

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 26, 2020

DAVIDsTEA

DAVIDsTEA Inc.

(Exact name of registrant as specified in its charter)

Canada

(State or other jurisdiction of incorporation)

98-1048842

(I.R.S. Employer Identification Number)

001-37404

(Commission File Number)

**5430 Ferrier,
Town of Mount-Royal,
Québec, Canada**

(Address of principal executive offices)

H4P 1M2

(Zip Code)

(888) 873-0006

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, no par value per share	DTEA	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company x

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. x

Item 7.01 Regulation FD Disclosure.

On June 25, 2020, DAVIDsTEA Inc. (the “Company”), a corporation incorporated under the *Canada Business Corporations Act* (the “Act”), made available to its shareholders, in compliance with the Act, a proxy statement in respect of its annual and special shareholders’ meeting. A copy of the Company’s proxy statement and form of proxy are furnished as Exhibit 99.1 and Exhibit 99.2 hereto, respectively, and are incorporated by reference.

The information contained in this Item, including each Exhibit attached hereto, is being furnished and shall not be deemed “filed” for any purpose, and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in any such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Notice of Annual Meeting of Shareholders and Canadian Management Information Circular of DAVIDsTEA Inc., dated June 25, 2020.
99.2	Form of Proxy of DAVIDsTEA Inc., dated June 25, 2020.

SIGNATURE

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 hereunto duly authorized.

DAVIDsTEA INC.

Date: June 26, 2020

By: /s/ Frank Zitella
Name: Frank Zitella
Title: Chief Financial and Operating Officer

DAVIDsTEA INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

July 31, 2020

TAKE NOTICE that an Annual Meeting of Shareholders (the “**Meeting**”) of DAVIDsTEA INC. (the “**Corporation**”) will be held at:

Place: DAVIDsTEA Inc.
5430 Ferrier Street
Town of Mount Royal, Québec, Canada

Date: July 31, 2020

Time: 9:30 a.m.

The purposes of the Meeting are to:

1. receive and consider the consolidated financial statements of the Corporation for the fiscal year ended February 1, 2020 and the auditors’ report thereon;
2. elect directors;
3. appoint an auditor and authorize the directors to fix its remuneration; and
4. transact such other business as may properly be brought before the Meeting.

Only persons registered as shareholders on the records of the Corporation as of the close of business on June 10, 2020 are entitled to receive notice of, and to vote or act at, the Meeting. No person who becomes a shareholder after such date will be entitled to vote or act at the Meeting or any adjournment(s) thereof.

In light of ongoing public health concerns related to the COVID-19 pandemic and in order to comply with government decrees, the Corporation is requesting that shareholders not attend the Meeting in person. The Meeting will be webcast through the Corporation’s Investor Relations website at <http://ir.davidstea.com/events> and the Corporation asks all shareholders to participate in that manner. While shareholders viewing the webcast will not be able to vote during the Meeting, they will be able to ask questions to the Corporation’s management at its conclusion through the webcast platform.

Please vote your shares prior to the Meeting by returning your proxy form or voting instruction form, voting online or using the toll-free telephone number set out on the proxy or voting instruction form. Proxies to be used at the Meeting must be deposited with AST Trust Company (Canada), 320 Bay Street, B1 Level, Toronto, Ontario, Canada M5H 4A6 prior to 5:00 p.m. (eastern time) on July 29, 2020 or with the Secretary of the Corporation before the commencement of the Meeting or at any adjournment thereof.

DATED at Town of Mount Royal, Québec, Canada
June 25, 2020

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Herschel Segal _____

Herschel Segal
Chairman and Interim Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by the management of DAVIDsTEA Inc. (the “Corporation”) of proxies to be used at the annual meeting of shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set out in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation. Information contained herein is given as of the date hereof unless otherwise specifically stated.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The Corporation was incorporated under the laws of Canada. The solicitation of proxies and the proposals contemplated herein involve securities of a Canadian issuer and are being effected in accordance with Canadian federal corporate law and securities laws of the Province of Québec. Shareholders should be aware that requirements under such Canadian federal and Québec provincial laws differ from requirements under United States corporate and securities laws relating to United States corporations. The proxy rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation and therefore this solicitation is not being effected in accordance with such laws.

