luxembourg, and registered with the Luxembourg register of commerce and companies under the number B 206.211, as the issuer (such company, and its successors and assigns under the Indenture hereinafter referred to, being herein called the “*Issuer*”), HBI IP Holdings Switzerland GmbH, incorporated under the laws of Switzerland (“*HBI IP Holdings Switzerland*” or the “*Additional Guarantor*”) and U.S. Bank Trustees Limited, as trustee (the “*Trustee*”).

WITNESSETH

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee an indenture, dated as of June 3, 2016 (the “*Indenture*”) providing for the issuance of the Issuer’s euro denominated 3.5% Senior Notes due 2024 (the “*Senior Notes*”);

WHEREAS, the Indenture provides that under certain circumstances the Additional Guarantor may execute and deliver to the Trustee a supplemental indenture pursuant to which such entity shall fully and unconditionally guarantee all of the Issuer’s obligations under the Senior Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (each an “*Additional Notes Guarantee*” and together the “*Additional Notes Guarantees*”);

WHEREAS, it has been proposed to reorganize the Issuer’s European holding company structure and in particular for MFB International Holdings S.a.r.l., a Guarantor of the Senior Notes under the Indenture, to contribute certain of its assets to HBI IP Holdings Switzerland;

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee ten supplemental indentures, dated as of June 23, 2016, November 9, 2016, November 9, 2016, March 28, 2017, February 20, 2018, August 24, 2018, October 1, 2018, November 30, 2018, April 14, 2020 and April 12, 2021, respectively, pursuant to which certain of the Issuer’s subsidiaries provided Additional Notes Guarantees; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Issuer, the Additional Guarantor and the Trustee are authorized to execute and deliver this eleventh Supplemental Indenture without the consent of the holders of the Senior Notes.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Additional Guarantor and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. AGREEMENT TO GUARANTEE. The Additional Guarantor hereby agrees to provide an unconditional Additional Notes Guarantee on the terms and subject to the conditions set forth in this Supplemental Indenture and the Indenture including but not limited to Article X thereof (and including the guarantee limitations set out therein).
3. LIMITATIONS.
 - (a) Notwithstanding the foregoing, if and to the extent that (i) HBI IP Holdings Switzerland becomes liable under the Indenture for obligations of any Affiliate (other than those of its direct or indirect wholly owned subsidiaries)

or is otherwise obliged under the Indenture, the Notes or any of the security documents (together the “Notes Documents”) to grant economic benefits to its Affiliates (other than to direct or indirect wholly owned subsidiaries), including, for the avoidance of doubt, any indemnity and/or joint liability undertaking, any restrictions of HBI IP Holdings Switzerland’s rights of set-off and/or subrogation or its duties to subordinate or waive claims and (ii) complying with such liability or other obligation would constitute a repayment of capital (*Einlagerückgewähr*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) by HBI IP Holdings Switzerland or would otherwise be restricted under Swiss law then applicable (the “Restricted Obligations”), the aggregate amount of such liability or other obligation of HBI IP Holdings Switzerland under any Notes Document with respect to Restricted Obligations shall be limited to the maximum amount of the HBI IP Holdings Switzerland’s freely distributional equity available for distribution as dividends to the shareholders of HBI IP Holdings Switzerland at the time of payment or enforcement, as applicable (the “Maximum Amount”), provided that this is a requirement under applicable Swiss law at that time and further provided that such limitation shall not free HBI IP Holdings Switzerland from its obligations in excess of the Maximum Amount, but merely postpone the enforcement date therefore until such times as enforcement is again permitted notwithstanding such limitation.

- (b) In respect of any payment with respect to Restricted Obligations, HBI IP Holdings Switzerland shall:
- (i) if and to the extent required by applicable law in force at the relevant time, use its commercially reasonable efforts to mitigate (and cause its parent company and other relevant Affiliates to fully cooperate in any such mitigation efforts) to the extent possible any tax imposed based on the Swiss Federal Act on Withholding Tax of October 13, 1965 (*Bundesgesetz über die Verrechnungssteuer*), (the “Swiss Withholding Tax Act” and the “Swiss Withholding Tax”) to be levied on payments with respect to Restricted Obligations, in particular through the notification procedure pursuant to applicable law, and promptly notify the Trustee thereof or, if such a notification procedure is not applicable:
 - (A) subject to any applicable double taxation treaty, deduct Swiss Withholding Tax at the rate of 35% (or such other rate as in force from time to time) from any payments with respect to Restricted Obligations;
 - (B) pay any such deduction to the Swiss Federal Tax Administration; and
 - (C) notify the Trustee or the Collateral Trustee that such a deduction has been made and provide the Trustee with evidence that such a deduction has been paid to the Swiss Federal Tax Administration;
 - (ii) if and to the extent such a deduction is made, not be obliged to either gross-up payments and/or indemnify the holders of the Notes in accordance with the relevant provisions of any Notes Document in relation to any such payment made by it in respect of Restricted

Obligations, unless grossing-up and/or indemnifying is permitted under this Section 3 and the laws of Switzerland then in force (it being understood that this shall not in any way limit any legally permitted obligations of any other party under any Notes Document to indemnify the holders of the Notes in respect of the deduction of the Swiss Withholding Tax); and

- (iii) use its commercially reasonable efforts to ensure that any person which is, as a result of a deduction of Swiss Withholding Tax, entitled to a full or partial refund of the Swiss Withholding Tax, shall, as soon as possible after the deduction of the Swiss Withholding Tax:
 - (A) request a refund of the Swiss Withholding Tax under any applicable law (including double tax treaties); and
 - (B) promptly upon receipt, pay to the Trustee, to the extent legally permitted, any amount so refunded for application as further payments with respect to Restricted Obligations.
- (c) To the extent HBI IP Holdings Switzerland is required to deduct Swiss Withholding Tax and if the Maximum Amount is not fully utilized, additional amounts may be enforced in respect of Restricted Obligations until the payments equate an amount so that after making any required deduction of Swiss Withholding Tax, the aggregate amount paid net of Swiss Withholding Tax is equal to the amount which would have resulted if no deduction of Swiss Withholding Tax had been required, provided that such aggregate amount (including the increased amount) shall in any event be limited to the Maximum Amount at the relevant time.
- (d) If and to the extent requested by the Trustee, acting at the direction of the requisite holders of the Notes, and if and to the extent this is from time to time required under Swiss law (restricting profit distributions), in order to allow the holders of the Notes to obtain a maximum benefit in respect of Restricted Obligations, HBI IP Holdings Switzerland shall promptly implement all such measures and/or promptly procure the fulfilment of all prerequisites allowing it to make the (requested) payment(s) (or to perform such other Restricted Obligations under the Notes Documents) from time to time, including the following:
 - (i) preparation of an up-to-date balance sheet of HBI IP Holdings Switzerland;
 - (ii) confirmation of the auditors of HBI IP Holdings Switzerland as to the Maximum Amount;
 - (iii) to the extent permitted by mandatory Swiss law, conversion of restricted reserves into profits and reserves freely available for the distribution as dividends;
 - (iv) to the extent permitted by mandatory Swiss law, revaluation and/or realization of any of its assets that are shown on its balance sheet with a book value that is significantly lower than the market value of such assets, in case of realization, however, only if such assets are not necessary for HBI IP Holdings Switzerland's business (*betriebsnotwendig*);

- (v) approval by a shareholders' meeting of HBI IP Holdings Switzerland of the (resulting) equity distribution; and
- (vi) all such other measures necessary or useful to allow for payments in respect of Restricted Obligations with a minimum of limitations.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, manager, employee, incorporator or stockholder of the Additional Guarantor, as such, shall have any liability for any obligations of the Issuer or the Additional Guarantor under the Indenture, the Senior Notes, the Additional Notes Guarantees or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes.

5. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE, THE SENIOR NOTES AND THE ADDITIONAL NOTES GUARANTEES, WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

6. New York Law to Govern. Each of the parties hereto irrevocably agrees that any suit, action or proceeding arising out of, related to, or in connection with the Indenture, this Supplemental Indenture, the Senior Notes and the Additional Notes Guarantees or the transactions contemplated hereby, and any action arising under U.S. federal or state securities laws, may be instituted in any U.S. federal or state court located in the State and City of New York, Borough of Manhattan; irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding; and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding. Each of the Issuer and the Additional Guarantor expressly consents to the jurisdiction of any such court in respect of any such action and waives any other requirements of or objections to personal jurisdiction with respect thereto and waives any right to trial by jury.

7. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

8. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

9. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture, the Additional Notes Guarantees of the Additional Guarantor or for or in respect of the recitals contained herein, all of which recitals are made solely by the Additional Guarantor and the Issuer. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect of this Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

(Signature Pages Follows)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

HANESBRANDS FINANCE LUXEMBOURG S.C.A., as the Issuer

By Hanesbrands GP Luxembourg S.à.r.l., its general partner

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Class A Manager

By: /s/ Katalin Oroszki
Name: Katalin Oroszki
Title: Class B Manager

(Signature Page to Supplemental Indenture No. 11)

HBI IP HOLDINGS SWITZERLAND GMBH, as Additional Guarantor

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Chairman of the Board

(Signature Page to Supplemental Indenture No. 11)

U.S. BANK TRUSTEES LIMITED, as Trustee

By: /s/ Laurence Griffiths
Name: Laurence Griffiths
Title: Authorized Signatory

(Signature Page to Supplemental Indenture No. 11)

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE No. 12 (this “*Supplemental Indenture*”), dated as of September 20, 2021, between Hanesbrands Finance Luxembourg S.C.A., a corporate partnership limited by shares (*société en commandite par actions*) incorporated under the laws of the Grand Duchy of Luxembourg having its registered office at 33-39, Rue du Puits Romain, L-8070 Betrange, Grand Duchy of Luxembourg, and registered with the Luxembourg register of commerce and companies under the number B 206.211, as the issuer (such company, and its successors and assigns under the Indenture hereinafter referred to, being herein called the “*Issuer*”), Hanes Jiboa Holdings LLC, a Delaware limited liability company (“*Hanes Jiboa Holdings*”), HBI WH Minority Holdings LLC, a Delaware limited liability company (“*HBI WH Minority Holdings*” and, together with Hanes Jiboa Holdings, the “*Additional Guarantors*”) and U.S. Bank Trustees Limited, as trustee (the “*Trustee*”).

WITNESSETH

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee an indenture, dated as of June 3, 2016 (the “*Indenture*”) providing for the issuance of the Issuer’s euro denominated 3.5% Senior Notes due 2024 (the “*Senior Notes*”);

WHEREAS, the Indenture provides that under certain circumstances the Additional Guarantors may execute and deliver to the Trustee a supplemental indenture pursuant to which such entity shall fully and unconditionally guarantee all of the Issuer’s obligations under the Senior Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (each an “*Additional Notes Guarantee*” and together the “*Additional Notes Guarantees*”);

WHEREAS, it has been proposed that Hanesbrands Inc., a Maryland corporation (the “*Company*”), a Guarantor of the Senior Notes under the Indenture, contribute certain of its assets and liabilities to the Additional Guarantors;

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee eleven supplemental indentures, dated as of June 23, 2016, November 9, 2016, November 9, 2016, March 28, 2017, February 20, 2018, August 24, 2018, October 1, 2018, November 30, 2018, April 14, 2020, April 12, 2021 and July 14, 2021, respectively, pursuant to which certain of the Issuer’s subsidiaries provided Additional Notes Guarantees; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Issuer, the Additional Guarantors and the Trustee are authorized to execute and deliver this twelfth Supplemental Indenture without the consent of the holders of the Senior Notes.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Additional Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. **CAPITALIZED TERMS.** Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. **AGREEMENT TO GUARANTEE.** Each of the Additional Guarantors hereby agrees to provide an unconditional Additional Notes Guarantee on the terms and subject to the conditions set forth in this Supplemental Indenture and the Indenture including but not limited to Article X thereof (and including the guarantee limitations set out therein).
3. **NO RECOURSE AGAINST OTHERS.** No past, present or future director, officer, manager, employee, incorporator or stockholder of the Additional Guarantors, as such, shall have any liability for any obligations of the Issuer or the Additional Guarantors under the Indenture, the Senior Notes, the Additional Notes Guarantees or this Supplemental Indenture or for any claim based on, in respect

of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes.

4. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE, THE SENIOR NOTES AND THE ADDITIONAL NOTES GUARANTEES, WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5. New York Law to Govern. Each of the parties hereto irrevocably agrees that any suit, action or proceeding arising out of, related to, or in connection with the Indenture, this Supplemental Indenture, the Senior Notes and the Additional Notes Guarantees or the transactions contemplated hereby, and any action arising under U.S. federal or state securities laws, may be instituted in any U.S. federal or state court located in the State and City of New York, Borough of Manhattan; irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding; and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding. Each of the Issuer and the Additional Guarantors expressly consents to the jurisdiction of any such court in respect of any such action and waives any other requirements of or objections to personal jurisdiction with respect thereto and waives any right to trial by jury.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture, the Additional Notes Guarantees of the Additional Guarantors or for or in respect of the recitals contained herein, all of which recitals are made solely by the Additional Guarantors and the Issuer. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect of this Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

(Signature Pages Follows)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

HANESBRANDS FINANCE LUXEMBOURG S.C.A., as the Issuer

By Hanesbrands GP Luxembourg S.à.r.l., its general partner

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Class A Manager

By: /s/ Kristina Velicka
Name: Kristina Velicka
Title: Class B Manager

(Signature Page to Supplemental Indenture No. 12)

HANES JIBOA HOLDINGS LLC, as an Additional Guarantor

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

HBI WH MINORITY HOLDINGS LLC, as an Additional Guarantor

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

(Signature Page to Supplemental Indenture No. 12)

U.S. BANK TRUSTEES LIMITED, as Trustee

By: /s/ Laurence Griffiths
Name: Laurence Griffiths
Title: Authorized Signatory

(Signature Page to Supplemental Indenture No. 12)

THIRD SUPPLEMENTAL INDENTURE

This Third Supplemental Indenture (this “*Supplemental Indenture*”), dated as of September 20, 2021, among Hanes Jiboa Holdings LLC, a Delaware limited liability company (“*Hanes Jiboa Holdings*”), and HBI WH Minority Holdings LLC, a Delaware limited liability company (“*HBI WH Minority Holdings*” and, together with Hanes Jiboa Holdings, the “*Guaranteeing Subsidiaries*”), each of which is a subsidiary of Hanesbrands Inc., a Maryland corporation (the “*Company*”), the Company, and U.S. Bank National Association, as trustee (the “*Trustee*”).

WITNESSETH

WHEREAS, each of the Company and the Guarantors (as defined in the Indenture referred to below) has heretofore executed and delivered to the Trustee an indenture (the “*Indenture*”), dated as of May 6, 2016, as amended by the First Supplement Indenture, dated as of November 9, 2016, and the Second Supplemental Indenture, dated as of February 7, 2018, providing for the issuance of an unlimited aggregate principal amount of 4.625% Senior Notes due 2024 (the “*2024 Notes*”) and 4.875% Senior Notes due 2026 (the “*2026 Notes*” and, together with the 2024 Notes, the “*Notes*”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which each of the Guaranteeing Subsidiaries shall unconditionally Guarantee all of the Company’s obligations under the Notes of each series and the Indenture on the terms and conditions set forth herein and under the Indenture;

WHEREAS, it has been proposed that the Company, a Guarantor of the Notes under the Indenture, contribute certain of its assets and liabilities to the Guaranteeing Subsidiaries; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the benefit of each other and for the equal and ratable benefit of the holders as follows:

1. **CAPITALIZED TERMS.** Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. **Guarantor.** Each of the Guaranteeing Subsidiaries hereby agrees to be a Guarantor under the Indenture and to be bound by the terms of the Indenture applicable to Guarantors, including Article 10 thereof.
3. **Governing Law.** THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.
4. **Waiver of Jury Trial.** EACH OF THE GUARANTEEING SUBSIDIARIES, THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE INDENTURE, THE NOTES, THE GUARANTEES OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.
5. **Counterparts.** The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or portable document format (“*PDF*”) transmission shall constitute effective execution and

delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

6. Headings. The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

7. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture, the Guarantee of each of the Guaranteeing Subsidiaries or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company and the Guaranteeing Subsidiaries. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers, and duties of the Trustee shall be applicable in respect of this Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

(Signature Pages Follows)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

HANES JIBOA HOLDINGS LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

HBI WH MINORITY HOLDINGS LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

(Signature Page to Third Supplemental Indenture)

HANESBRANDS INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

(Signature Page to Third Supplemental Indenture)

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Donald T. Hurrelbrink
Name: Donald T. Hurrelbrink
Title: Vice President

(Signature Page to Third Supplemental Indenture)

FIRST SUPPLEMENTAL INDENTURE

This First Supplemental Indenture (this “*Supplemental Indenture*”), dated as of September 20, 2021, among Hanes Jiboa Holdings LLC, a Delaware limited liability company (“*Hanes Jiboa Holdings*”), and HBI WH Minority Holdings LLC, a Delaware limited liability company (“*HBI WH Minority Holdings*” and, together with Hanes Jiboa Holdings, the “*Guaranteeing Subsidiaries*”), each of which is a subsidiary of Hanesbrands Inc., a Maryland corporation (the “*Company*”), the Company, and U.S. Bank National Association, as trustee (the “*Trustee*”).