CURRENCY

All dollar amounts set out herein are expressed in Canadian dollars, unless otherwise indicated; the symbol “\$” refers to the Canadian dollar while the symbol “USD” refers to the U.S. dollar.

INTERNET AVAILABILITY OF PROXY-RELATED MATERIALS

Notice-and-Access

The Corporation has elected to use “notice-and-access” rules (“**Notice-and-Access**”) under Canadian National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for distribution of Proxy-Related Materials (as defined below) to shareholders who do not hold shares of the Corporation in their own names (referred to herein as “**Beneficial Shareholders**”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies. “Proxy-Related Materials” refers to this Circular, the Notice of Meeting and a voting instruction form (“**VIF**”) or a form of proxy, as applicable.

The use of Notice-and-Access is more environmentally friendly as it helps reduce paper use. It also reduces the Corporation’s printing and mailing costs. Beneficial Shareholders may obtain further information about Notice-and-Access by contacting AST Trust Company (Canada) (“**AST**”) toll free at 800-387-0825 (within North America) or 416-682-3860 (outside North America).

Websites Where Proxy-Related Materials are Posted

The Proxy-Related Materials are available on the Corporation’s Investor Relations website at <http://ir.davidstea.com> and under the Corporation’s profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Notice Package

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders will receive paper copies of a notice package (“**Notice Package**”) via prepaid mail, including the Notice of Meeting, containing information prescribed by NI 54-101 such as the date, time and location of the Meeting and the website addresses where the Proxy-Related Materials are posted, a VIF and a supplemental mail list return card for Beneficial Shareholders to request they be included in the Corporation’s supplementary mailing list for receipt of the Corporation’s interim financial statements for the 2020 fiscal year.

The Corporation is not using notice-and-access for shareholders who hold their shares directly in their respective names (referred to herein as “**Registered Shareholders**”). Registered Shareholders will receive paper copies of the Circular and related materials via prepaid mail.

How to Obtain Paper Copies of Proxy-Related Materials

Shareholders may obtain paper copies of this Circular free of charge by contacting Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643. Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Corporation by 5:00 p.m. (eastern time) on July 10, 2020 in order to allow sufficient time for shareholders to receive their paper copies and to return their VIF or form of proxy, as applicable, by its due date. After the Meeting date, shareholders may obtain paper copies of the Circular free of charge by contacting the Secretary of the Corporation at (514) 739-0006.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxy

A shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to AST by mail or hand delivery to 320 Bay Street, B1 Level, Toronto, Ontario, Canada M5H 4A6. A shareholder may also vote using the Internet at www.astvotemyproxy.com or by telephone at 1-888-489-7352. In order to be valid and acted upon

at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on July 29, 2020 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the shareholder's appointee should be legibly printed in the blank space provided. In addition, the shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the shareholder's shares are to be voted.

Shareholders who are not registered shareholders should refer to "Notice to Beneficial Holders of Shares" below.

Revocation of Proxy

A shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his attorney or authorized agent and deposited with AST at any time up to 5:00 p.m. (eastern time) on July 29, 2020 by mail or by hand delivery to AST, 320 Bay Street, B1 Level, Toronto, Ontario, Canada M5H 4A6, or deposited with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

Notice to Beneficial Holders of Shares

The information set out in this section is of importance to many shareholders, as a substantial number of shareholders do not hold shares of the Corporation in their own names. Shareholders who do not hold their shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Those shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the shares registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and requests for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners ("**OBOs**") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

NI 54-101 allows the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the Notice Package directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver the Notice Package to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Notice Package indirectly to all Beneficial Shareholders through intermediaries. The cost of the delivery of the Notice Package by intermediaries to Beneficial Shareholders will be borne by the Corporation.

Applicable securities regulations require intermediaries, on receipt of the Notice Package that seeks voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings on Form 54-101F7. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on

behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to appoint to attend the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a voting instruction form in lieu of a form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge’s dedicated voting website at <https://central-online.proxyvote.com> to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to AST, the Corporation’s transfer agent and registrar, which will tabulate the results and provide appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment(s) thereof.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly-executed proxies or voting instruction forms in favour of the persons designated in the enclosed form of proxy or voting information forms, in the absence of any direction to the contrary, will be voted for the: (i) election of directors; and (ii) appointment of the auditor, as stated under such headings in this Circular. The shares represented by the proxy or voting instruction form will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for, and if a shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters.

VOTING SHARES

As at June 10, 2020, there were 26,103,477 issued and outstanding common shares of the Corporation. Each common share entitles the holder thereof to one vote. The Corporation has fixed June 10, 2020 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the Meeting. The list of shareholders is available for inspection during usual business hours at the head office of the Corporation, 5430 Ferrier Street, Town of Mount Royal, Québec, Canada H4P 1M2 and at the Meeting. Only shareholders of record as at the close of business on the Record Date will receive notice of, and be entitled to attend and vote at, the Meeting. A shareholder of record on the Record Date will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, even though the shareholder may subsequently dispose of his or her shares. No shareholder who has become a shareholder after the Record Date will be entitled to vote his or her shares at the Meeting or any adjournment(s) thereof.

PRINCIPAL SHAREHOLDER

As at June 10, 2020, to the best knowledge of the Corporation, the following table sets out the only shareholder who beneficially owned or exercised control or direction over, directly or indirectly, more than 10% of the issued and outstanding common shares of the Corporation:

Name	Number of Shares	Percentage
Herschel Segal ⁽¹⁾	12,014,061	46.02%

⁽¹⁾ Herschel Segal is Chairman and Interim Chief Executive Officer of the Corporation. 12,012,538 of these shares are held by Rainy Day Investments Ltd., a company controlled by Herschel Segal. The information as to shares over which Herschel Segal exercises control or direction is not within the knowledge of the Corporation and has been taken exclusively from insider reports filed on the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.

ELECTION OF DIRECTORS

The Board of Directors currently consists of six directors. As Ludwig Max Fischer, who has served on the Board of Directors since June 2018, has advised the Corporation that he will not seek re-election as a director at the Meeting, shareholders will be asked to vote for the election of five directors at the Meeting. Information relating to Mr. Fischer is not included below in this section “Election of Directors”. However, because Mr. Fischer is currently a director and will serve until the Meeting, information relating to him appears in the other sections of this Circular that pertain to the directors.

The persons named in the enclosed form of proxy intend to vote for the election of the five nominees whose names are set out below. Each director will hold office until the next annual meeting of shareholders or until the election of his or her successor, unless the director resigns or his or her office becomes vacant by removal, death or other cause.

The following table sets out the name of each of the persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by such person, his or her province and country of residence and principal occupation, the year in which such person became a director of the Corporation, each committee of the Board of Directors on which such person currently serves, and the number of common shares of the Corporation that such person has advised are beneficially owned or over which control or direction is exercised by such person as at the date indicated below.

Name, province and country of residence and position with the Corporation	Principal occupation	First year as director	Number of shares beneficially owned or over which control is exercised as at June 25, 2020
Herschel Segal Québec, Canada Chairman of the Board, Interim Chief Executive Officer and Director	Chairman and Interim Chief Executive Officer of the Corporation	2008 to March 5, 2018; since June 14, 2018	12,014,061 ⁽⁴⁾
Susan L. Burkman ⁽¹⁾⁽²⁾ Québec, Canada Director	President Burkman Capital Corporation (investment banking boutique)	2018	4,501
Pat De Marco ⁽¹⁾⁽³⁾ Québec, Canada Lead Director	President & COO Viau Food Products Inc. (food processing company)	2018	—
Emilia Di Raddo ⁽²⁾ Québec, Canada Director	President Le Chteau Inc. (specialty retailer and manufacturer)	From August 21, 2012 to January 31, 2013; from March 2014 to May 10, 2018; since June 14, 2018	13,743
Peter Robinson ⁽¹⁾⁽³⁾ British Columbia, Canada Director	Private farm owner	2018	—

(1) Member of the Audit Committee.

(2) Member of the Human Resources and Compensation Committee.

(3) Member of the Corporate Governance and Nominating Committee.

(4) 12,012,538 of these shares are held by Rainy Day Investments Ltd., a company controlled by Herschel Segal.