WITNESSETH

WHEREAS, each of the Company and the Guarantors (as defined in the Indenture referred to below) has heretofore executed and delivered to the Trustee an indenture (the “*Indenture*”), dated as of May 4, 2020, providing for the issuance of an unlimited aggregate principal amount of 5.375% Senior Notes due 2025 (the “*Notes*”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which each of the Guaranteeing Subsidiaries shall unconditionally Guarantee all of the Company’s obligations under the Notes of each series and the Indenture on the terms and conditions set forth herein and under the Indenture;

WHEREAS, it has been proposed that the Company, a Guarantor of the Notes under the Indenture, contribute certain of its assets and liabilities to the Guaranteeing Subsidiaries; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the benefit of each other and for the equal and ratable benefit of the holders as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Guarantor. Each of the Guaranteeing Subsidiaries hereby agrees to be a Guarantor under the Indenture and to be bound by the terms of the Indenture applicable to Guarantors, including Article 10 thereof.
3. Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.
4. Waiver of Jury Trial. EACH OF THE GUARANTEEING SUBSIDIARIES, THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE INDENTURE, THE NOTES, THE GUARANTEES OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.
5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or portable document format (“*PDF*”) transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original

Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

6. Headings. The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

7. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture, the Guarantee of each of the Guaranteeing Subsidiaries or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company and the Guaranteeing Subsidiaries. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers, and duties of the Trustee shall be applicable in respect of this Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

(Signature Pages Follows)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

HANES JIBOA HOLDINGS LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

HBI WH MINORITY HOLDINGS LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

(Signature Page to First Supplemental Indenture)

HANESBRANDS INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

(Signature Page to First Supplemental Indenture)

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Donald T. Hurrelbrink
Name: Vice President
Title: Authorized Signatory

(Signature Page to First Supplemental Indenture)

Australian Revolving Facility Agreement - First Amending Agreement

Dated: 13 July 2021

HBI Holdings Australasia Pty Ltd (ACN 612 185 476) ("Company")

Each entity listed in Schedule 1 ("Borrowers")

Westpac Banking Corporation (ABN 33 007 57 141) and Westpac New Zealand Limited (the "Lender")

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia
T +61 2 9296 2000
F +61 2 9296 3999
DX 113 Sydney
www.kwm.com
Ref: 602-0015046:YC:AD:KF

First Amending Agreement

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First Amending Agreement

Details

Parties

Company	Name	HBI Holdings Australasia Pty Ltd (ACN 612 185 476)
	Address	1000 E. Hanes Mill Road Winston-Salem, NC 27105
	Attention	Donald Cook
	Email	Donald.cook@hanes.com

Borrowers Each entity listed in Schedule 1

Lender	Name	Westpac Banking Corporation (ABN 33 007 457 141)
	Address	Level 7, 150 Collins Street Melbourne VIC 3000
	Attention	Andrew Lourie
	Email	alourie@westpac.com.au
	Name	Westpac New Zealand Limited
	Address	Level 8, 16 Takutai Square Auckland 1010
	Attention	Nikki Melville-Smith
	Email	Nikki.melville-smith@westpac.co.nz wibnz-lcir@westpac.co.nz



First Amending Agreement

General terms

1 Interpretation

1.1 Definitions

In this document, the following meanings apply unless the contrary intention appears:

“First Effective Date” has the meaning given in clause 3.1 (Conditions precedent to the First Effective Date).

“Joinder Agreement” means the document entitled “Joinder Agreement” dated on or about the date of this document between, among others, Hanesbrands Inc., the Company and JPMorgan Chase Bank, N.A., as Administrative Agent.

“Pre-Amendment FA” means the document entitled “Australian Revolving Facility Agreement” originally dated 15 July 2016 between, among others, the Company and the Lender, as amended from time to time up to but excluding the First Effective Date.

“Post-Amendment FA” has the meaning set out in Clause 2 (Amendments).

1.2 Interpretation

Clause 1.2 (Construction) of the Post-Amendment FA applies to this document as if set out in full (*mutatis mutandis*).

1.3 Terms defined in the Post-Amendment FA

A term (other than a term defined in Clause 1.1 (Definitions)) that is defined in the Post-Amendment FA has the same meaning in this document.

2 Amendments

2.1 With effect on and from the First Effective Date, the parties agree that the Pre-Amendment FA is amended by:

(a) inserting all clauses and words that are underlined; and

(b) deleting all clauses and words that are struck out,

in the form set out in Annexure A to this document (“Post-Amendment FA”).

3 First Effective Date

3.1 Conditions precedent to the First Effective Date

The “First Effective Date” will occur when the Lender confirms that it has received the following, in a form and substance satisfactory to it:

(a) (First Amending Agreement) a duly executed counterpart of this document;



- (b) (Joinder Agreement) a duly executed counterpart of the Joinder Agreement;
- (c) (NZ Overdraft and Set Off Agreement) a duly executed counterpart of the NZ Overdraft and Set Off Agreement;
- (d) (Verification certificate) a Verification Certificate signed by a director of each Australian Borrower, in the form set out in Part A of Schedule 3 (Form of Verification Certificate) to the Post-Amendment FA;
- (e) (Director's certificate) a director's certificate signed by a director of each NZ Borrower, in the form set out in Part B of Schedule 3 (Form of Director's Certificate) to the Post-Amendment FA;
- (f) (Australian legal opinion) a customary legal opinion from Allens Linklaters as Australian counsel for the Lender as to the capacity of the Australian Borrowers to enter into this document and the Joinder Agreement;
- (g) (NZ legal opinion) a customary legal opinion from Russell McVeagh as New Zealand counsel for the Lender as to the capacity of the NZ Borrowers to enter into this document and the Joinder Agreement;
- (h) (US legal opinion) a customary legal opinion from King & Spalding as US counsel for the Company as to the enforceability of this document and the Joinder Agreement;
- (i) (extension fee) payment of an extension fee to the Lender of A\$65,000 in aggregate (being 0.10% of the total Commitment); and
- (j) (New Revolving Loan Effective Date) confirmation from the Administrative Agent (as defined in the Joinder Agreement) that the New Revolving Loan Effective Date (as defined in the Joinder Agreement) has occurred or will substantially simultaneously occur with the First Effective Date.

3.2 Notices

The Lender must promptly notify the Company (by email to beth.southern@hanes.com, BMerkel@KSLAW.com, yuen-yee.cho@au.kwm.com and aidan.drinkwater@au.kwm.com) once the First Effective Date has occurred.

4 Confirmations and acknowledgements

4.1 Confirmations

Each Borrower confirms that:

- (a) other than as provided for in Clause 2 (Amendments), the rights and obligations under the Pre-Amendment FA and each other Finance Document are not affected by the execution of this document and the transactions contemplated by this document;
- (b) the Pre-Amendment FA and each other Finance Document to which it is a party prior to the First Effective Date continues in full force and effect and continues to secure all amounts owing to the Lender, despite:
 - (i) the execution of this document or any other document; and



- (ii) the transactions contemplated by this document and/or any other document; and
- (c) no Event of Default is continuing or will occur from clause 2 taking effect; and
- (d) nothing in this document:
 - (i) affects the validity or enforceability of any Finance Document;
 - (ii) prejudices or adversely affects any right, power, authority, discretion or remedy arising under the Finance Documents other than as expressly stated by the terms of this document; or
 - (iii) discharges, releases or otherwise affects any liability or obligation arising under any Finance Document other than as expressly stated by this document; and
 - (iv) without limiting paragraphs (a) and (b) above, each guarantee and each security interest provided by the Obligors continues to guarantee and secure the liabilities and obligations of each Borrower under the Finance Documents (including liabilities and obligations as varied by this document).

4.2 Conflict

If there is a conflict between the Pre-Amendment FA, the Joinder Agreement or the Credit Agreement (as defined in the Joinder Agreement) and this document and the Post-Amendment FA, the terms of this document and the Post-Amendment FA prevail.

4.3 Finance Document

The parties acknowledge and agree that:

- (a) this document is a "Finance Document" (as defined in the Post-Amendment FA); and
- (b) on and from the First Effective Date each party to this document is bound by the terms of the Post-Amendment FA.

4.4 Consideration

Each party to this document acknowledges incurring obligations and giving rights under this document for valuable consideration received from each other party.

5 Representations and Warranties

On the date of this document and the First Effective Date, each Borrower makes the representations under the representations and warranties set out in Clause 20 (Representations) of the Post-Amendment FA for the benefit of the Lender.

6 Further assurances

Each party to this document agrees to execute all documents, take all steps and do everything necessary or appropriate to give effect to any of the transactions contemplated by this document.



7 General

Clauses 28 (Notices), 30 (Partial Invalidity), 31 (Remedies and Waivers), 32 (Amendments), 33 (Counterparts), 36 (Governing Law) and 37 (Enforcement) of the Post-Amendment FA apply to this document as if they were fully set out in full (*mutatis mutandis*).

EXECUTED as an agreement



Australian Revolving Facility Agreement - First Amending Agreement Schedule 1 – Borrowers

No.	Company	Country of Incorporation	Registration number
1.	HBI Holdings Australasia Pty Ltd	Australia	ACN 612 185 476
2.	Hanes Holdings Australasia Pty Ltd	Australia	ACN 107 285 049
3.	Hanes Innerwear Australia Pty Ltd	Australia	ACN 098 742 655
4.	Hanes Australia Pty Ltd	Australia	ACN 098 704 646
5.	Hanes Australasia Pty Ltd	Australia	ACN 106 773 059
6.	Hanes Technology Services Australia Pty Ltd	Australia	ACN 093 040 745
7.	Sheridan Australia Pty Ltd	Australia	ACN 094 091 380
8.	Hanes New Zealand Limited	New Zealand	Company number 1174050
9.	Sheridan N.Z. Limited	New Zealand	Company number 1056905



Signing page

COMPANY AND BORROWERS

EXECUTED by HBI HOLDINGS)
AUSTRALASIA PTY LTD)
(FORMERLY KNOWN AS HBI)
AUSTRALIA ACQUISITION CO. PTY)
LTD) ACN 612 185 476 in accordance)
with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

/s/ Tanya Deans)
Signature of director)

TANYA DEANS)
Name of director (block letters)

/s/ Elizabeth Levinson
Signature of ~~director~~/company
secretary*
*delete whichever is not applicable

ELIZABETH LEVINSON
Name of ~~director~~/company secretary*
(block letters)
*delete whichever is not applicable

EXECUTED by HANES)
AUSTRALASIA PTY LTD)
(FORMERLY KNOWN AS PACIFIC)
BRANDS LIMITED) ACN 106 773 059)
in accordance with section 127(1) of)
the Corporations Act 2001 (Cth) by)
authority of its directors:)

/s/ Tanya Deans)
Signature of director)

TANYA DEANS)
Name of director (block letters)

/s/ Elizabeth Levinson
Signature of ~~director~~/company
secretary*
*delete whichever is not applicable

ELIZABETH LEVINSON
Name of ~~director~~/company secretary*
(block letters)
*delete whichever is not applicable



EXECUTED by HANES HOLDINGS)
AUSTRALASIA PTY LTD)
(FORMERLY KNOWN AS PACIFIC)
BRANDS (AUSTRALIA) PTY LTD))
ACN 107 285 049 in accordance with)
section 127(1) of the Corporations Act)
2001 (Cth) by authority of its directors:)

/s/ Tanya Deans)
Signature of director)

TANYA DEANS)
Name of director (block letters))

/s/ Elizabeth Levinson)
Signature of ~~director~~/company)
secretary*)
*delete whichever is not applicable)

ELIZABETH LEVINSON)
Name of ~~director~~/company secretary*)
(block letters))
*delete whichever is not applicable)

EXECUTED by HANES)
TECHNOLOGY SERVICES)
AUSTRALIA PTY LTD (FORMERLY)
KNOWN AS PACIFIC BRANDS)
SERVICES GROUP PTY LTD) ACN)
093 040 745 in accordance with section)
127(1) of the Corporations Act 2001)
(Cth) by authority of its directors:)

/s/ Tanya Deans)
Signature of director)

TANYA DEANS)
Name of director (block letters))

/s/ Elizabeth Levinson)
Signature of ~~director~~/company)
secretary*)
*delete whichever is not applicable)

ELIZABETH LEVINSON)
Name of ~~director~~/company secretary*)
(block letters))
*delete whichever is not applicable)

EXECUTED by HANES INNERWEAR)
AUSTRALIA PTY LTD (FORMERLY)
KNOWN AS PACIFIC BRANDS)
CLOTHING PTY LTD) ACN 098 742)
655 in accordance with section 127(1))
of the Corporations Act 2001 (Cth) by)
authority of its directors:)

/s/ Tanya Deans)
Signature of director)

TANYA DEANS)
Name of director (block letters))

/s/ Elizabeth Levinson)
Signature of ~~director~~/company)
secretary*)
*delete whichever is not applicable)

ELIZABETH LEVINSON)
Name of ~~director~~/company secretary*)
(block letters))
*delete whichever is not applicable)



EXECUTED by HANES AUSTRALIA)
PTY LTD (FORMERLY KNOWN AS)
PACIFIC BRANDS HOLDINGS PTY)
LTD) ACN 098 704 646 in accordance)
with section 127(1) of the Corporations)
Act 2001 (Cth) by authority of its)
directors:)

/s/ Tanya Deans)
Signature of director)

TANYA DEANS)
Name of director (block letters))

/s/ Elizabeth Levinson)
Signature of ~~director~~/company)
secretary*)
*delete whichever is not applicable)

ELIZABETH LEVINSON)
Name of ~~director~~/company secretary*)
(block letters))
*delete whichever is not applicable)

EXECUTED by SHERIDAN)
AUSTRALIA PTY LTD 094 091 380 in)
accordance with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

/s/ Tanya Deans)
Signature of director)

TANYA DEANS)
Name of director (block letters))

/s/ Elizabeth Levinson)
Signature of ~~director~~/company)
secretary*)
*delete whichever is not applicable)

ELIZABETH LEVINSON)
Name of ~~director~~/company secretary*)
(block letters))
*delete whichever is not applicable)



HANES NEW ZEALAND LIMITED
(New Zealand Company Number:
1174050)

By:

/s/ Tanya Deans
Signature of director

/s/ Markland Scott Lewis
Signature of director

TANYA DEANS
Name of director (block letters)

MARKLAND SCOTT LEWIS
Name of director (block letters)

In the presence of:

In the presence of:

/s/ Ioanna Moutzouris
Signature of witness

/s/ Tauny L. Histed
Signature of witness

IOANNA MOUTZOURIS
Name of witness (block letters)

TAUNY L. HISTED
Name of witness (block letters)

Justice of the Peace
Occupation

Attorney
Occupation

Randwick, NSW
City/town of residence

Winston-Salem, North Carolina
City/town of residence



SHERIDAN N.Z. LIMITED (New
Zealand Company Number: 1056905)
By:

/s/ Tanya Deans
Signature of director

TANYA DEANS
Name of director (block letters)

In the presence of:

/s/ Ioanna Moutzouris
Signature of witness

IOANNA MOUTZOURIS
Name of witness (block letters)

Justice of the Peace
Occupation

Randwick, NSW
City/town of residence

/s/ Markland Scott Lewis
Signature of director

MARKLAND SCOTT LEWIS
Name of director (block letters)

In the presence of:

/s/ Tauny L. Histed
Signature of witness

TAUNY L. HISTED
Name of witness (block letters)

Attorney
Occupation

Winston-Salem, North Carolina
City/town of residence



LENDER

Signed for Westpac Banking Corporation
by its attorney in the presence of:

/s/ John Baxter
Witness Signature
JOHN BAXTER
Print Name

/s/ Andrew Lourie
Attorney Signature
ANDREW LOURIE
Print Name

Signed for Westpac New Zealand Limited
by its attorney in the presence of:

/s/ Nicola Mulvay
Witness Signature
NICOLA MULVAY
Print Name

/s/ Corina Hoon
Attorney Signature
CORINA HOON
Print Name



Annexure A – Post-Amendment FA



AUSTRALIAN REVOLVING FACILITY AGREEMENT

Originally dated 15 July 2016
as amended by the First Amending Agreement dated _____ 2021

A\$65,000,000

WORKING CAPITAL FACILITY AGREEMENT

for

HBI ~~AUSTRALIA ACQUISITION CO. HOLDINGS AUSTRALASIA~~ PTY LTD
(~~FORMERLY HBI AUSTRALIA ACQUISITION CO. PTY LTD~~) and others



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THIS AGREEMENT is originally dated ~~[*]~~15 July 2016 and amended by the First Amending Agreement dated _____ 2021 made between:

HBI HOLDINGS AUSTRALASIA PTY LTD (FORMERLY HBI AUSTRALIA ACQUISITION CO. PTY LTD) (ACN 612 185 476) (the "Company");

THE ENTITIES listed in Schedule 1 as original borrowers (the "Original Borrowers"); and
WESTPAC BANKING CORPORATION (ABN 33 007 457 141) and WESTPAC NEW ZEALAND LIMITED (the "Original Lender").

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Definitions in the US Credit Agreement apply in this Agreement unless the context requires otherwise and the following terms have the following meanings:

"Accession Letter" means a document substantially in the form set out in Schedule 5 (Form of Accession Letter).

"Additional Borrower" means a company which becomes an Additional Borrower in accordance with Clause 24 (Changes to the Borrowers).

"Ancillary Commitment" means, the maximum Base Currency Amount which the Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility, to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

"Ancillary Document" means each New Group Set-Off Facility and any other document relating to or evidencing the terms of an Ancillary Facility.

"Ancillary Facility" means any ancillary facility made available by the Lender in accordance with Clause 8 (Ancillary Facilities).

"Ancillary Outstandings" means, at any time, the aggregate of the following amounts outstanding under an Ancillary Facility as then in force:

- (a) the face amount of each outstanding performance bond, bank guarantee or letter of credit under that Ancillary Facility; and
- (b) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of the Lender under each other type of accommodation provided under that Ancillary Facility,



in each case as determined by the Lender in accordance with the relevant Ancillary Document.

"Applicable Base Rate" means:

- (a) in relation to Loans in Australian dollars, the BBSY Rate;
- (b) in relation to Loans in New Zealand dollars, the BKBM Rate; and
- (c) in relation to Loans in U.S. dollars, the LIBO Rate.

"Applicable L/C Rate" means, initially, 0.630.7875% per annum. Thereafter, on any day, a percentage per annum determined in accordance with the pricing grid set forth below based on the Debt Rating on that day.

Debt Rating	Applicable L/C Rate
≥ BBB+/Baa1	0.5425%
≥ BBB/Baa2	0.5775%
≥ BBB-/Baa3	0.63%
≥ BB+/Ba1	0.70%
≤ BB/Ba2	0.7875%

In the event of a split rating, the Applicable L/C Rate will be determined by reference to the level in the grid above in which the lower rating appears, unless the split in the Debt Rating is two or more levels apart, in which case the Applicable L/C Rate will be determined by reference to the level in the grid that is one higher than the level in which the lower rating appears. The Debt Rating shall be determined from the most recent public announcement of any changes in the Debt Rating (irrespective of when notice of such change is furnished to the Company or the Lender).

"Applicable Line Fee Rate" means, initially, 0.811.0125% per annum. Thereafter, on any day, a percentage per annum determined in accordance with the pricing grid set forth below based on the Debt Rating on that day.

Debt Rating	Applicable Line Fee Rate
≥ BBB+/Baa1	0.6975%
≥ BBB/Baa2	0.7425%
≥ BBB-/Baa3	0.81%
≥ BB+/Ba1	0.90%
≤ BB/Ba2	1.0125%

In the event of a split rating, the Applicable Line Fee Rate will be determined by reference to the level in the grid above in which the lower rating appears, unless the split in the Debt



Rating is two or more levels apart, in which case the Applicable Line Fee Rate will be determined by reference to the level in the grid that is one higher than the level in which the lower rating appears. The Debt Rating shall be determined from the most recent public announcement of any changes in the Debt Rating (irrespective of when notice of such change is furnished to the Company or the Lender).

"Applicable Margin" means, initially, ~~0.99~~1.2375% per annum. Thereafter, on any day, a percentage per annum determined in accordance with the pricing grid set forth below based on the Debt Rating on that day.

Debt Rating	Applicable Margin
≥ BBB+/Baa1	0.8525%
≥ BBB/Baa2	0.9075%
≥ BBB-/Baa3	0.99%
≥ BB+/Ba1	1.10%
≤ BB/Ba2	1.2375%

In the event of a split rating, the Applicable Margin will be determined by reference to the level in the grid above in which the lower rating appears, unless the split in the Debt Rating is two or more levels apart, in which case the Applicable Margin will be determined by reference to the level in the grid that is one higher than the level in which the lower rating appears. The Debt Rating shall be determined from the most recent public announcement of any changes in the Debt Rating (irrespective of when notice of such change is furnished to the Company or the Lender).

"Australian Borrower" means a Borrower incorporated in Australia.

"Australian Overdraft Facility Sub-Limit" means A\$9,000,000 (or such other amount, not exceeding the Commitment, as is specified in writing by the Company to the Lender as being the Australian Overdraft Facility Sub-Limit on not less than 10 Business Days' prior notice).

"Availability Period" means the period from and including-;

- (a) the date of ~~this~~the Original Facility Agreement to and including:
 - (i) ~~(a)~~in the case of any New Group Set-Off Facility (other than the NZ Overdraft and Set Off Agreement), the Termination Date; and
 - (ii) ~~(b)~~in all other cases (other than the NZ Overdraft and Set Off Agreement), the date that is 3 months prior to the Termination Date; and
- (b) the First Effective Date to and including the Termination Date, in the case of the NZ Overdraft and Set Off Agreement.



"Available Commitment" means the Lender's Commitment minus:

- (a) the Base Currency Amount of any outstanding Utilisations;
- (b) in relation to any proposed Utilisation, the Base Currency Amount of any Utilisations that are due to be made on or before the proposed Utilisation Date; and
- (c) the amount of its aggregate Ancillary Commitments,

other than any Utilisations that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Base Currency" means Australian dollars.

"Base Currency Amount" means, in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Lender's Spot Rate of Exchange:

(a) for a proposed Utilisation, on the date which is three Business Days before the Utilisation Date (or if later, on the date the Lender receives the Utilisation Request) of that proposed Utilisation; and

(b) in relation to an outstanding Utilisation, on the date the Lender receives a Utilisation Request in respect of any proposed new Utilisation,

adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation.

"BBSW Screen Rate" has the meaning given in the definition of BBSY Rate.

"BBSY Rate" means, with respect to any Interest Period, the Australian Bank Bill Swap Reference Rate (Bid) as administered by ~~the Australian Financial Markets Association~~ ASX Benchmarks Pty Limited (or any other Person that takes over the administration of that rate) applicable to such Interest Period, displayed on page BBSY of the Thomson Reuters screen (or, on any successor or substitute page on such screen that displays such rate, or if such page or service ceases to be available, on the appropriate page of such other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion after consultation with the Company) (the "BBSY Screen Rate") provided, that, if the BBSY Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided, further, that if the BBSY Screen Rate shall not be available at such time for such Interest Period with respect to Australian dollars, then the BBSY Rate shall be the sum of (i) the Australian Bank Bill Swap Reference Rate as administered by ~~the Australian Financial Markets Association~~ ASX Benchmarks Pty Limited (or any other Person that takes over the administration of that rate) applicable to such Interest Period, displayed on page BBSW of the Thomson Reuters Screen (or, on any successor or substitute page on such screen that displays such rate, or if such page or service ceases to be available, on the appropriate page of such other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion after consultation with the Company) ("BBSW Screen Rate")



and (ii) 0.05% per annum; provided, further, that if the BBSW Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided, further, that, if the BBSW Screen Rate shall not be available at such time for such Interest Period with respect to Australian dollars, then the BBSY Rate shall be the Interpolated Rate at such time; provided, that, if the Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"BBSY Rate Loan" means a Loan bearing interest, at all times during an Interest Period applicable to such Loan, at a rate of interest determined by reference to the BBSY Rate.

"BBSY Screen Rate" has the meaning given in the definition of BBSY Rate.

"BKBM Rate" means, ~~with respect to any Interest Period, the New Zealand Bank Bill Swap Reference Rate (Bid) :~~

(a) with respect to any Interest Period between 1 and 29 days, the Lender's cost of funds;

(b) with respect to any Interest Period of 1 Month to (but excluding) 3 Months, the 3 Month BKBM Screen Rate; or

(c) with respect to any Interest Period of 3 or 6 months (or any other period agreed between the Company and the Lender), the bid settlement rate administered by the New Zealand Financial Markets Association applicable to such Interest Period, displayed on page BKBM of the Thomson Reuters screen at or about 10:45am on the first day of that Interest Period on the Reuters Monitor Screen page BKBM (or, on any successor or substitute page on such screen that displays such rate, or if such page or service ceases to be available, on the appropriate page of such other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion after consultation with the Company) (the "BKBM Screen Rate")¹.

provided, that if the BKBM Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided, further, that, if the BKBM Screen Rate shall not be available at such time for such Interest Period with respect to New Zealand dollars, then the BKBM Rate shall be the Interpolated Rate at such time; provided, that, if the Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"BKBM Rate Loan" means a Loan bearing interest, at all times during an Interest Period applicable to such Loan, at a rate of interest determined by reference to the BKBM Rate.

"BKBM Screen Rate" has the meaning given in the definition of BKBM Rate.

"Borrower" means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 24 (Changes to the Borrowers).

"Borrowers' Agent" means the Company, appointed to act on behalf of each Borrower in relation to the Finance Documents pursuant to Clause 1.4 (Borrowers' Agent).



"Break Costs" means the amount (if any) by which:

- (a) the interest (excluding the Margin component) which the Lender should have received for the period from the date of receipt of all or any part of a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which the Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Market or acquiring a bill of exchange accepted by a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

It is an amount payable in lieu of interest which would otherwise have been paid.

"Business Day" means a day (other than a Saturday or Sunday) on which:

- (a) banks are open for general business in Melbourne;
- (b) for the purposes of determining the LIBO Rate, banks are open in London;
- (c) for the purposes of determining the BKBM Rate, banks are open in Auckland, New Zealand;
- (d) in relation to any date for payment or purchase of U.S. dollars, banks are open in London and New York; and
- (e) in relation to any date for payment or purchase of New Zealand dollars, banks are open in Auckland, New Zealand.

"Commitment" means A\$65,000,000.

"Existing Facility Agreement" means:

- (a) the document entitled 'Working Capital Agreement' dated 30 May 2003 (as amended) between, among others, the Lender and Pacific Brands Holdings Pty Ltd (ACN 098 704 646); and
- (b) each Existing Group Set-Off Facility.

"Existing Group Set-Off Facility" means:

- (a) the Group Set Off Facility dated on or about 30 November 2011 (as amended) between, among others, the Lender and Pacific Brands Holdings Pty Limited; and
- (b) the Group Limit Agreement dated 21 March 2002 (as amended) between, among others, the Lender and Pacific Brands Holdings (NZ) Hanes New Zealand Limited.



"Existing Letter of Credit" means each instrument set out in Schedule 8 (Existing Letters of Credit) outstanding on the Revolving Facility Effective Date, or as otherwise agreed in writing between the Lender and the Company prior to the Revolving Facility Effective Date.

"Existing Transactional Facilities" means all banking facilities (including transactional negotiation authorities, merchant acquiring, payroll and corporate card facilities) made available by the Lender to any Original Borrower prior to the Revolving Facility Effective Date (as may be amended after the Revolving Facility Effective Date).

"Expiry Date" means, for a Letter of Credit, the last day of its Term.

"Facility" means:

- (a) the revolving credit facility made available under this Agreement; and
- (b) any Ancillary Facility.

"Facility Office" means the office or offices notified by the Lender to the Company in writing on or before the date it becomes the Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"Finance Document" means this Agreement, the First Amending Agreement, any Accession Letter, any Resignation Letter, each Ancillary Document and any other document designated as such by the Lender and the Company.

"First Amending Agreement" means the document entitled 'First Amending Agreement' dated 2021 between, among others, the Company and the Lender.

"First Effective Date" has the meaning given in the First Amending Agreement.

"Interest Period" means, in relation to a Loan, each period determined in accordance with Clause 13 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 12.3 (Default interest).

"Interpolated Rate" has the meaning given in the US Credit Agreement but with each reference to 'Administrative Agent' taken to be a reference to the Lender.

"Lender" means:

- (a) the Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 23 (Changes to the Lender),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"Lender's Spot Rate of Exchange" means the Lender's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the Sydney foreign exchange market at or about 11:00 a.m. on a particular day.



"Letter of Credit" means:

- (a) a letter of credit, bank guarantee or performance bond, substantially in the form set out in Schedule 9 (Form of Letter of Credit) or in any other form requested by a Borrower and agreed by the Lender; or
- (b) any guarantee, indemnity or other instrument in a form requested by a Borrower and agreed by the Lender.

"Letter of Credit Sub-Limit" means A\$5,000,000 (or such other amount, not exceeding the Commitment, as is specified in writing by the Company to the Lender as being the Letter of Credit Sub-Limit on not less than 10 Business Days' prior notice).

"LIBO Rate" means, with respect to any Interest Period, the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for U.S. dollars for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen that displays such rate (or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion; in each case, the "LIBO Screen Rate") as of the Specified Time on the Quotation Day for such Interest Period; provided that if the Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement; provided, further, that if the Screen Rate shall not be available at such time for such Interest Period with respect to U.S. dollars, then the LIBO Rate shall be the Interpolated Rate at such time (provided that if the Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement).

"LIBO Rate Loan" means a Loan bearing interest, at all times during an Interest Period applicable to such Loan, at a rate of interest determined by reference to the LIBO Rate.

"LIBO Screen Rate" has the meaning given in the definition of LIBO Rate.

"Loan" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"Loan Sub-Limit" means A\$~~5046~~,000,000 (or such other amount, not exceeding the Commitment, as is specified in writing by the Company to the Lender as being the Loan Sub-Limit on not less than 10 Business Days' prior notice).

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;



- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

"New Group Set-Off Facility" means:

- (a) the Group Set-Off Facility dated on or about the date of ~~this the Original Facility~~ Agreement between each Australian Borrower and the Lender; and
- ~~(b) the Group Set-Off Facility dated on or about the date of this Agreement between each NZ Borrower and the Lender.~~
- (b) the NZ Overdraft and Set Off Agreement.

"NZ Borrower" means a Borrower incorporated in New Zealand.

~~"NZ Financier Sub-Limit" means NZ\$6,000,000 (including the NZ Overdraft Facility Sub-Limit" means NZ\$1,000,000).~~

"NZ Overdraft and Set Off Agreement" means the overdraft and set off agreement dated on or about the First Effective Date between Hanes New Zealand Limited and the NZ Financier.

"NZ Overdraft Facility Sub-Limit" means NZ\$5,000,000 (or such other amount, not exceeding the Commitment, as is agreed in writing between the ~~Lender~~ NZ Financier and the ~~Company~~ NZ Borrowers as being the NZ Overdraft Facility Sub-Limit).

"Optional Currency" means U.S. dollars or New Zealand dollars.

"Original Facility Agreement" means the document entitled 'Australian Revolving Facility Agreement' dated 15 July 2016 between, among others, the Company and the Lender.

"Overdraft Facility Sub-Limit" means the Australian Overdraft Facility Sub-Limit or the NZ Overdraft Facility Sub-Limit.

"Party" means a party to this Agreement.

"Privacy Statement" means the current version of the Lenders privacy statement, being as at the date of ~~this the Original Facility~~ Agreement in the form set out in Schedule 10 (Privacy Statement).

"Quotation Day" means, in relation to any period for which an interest rate is to be determined:

- (a) (if the currency is Australian dollars) the first day of that period; and



- (b) (if the currency in an Optional Currency), two Business Days before the first day of that period.

"Reference Bank Rate" means the arithmetic mean of the Submitted Reference Bank Rates.

"Reference Banks" means:

- (a) in relation to Loans in Australian dollars, Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited and Westpac Banking Corporation;
- (b) in relation to Loans in New Zealand dollars, ANZ Bank New Zealand Limited, Westpac New Zealand Limited, Bank of New Zealand and ASB Bank Limited; or
- (c) in relation to all other Loans, the Administrative Agent and such other banks as may be appointed by the Lender in consultation with the Company.

"Relevant Default" means:

- (a) an Event of Default described in Section 8.1.1 of the US Credit Agreement insofar as it relates to payment or prepayment due under a Finance Document which is continuing 2 Business Days after notification by a Lender to the Company;
- (b) an Event of Default described in clauses (a) through (d) of Section 8.1.9 of the US Credit Agreement;
- (c) an Event of Default described in Section 8.1.10 of the US Credit Agreement insofar as it relates to a Finance Document which is continuing 2 Business Days after notification by a Lender to the Company; or
- (d) if the Required Lenders have given a direction to the Administrative Agent in accordance with section 8.3 of the US Credit Agreement or otherwise with the consent of the Required Lenders, any other Event of Default.

"Relevant Market" means in relation to Australian dollars, the Australian interbank market for bank accepted bills and negotiable certificates of deposits, in relation to U.S dollars, the London interbank market and, in relation to New Zealand dollars, the New Zealand interbank market for bank accepted bills and negotiable certificates of deposits.

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"Renewal Request" means a written notice delivered to the Lender in accordance with Clause 6.6 (Renewal of a Letter of Credit).

"Revolving Facility Effective Date" means ~~the date on which the conditions precedent set out in Clause 4.1(a) (Initial conditions precedent) have been satisfied or waived in writing by the Lender~~ July 15, 2016.



"Resignation Letter" means a letter substantially in the form set out in Schedule 6 (Form of Resignation Letter).

"RWT-exempt status" has the meaning given to it by section YA 1 of the Income Tax Act 2007 (NZ).

"RWT Lender" means a Lender that:

- (a) is resident in New Zealand for New Zealand income tax purposes; or
- (b) is a non-resident and either:
 - (i) is a registered bank engaged in business in New Zealand through a fixed establishment in New Zealand, and not associated with a Borrower; or
 - (ii) is party to or performs this Agreement for the purposes of the business it carries on in New Zealand through a fixed establishment in New Zealand,
provided that for the purposes of this definition, the terms 'associated', 'fixed establishment' and 'registered bank' shall have the meanings given in the Income Tax Act 2007 (NZ).

"Selection Notice" means a notice substantially in the form set out in Part III of Schedule 4 (Requests) given in accordance with Clause 13 (Interest Periods).

"Screen Rate" means, as applicable, the LIBO Screen Rate, the BBSY Screen Rate, the BBSW Screen Rate or the BKBM Screen Rate.

"Screen Rate Replacement Event" means, in relation to a Screen Rate:

- (a) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Lender and Borrowers, materially changed;
- (b)
 - (i)
 - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,
provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;



- (iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued; or
- (iv) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used; or
- (c) in the opinion of the Lender and Borrowers, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest or fees under the Facility.

"Specified Time" means a time determined in accordance with Schedule 7 (Timetables).

"Submitted Reference Bank Rate" means, as to any Reference Bank, the rate (rounded upward to four decimal places) supplied to the Lender at its request by such Reference Banks as of the Specified Time on the Quotation Day for Loans in any applicable currency and the applicable Interest Period as the rate at which such Reference Bank could borrow funds in the Relevant Market and for the relevant period, were it to do so by asking for and then accepting interbank offers in reasonable market size in that currency and for that period; provided that upon supplying such Submitted Reference Bank Rate to the Lender, such Reference Bank shall certify that it has not submitted or shared such Submitted Reference Bank Rate with any individual who is formally designated as being involved in the ICE LIBOR submission process.

"Syndicated Facility Agreement" means the Syndicated Facility Agreement dated on or about July 4, 2016 between Hanesbrands Inc., MFB International Holdings S.à r.l., the Company and JPMorgan Chase Bank, N.A..

"Term" means each period determined under this Agreement for which the Lender is under a liability under a Letter of Credit.

"Termination Date" means the ~~fifth anniversary of the Revolving Facility earlier of (i) the date that is 12 months from the First Effective Date and (ii) July 16, 2022.~~

"Unpaid Sum" means any sum due and payable but unpaid by a Borrower under the Finance Documents.