The information as to shares and other securities of the Corporation beneficially owned or over which the above-named individuals exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually. The Corporation does not have an Executive Committee of the Board of Directors.

To the knowledge of the Corporation, none of the foregoing nominees for election as a director of the Corporation:

(a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company;

(b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any

legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the foregoing nominees for election as director of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Majority Voting for Directors

On February 15, 2017, the Board of Directors adopted a Majority Voting Policy for the election of directors. The form of proxy that accompanies this Circular enables shareholders to vote in favour of, or to withhold their vote, separately, for each director nominee. Under the Majority Voting Policy, in an uncontested election, any director nominee who receives a greater number of votes “withheld” than votes “for” his or her election must promptly tender his or her resignation to the Corporate Governance and Nominating Committee (the “CGNC”) of the Board of Directors for consideration. The CGNC will consider the resignation and recommend to the Board the action to be taken with respect to such tendered resignation. The CGNC will be expected to accept and recommend acceptance of the resignation by the Board of Directors unless the circumstances direct otherwise. The Board of Directors will consider the recommendation of the CGNC and determine whether or not to accept it. A press release disclosing the Board’s determination (and the reasons for rejecting the resignation, if applicable) will be issued within 90 days following the date of the relevant meeting of shareholders and a copy of the press release will be sent concurrently to NASDAQ. The director’s resignation, if accepted, becomes effective immediately when accepted by the Board.

Any director who tenders his or her resignation pursuant to the Majority Voting Policy will not participate in the recommendation of the CGNC or the decision of the Board with respect to such resignation.

Subject to any restrictions imposed by law, where the Board accepts a resignation in accordance with the Majority Voting Policy, the Board may (i) leave the director vacancy unfilled until the next annual meeting of shareholders, (ii) fill the vacancy through the appointment of a new director, or (iii) call a special meeting of shareholders at which a new candidate will be presented to fill the vacant position.

The Majority Voting Policy applies only in circumstances involving an uncontested election of directors. For purposes of the Majority Voting Policy, an “uncontested election” means any meeting of shareholders called for, either alone or with other matters, the election of directors, with respect to which (i) the number of nominees for election is equal to the number of positions on the Board of Directors to be filled through the election to be conducted at such meeting, and/or (ii) proxies are being solicited for such election of directors only by the Corporation.

The Corporation will disclose the voting results promptly after the Meeting by way of press release and via a voting results report filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

This section provides information regarding the Corporation’s executive compensation objectives and process and discusses compensation relating to each person who acted as Chief Executive Officer and Chief Financial Officer of the Corporation and the three most highly-compensated executive officers of the Corporation (or three most highly-compensated individuals acting in a similar capacity), other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was more than \$150,000 in the Corporation’s last financial year (each a “Named Executive Officer” and collectively the “Named Executive Officers”). For the fiscal year ended February 1, 2020, the Corporation’s Named Executive Officers and their respective positions were as follows:

- Herschel Segal, Interim Chief Executive Officer and Chairman of the Board since June 14, 2018;
- Frank Zitella, Chief Financial Officer since December 10, 2018 as well as Chief Operating Officer since April 26, 2019;
- Sarah Segal, Chief Brand Officer since August 21, 2018;
- Martin Hillcoat, Vice-President, Supply Chain; and

This discussion may contain forward-looking statements that are based on the Corporation's current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that the Corporation adopts may differ materially from the programs summarized in this discussion.

Executive and Director Compensation

Processes and Procedures for Compensation Decisions

The Human Resources and Compensation Committee ("**HRCC**") of the Board of Directors is responsible for the executive compensation programs for the Corporation's executive officers and reports to the Board on its discussions, decisions and other actions. The HRCC reviews and approves corporate goals and objectives relating to the compensation of the Chief Executive Officer, evaluates the performance of the Chief Executive Officer in light of those goals and objectives and determines and approves the compensation of the Chief Executive Officer based on such evaluation. The HRCC has the sole authority to determine the Chief Executive Officer's compensation. In addition, the HRCC, in consultation with the Chief Executive Officer, reviews and approves all compensation for the other officers and directors. The Chief Executive Officer also makes compensation recommendations for the other executive officers and initially proposes the corporate and departmental performance objectives under the Executive Incentive Compensation Plan to the HRCC.