"US Credit Agreement" means the ~~Third-Fourth~~ Amended and Restated Credit Agreement, dated as of ~~April 29~~ December 15, 2015~~7~~ (as amended, supplemented or otherwise modified) between, among others, Hanesbrands Inc., MFB International Holdings S.à r.l., the Company and JPMorgan Chase Bank, N.A.. However, if:

- (a) the Lender's obligations under the US Credit Agreement are satisfied in full;
- (b) the US Credit Agreement is terminated or cancelled or is for any other reason invalid, illegal or otherwise unenforceable; or
- (c) the Lender for any reason ceases to be a party to the US Credit Agreement,

the US Credit Agreement means that document as in force immediately prior to any of those events occurring.



"Utilisation" means a utilisation of the Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is to be made or the relevant Letter of Credit is to be issued.

"Utilisation Request" means a notice substantially in the form set out in Part I or II (as applicable) of Schedule 4 (Requests).

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

(i) the "Lender", any "Borrower" or any "Party" shall be construed so as to include its executors, administrators, successors, permitted substitutes (including by novation) and permitted assigns to, or of, its rights and/or obligations under the Finance Documents;

(ii) "assets" includes present and future properties, revenues and rights of every description;

(iii) a "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(iv) the "Interest Period" of a Letter of Credit shall be construed as a reference to the Term of that Letter of Credit;

(v) a "person" or "entity" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership or other entity (whether or not having separate legal personality) or two or more of them and any reference to a particular person or entity (as so defined) includes a reference to that person's or entity's executors, administrators, successors, substitutes (including by novation) and assigns;

(vi) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation and if not having the force of law, with which responsible entities in the position of the relevant Party would normally comply;

(vii) a Utilisation made or to be made to a Borrower includes a Letter of Credit issued on its behalf;

(viii) a provision of law or a regulation is a reference to that provision as amended or re-enacted;

(ix) a time of day is a reference to Melbourne time; and

(x) the words "including", "for example" or "such as" when introducing an example do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.



(b) The determination of the extent to which a rate is "for a period equal in length" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

(c) Section, Clause and Schedule headings are for ease of reference only.

(d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(e) A Borrower providing "cash cover" for an Ancillary Facility or Letter of Credit means a Borrower paying an amount in the currency of the Ancillary Facility or Letter of Credit to the Lender who must apply the amount in accordance with Clause 22.2 (Cash cover).

(f) A Default is "continuing" if it has not been remedied or waived in accordance with the Loan Documents.

(g) A Borrower "repaying" or "prepaying" a Letter of Credit or any Ancillary Outstanding means:

(i) that Borrower providing cash cover for that Letter of Credit or Ancillary Outstanding;

(ii) that Borrower making a payment under Clause 7.1 (Claims under a Letter of Credit) in respect of the Letter of Credit or a Borrower reimbursing an amount paid by the Lender under the Letter of Credit under Clause 7.2 (Indemnities);

(iii) the maximum amount payable under the Letter of Credit or Ancillary Outstanding being reduced or cancelled in accordance with its terms;

(iv) the Letter of Credit being returned to the Lender;

(v) the Lender being satisfied that it has no further liability under that Letter of Credit or Ancillary Facility; or

(vi) providing a back-to-back letter of credit, bank guarantee or similar from a bank which, along with the terms (including fees and identity of the issuer) of such letter of credit, bank guarantee or similar instrument, must be acceptable to the Lender in its discretion,

(h) and the amount by which an Ancillary Outstanding or Letter of Credit is repaid or prepaid under paragraphs (i), (ii), (iii) and (vi) above is the amount of the relevant cash cover, payment, reimbursement, reduction or cancellation. An amount borrowed includes any amount utilised by way of Letter of Credit or Ancillary Facility.

(i) Amounts outstanding under this Agreement include amounts outstanding under or in respect of any Letter of Credit.



- (j) An outstanding amount of a Letter of Credit at any time is the maximum amount that is or may be payable by the relevant Borrower in respect of that Letter of Credit at that time.
- (k) A Borrower's obligation on Utilisations becoming "due and payable" includes the Borrower repaying any Letter of Credit in accordance with paragraph (g) above.

(l) Each certificate or notice given under or in connection with this Agreement is on the basis that the director or officer signing does not have any personal liability for the certificate or notice and that the certificate or notice is given on behalf of the relevant Borrower and not the director or officer personally.

1.3 Currency symbols and definitions

"US", "USD" and "U.S. dollars" denote the lawful currency of the United States of America, "A\$", "AUD" and "Australian dollars" denote the lawful currency of Australia, "NZ\$" and "New Zealand dollars" denotes the lawful currency of New Zealand.

1.4 Borrowers' Agent

(a) Each Borrower (other than the Company) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

- (i) the Company on its behalf to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests and Selection Notices), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Borrower notwithstanding that they may affect the Borrower, without further reference to or the consent of that Borrower;
- (ii) the Lender to give any notice, demand or other communication to that Borrower pursuant to the Finance Documents to the Company,

and in each case the Borrower shall be bound as though the Borrower itself had given the notices and instructions (including any Utilisation Requests and Selection Notices) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Borrowers' Agent or given to the Borrowers' Agent under any Finance Document on behalf of another Borrower or in connection with any Finance Document (whether or not known to any other Borrower and whether occurring before or after such other Borrower became an Borrower under any Finance



Document) shall be binding for all purposes on that Borrower as if that Borrower had expressly made, given or concurred with it.

(c) In the event of any conflict between any notices or other communications of the Borrowers' Agent and any other Borrower, those of the Borrowers' Agent shall prevail.

1.5 Acknowledgements for the purposes of the US Credit Agreement

With effect on and from the ~~Revolving-Facility-First~~ Effective Date, the Parties agree that:

(a) the terms of each Existing Transactional Facility will be amended and restated on identical terms, except that there will be a new clause incorporated into each document (as the last clause, section or paragraph in the relevant document) which states: "The parties acknowledge and agree that any direct or indirect liability, contingent or otherwise, under this document are Cash Management Obligations for the purposes of the ~~Third-Fourth~~ Amended and Restated Credit Agreement, dated as of ~~April-29~~December 15, 20157 (as amended, supplemented or otherwise modified) between, among others, Hanesbrands Inc., MFB International Holdings S.à r.l., the Company and JPMorgan Chase Bank, N.A. ";

(b) any direct or indirect liability, contingent or otherwise, under any Existing Transactional Facility are Cash Management Obligations; and

(c) all obligations (monetary or otherwise, whether absolute or contingent, matured or unmatured) of the Borrowers arising under or in connection with a Finance Document are Australian Obligations.

1.6 Dual participation

The parties acknowledge and agree that, despite any other provision in this Agreement or any other Finance Document:

(a) this Agreement is entered into by Westpac Banking Corporation (the "Australian Financier") and Westpac New Zealand Limited (the "NZ Financier") (together, the "Dual Financiers") severally, but in respect of a single Commitment;

(b) a reference to "Lender" in this Agreement is a reference to either or both Dual Financiers, as the context requires;

(c) amounts owing and/or payable by an Australian Borrower (other than through its New Zealand branch) shall be owing and/or payable to the Australian Financier and amounts owing and/or payable by a NZ Borrower and the New Zealand branch of the Australian Borrower shall be owing and/or payable to the NZ Financier and such amounts shall, for the avoidance of doubt, be payable to the Australian Financier and the NZ Financier (as the case may be) severally;

(d) any notice, circular, communication, report or document from a Borrower to the Lender under or in connection with a Finance Document must be provided to both the Australian Financier and the NZ Financier separately;

(e) any power of the Dual Financiers in their capacities as a Lender under the Finance Documents, including all rights to vote or give instructions to the Collateral Agent, may only be



exercised by the Australian Financier (but shall be exercised for and on behalf of the Australian Financier and the NZ Financier) except as provided in paragraph (f) below;

(f) where an Event of Default is continuing, the Australian Financier and the NZ Financier may act, vote or instruct the Collateral Agent separately and for this purpose only, the 'Exposure Amount' will be construed as if the Australian Financier and the NZ Financier had separate Commitments equal to:

(i) for the Australian Financier, the Commitment of the Dual Financiers minus the outstanding Utilisations that are attributable to funding portions provided by the NZ Financier; and

(ii) for the NZ Financier, the outstanding Utilisations that are attributable to funding portions provided by the NZ Financier; and

(g) the rights and obligations of a Lender benefit and bind them severally and not jointly.



SECTION 2 THE FACILITIES

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lender makes available to the Borrowers a multicurrency revolving credit facility in an aggregate amount equal to the Commitment.

2.2 Existing Facility Agreement and Existing Transactional Facilities

With effect on and from the Revolving Facility Effective Date, the Parties agreed that:

(a) each Existing Letter of Credit ~~will be was~~ deemed to be a Letter of Credit issued under this Agreement, with a corresponding Utilisation Date taken to have occurred on the Revolving Facility Effective Date and each Existing Letter of Credit ~~will was~~ no longer ~~be~~-taken to be issued under the Existing Facility Agreement referred to in paragraph (a) of that definition;

(b) any cash advance outstanding under the Existing Facility Agreement referred to in paragraph (a) of that definition ~~is was~~ deemed to be a Loan with a corresponding Utilisation Date taken to have occurred on the Revolving Facility Effective Date and each such cash advance ~~will was~~ no longer ~~be~~-taken to be outstanding under the Existing Facility Agreement;

(c) each Existing Facility Agreement ~~is was~~ terminated and the Lender and the Borrower ~~will have had~~ no further obligations under any Existing Facility Agreement;

(d) the Existing Group Set-Off Facilities ~~will be were~~ replaced with the New Group Set-Off Facilities; and

(e) each of the Existing Transactional Facilities ~~will continue continued~~ in accordance with their terms and the Lender ~~will would~~ not terminate any Existing Transactional Facilities by reason of the Australian Facilities Effective Date having occurred.

3. PURPOSE

3.1 Purpose

Each Borrower shall apply all amounts borrowed by it under the Facility towards working capital and general corporate purposes.

3.2 Monitoring

The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.



4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

~~The Lender will only be obliged to comply with Clauses 5.4 (Loan Availability) and 6.5(a) (Issue of Letters of Credit) if:~~

~~[Intentionally deleted]~~

- ~~(a) — the Australian Facilities Effective Date has occurred; and~~
- ~~(b) — the Lender has received each of the following in form and substance satisfactory to it:
 - ~~(i) — a verification certificate from each Original Borrower given by a director of that Original Borrower in the form set out in Schedule 3, with the attachments referred to in that form, and dated no earlier than the date of this Agreement;~~
 - ~~(ii) — a legal opinion from Kirkland & Ellis LLP, counsel to the Parent Borrower, as to the enforceability of this Agreement;~~
 - ~~(iii) — a legal opinion from Allens, Australian legal counsel to the Lender, as to the capacity of the Australian Borrowers to enter into this Agreement; and~~
 - ~~(iv) — a legal opinion from Bell Gully, New Zealand legal counsel to the Lender, as to the capacity of the NZ Borrowers to enter into this Agreement.~~~~

4.2 Further conditions precedent

The Lender will only be obliged to comply with Clause 5.4 (Loan Availability) if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) no Default shall have then occurred and be continuing;
- (b) the representations and warranties set forth in each Loan Document shall, in each case, be true and correct in all material respects with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date); and
- (c) the aggregate Base Currency Amount of all Utilisations would not exceed the Commitment.

4.3 Maximum number of Utilisations

A Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation 10 or more Loans would be outstanding.



SECTION 3 UTILISATION

5. UTILISATION - LOANS

5.1 Delivery of a Utilisation Request

A Borrower may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request for Loans

(a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:

- (i) it specifies the Borrower of the Loan;
- (ii) the proposed Utilisation Date is a Business Day within the Availability Period;
- (iii) the currency and amount of the Utilisation comply with Clause 5.3 (Currency and amount); and
- (iv) the proposed Interest Period complies with Clause 13 (Interest Periods).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) ~~The Subject to paragraph (d), the~~ currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.

(b) The amount of the proposed Loan must be:

- (i) if the currency selected is the Base Currency, a minimum of A\$2,000,000 or, if less, the Available Commitment;
- (ii) if the currency selected is U.S. dollars, a minimum of US\$2,000,000 or, if less, the Available Commitment; and
- (iii) if the currency selected is New Zealand dollars, a minimum of NZ\$2,000,000 or, if less, the Available Commitment.

(c) The maximum aggregate Base Currency Amount of all Loans shall not exceed the Loan Sub-Limit.

(a) ~~The NZ Financier is only required to make Loans:~~

- (i) ~~available in New Zealand dollars or the Base Currency; and~~
- (ii) ~~that do not exceed at any time, in aggregate, the NZ Financier Sub-Limit.~~



5.4 Loan availability

(a) If the conditions set out in this Agreement have been met, the Lender shall make each Loan available by the Utilisation Date through its Facility Office.

(b) The Lender shall determine the Base Currency Amount of the Loan which is to be made in an Optional Currency and shall notify the Company of the amount, currency and the Base Currency Amount of the Loan, and, if different, the amount to be made available in accordance with Clause 26.1 (Payments to the Lender), by the Specified Time.

5.5 Cancellation of Commitment

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

6. UTILISATION - LETTERS OF CREDIT

6.1 Letters of Credit

- (a) The Facility may be utilised by way of Letters of Credit.
- (b) Clause 5 (Utilisation - Loans) does not apply to Utilisations by way of Letters of Credit.
- (c) The Available Commitment of the Lender will be calculated ignoring any cash cover provided for outstanding Letters of Credit.
- (d) Each Borrower shall use a Letter of Credit for general corporate purposes.

6.2 Delivery of a Utilisation Request for Letters of Credit

A Borrower (or the Company on behalf of any Australian Subsidiary or New Zealand Subsidiary) may request a Letter of Credit to be issued by delivery to the Lender of a duly completed Utilisation Request not later than the Specified Time.

6.3 Completion of a Utilisation Request for Letters of Credit

Each Utilisation Request for a Letter of Credit is irrevocable and will not be regarded as having been duly completed unless:

- (a) it specifies the Borrower of that Letter of Credit;
- (b) it specifies that it is for a Letter of Credit;
- (c) the proposed Utilisation Date is a Business Day within the Availability Period;
- (d) the currency and amount of the Letter of Credit comply with Clause 6.4 (Currency and amount);
- (e) the form of Letter of Credit is attached and is substantially in the form set out in Schedule 8 (Form of Letter of Credit) or another form that has been agreed in writing by the Lender;



- (f) the delivery instructions for the Letter of Credit are specified.

6.4 Currency and amount

- (a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.
- (b) Subject to paragraph (c) below, the amount of the proposed Letter of Credit must be an amount whose Base Currency Amount is not more than the Available Commitment and which is:
 - (i) if the currency selected is the Base Currency, a minimum of A\$1,000 or, if less, the Available Commitment;
 - (ii) if the currency selected is U.S. dollars, a minimum of US\$1,000 or, if less, the Available Commitment; and
 - (iii) if the currency selected is New Zealand dollars, a minimum of NZ\$1,000 or, if less, the Available Commitment.
- (c) The maximum aggregate Base Currency Amount of all Letters of Credit shall not exceed the Letter of Credit Sub-Limit.

6.5 Issue of Letters of Credit

- (a) If the conditions set out in this Agreement have been met, the Lender shall issue the Letter of Credit on the Utilisation Date.
- (b) The Lender will only be obliged to comply with paragraph (a) above if on the:
 - (i) date of the (A) Utilisation Request and on the proposed Utilisation Date, no Default shall have then occurred and be continuing, or (B) Renewal Request, no Event of Default shall have then occurred and be continuing (as applicable); and
 - (ii) date of the Utilisation Request or Renewal Request and on the proposed Utilisation Date, the representations and warranties set forth in each Loan Document shall, in each case, be true and correct in all material respects with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).
- (c) The Lender shall determine the Base Currency Amount of each Letter of Credit which is to be issued in an Optional Currency.
- (d) The Lender has no duty to enquire of any person whether or not any of the conditions set out in paragraph (b) above have been met. The Lender may assume that those conditions have been met unless it is expressly notified to the contrary. The Lender will have no liability to any person for issuing a Letter of Credit based on such assumption.



- (e) The Lender may issue a Letter of Credit in the form of a SWIFT message or other form of communication customary in the relevant market but has no obligation to issue that Letter of Credit in any particular form of communication.

6.6 Renewal of a Letter of Credit

- (a) A Borrower may request that any Letter of Credit issued on behalf of that Borrower be renewed by delivery to the Lender of a Renewal Request in substantially similar form to a Utilisation Request for a Letter of Credit by the Specified Time.
- (b) The Lender shall treat any Renewal Request in the same way as a Utilisation Request for a Letter of Credit except that the condition set out in paragraph (e) of Clause 6.3 (Completion of a Utilisation Request for Letters of Credit) shall not apply.
- (c) The terms of each renewed Letter of Credit shall be the same as those of the relevant Letter of Credit immediately prior to its renewal, except that:
 - (i) its amount may be less than the amount of the Letter of Credit immediately prior to its renewal; and
 - (ii) its Term shall start on the date which was the Expiry Date of the Letter of Credit immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal Request.
- (d) Subject to paragraph (e) below, if the conditions set out in this Agreement have been met, the Lender shall amend and re-issue any Letter of Credit pursuant to a Renewal Request.
- (e) Where a new Letter of Credit is to be issued to replace by way of renewal an existing Letter of Credit, the Lender is not required to issue that new Letter of Credit until the Letter of Credit being replaced has been returned to the Lender or the Lender is satisfied either that it will be returned to it or otherwise that no liability can arise under it.

6.7 Letter of Credit which does not expire before Termination Date

A Letter of Credit may be issued with or without an Expiry Date. If a Letter of Credit does not have an Expiry Date, or the Expiry Date of the Letter of Credit is after the Termination Date, the Borrower that requested the issue of that Letter of Credit shall repay or prepay the Letter of Credit on the Termination Date.

7. LETTERS OF CREDIT

7.1 Claims under a Letter of Credit

- (a) Each Borrower irrevocably and unconditionally authorises the Lender to pay any claim made or purported to be made under a Letter of Credit requested by it and which appears on its face to be in order and to make any payment under Clause 7.4 (Voluntary pay-out) (in this Clause 7, a "claim").



(b) The relevant Borrower shall pay to the Lender an amount equal to the amount of any claim on the day on which the Lender pays that claim. If the Borrower does not pay this amount to the Lender on the date on which the Lender pays the claim, interest shall accrue on the amount from that date up to the actual date of payment in accordance with Clause 12.3 (Default interest).

(c) If under this Agreement, a Borrower is obliged to pay or indemnify the Lender for amounts paid under a claim under a Letter of Credit, the Borrower shall (unless the Company notifies the Lender otherwise) be deemed to have requested a Loan in accordance with paragraph (d) below.

(d) On the date the Lender demands a Borrower to pay or indemnify the Lender for amounts paid under a claim under a Letter of Credit, the Borrower shall be deemed to have delivered to the Lender a duly completed Utilisation Request requesting a Loan:

(i) for an amount equal to the amount of the claim (if applicable, less any cash cover);

(ii) for an Interest Period of three Months or such other period of up to six Months as notified by the relevant Borrower to the Lender prior to the Utilisation Date; and

(iii) with a Utilisation Date on the date of receipt of the relevant demand or notification.

The proceeds of the Loan shall be used to pay the relevant claim.

(e) Each Borrower acknowledges that the Lender:

(i) may make payments under a Letter of Credit by any means that it determines;

(ii) may make any payments under a Letter of Credit despite any direction by the Borrower to the Lender not to pay, any dispute between the Borrower and the Lender as to the Lender's obligation to pay, any dispute between the Borrower and the beneficiary or any claim by the Borrower that a claim under the Letter of Credit is not valid;

(iii) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim;

(iv) may refuse to make a payment under a Letter of Credit (in its absolute discretion) where it considers that a claim under, or any other document presented under the Letter of Credit, does not comply with the terms of the Letter of Credit; and

(v) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.



- (f) The obligations of a Borrower under this Clause 7 will not be affected by:
 - (i) the sufficiency, accuracy or genuineness of any claim or any other document;
 - (ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document;
 - (iii) any act of any Governmental Authority, court, arbitral body, agency or authority or the application of any law or regulation affecting any Letter of Credit; or
 - (iv) any failure by any person to obtain any Authorisation required or desirable in connection with any Letter of Credit.

7.2 Indemnities

- (a) Without prejudice to each Borrower's obligation under Clause 7.1 (Claims under a Letter of Credit), each Borrower shall promptly on demand indemnify the Lender against any cost, loss or liability incurred by the Lender (otherwise than by reason of the Lender's fraud, gross negligence or wilful misconduct) in acting as the Lender under any Letter of Credit requested by that Borrower (including as a result of the Lender making a payment under Clause 7.4 (Voluntary payout)).
- (b) The obligations of each Borrower under this Clause are continuing obligations and will extend to the ultimate balance of sums payable by the Borrower in respect of any Letter of Credit, regardless of any intermediate payment or discharge in whole or in part.
- (c) The obligations of any Borrower under this Clause will not be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause (without limitation and whether or not known to it or any other person) including:
 - (i) any time, waiver or consent granted to, or composition with, any Borrower, any beneficiary under a Letter of Credit or any other person;
 - (ii) the release of any other Borrower or any other person under the terms of any composition or arrangement with any creditor or any other person;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Borrower, any beneficiary under a Letter of Credit or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Borrower, any beneficiary under a Letter of Credit or any other person;



- (v) any amendment (however fundamental) or replacement of any Loan Document, any Finance Document, any Letter of Credit or any other document or security;
- (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Loan Document, any Finance Document, any Letter of Credit or any other document or security; or
- (vii) any insolvency or similar proceedings.

7.3 Rights of contribution

No Borrower will be entitled to any right of contribution or indemnity from the Lender in respect of any payment it may make under this Clause 7.

7.4 Voluntary pay-out

The Lender may cancel a Letter of Credit by paying to the beneficiary the outstanding amount of the Letter of Credit or any lesser amount specified by the beneficiary at any time:

- (a) while an Event of Default is continuing; or
- (b) if it becomes unlawful (or impossible as a result of a change in law or regulation) for the Lender to leave the Letter of Credit outstanding.

8. ANCILLARY FACILITIES

8.1 Type of Facility

An Ancillary Facility may be by way of:

- (a) an overdraft facility;
- (b) a guarantee, bonding, documentary or stand-by letter of credit facility;
- (c) any other facility or accommodation which is agreed by the Company and the Lender.

8.2 Availability

~~(a) Subject to the Revolving Facility Effective Date having occurred:~~

(a) The Lender:

~~(i) the Lender will~~ make available to the Australian Borrowers who are party to it an overdraft facility on the terms set out in the New Group Set-Off Facility referred to in paragraph (a) of that definition in an amount equal to the Australian Overdraft Facility Sub-Limit; and

~~(ii) the Lender will~~ make available to the NZ Borrowers who are party to it an overdraft facility on the terms set out in the New Group Set-Off Facility referred to in paragraph (b) of that definition in an amount equal to the ~~New Zealand NZ~~ Overdraft Facility Sub-Limit.



Each New Group Set-Off Facility will be an Ancillary Facility for the purposes of this Agreement and the Available Commitment will be reduced by the amount of the Ancillary Commitment under those Ancillary Facilities.

(b) If a Borrower and the Lender agree, the Lender may provide any other Ancillary Facility in place of all or part of the Available Commitment (which shall be reduced by the amount of the Ancillary Commitment under that Ancillary Facility).

(c) The terms of any Ancillary Facility will be those agreed by the Lender and the relevant Borrower.

9. OPTIONAL CURRENCIES

9.1 Selection of currency

A Borrower (or the Company on behalf of a Borrower) shall select the currency of a Utilisation in a Utilisation Request.

9.2 Currency Equalisation

(a) On the last day of each calendar quarter (or, for any Interest Period shorter than 3 months, the last day of that Interest Period) (a "Calculation Date") the Lender shall recalculate the Base Currency Amount of each Utilisation by notionally converting the outstanding amount of that Utilisation into the Base Currency using the Lender's Spot Rate of Exchange on the date of calculation.

(b) If the aggregate Base Currency Amount of each Utilisation as calculated under paragraph (a) above exceeds the Commitment on the Calculation Date, then the Company shall, within 5 Business Days of written notice from the Lender, ensure that Utilisations are prepaid in an amount necessary to ensure that the Utilisations do not exceed the Commitment.



SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

10. REPAYMENT

10.1 Repayment of Loans

Each Borrower which has drawn a Loan shall repay that Loan on the Termination Date. The Facility will be terminated on the Termination Date and the Borrowers shall pay in full all other amounts outstanding under any Finance Document on the Termination Date.

11. PREPAYMENT AND CANCELLATION

11.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful (or impossible as a result of a change in law or regulation), after the date of ~~this~~ the Original Facility Agreement, for the Lender to perform any of its obligations as contemplated by this Agreement or any Ancillary Document or to fund, issue or maintain any Utilisation:

(a) the Lender shall promptly notify the Company upon becoming aware of that event;

(b) upon the Lender notifying the Company, the Available Commitment of the Lender will be immediately cancelled; and

(c) to the extent the Lender's participation has not been transferred pursuant to Clause 23 (Changes to the Lender), each Borrower shall repay each Utilisation made to that Borrower on the date specified by the Lender in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law) and the Lender's corresponding Commitment(s) shall be cancelled in the amount repaid.

11.2 Illegality in relation to Letter of Credit

If it becomes unlawful (or impossible as a result of a change in law or regulation), after the date of ~~this~~ the Original Facility Agreement, for the Lender to issue or leave outstanding any Letter of Credit, then:

(a) the Lender shall promptly notify the Company upon becoming aware of that event;

(b) upon the Lender notifying the Company, the Lender shall not be obliged to issue any Letter of Credit;

(c) the Company shall procure that the relevant Borrower shall use its best endeavours to procure the release of each Letter of Credit issued by the Lender and outstanding at such time on or before the date specified by the Lender in the notice delivered to the Company (being no earlier than the last day of any applicable grace period permitted by law); and

(d) the Facility shall cease to be available for the issue of Letters of Credit.



11.3 Voluntary cancellation

The Company may, if it gives the Lender not less than 3 Business Days' (or such shorter period as the Lender may agree) prior notice, cancel the whole or any part (being a minimum amount of A\$5,000,000 and a whole multiple of A\$1,000,000) of an Available Commitment. Any cancellation under this Clause 11.3 shall reduce the Commitment of the Lender.

11.4 Voluntary prepayment of Utilisations

The Borrower to which a Utilisation has been made may, if it gives the Lender not less than 3 Business Days' (or such shorter period as the Lender may agree) prior notice, prepay the whole or any part of a Utilisation (but if in part, being an amount that reduces the Base Currency Amount of the Utilisation by a minimum amount of A\$5,000,000 and a whole multiple of A\$1,000,000).

11.5 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this Clause 11 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

(c) Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

(d) The Borrowers shall not repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitment except at the times and in the manner expressly provided for in this Agreement or an Ancillary Document.

(e) No amount of the Commitment cancelled under this Agreement may be subsequently reinstated.



SECTION 5
COSTS OF UTILISATION

12. INTEREST

12.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) the Applicable Margin; and
- (b) the Applicable Base Rate.

12.2 Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six-monthly intervals after the first day of the Interest Period).

12.3 Default interest

(a) If a Borrower fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is the sum of 2 per cent per annum and the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Lender (acting reasonably). Any interest accruing under this Clause 12.3 shall be immediately payable by the Borrower on demand by the Lender.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be the sum of 2 per cent per annum and the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

12.4 Notification of rates of interest

The Lender shall promptly notify the relevant Borrower of the determination of a rate of interest under this Agreement.



13. INTEREST PERIODS

13.1 Selection of Interest Periods

(a) A Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) in a Selection Notice.

(a) Each Selection Notice is irrevocable and must be delivered to the Lender by the Borrower (or the Company on behalf of a Borrower) not later than the Specified Time.

(b) If a Borrower (or the Company) fails to deliver a Selection Notice to the Lender in accordance with paragraph (b) above, the relevant Interest Period will be the same as the preceding Interest Period.

(c) Subject to this Clause 13, a Borrower (or the Company) may select an Interest Period of 3 or 6 Months (or any other period agreed between the Company and the Lender).

(d) An Interest Period for a Loan shall not extend beyond the Termination Date.

13.2 Non-Business Days

If Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

13.3 Consolidation and division of Loans

Subject to Clause 5.3 (Currency and amount), if a Borrower (or the Company) requests in a Selection Notice that a Loan be divided into two or more Loans, that Loan will, on the last day of its Interest Period, be so divided with the amounts specified in that Selection Notice, being an aggregate of the Loan immediately before its division.

14. CHANGES TO THE CALCULATION OF INTEREST

14.1 Deposits Unavailable; Inability to Determine Rates

(a) If at the time that the Lender seeks to determine the Screen Rate on the Quotation Day for any Interest Period for a Loan and the Screen Rate shall not be available for such Interest Period for any reason and the Lender shall determine that it is not possible to determine the Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error), then the Applicable Base Rate for such Interest Period for such Loan shall be the Reference Bank Rate; provided that if any Reference Bank Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement; provided, further, that if, as of the Specified Time on the Quotation Day for such Interest Period:

(i) in respect of a BBSY Rate Loan or BKBM Rate Loan, the Reference Bank Rate is not available, paragraph (c) shall apply; and



(ii) in respect of a LIBO Rate Loan, fewer than two Reference Banks shall have supplied a Submitted Reference Bank Rate to the Lender for the purposes of determining the LIBO Rate, the Lender shall be deemed to have determined that adequate and reasonable means do not exist for ascertaining the LIBO Rate and paragraph (b)(ii) below shall apply.

(b) If the Lender shall have determined that:

(i) U.S. dollar deposits in the relevant amount and for the relevant Interest Period are not available to it in its relevant market; or

(ii) by reason of circumstances affecting its Relevant Market, adequate means do not exist for ascertaining the interest rate applicable to LIBO Rate Loans; or

(iii) in respect of BBSY Rate Loans, if before 5 p.m. on the Business Day after the Quotation Day for the relevant Interest Period, the Lender determines that the cost to it of funding its participation in a BBSY Rate Loan (from the wholesale market for Australian dollars) would be in excess of the BBSY Rate; or

(iv) in respect of BKBM Rate Loans, if before 5 p.m. on the Business Day after the Quotation Day for the relevant Interest Period, the Lender determines that the cost to it of funding its participation in a BKBM Rate Loan (from the wholesale market for New Zealand dollars) would be in excess of the BKBM Rate,

then:

(v) if paragraph (b)(i) or (b)(ii) applies, upon notice from the Lender to the Borrowers, the obligations of the Lender under to make or continue any Loans as LIBO Rate Loans shall forthwith be suspended until the Lender shall notify the Borrowers that the circumstances causing such suspension no longer exist, and

(vi) if paragraph (b)(iii) or (b)(iv) applies, paragraph (c) shall apply to the BBSY Rate Loan or the BKBM Rate Loan for the relevant Interest Period.

(c) If this paragraph (c) applies:

(i) the rate of interest on the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of Applicable Margin and the rate of interest notified by the Lender to be that which expresses as a percentage rate per annum, the cost to the Lender of funding its participation in that Loan from whatever source it may reasonably select (to be notified as soon as practicable and in any event within 3 Business Days of the first day of that Interest Period); and

(ii) if the Lender or the Company so requires, the Lender and the Company shall enter into negotiations (for a period of not more than 30 days) with a



view to agreeing a substitute basis for determining the rate of interest, and any such alternative basis agreed shall, with the prior consent of all the Lender and the Company, be binding on all Parties.

14.2 Break Costs

(a) Each Borrower shall, within three Business Days of demand by the Lender, pay to the Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) The Lender shall, as soon as reasonably practicable after a demand by the Borrower, provide a certificate to the Borrower confirming the amount of its Break Costs for any Interest Period in which they accrue.

14.3 Screen Rate Replacement Event

If a Screen Rate Replacement Event has occurred in relation to a Screen Rate, the Borrowers and Lender will in good faith commence negotiations 6 months before formal cessation of that Screen Rate to amend this Agreement as may be required to effect any amendment or waiver which relates to:

(a) providing for the use of a Replacement Benchmark in relation to that currency in place of (or in addition to) the affected Screen Rate; and

(b)

(i) aligning any provision of any Finance Document to the use of that Replacement Benchmark;

(ii) enabling that Replacement Benchmark to be used for the calculation of interest or fees under the Finance Documents (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of the Finance Documents);

(iii) implementing market conventions applicable to that Replacement Benchmark;

(iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; and/or

(v) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation).



15. FEES

15.1 Line fee

(a) The Company shall pay to the Lender a fee in the Base Currency computed at the Applicable Line Fee Rate on the Commitment for the Availability Period.

(b) The accrued line fee is payable on the last day of each calendar quarter which ends during the relevant Availability Period, on the last day of the Availability Period, and on the cancelled amount of the Commitment at the time the cancellation is effective.

~~(c) — No line fee is payable under this Clause unless the Revolving Facility Effective Date occurs.~~

15.2 Establishment Fee

~~(a) — The Company shall pay to the Lender an establishment fee in the Base Currency computed at 0.60% on the Commitment on the Revolving Facility Effective Date.~~

~~[Intentionally deleted]~~

~~(b) — No establishment fee is payable under this Clause unless the Revolving Facility Effective Date occurs.~~

15.3 Fees payable in respect of Letters of Credit

(a) Each Borrower shall pay to the Lender a Letter of Credit fee in the Base Currency computed at the rate equal to the Applicable L/C Rate on the outstanding amount of each Letter of Credit requested by it for the period from the issue of that Letter of Credit until its Expiry Date or if the Letter of Credit does not have an Expiry Date, until the Letter of Credit is repaid in one of the ways set out Clauses 1.2(g)(ii) to 1.2(g)(v).

(b) The accrued Letter of Credit fee on a Letter of Credit shall be payable on the last day of each calendar quarter. If the outstanding amount of a Letter of Credit is reduced, any Letter of Credit fee accrued in respect of the amount of that reduction shall be payable on the day that that reduction becomes effective.

(c) If a Borrower provides cash cover in respect of any Letter of Credit:

(i) the Letter of Credit fee shall continue to be payable until the expiry of the Letter of Credit; and

(ii) each Borrower shall be entitled to apply interest accrued on the cash cover to pay the fees described in paragraph (i) above.

~~(d) — No Letter of Credit fee is payable under this Clause unless the Revolving Facility Effective Date occurs.~~



SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

16. TAX GROSS UP AND INDEMNITIES

(a) Section 4.6 of the US Credit Agreement applies as if set out in full in this Agreement with each reference to a 'Borrower' or an 'Obligor' taken to be a reference to a Borrower under this Agreement, each reference to the 'Administrative Agent' taken to be a reference to the Lender and each reference to a 'Loan Document' taken to be a reference to a Finance Document.

(b) The Parties agree that the term "Non-Excluded Taxes" used in the US Credit Agreement shall have the meaning given to it in the Syndicated Facility Agreement for the purposes of this Agreement except that it shall be taken to include the following clause: (xi) any withholding tax required to be deducted or withheld because the Lender is not an Australian Qualifying Lender, other than where that Lender has ceased to be an Australian Qualifying Lender as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of), any law or tax treaty or any published practice of any relevant taxing authority, and such withholding or deduction would not have been required if the Lender were an Australian Qualifying Lender.

(c) The Lender represents and warrants that it is an Australian Qualifying Lender other than:

(i) Westpac New Zealand Limited; or

(ii) a Lender which has notified the Borrower in writing that:

(A) it is not an Australian Qualifying Lender at the date it becomes a party to this Agreement; or

(B) it has ceased to be an Australian Qualifying Lender after such date referred to in (ii)(A).