The HRCC is authorized to retain the services of one or more executive compensation and benefits consultants or other outside experts or advisors as it sees fit, in connection with the establishment of the Corporation's compensation programs and related policies.

Short-Term Incentive Plan

The annual incentive program is a cash bonus intended to compensate officers for achieving short-term corporate goals. It is also intended to reward the Named Executive Officers for both the overall performance of the Corporation and individual performance during the year. The Corporation believes that establishing cash bonus opportunities is an important factor in both attracting and retaining the services of qualified and highly-skilled executives. The HRCC determined that the most meaningful measure of successful growth was Comparable Sales and selected other financial objectives in line with the Corporation's short-term corporate goals, which, together with Comparable Sales, would form the basis for the annual incentive program. The HRCC reviews annually the weight attributed to each financial objective. Therefore, for the fiscal year ended February 1, 2020, the annual incentive formula attributed 75% to corporate comparable sales growth and 25% to other financial objectives. Notwithstanding the above formula, the HRCC may, in its sole discretion, adjust the calculated payment, or cancel payment altogether, should it determine that the calculated payment requires adjustment. For the fiscal year ended February 1, 2020, the Corporation did not meet the annual incentive program targets.

Mid- and Long-Term Incentive Plans

In 2015, the Corporation adopted the 2015 Omnibus Equity Incentive Plan (the "**2015 Omnibus Plan**") in connection with the Corporation's initial public offering ("**IPO**"). All equity and equity-based awards, including awards to the Named Executive Officers, are made under the 2015 Omnibus Plan. Accordingly, the restricted share unit ("**RSU**") made during the fiscal year ended February 1, 2020 to executive officers were made under the 2015 Omnibus Plan. As the Corporation's common shares are currently traded solely on the NASDAQ Global Market, the grant value and number of units awarded are determined based on the U.S. dollar share price and are not subject to currency conversion.

The target award values for the Named Executive Officers are indicated in the table below. Actual awards for the fiscal year ended February 1, 2020 can be found in the Summary Compensation Table set out below. Under the 2015 Omnibus Plan, when calculating the number of stock options and/or RSUs/performance share units granted based on the target award values, the Corporation does not convert for U.S.-Canadian currency rates.

Name	Target Value	Maximum Value
	(% of salary)	
Herschel Segal	75%	150%
Frank Zitella	40%	80%
Sarah Segal	40%	80%
Martin Hillcoat	25%	50%
Nathalie Binda	25%	50%

(1) Amounts shown reflect the aggregate grant date fair market value of time-vesting RSUs granted to Named Executive Officers on June 20, 2019, April 19, 2018 and April 18, 2017 under the 2015 Omnibus Plan, excluding the value of estimated forfeitures on the shares. Assumptions used in the calculation of these amounts are disclosed in note 15 to the Corporation's Consolidated Financial Statements for the year ended February 1, 2020.

(2) Herschel Segal was appointed Interim Chief Executive Officer and Chairman of the Board on June 14, 2018.

(3) Frank Zitella was appointed Chief Financial Officer and Corporate Secretary on December 10, 2018 and Chief Operating Officer on April 26, 2019.

(4) Sarah Segal was appointed Chief Brand Officer on August 21, 2018 and prior thereto was the Corporation's VP Product Development and Innovation.

(5) Martin Hillcoat was appointed Vice-President, Supply Chain on September 4, 2018.

(6) Nathalie Binda was appointed Vice-President, Marketing and E-commerce on September 7, 2018 and left the Corporation on January 22, 2020.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out information regarding outstanding awards held by the Named Executive Officers as of February 1, 2020.