(d) For the purposes of this Clause 16 only, the terms below have the following meanings:

"Australian Qualifying Lender" means:

(a) an Australian Treaty Lender; or

(b) a Lender which receives all payments of interest in respect of a Loan either:

(i) as a resident of Australia (and not in the course of carrying on a business at or through a permanent establishment outside Australia); or

(ii) as a non-resident of Australia in the course of carrying on a business at or through a permanent establishment in Australia.



"Australian Treaty" has the meaning assigned to such term in the definition of Australian Treaty State.

"Australian Treaty Lender" means a Lender that:

- (c) is treated as a resident of an Australian Treaty State for the purposes of the applicable Australian Treaty;
- (d) is entitled under the provisions of such Australian Treaty to receive all payments of interest in respect of a Loan or Letter of Credit, or otherwise under this Agreement without a withholding or deduction for, or on account of, any Australian Tax; and
- (e) does not carry on a business at or through a permanent establishment in Australia.

"Australian Treaty State" means a jurisdiction having a double taxation agreement (an "Australian Treaty") with Australia which makes provision for full exemption from tax imposed by Australia on interest paid to "financial institutions" (as defined in the relevant Australian Treaty).

16A RESIDENT WITHHOLDING TAX

- (a) Each Lender that is a ~~resident in New Zealand for tax purposes or which is engaged in business through a fixed establishment in New Zealand~~ RWT Lender:

- (i) Confirms to each Borrower that it ~~holds a valid certificate of exemption (certificate of exemption)~~ has RWT -exempt status issued pursuant to section RE 27 of the Income Tax Act 2007; and

- (ii) agrees to notify each Borrower immediately if it ceases to ~~hold~~have, or ceases to be entitled to ~~hold~~have, ~~a certificate of exemption~~ RWT-exempt status.

- (b) If, at any time, any such Lender ceases to ~~be entitled to hold a certificate of exemption~~ have RWT-exempt status and, as a result, a Borrower is required to make an additional payment under Clause 16 each Borrower and the relevant Lender will negotiate for a period not exceeding 20 Business Days with a view to agreeing upon an arrangement which will ensure, so far as possible, that the Borrowers are not disadvantaged and that the Lender is not advantaged by reason of the loss of the ~~certificate of exemption~~ RWT-exempt status. If no such arrangement is agreed within the 20 Business Day period, Clause 16 will continue to apply.

17. INCREASED COSTS

Section 4.5 of the US Credit Agreement applies as if set out in full in this Agreement with each reference to the 'Closing Date' taken to be a reference to ~~the Revolving Facility Effective Date~~ July 15, 2016, each reference to a 'Commitment' taken to be the Commitment or an Ancillary Commitment, each reference to a 'Credit Extension' taken to be a Utilisation, each reference to a 'Letter of Credit' taken to be a Letter of Credit under this Agreement and each reference to a 'Borrower' taken to be a reference to a Borrower under this Agreement.



18. OTHER INDEMNITIES

18.1 Currency indemnity

(a) If any sum due from a Borrower under the Finance Documents (a "Sum"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "First Currency") in which that Sum is payable into another currency (the "Second Currency") for the purpose of:

(i) making or filing a claim or proof against that Borrower;

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Borrower shall as an independent obligation, within five Business Days of demand (or the date specified in the demand, whichever is later), indemnify the Lender against any cost, expense, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

18.2 Costs and Expenses

Section 10.3 of the US Credit Agreement applies as if set out in full in this Agreement with each reference to a 'Borrower' or 'Issuer' taken to be a reference to a Borrower under this Agreement, each reference to a 'Lead Arranger' or 'Agent' or 'Secured Party' taken to be a reference to the Lender and each reference to a 'Loan Document' taken to be a reference to a Finance Document

18.3 Other indemnities

Section 10.4 of the US Credit Agreement applies as if set out in full in this Agreement with each reference to a 'Borrower' or an 'Obligor' taken to be a reference to a Borrower under this Agreement, each reference to a 'Secured Party' or the 'Indemnified Party' taken to be a reference to the Lender, each reference to a 'Credit Extension' taken to be a Utilisation under this Agreement and each reference to a 'Loan Document' taken to be a reference to a Finance Document

19. MITIGATION BY THE LENDER

19.1 Mitigation

(a) The Lender shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or its Commitment cancelled pursuant to, any of Clause 11.1 (Illegality), Clause 16 (Tax gross-up and indemnities) or Clause 17 (Increased costs) including (but not



limited to) transferring its rights and obligations under the Finance Documents to another **Affiliate** or **Facility Office**.

(b) Paragraph (a) above does not in any way limit the obligations of any **Borrower** under the Finance Documents.

19.2 Limitation of liability

(a) The Company shall promptly indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 19.1 (Mitigation).

(b) The Lender is not obliged to take any steps under Clause 19.1 (Mitigation) if, in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.



SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

20. REPRESENTATIONS

Article VI of the US Credit Agreement applies as if set out in full in this Agreement with each reference to a 'Borrower' or an 'Obligor' taken to be a reference to a Borrower under this Agreement, each reference to a 'Secured Party' or the 'Administrative Agent' taken to be a reference to the Lender, each reference to a 'Credit Extension' taken to be a Utilisation under this Agreement and each reference to a 'Loan Document' taken to be a reference to a Finance Document.

21. UNDERTAKINGS

Article VII of the US Credit Agreement applies as if set out in full in this Agreement with each reference to a 'Borrower' or an 'Obligor' taken to be a reference to a Borrower under this Agreement, each reference to a 'Secured Party' or the 'Administrative Agent' taken to be a reference to the Lender, each reference to a 'Credit Extension' taken to be a Utilisation under this Agreement and each reference to a 'Loan Document' taken to be a reference to a Finance Document.

22. EVENTS OF DEFAULT

22.1 Acceleration

(a) On and at any time after the occurrence of a Relevant Default which is continuing, the Lender may, by notice to the Company:

(i) cancel the Commitment and any Ancillary Commitment whereupon it shall immediately be cancelled;

(ii) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;

(iii) declare that all or part of the Utilisations be payable on demand, whereupon they shall immediately become payable on demand by the Lender;

(iv) declare that cash cover in respect of each Letter of Credit or Ancillary Facility is immediately due and payable whereupon it shall become immediately due and payable; and/or

(v) declare that cash cover in respect of each Letter of Credit or Ancillary Facility is payable on demand at which time it shall immediately become due and payable on demand by the Lender.



22.2 Cash cover

The Lender shall place any cash cover it receives into an account in the name of the Borrower (whether or not interest bearing) and in respect of which the following conditions must be met:

- (a) the account is with the Lender;
- (b) until no amount is or may be outstanding under that Letter of Credit, withdrawals from the account may only be made to pay the Lender amounts due and payable to it under this Agreement in respect of that Letter of Credit, or otherwise as agreed in writing by the Lender; and
- (c) if the Lender requests it, the Borrower has executed a security document, in form and substance satisfactory to the Lender, creating a first ranking security interest over that account.

22.3 Ancillary Facilities

(a) Without prejudice to any other right, remedy, power or discretion, on and at any time after the occurrence of Relevant Default which is continuing, the Lender may declare all or part of the amounts outstanding under the Ancillary Facilities to be immediately due and payable.

- (b) Each relevant Borrower must immediately repay or provide cash cover, as the case may be, in respect of the Ancillary Facility, on receipt of a notice under Clause 22.3(a).



SECTION 9
CHANGES TO PARTIES

23. CHANGES TO THE LENDER

23.1 Assignments and novations by the Lender

Subject to this Clause 23, the Lender (the "Existing Lender") may:

- (a) assign any of its rights; or
- (b) novate any of its rights and obligations,

to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (including credit derivatives) (the "New Lender").

23.2 Conditions of assignment or novation

(a) The consent of the Company is required for an assignment or novation by the Existing Lender, unless the assignment or novation is:

- (i) to an Affiliate of the Lender;
- (ii) made at a time when an Event of Default is continuing; or
- (iii) to a securitisation or funding vehicle where the Lender remains lender of record and controls voting decisions.

(b) The consent of the Company to an assignment or novation must not be unreasonably withheld or delayed or subject to unreasonable conditions (unless the proposed assignee or novatee is a competitor, a vulture, a special situations or distressed debt trust, fund or entity, whether a hedge fund or otherwise, which principally invests in distressed debt, in which case the obligation to act reasonably does not apply). The Company will be deemed to have given its consent 10 Business Days after the Existing Lender has requested it unless consent is expressly refused by the Company within that time.

(c) If:

(i) a Lender assigns or novates any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, novation or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 16 (Tax gross-up and indemnities) or Clause 17 (Increased Costs),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses in respect of those circumstances to the same extent as the Existing Lender or Lender acting through its previous



Facility Office would have been if the assignment, novation or change had not occurred.

24. CHANGES TO THE BORROWERS

24.1 Assignments and novation by Borrowers

No Borrower may assign any of its rights or novate any of its rights or obligations under the Finance Documents other than with the consent of the Lender.

24.2 Additional Borrowers

(a) The Company may request that any Australian Subsidiary Guarantor or New Zealand Subsidiary Guarantor becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:

- (i) the Lender approves the addition of that Subsidiary;
- (ii) the Company delivers to the Lender a duly completed and executed Accession Letter;
- (iii) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and
- (iv) the Lender has received all of the documents and other evidence listed in Part I of Schedule 2 (Conditions precedent required to be delivered by an Additional Borrower) in relation to that Additional Borrower, each in form and substance satisfactory to the Lender.

(b) The Lender shall notify the Company promptly upon receipt of all the documents and other evidence listed in Part I of Schedule 2 (Conditions precedent required to be delivered by an Additional Borrower)).

24.3 Resignation of a Borrower

(a) The Company may request that a Borrower (other than the Company) ceases to be a Borrower by delivering to the Lender a Resignation Letter.

(b) The Lender shall accept a Resignation Letter and notify the Company of its acceptance if:

- (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case); and
- (ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.



SECTION 10
THE LENDER

25. CONDUCT OF BUSINESS BY THE LENDER

No provision of this Agreement will:

(a) interfere with the right of the Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit; or

(b) oblige the Lender to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim.



SECTION 11 ADMINISTRATION

26. PAYMENT MECHANICS

26.1 Payments to the Lender

(a) On each date on which a Borrower is required to make a payment under a Finance Document, that Borrower shall make the same available to the Lender (unless a contrary indication appears in a Finance Document) for value on the due date at the time in immediately available funds or if agreed by the Lender in such funds specified by the Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account with such bank as the Lender specifies.

26.2 Distributions to a Borrower

The Lender may (with the consent of the Borrower or in accordance with Clause 27 (Set-off)) apply any amount received by it for that Borrower in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Borrower under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

26.3 Partial payments

(a) If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by a Borrower under the Finance Documents, the Lender shall apply that payment towards the obligations of that Borrower under the Finance Documents in the following order:

(i) first, in or towards payment pro rata of any amounts payable but unpaid in respect of fees, costs, expenses, losses or liabilities of the Lender (other than any amount under Clause 7.1 (Claims under a Letter of Credit) or, to the extent relating to the reimbursement of a claim (as defined in Clause 7 (Letters of Credit), Clause 7.2 (Indemnities)) under the Finance Documents;

(ii) secondly, in or towards payment of any accrued interest, fees or commission due but unpaid under this Agreement;

(iii) thirdly, in or towards payment of any principal due but unpaid under this Agreement and any amount due but unpaid under Clauses 7.1 (Claims under a Letter of Credit) and 7.2 (Indemnities); and

(iv) fourthly, in or towards payment of any other sum due but unpaid under the Finance Documents.

(b) The Lender may vary the order set out in paragraphs (a)(ii) to (a)(iv) above inclusive.

(c) Paragraphs (a) and (b) above will override any appropriation made by a Borrower.



26.4 No set-off by Borrowers

All payments to be made by a Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

26.5 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

26.6 Currency of account

(a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from a Borrower under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

26.7 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Lender (after consultation with the Company); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Lender (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Lender (acting reasonably and after consultation with the Company) specifies to be necessary,



be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

26.8 Anti-money laundering

(a) The Lender may delay, block or refuse to process any payment or other transaction without incurring any liability if the Lender knows or reasonably suspects that the transaction or the application of its proceeds will:

(i) breach, or cause the Lender to breach, any applicable laws or regulations of any jurisdiction (including any sanctions); or

(ii) allow the imposition of any penalty on the Lender or its Affiliates under any such law or regulation,

including where the transaction or the application of its proceeds involves any entity or activity the subject of any applicable sanctions of any jurisdiction binding on the Lender or its Affiliate, or the direct or indirect proceeds of unlawful activity.

(b) As soon as practicable after the Lender becomes aware that it will delay, block or refuse to process a transaction under paragraph (a), it will notify the Company and consult in good faith but in each case only to the extent the Lender determines it is legally permitted to do so. In making that determination the Lender shall act reasonably.

(c) The Company shall promptly advise the Lender if any Borrower enters into any Finance Document in the capacity as agent and promptly supply, or procure the supply of, such information as may be reasonably requested by the Lender from time to time in relation to any principal for which a Borrower may be acting.

(d) Each Borrower undertakes to exercise its rights and perform its obligations under the Finance Documents in accordance with all applicable laws or regulations relating to anti-money laundering, counter-terrorism financing or sanctions.

26.9 Privacy

If a Borrower gives the Lender personal information about an individual, or directs an individual to provide their personal information to the Lender, then the Borrower must show that individual a copy of the Privacy Statement so that the individual may understand the manner in which their information may be used or disclosed. Notwithstanding any other provision of a Finance Document, no Default will occur by reason of a Borrower's failure to comply with this Clause 26.9.

27. SET-OFF

The Lender may, but need not, in accordance with the terms of any Ancillary Document or otherwise if a Relevant Default is continuing, set off any matured obligation due from a Borrower under the Finance Documents against any obligation owed by the Lender to that Borrower (whether or not matured), regardless of the place of payment, booking branch or currency of either obligation (other than any payroll, trust or tax account). If the



obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

28. NOTICES

28.1 Communications in writing

Any communication or document to be made or delivered under or in connection with the Finance Documents:

- (a) must be in writing;
- (b) in the case of a notice by a Borrower, must be signed by an authorised signatory of the sender (directly or with a facsimile signature), subject to Clause 28.4 (Email communication) and Clause 28.5 (Reliance); and
- (c) unless otherwise stated, may be made or delivered by ~~fax, by~~ letter or by email.

28.2 Addresses

The address, ~~and~~ email address ~~and fax number~~ (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is in the case of the Lender or the Company, that specified in Schedule 1 (The Original Parties) or notified in writing to the Lender (in the case of a change made by any Borrower) or notified to the Company (in the case of a change made by the Lender), on or prior to the date on which it becomes a Party, or any substitute address, ~~fax number~~, email address or department or officer as the Party may notify to the Lender or Company (as applicable) by not less than five Business Days' notice.

28.3 Delivery

(a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents will be taken to be effective or delivered:

- ~~(i) if by way of fax, when the sender receives a successful transmission report unless the recipient informs the sender that it has not been received in legible form] by any means within two hours after:~~
- ~~(A) receipt, if in business hours in the city of the recipient; or~~
- ~~(B) if not, the next opening of business in the city of the recipient; or~~

(i) ~~(ii)~~ if by way of letter or any physical communication, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or

(ii) ~~(iii)~~ if by way of email, as specified in Clause 28.4 (Email communication),

and, in the case of a communication, if a particular department or officer is specified as part of its address details provided under Clause 28.2 (Addresses), if addressed to that department or officer.



(b) Any communication or document made or delivered to the Company in accordance with this Clause 28 will be deemed to have been made or delivered to each of the Borrowers.

(c) A communication by ~~fax or~~ email after business hours in the city of the recipient will be taken not to have been received until the next opening of business in the city of the recipient.

28.4 Email communication

(a) Any communication or document under or in connection with the Finance Documents may be made by or attached to an email and will be effective or delivered only:

(i) on the first to occur of the following:

(A) when it is dispatched by the sender to each of the email addresses specified by the recipient, unless for each of the addresses, the sender receives an automatic notification that the e-mail has not been received (other than an out of office greeting for the named addressee) and it receives the notification before 2 hours after the last to occur (for all addresses) of:

(1) dispatch if in business hours in the city of the address; or

(2) if not, the next opening of business in such city;

(B) the sender receiving a message from the intended recipient's information system confirming delivery of the email; and

(C) the email being available to be read at one of the email addresses specified by the sender; and

(ii) the email is in an appropriate and commonly used format, and any attached file is a pdf, jpeg, tiff or other appropriate and commonly used format.

(b) In relation to an email with attached files:

(i) if the attached files are more than 3 MB in total, then:

(A) at the time of dispatch the giver of the e-mail must send a separate email without attachments notifying the recipient of the dispatch of the email; and

(B) if the recipient notifies the sender that it did not receive the email with attached files, and the maximum size that is able to receive under its firewalls, then the sender shall promptly send to the recipient the attached files in a manner that can be received by the recipient of; and

(ii) if the recipient of the email notifies the sender that it is unable to read the format of an attached file or that an attached file is corrupted, specifying appropriate and commonly used formats that it is able to read, the sender must promptly send to the recipient the file in one of those formats or send the attachment in some other manner; and

(iii) if within two hours of:



[\(A\)](#) dispatch of the email if in business hours in the city of the recipient;
or

[\(B\)](#) if not, the next opening of business in the city of the recipient,
the recipient notifies the sender as provided in subparagraph (i) (B) or (ii), then the relevant attached files will be taken not to have been received until the sender complies with that subparagraph.

[\(c\)](#) An email which is a covering email for a notice signed by the Borrower's authorised signatory does not itself need to be signed by an authorised signatory.

[\(d\)](#) Email and other electronic notices from the Lender generated by Loan IQ or other system software do not need to be signed.

[28.5](#) Reliance

[\(a\)](#) Any communication or document sent under this Clause 28 can be relied on by the recipient if the recipient reasonably believes it to be genuine and (if such a signature is required under Clause 28.1(b)) it bears what appears to be the signature (original or facsimile or email) of an authorised signatory of the sender (without the need for further enquiry or confirmation).