Herschel Segal Interim Chief Executive Officer and Chairman of the Board	—	—	—	—	2019-06-20	137,657	198,226	—
Frank Zitella Chief Financial Officer and Chief Operating Officer	—	—	—	—	2019-06-20	91,772	132,152	—
Sarah Segal Chief Brand Officer	—	—	—	—	2019-06-20 2018-04-19	52,769 12,540 65,309	75,987 18,058 94,045	—
Martin Hillcoat Vice-President, Supply Chain	—	—	—	—	2019-07-12	26,092	37,572	—
Nathalie Binda(3) Former Vice-President, Marketing and E-commerce	—	—	—	—	—	—	—	—

(1) Unless earlier terminated, forfeited, relinquished or expired, the RSUs will vest as to one quarter of the shares on each of the first two anniversaries of the grant date and the remaining half of the RSUs will vest on the third anniversary of the grant date. Shares subject to the RSUs will not vest on any vesting date unless the Named Executive Officer has remained in continuous service from the date of grant through such vesting date, unless otherwise provided in the long-term incentive plan further discussed under "Compensation of Executive Officers and Directors".

(2) The market value is calculated by multiplying the closing price of the Corporation's common shares on the NASDAQ Global Market on January 31, 2020 (USD \$1.44), being the last business day of the Corporation's last fiscal year, by the number of RSUs that had not vested as of such date.

(3) Nathalie Binda left the Corporation on January 22, 2020.

The table below illustrates the status of the shares reserved for issuance under the Corporation's equity-based incentive plans as at February 1, 2020, the end of the Corporation's last fiscal year.

Plan Category	Plan Name	Number of securities to be issued upon exercise of outstanding options (#) (a)	Weighted average exercise price of outstanding options (\$USD) (b)	Number of securities to be issued upon vesting of RSUs	Weighted average fair value price of RSUs (\$USD)	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#) (c)
Equity compensation plans approved by security holders	Amended and Restated Equity Incentive Plan(1)	18,000	2.66	—	—	—
	2015 Omnibus Equity Incentive Plan	58,350	8.04	749,522	1.64	1,823,962
Equity compensation plans not approved by security holders		—	—	—	—	—
Total		76,350	—	749,522	—	1,823,962

(1) Since the adoption of the 2015 Omnibus Plan in connection with the IPO, no awards have been or will be made under the Amended and Restated Equity Incentive Plan. Outstanding options previously granted under the Amended and Restated Equity Incentive Plan remain subject to the terms thereof.

Termination and Change of Control Benefits

The Named Executive Officers would be entitled to the following payments and benefits in the event of termination of the executive's employment or a change of control of the Corporation pursuant to their respective employment agreements with the Corporation.

Frank Zitella

The Corporation has entered into an employment agreement with Frank Zitella, Chief Financial Officer and Chief Operating Officer of the Corporation. The employment agreement provides that if Mr. Zitella's employment is terminated by the Corporation without cause, he will be entitled to a severance payment equivalent to twelve months of base salary, an amount equal to a prorated portion of the performance bonus (if any) which becomes payable for the year during which the termination of employment occurs, and payment of any awarded but unpaid performance bonus for the year preceding the year during which the termination of employment occurs. In addition, any stock options, RSUs, stock units or other long-term incentive grants held by Mr. Zitella will be deemed vested on the date of his termination. The value of such payments was estimated at \$532,152 had termination of employment occurred on February 1, 2020, the end of the Corporation's last fiscal year.

If Mr. Zitella remains a full-time employee of the Corporation for a period of six months following a change of control of the Corporation, as that term is defined in his employment agreement, and he resigns within a period of 15 days thereafter, Mr. Zitella will be entitled to an amount equal to a prorated portion of the performance bonus (if any) which becomes payable for the year during which the termination of employment occurs, and payment of any awarded but unpaid performance bonus for the year preceding the year during which the termination of employment occurs. In addition, any stock options, RSUs, stock units or other long-term incentive grants held by Mr. Zitella will be deemed vested on the date of his resignation.

Within a six-month period after the appointment of any new Chief Executive Officer, Mr. Zitella may resign at his discretion and be entitled to an amount equal to a prorated portion of the performance bonus (if any) which becomes payable for the year during which the resignation occurs, and payment of any awarded but unpaid performance bonus for the year preceding the year during which the resignation occurs. In addition, any stock options, RSUs, stock units or other long-term incentive grants held by Mr. Zitella will be deemed vested on the date of his resignation.

Voluntary Resignation

Under the 2015 Omnibus Plan, vested options will remain exercisable until the earlier of the one-year anniversary of the termination of employment or the award's normal expiration date. Unvested awards under the 2015 Omnibus Plan will be forfeited at the time of such termination. Unvested options granted under the Amended and Restated Equity Incentive Plan (the "**Equity Incentive Plan**") will be forfeited upon a termination of employment due to a voluntary resignation and vested options will remain exercisable for a period of 30 days following such termination.

Termination for Cause

Vested and unvested awards under both the 2015 Omnibus Plan and Equity Incentive Plan will be forfeited immediately at time of termination.

Termination Due to Death

Under the 2015 Omnibus Plan, upon death, all time-based awards will immediately vest and performance awards will vest at the target level of performance. Options will remain exercisable until the earlier of the one-year anniversary of the executive's death or the award's normal expiration date. Unvested options granted under the Equity Incentive Plan will be forfeited upon death while vested options will remain exercisable by the estate for a period of 180 days following death.

Termination Due to Disability

Under the 2015 Omnibus Plan, upon a termination of employment due to disability, all time-based awards will immediately vest and performance awards will remain eligible to vest to the extent the applicable performance goals are achieved. Options will remain exercisable until the earlier of the one-year anniversary of the participant's termination of employment due to disability or the award's normal expiration date. Unvested options granted under the Equity Incentive Plan will be forfeited upon termination of employment while vested options will remain exercisable for a period of 180 days following termination.

Retirement

Awards other than stock options made under the 2015 Omnibus Plan will vest based on a pro rata of elapsed days between the start of the performance period and the complete three-year period. If a performance condition is attached to the vesting, the outstanding awards will be treated as per the achievement of the performance criterion at the time of retirement. Vested options will remain exercisable for a period of five years following retirement or until the original option expiry date. For purposes of the plan, retirement is defined as 65 years of age and 55 years of age with ten years of service or more. Unvested options granted under the Equity Incentive Plan will be forfeited upon retirement while vested options will remain exercisable for a period of 90 days.

Involuntary Termination

Under the 2015 Omnibus Plan, upon an involuntary termination of employment by the Corporation, options will be forfeited to the extent then unvested and vested options will remain exercisable until the earlier of the one-year anniversary of the participant's termination of service or the award's normal expiration date. RSUs and performance awards will be deemed vested *pro rata* based on the number of days in a specified period (i.e. the period from the date of grant to the third anniversary of the grant date) that have elapsed from the date of grant to the six-month anniversary of the date of the termination of employment, with the vesting of performance awards to be subject to performance assessed as of the date of such termination of employment. Unvested options granted under the Equity Incentive Plan will be forfeited upon an involuntary termination of employment by the Corporation while vested options will remain exercisable for a period of 30 days.

Change in Control

Under the 2015 Omnibus Plan, upon a termination by the Corporation other than for cause within twelve months following a change in control, to the extent granted prior to the time of the change in control and then outstanding, all time-based awards will vest and performance awards will vest at the target level of performance. Options will remain exercisable until the earlier of the one-year anniversary of the participant's termination of employment or service due to disability or the award's normal expiration date.

Under the Equity Incentive Plan, upon the occurrence of a trigger event (as defined in the Equity Incentive Plan, generally a liquidation or change of control), participants holding vested options or options that would vest upon the completion of the trigger event will have the right to exercise such options on a basis that allows the participants to tender the common shares delivered upon such exercise in the transaction and any options not so exercised will expire and be cancelled upon the completion of the trigger event. In the event of a trigger event in which the purchase price in the transaction will be paid in cash, in lieu of a participant exercising his or her vested options prior to the trigger event, the participant may require us to purchase his or her options for a purchase price per common share equal to the purchase price per common share in the transaction times the number

of common shares subject to the option, minus the aggregate exercise price for such common shares, subject to the completion of the trigger event.

Director Compensation

Director Compensation Table

The following table sets out information concerning all amounts of compensation paid to the directors of the Corporation for their services in that capacity for the fiscal year ended February 1, 2020.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation(\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Herschel Segal	143,500	26,152	—	—	—	—	169,652
Susan L. Burkman	64,000	13,076	—	—	—	—	77,076
Anne Darche ⁽¹⁾	38,278	13,076	—	—	—	—	51,354
Pat De Marco	108,000	13,076	—	—	—	—	121,076
Emilia Di Raddo	59,000	13,076	—	—	—	—	72,076
Ludwig Max Fischer	76,000	13,076	—	—	—	—	89,076
Peter Robinson	75,500	13,076	—	—	—	—	88,576

(1) Resigned as a director on September 11, 2019.