[\(b\)](#) Each Party must take reasonable care to ensure that no forged, false or unauthorised notices are sent to another Party.

[28.6](#) English language

[\(a\)](#) Any notice or other communication given under or in connection with any Finance Document must be in English.

[\(b\)](#) All other documents provided under or in connection with any Finance Document must be:

[\(i\)](#) in English; or

[\(ii\)](#) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

[29.](#) CALCULATIONS AND CERTIFICATES

[29.1](#) Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are prima facie evidence of the matters to which they relate.

[29.2](#) Certificates and Determinations

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.



29.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

30. PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

31. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of the Lender shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

32. AMENDMENTS

Any term of a Finance Document may be amended only in writing between the Borrowers (or the Company on behalf of each Borrower) and the Lender.

33. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

34. INDEMNITIES AND REIMBURSEMENT

All indemnities and reimbursement obligations (and any other payment obligations of any Borrower) in each Finance Document are continuing and survive termination of the Finance Document, repayment of the Loans and cancellation or expiry of the Commitments.

35. ACKNOWLEDGEMENT

The Borrowers have not relied on the Lender or any its advisers or on any conduct (including any recommendation) by any of them. The Borrowers have obtained their own tax and legal advice.



| The ~~Code of Banking~~ Code of Practice published by the Australian Banking Association does not apply to the Finance Documents and the transactions under them.



SECTION 12
GOVERNING LAW AND ENFORCEMENT

36. GOVERNING LAW

THIS AGREEMENT WILL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

37. ENFORCEMENT

ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR THE BORROWERS IN CONNECTION HERewith OR THEREWITH SHALL BE BROUGHT AND MAINTAINED IN THE COURTS OF THE STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT, ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE LENDER'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH BORROWER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK AT THE ADDRESS FOR NOTICES SPECIFIED IN THIS AGREEMENT. EACH PERSON PARTY HERETO HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT ANY PERSON PARTY HERETO HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PERSON HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT. THE LENDER AND EACH BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS THEY MAY HAVE TO CLAIM OR RECOVER IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS CLAUSE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

38. WAIVER OF TRIAL BY JURY

THE LENDER AND EACH BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE TO THE FULLEST EXTENT PERMITTED BY



LAW ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF SUCH LENDER OR SUCH BORROWER IN CONNECTION THEREWITH. EACH BORROWER ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS CLAUSE (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS CLAUSE IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO THIS AGREEMENT.

This Agreement has been entered into on the date stated at the beginning of this Agreement.



Schedule 1

THE ORIGINAL PARTIES

The Original Borrowers

Name	Registration number (or equivalent, if any)	(or Address for Service of Notice
HBI Australia Acquisition Co. Holdings Australasia Pty Ltd	ACN 612 185 476	Level 1, 1096 Toorak 115 Cotham Road Hartwell, VIC 3124 <u>Kew, Victoria 3101 Australia</u>
Pacific Brands (Australia) Hanes Holdings Australasia Pty Ltd	ACN 107 285 049	As above
Pacific Brands Hanes Clothing Innerwear Australia Pty Ltd	ACN 098 742 655	As above
Pacific Brands Holdings (NZ) Limited	Company No. 1174050	As above
Pacific Brands Holdings Hanes Australia Pty Ltd	ACN 098 704 646	As above
Pacific Brands Limited Hanes Australasia Pty Ltd	ACN 106 773 059	As above
Pacific Brands Hanes Technology Services Group Australia Pty Ltd	ACN 093 040 745	As above <u>As above</u>
Pacific Brands Sport & Leisure Pty Ltd	ACN 098 742 708	As above
Sheridan Australia Pty Ltd	ACN 094 091 380	As above
Hanes New Zealand Limited	Company No. 1174050	c/o Kensington Swan, Level 9, 89 The Terrace, Wellington 6143 New Zealand
Sheridan N.Z. Limited	Company No. 1056905	As above <u>c/o Kensington Swan, Level 9, 89 The</u>



Terrace, Wellington 6143
New Zealand



The Original Lender

Name of Original Lender	Address for Service of Notice
Westpac Banking Corporation	Level 7, 150 Collins Street Melbourne VIC 3000
Westpac New Zealand Limited	Level 8, 16 Takutai Square Auckland 1010



Schedule 2

CONDITIONS PRECEDENT REQUIRED To BE
DELIVERED BY AN ADDITIONAL BORROWER

1. An Accession Letter, duly executed by the Additional Borrower and the Company.

A verification certificate given by a director of the Additional Borrower if the Additional Borrower is incorporated in Australia in the form set out in Part A of Schedule 3, with the attachments referred to in that form, and dated no earlier than the date of the Accession Letter.

2. A director's certificate given by a director of the Additional Borrower if the Additional Borrower is incorporated in New Zealand in the form set out in Part B of Schedule 3, with any attachments referred to in that form, and dated no earlier than the date of the Accession Letter.

3. ~~3.~~A copy of any other authorisation or other document, opinion or assurance necessary in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document against the Additional Borrower.

4. ~~4.~~A legal opinion of the legal advisers to the Additional Borrower or the Lender in the jurisdiction in which the Additional Borrower is incorporated.



Schedule 3

FORM OF VERIFICATION CERTIFICATE

Part A – Form of Verification Certificate

From: [Company/Additional Borrower]

To: [Lender]

HBI Australia Acquisition Co. Pty Ltd – Revolving Facility Agreement

Dated [] (as amended from time to time) (the "Agreement")

I am a director of [] of [address] ("Company") and am authorised to execute this certificate in the name of the Company and give this certificate without any personal liability.

I refer to the Agreement. Terms defined in the Agreement shall have the same meaning in this certificate unless given a different meaning in this certificate.

Attached are complete copies of the following:

- (a) The constitutional documents of the Company.
- (b) Extracts of minutes of a meeting of directors of the Company:
 - Approving the terms of, and the transactions contemplated by, the Finance Documents to which it is expressed to be a party and resolving that it execute the Finance Documents to which it is expressed to be a party;
 - Authorising the execution of [each Finance Document to which it is expressed to be a party on its behalf]/[a power of attorney for execution of each Finance Document to which it is expressed to be a party]; and
 - Authorising a specified person or persons, on its behalf, as authorised signatory to sign and/or dispatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is expressed to be a party.]
- (c) [Any power of attorney [duly stamped and registered where necessary] under which the Company executed any Finance Document to which it is expressed to be a party, executed under common seal or by two directors or a director and a secretary.]
- (d) A specimen signature of each person authorised to give notices for the Company.

The Company is solvent.

.....
.....

Director]



Part B – Form of Director's Certificate

TO: _____ [Lender]

AND TO: _____ [Lender's New Zealand solicitors]

I, _____, a director of [_____] ("Company"),
certify as follows:

1. BOARD RESOLUTIONS

1.1 The board of directors of the Company ("Board") has passed all necessary resolutions to:

- (a) approve the transactions ("Transactions") contemplated by the document[s] listed in the schedule ("Document[s]"), and the Document[s] [themselves][itself];
- (b) authorise signing of the Document[s] by or on behalf of the Company in the manner in which [they have][it has] actually been signed[; and
- (c) authorise the persons specified in paragraph 11 to give any notices and other communications, and take any other action required, under or in connection with the Document[s] on behalf of the Company].

1.2 The resolutions were duly passed [OPTION 1: in writing signed by [all of] the directors of the Company [entitled to receive notice of a meeting of the Board].] [OPTION 2: at a meeting of the Board which was properly convened and in respect of which all quorum requirements were duly observed.]

1.3 The resolutions remain in full force and effect.

2. DIRECTORS' SELF INTERESTED TRANSACTIONS

2.1 [OPTION 1: To the best of my knowledge and belief after making due enquiry [of each other director (as that term is defined in section 126 of the Companies Act 1993 ("Act")) of the Company], none of the directors (as so defined) of the Company has an interest (as that term is defined in section 139 of the Act) in the Transactions.]

[OPTION 2: After making due enquiry, it has been determined that one or more of the Company's directors (as that term is defined in section 126 of the Companies Act 1993 ("Act")) is, or may be, interested (as that term is defined in section 139 of the Act) in the Transactions and such interests have been entered in the interests register accordingly. The Transactions have been disclosed to [the sole shareholder][all shareholders] of the Company.

2.2 [The Company's sole entitled person has][All of the Company's entitled persons have] agreed in writing (pursuant to section 107(3) of the Act) to the Company's entry into and performance of the Document[s] and the Transactions (so that nothing in sections 140 and 141 of the Act will apply to the Transactions).]



2.3 In approving the Document[s] and the Transactions, the Board, after taking into account all relevant factors, is of the view that the Company is receiving or will receive fair value under them.

3. BEST INTERESTS

3.1 In approving the Document[s] and the Transactions, the Board, after taking into account all relevant factors, is of the view [OPTION 1: that the Company's entry into and performance of the Document[s] and the Transactions is in the best interests of the Company.] [OPTION 2: (pursuant to an express provision in the constitution of the Company) that the Company's entry into and performance of the Document[s] and the Transactions is in the best interests of the Company's holding company[and as the Company is not a wholly owned subsidiary of the Company's holding company the prior agreement to the Company's entry into and performance of the Document[s] and the Transactions has been obtained from all of the Company's shareholders, other than that holding company].]

4. PROPER PURPOSE

4.1 In approving the Document[s] and the Transactions, the Board has acted for a proper purpose.

5. SHAREHOLDER RESOLUTIONS

5.1 [OPTION 1: It has been determined that the Transactions are a "Major Transaction" for the purposes of section 129 of the Act. Accordingly [the sole shareholder][all of the shareholders] of the Company [has][have] by special resolution:

(d) approved the Document[s] and the Transactions; and

(e) confirmed, approved and ratified the resolutions of the Board referred to above.]

[OPTION 2: It has been determined that the Transactions do not constitute a "Major Transaction" for the purpose of section 129 of the Act.]

5.2 The shareholder[s] of the Company [has][have] [unanimously] confirmed, approved and ratified the resolutions of the Board.

6. ENTRY INTO THE DOCUMENTS

6.1 [Each of the][The] Document[s] has been properly signed by the Company in accordance with New Zealand law.

6.2 The Company has entered into the Document[s] as principal and not in the capacity of an agent or as the trustee of any trust or settlement.

7. SOLVENCY

7.1 I am not aware of any step having been taken to appoint a receiver to the Company nor of any liquidation or voluntary administration proceedings which have been commenced



against the Company by any person, or which are intended or anticipated by the Company.

7.2 Having taken into account all relevant factors [(including in the case of a guarantee all rights of contribution and subrogation to which the Company would be entitled if called upon to perform its obligations and the solvency of the guaranteed and guaranteeing parties)] the Board is of the view that the value received, or to be received, by the Company under the Transactions is not less than the value provided, or to be provided, by the Company under the Transactions.

7.3 After making due enquiry, the Board is of the view that the Company:

- (a) does not, by entering into the Document[s] and the Transactions, intend to incur, or believe that it will incur, debts beyond its ability to pay;
- (b) is solvent and is able to pay its due debts and will not become insolvent or unable to pay its due debts as a result of the Document[s] and the Transactions;
- (c) is not engaged, or about to engage, in a business or transaction for which the remaining assets of the Company are, given the nature of the business or transaction, unreasonably small; and
- (d) has, by entering into the Document[s] and the Transactions, no intention to prejudice a creditor (within the meaning of subpart 6 of Part 6 of the Property Law Act 2007) of the Company.

7.4 The board of the Company has not voted in favour of placing the Company into business debt hibernation and has not provided (and does not intend to provide) notice to the Registrar of Companies (appointed under section 357(1) of the Act) of any decision to enter the Company into business debt hibernation pursuant to Schedule 13 of the Act.

8. FINANCIAL ASSISTANCE

8.1 [OPTION 1: The Transactions do not include or involve any provision by the Company (directly or indirectly) of financial assistance in connection with the acquisition of a share issued or to be issued by the Company or its holding company.]

[OPTION 2: The Transactions [do][may] include or involve the provision by the Company (directly or indirectly) of financial assistance in connection with the acquisition of a share issued or to be issued by the Company or its holding company.

8.2 [The Company's sole entitled person has][All of the Company's entitled persons have] agreed in writing to the giving of the financial assistance.

8.3 Prior to the giving of the financial assistance the Board, after taking into account all relevant factors, resolved that it was satisfied on reasonable grounds that the Company would, immediately after the giving of the financial assistance, satisfy the solvency test as set out in section 4 of the Act (as modified by sections 108(5) and 108(5A)).



8.4 The directors who voted in favour of the giving of the financial assistance have signed a certificate stating that, in their opinion, the Company will, immediately after the financial assistance is given, satisfy the solvency test.

8.5 At no time since the passing of the resolution referred to in paragraph 8.3 has the Board ceased to be satisfied that the Company will satisfy the solvency test immediately after the giving of the financial assistance.]

9. CONSTITUTION

9.1 [OPTION 1: The Company does not have a constitution.]

[OPTION 2: The copy of the constitution of the Company (and obtainable from <https://companies-register.companiesoffice.govt.nz/>) held on its records as maintained at the office of the Registrar of Companies as at [date] is complete and includes all alterations to date.]

10. AUTHORISATIONS

10.1 [OPTION 1: All consents and other authorisations required by the Company in connection with the entry into, execution and performance of the Document[s] and the Transactions have been obtained on an unconditional and unqualified basis and remain in full force and effect.]

[OPTION 2: No consents or other authorisations are required by the Company in connection with the entry into, execution and performance of the Document[s] or the Transactions.]

11. [AUTHORISED SIGNATORIES

11.1 The following are the true signatures of the persons who have been authorised ([any one of them acting alone][any two of them acting together]) to give any notices and other communications, and to take any other action required, under or in connection with the Document[s] on behalf of the Company.

<u>Name</u>	<u>Position</u>	<u>Signature</u>



Signed by:

Date:

Director



SCHEDULE OF DOCUMENT

[•]



REQUESTS

Part I
Utilisation Request
Loans

From: [Borrower]

To: [Lender]

Dated:

Dear Sirs

HBI Australia Acquisition Co. Pty Ltd – Revolving Facility Agreement

dated [] (as amended from time to time)(the "Agreement")

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

We wish to borrow a Loan on the following terms:

Borrower: []

Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)

Currency of Loan: []

Amount: [] or, if less, the Available Commitment

Interest Period: []

We confirm that each condition specified in Clause 4.2 (Further conditions precedent) is satisfied on the date of this Utilisation Request [except as described in the notice dated [*] given to you, a copy of which is attached].

[The proceeds of this Loan should be credited to [account].]

This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
[name of relevant Borrower]



Utilisation Request
Letters of Credit

From: [Borrower]

To: [Lender]

Dated:

Dear Sirs

HBI Australia Acquisition Co. Pty Ltd – Revolving Facility Agreement

dated [] (as amended from time to time) (the "Agreement")

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to arrange for a Letter of Credit to be issued specified below on the following terms:

Borrower: []

Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)

Currency of Letter of Credit: []

Amount: [] or, if less, the Available Commitment

Beneficiary: []

Term: []
3. We confirm that each condition specified in paragraph (b) of Clause 6.5 (Issue of Letters of Credit) is satisfied on the date of this Utilisation Request.
4. We attach a copy of the proposed Letter of Credit.
5. This Utilisation Request is irrevocable.
6. [Specify delivery instructions].

Yours faithfully,

.....
authorised signatory for [*]



Selection Notice

From: [Borrower]

To: [Lender]

Dated:

Dear Sirs

HBI Australia Acquisition Co. Pty Ltd – Revolving Facility Agreement

dated [] (as amended from time to time) (the "Agreement")

1. We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. We refer to the following Loan[s] with an Interest Period ending on []*
3. [We request that the above Loan[s] be divided into [] Loans with the following Interest Periods:]**

or

[We request that the next Interest Period for the above Loan[s] is []].***
4. This Selection Notice is irrevocable.

Yours faithfully

.....
authorised signatory for
[the Company on behalf of]
[name of relevant Borrower]

* Insert details of all Loans in the same currency which have an Interest Period ending on the same date.

** Use this option if division of Loans is requested.

*** Use this option if sub-division is not required.



FORM OF ACCESSION LETTER

To: [Lender]

From: [Subsidiary] and [Company]

Dated:

Dear Sirs

HBI Australia Acquisition Co. Pty Ltd – Revolving Facility Agreement
dated [] (as amended from time to time) (the "Agreement")

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.

[Subsidiary] agrees to become an Additional Borrower and to be bound by the terms of the Agreement as an Additional Borrower pursuant to Clause 24.2 (Additional Borrowers) of the Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].

The Company confirms that no Default is continuing or would occur as a result of [Subsidiary] becoming an Additional Borrower.

[Subsidiary's] administrative details are as follows:

Address:

Fax No: _____

Attention:

This Accession Letter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Accession Letter.

THIS ACCESSION LETTER WILL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK.

[Company]

[Subsidiary]



FORM OF RESIGNATION LETTER

To: [Lender]

From: [resigning Borrower] and [Company]

Dated:

Dear Sirs

HBI Australia Acquisition Co. Pty Ltd – Revolving Facility Agreement
dated [] (as amended from time to time) (the "Agreement")

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

Pursuant to Clause 24.3 (Resignation of a Borrower), we request that [resigning Borrower] be released from its obligations as a Borrower under the Agreement.

We confirm that:

- (a) no Default is continuing or would result from the acceptance of this request; and
[]*

THIS RESIGNATION LETTER WILL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK)

[Company]

[Subsidiary]

By:

By:

* Insert any other conditions required by the Facility Agreement.



TIMETABLES

Part I
Loans

	Loans in Australian dollars	Loans in New Zealand dollars	Loans in U.S. dollars
Delivery of a duly completed Utilisation Request (Clause 5.1 (Delivery of a Utilisation Request))	10am (Sydney time) 2 Business Days prior to the Utilisation Date	10am (Auckland time) 2 Business Days prior to the Utilisation Date	10am (New York time) 2 Business Days prior to the Utilisation Date
Lender determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under Clause 5.4 (Loan Availability) and notifies the Lender of the Loan in accordance with Clause 5.4 (Loan Availability)	3pm (Sydney time) 1 Business Day prior to the proposed Utilisation Date	3pm (Auckland time) 1 Business Day prior to the proposed Utilisation Date	3pm (New York time) 1 Business Day prior to the proposed Utilisation Date
Delivery of a duly completed Selection Notice (Clause 13.1 (Selection of interest periods))	10am (Sydney time) 2 Business Days prior to the last day of the then current Interest Period	10am (Auckland time) 2 Business Days prior to the last day of the then current Interest Period	10am (New York time) 2 Business Days prior to the last day of the then current Interest Period
Applicable Base Rate is fixed	10.30am (Sydney time) on the Utilisation Date	10.45am (Auckland time) on the Utilisation Date	10.10am (London time) on the Utilisation Date



Part II
Letters of Credit

	Letters of Credit in Australian dollars	Letters of Credit in New Zealand dollars	Letters of Credit in U.S. dollars
Delivery of a duly completed Utilisation Request (Clause 6.2 (Delivery of a Utilisation Request for Letters of Credit))	10am (Sydney time) 2 Business Days prior to the Utilisation Date	10am (Auckland time) 2 Business Days prior to the Utilisation Date	10am (New York time) 2 Business Days prior to the Utilisation Date
Lender determines (in relation to a Utilisation) the Base Currency Amount of the Letter of Credit, if required under paragraph (c) of Clause 6.5 (Issue of Letters of Credit)	3pm (Sydney time) 1 Business Day prior to the proposed Utilisation Date	3pm (Auckland time) 1 Business Day prior to the proposed Utilisation Date	3pm (New York time) 1 Business Day prior to the proposed Utilisation Date
Delivery of a duly completed Renewal Request (Clause 6.6 (Renewal of a Letter of Credit))	10am (Sydney time) 2 Business Days prior to the last day of the then current Expiry Date	10am (Auckland time) 2 Business Days prior to the last day of the then current Expiry Date	10am (New York time) 2 Business Days prior to the last day of the then current Expiry Date



EXISTING LETTERS OF CREDIT

Borrower:
PACIFIC
BRANDS
CLOTHING
PTY
LIMITED

Alias	Effective Date	Expiry Date	Beneficiary	AUD Amount
60100550000019	9/12/2010	30/06/2017	MEMART INVESTMENTS PTY LTD	717,707.67
60100550000020	24/01/2011	31/07/2021	COTHAM SERVICE PTY LTD	752,317.50
60100550000026	5/09/2013	1/03/2017	IMPORTED CHANDELIERS PTY LTD ABN 83 008 972 503	21,888.00
60100550000029	29/12/2014	30/06/2025	MITSA Pty. Limited ABN 51 146 630 239 AS The Trustee for PHL V Trust ABN 12 875 929 106	700,000.00
	Jun-16	31/07/2026	Cotham Service Pty Ltd	863,301.63

Borrower:
PACIFIC
BRANDS
HOLDINGS
PTY
LIMITED

Alias	Effective Date	Expiry Date	Beneficiary	AUD Amount
621001500000168	1/07/2011	31/07/2018	COLONIAL FIRST STATE ASSET MANAGEMENT	42,477.04
621001500000180	21/12/2011	19/04/2020	MARSAM NOMINEES PTY LIMITED & SHADASS PTY LIMITED	74,631.05
621001500000200	31/10/2013	30/11/2017	WORKERS COMPENSATION NOMINAL INSURER	1,007,587.31
621001500000220	22/05/2015	31/12/2500	WORKCOVER AUTHORITY OF NSW	270,000.00
621001500000229	5/04/2016	30/11/2017	WORKERS COMPENSATION NOMINAL INSURER (BEN)	29,799.85
621001500000230	26/04/2016	31/12/2500	DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION	20,000.00



Borrower: SHERIDAN
AUSTRALIA
PTY
LIMITED

Alias	Effective Date	Expiry Date	Beneficiary	AUD Amount
951008000000260	14/09/2012	30/04/2018	ELLIMARK PTY. LIMITED ACN 003 775 488	38,923.50
951008000000366	6/02/2015	30/06/2016	COLONIAL FIRST STATE ASSET MANAGEMENT	58,341.27
951008000000375	28/07/2015	31/12/2500	Novion Real Estate licence pty limited	170,837.00
951008000000376	30/07/2015	30/09/2016	DAVKES PTY LTD	10,504.99

TOTAL 4,778,316.81



FORM OF LETTER OF CREDIT



A division of Westpac Banking Corporation
ABN 33 007 457 141

Banker's Undertaking

Draft

Westpac	Westpac Banking Corporation (ABN 33 007 457 141)
Address for Service	Corporate Guarantees, Level 29, 275 Kent Street, Sydney NSW 2000 (or any other Westpac branch or office) ATT: Manager
Favouree	
Customer	
Purpose	
Sum	
Date Issued	

1. Undertaking

In consideration of the Favouree accepting this undertaking, Westpac undertakes to pay the Sum to the Favouree on the terms of this undertaking when it receives a demand that meets the requirements in clause 2.

This undertaking continues until one of the following occurs:

- the Favouree gives Westpac written notice that it no longer requires the undertaking;
- the Favouree returns the original undertaking to Westpac;
- Westpac pays the Favouree the Sum (or any smaller amount the Favouree advises in writing will fully satisfy the undertaking); or
- 4:00 p.m. Sydney time on [] (the Expiry Time).

2. Demands

Demands must:

- be in writing;
- purport to be signed by the Favouree;
- be for the Sum or part of the Sum. If a demand is for part of the Sum, then the Favouree can make later demands for the balance of the Sum;
- be received by a Manager of Westpac at the Address for Service; and
- be received by Westpac before the Expiry Time.

3. Payment

When Westpac receives a demand it will pay promptly:

- despite any notice from the Customer not to pay; and
- to the Favouree's Australian bank account provided that the Favouree gives Westpac sufficient information to enable Westpac to

identify that the bank account is in the name of the Favouree. If Westpac cannot do so (to Westpac's satisfaction) Westpac will make the payment by bank cheque payable to the Favouree.

Westpac can terminate this undertaking at any time by paying the Favouree:

- the Sum (or any smaller amount the Favouree advises in writing will fully satisfy the undertaking); or
- any balance of the Sum that remains after a previous part payment by Westpac to the Favouree.

Westpac is under a statutory duty to comply with sanctions laws and regulations mandatorily applicable to it. Transactions may be delayed, blocked or refused that are not in compliance with the applicable anti-boycott, anti-money laundering, anti-terrorism, anti-drug trafficking and economic sanctions laws and regulations.

4. Assignment

The Favouree can assign or transfer all or any part of its rights under this undertaking but only if Westpac has received prior written notice of the assignment. Any assignment is only effective from the date Westpac confirms that it has updated its records with the details of the new Favouree

5. Multiple Favourees

- If there is more than one Favouree, this undertaking is for the Favourees' joint benefit.
- If one Favouree makes demand or gives notice, it is deemed to be a demand or notice from all of them. If Westpac pays one Favouree, this undertaking is discharged to all the Favourees to the extent of the amount paid by Westpac.

Signed for and on behalf of

Westpac Banking Corporation by its
duly constituted Attorney

.....
Name:

TIER THREE ATTORNEY, Book 4299, No.332, Dated 17 January, 2001



Banker's Undertaking

Westpac	Westpac Banking Corporation (ABN 33 007 457 131)
Address for Service	Level 9, 55 Market Street, Sydney NSW 2000 (or any other address that Westpac advises)
Favouree	[Favouree Name] [Favouree ABN]
Customer	[Customer Name] [Customer ABN]
Purpose	
Sum	AUD [Sum]
Date Issued	

1. Undertaking

In consideration of the Favouree accepting this undertaking, Westpac undertakes to pay the Sum to the Favouree on the terms of this undertaking when it receives a demand that meets the requirements in clause 2.

This undertaking continues until one of the following occurs:

- (a) the Favouree gives Westpac written notice that it no longer requires the undertaking;
- (b) the Favouree returns the original undertaking to Westpac;
- (c) Westpac pays the Favouree the Sum (or any smaller amount the Favouree advises in writing will fully satisfy the undertaking); or
- (d) [4:00 p.m. [City] time on [Date] (the Expiry Time).]

2. Demands

Demands must:

- (a) be in writing;
- (b) purport to be signed by the Favouree;
- (c) be for the Sum or part of the Sum. If a demand is for part of the Sum, then the Favouree can make later demands for the balance of the Sum;
- (d) be received by a Manager of Westpac at the Address for Service; and
- (e) be received by Westpac before the Expiry Time.]

3. Payment

When Westpac receives a demand it will pay promptly:

- (a) despite any notice from the Customer not to pay; and
- (b) to the Favouree's Australian bank account provided that the Favouree gives Westpac sufficient information to enable Westpac to identify that the bank account is in the name of the Favouree. If Westpac cannot do so (to Westpac's satisfaction) Westpac will make the payment by bank cheque payable to the Favouree.

Westpac can terminate this undertaking at any time by paying the Favouree:

- (a) the Sum (or any smaller amount the Favouree advises in writing will fully satisfy the undertaking); or
- (b) any balance of the Sum that remains after a previous part payment by Westpac to the Favouree.

4. Assignment

The Favouree cannot assign its rights under this undertaking.

5. Multiple Favourees

- (a) If there is more than one Favouree, this undertaking is for the Favourees' joint benefit.
- (b) If one Favouree makes demand or gives notice, it is deemed to be a demand or notice from all of them. If Westpac pays one Favouree, this undertaking is discharged to all the Favourees to the extent of the amount paid by Westpac.



Signed for and on behalf of _____
Westpac Banking Corporation by its _____
duly constituted Attorney _____

PERFORMANCE GUARANTEE
("the Guarantee")

At the request of **[Client Name (full)]** ("the Contractor") and in consideration of **[Favouree/Principal]** ("the Principal") accepting this Guarantee as the security required by a certain contract entered into between the Principal and the Contractor as described in contract **[Contract No./ Job Description]**, **WESTPAC NEW ZEALAND LIMITED** (Company No. 1763882) incorporated in New Zealand and having its principal place of business in New Zealand at Westpac on Takutai Square, 16 Takutai Square, Auckland ("Westpac NZ") unconditionally undertakes to pay on demand any sum or sums which may from time to time be demanded by the Principal to a maximum aggregate sum of **NZ\$[Bond Value (NZ\$ figures)]** (**[Bond Value (words, include text 'New Zealand Dollars')]**) (the "guaranteed amount")

The Guarantee is to continue until:

- (i) notification has been received from the Principal that the guaranteed amount is no longer required by the Principal;
- (ii) the Guarantee is returned to Westpac NZ; or
- (iii) payment has been made to the Principal by Westpac NZ of the whole of the guaranteed amount or such part as the Principal may require.

If Westpac NZ is notified in writing, by the Principal, or by a person purporting to be acting on behalf of the Principal, that the Principal requests payment of all or any part of the guaranteed amount to be made by Westpac NZ, it is unconditionally agreed that such payment will be made to the Principal by Westpac NZ without further reference to the Contractor and notwithstanding any notice given by the Contractor to Westpac NZ not to pay the guaranteed amount.

Any demand for payment of all or any part of the Guaranteed Amount pursuant to the Guarantee shall be deemed to have been sufficiently made if made in writing and signed by the Principal or by any director, secretary, employee or officer of the Principal, and either served personally on Westpac NZ, or sent using registered post to Westpac NZ's registered office, principal place of business in New Zealand, or any other address notified to the Principal by Westpac NZ. If sent by registered post the demand shall be deemed to be received by Westpac NZ on the third day following the day on which it was posted.

Notwithstanding any other provision of the Guarantee Westpac NZ may at any time without being required so to do pay to the Principal the guaranteed amount less any amount or amounts it may previously have paid under the Guarantee, or such lesser sums as may be specified by the Principal, at which point Westpac NZ's liability under the guarantee shall immediately cease.

The guarantee shall be governed by and construed in accordance with the laws of New Zealand.

Dated at (city) _____ this _____ day of _____ **[Year]**

Signed by
WESTPAC NEW ZEALAND LIMITED
by its attorney:

in the presence of:

.....
(Witness Signature)

.....
(Occupation)

.....
(Address)

Document



PRIVACY STATEMENT

This notice outlines the manner in which your Personal Information that will be or has been collected from and/or about you in connection with the Agreement (and any transactions contemplated under it) may be used and disclosed by the parties described in this notice.

In this notice:

Affiliate means a related body corporate of a Finance Party.

Agreement means the HBI Australia Acquisition Co. Pty Ltd – Revolving Facility Agreement dated [*] 2016 between, among others, Westpac Banking Corporation and HBI Australia Acquisition Co. Pty Ltd.

Borrower means each party so described in the Agreement.

Finance Party means each party that provides finance under the Agreement or a Loan Document and any agent or security trustee of such party.

Personal Information has the meaning given to it by section 6 of the Privacy Act 1988 (Cth).

You includes any person who is an employee of or holds office in an entity which is the Borrower.

1. Purpose of Collection of Personal Information

Each Finance Party may collect and use your Personal Information:

- to provide and manage facilities offered to the Borrower under the Agreement;
 - to identify you or the Borrower;
 - to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) or substantially similar laws and regulations in any jurisdiction;
 - to establish your or the Borrower's tax status under any Australian or foreign legislation, regulation or treaty or pursuant to an agreement with any tax authority;
 - to identify, prevent or investigate any actual or suspected fraud, unlawful activity or misconduct;
 - to consider any concerns or complaints raised by the Borrower against a Finance Party and/or to manage any legal action involving a Finance Party; and
- as required by relevant laws, regulations, codes of practice and external payment systems in any jurisdiction.

Each Finance Party may collect your Personal Information not only directly from you, but also from the Borrower, any guarantor, any other Finance Party or any Affiliate as part of the processes referred to above.

2. Disclosure of Personal Information

Each Finance Party may disclose Personal Information to:

- (a) other Finance Parties;



any Affiliate of a Finance Party;

regulatory bodies, government agencies, law enforcement bodies and courts where required by law;

participants in payments systems (including payment organisations and merchants) and other financial institutions;

the Borrower's legal representatives or anyone else acting for the Borrower or guarantor in connection with the Agreement;

parties to whom a Finance Party is required by law or court/tribunal order to disclose information; and

any professional advisors or service providers of the Finance Parties who are under a duty of confidentiality to keep such information confidential.

3. Consequence of Failure to Provide Personal Information

If the Borrower does not provide a Finance Party with some or all of the Personal Information requested, a Finance Party may be unable to provide the Borrower with any product or service.

4. Disclosure of Personal Information to Overseas Recipients

In collecting and using your Personal Information and making the disclosures as described in clauses 1 and 2, the Finance Parties may disclose information to recipients located outside Australia, including recipients who are not established in or not carrying on business in Australia. This may include (but is not limited to) recipients in countries named in each Finance Party's privacy policy.

5. Privacy Policies

The privacy policy of each Finance Party is available on its website. Each privacy policy contains information about the way you may access and seek correction of your Personal Information and how to make a privacy related complaint.



SIGNATURE PAGES

Each attorney executing this Agreement states that he or she has no notice of revocation or suspension of his or her power of attorney.

The Original Borrowers

Signed for HBI Australia Acquisition Co. Pty Ltd by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Signed for Pacific Brands (Australia) Pty Ltd by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Signed for Pacific Brands Clothing Pty Ltd by its attorney in the presence of:

Witness Signature

Attorney Signature



Print Name

Print Name

Signed for Pacific Brands Holdings (NZ)
Limited by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Witness Address

Witness occupation



Signed for Pacific Brands Holdings Pty Ltd by
its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Signed for Pacific Brands Limited by its
attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Signed for Pacific Brands Services Group Pty
Ltd by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name



Signed for Pacific Brands Sport & Leisure Pty Ltd by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Signed for Sheridan Australia Pty Ltd by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Signed for Sheridan N.Z. Limited by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Witness Address

Witness occupation



The Lender

Signed for Westpac Banking Corporation by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Signed for Westpac New Zealand Limited by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

[Signature blocks intentionally deleted]



**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Stephen B. Bratspies, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hanesbrands Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen B. Bratspies

Stephen B. Bratspies
Chief Executive Officer

Date: November 4, 2021

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael P. Dastugue, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hanesbrands Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael P. Dastugue

Michael P. Dastugue
Chief Financial Officer

Date: November 4, 2021

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Hanesbrands Inc. ("Hanesbrands") on Form 10-Q for the fiscal quarter ended October 2, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen B. Bratspies, Chief Executive Officer of Hanesbrands, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Hanesbrands.

/s/ Stephen B. Bratspies

Stephen B. Bratspies
Chief Executive Officer

Date: November 4, 2021

The foregoing certification is being furnished to accompany Hanesbrands Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended October 2, 2021 (the "Report") solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed as part of the Report or as a separate disclosure document and shall not be deemed incorporated by reference into any other filing of Hanesbrands Inc. that incorporates the Report by reference. A signed original of this written certification required by Section 906 has been provided to Hanesbrands Inc. and will be retained by Hanesbrands Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Hanesbrands Inc. ("Hanesbrands") on Form 10-Q for the fiscal quarter ended October 2, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael P. Dastugue, Chief Financial Officer of Hanesbrands, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Hanesbrands.

/s/ Michael P. Dastugue

Michael P. Dastugue
Chief Financial Officer

Date: November 4, 2021

The foregoing certification is being furnished to accompany Hanesbrands Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended October 2, 2021 (the "Report") solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed as part of the Report or as a separate disclosure document and shall not be deemed incorporated by reference into any other filing of Hanesbrands Inc. that incorporates the Report by reference. A signed original of this written certification required by Section 906 has been provided to Hanesbrands Inc. and will be retained by Hanesbrands Inc. and furnished to the Securities and Exchange Commission or its staff upon request.