The directors are reimbursed by the Corporation for the reasonable costs and expenses incurred in connection with attending meetings of the Board of Directors and its committees including, to the extent applicable, the cost of air travel.

Director Compensation Policy

The Corporation's compensation policy for directors is designed to enable the Corporation to attract and retain highly qualified non-employee directors. Under the policy in effect during the fiscal year ended February 1, 2020, directors received the cash and equity compensation set forth below.

Board Chair	
Annual retainer	\$125,000
Annual target equity grant	15,000 RSUs or deferred share units (DSUs [™]), at the option of the chair
Board member	
Annual retainer	\$50,000
Annual target equity grant	7,500 RSUs or DSUs, at the option of the director
Board meeting fees	\$1,000 for attendance in person and \$500 for teleconference
Lead Director	
Annual retainer	\$25,000
Audit Committee Chair	
Additional annual retainer	\$15,000 minimum
Audit Committee meeting fees	\$1,000 for attendance in person and \$500 for teleconference
Human Resources and Compensation Committee Chair	
Additional annual retainer	\$10,000 minimum
Human Resources and Compensation Committee meeting fees	\$1,000 for attendance in person and \$500 for teleconference
Corporate Governance and Nominating Committee Chair	
Additional annual retainer	\$10,000 minimum
Corporate Governance and Nominating Committee meeting fee.	\$1,000 for attendance in person and \$500 for teleconference

Under the Corporation's non-employee director compensation policy, annual retainers and meeting fees are paid in quarterly cash payments. At a meeting of the Board of Directors held on April 17, 2020, the directors agreed to a reduction of 20% in all annual retainers for the balance of 2020. Equity grants generally will be made in the form of RSUs or DSUs granted under the 2015 Omnibus Plan and will generally vest in full on the first anniversary of the grant date.

Value vested or earned during the year for directors

The following table sets out information regarding option-based awards and share-based awards that vested in the fiscal year ended February 1, 2020 for the directors. The value of share-based awards that vested in the fiscal year are disclosed in U.S. dollars.

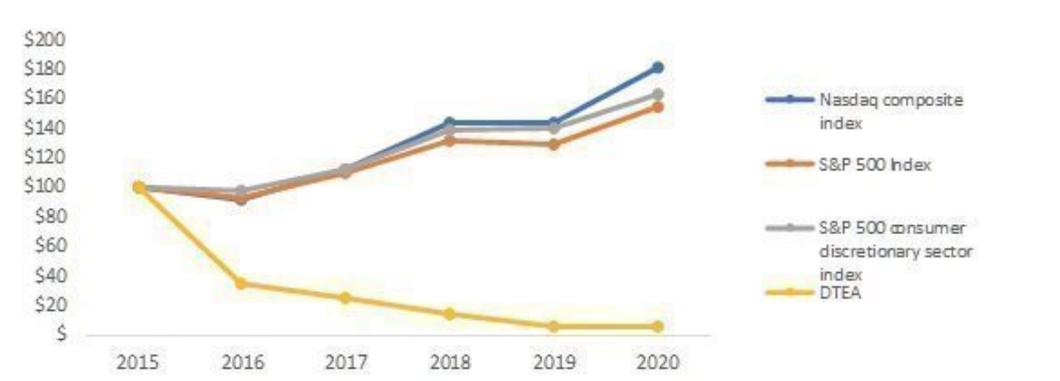
Name	Option-based awards - Value vested during the year (1) (\$)	Share-based awards - Value vested during the year (\$USD)	Non-equity incentive plan compensation - Value earned during the year (\$)
Herschel Segal	—	\$ 19,950	—
Susan L. Burkman	—	\$ 12,737	—
Anne Darche ⁽²⁾	—	\$ 13,650	—
Pat De Marco	—	\$ 9,975	—
Emilia Di Raddo	—	\$ 9,975	—
Ludwig Max Fischer	—	\$ 9,975	—
Peter Robinson	—	\$ 9,975	—

(1) The directors do not hold any stock options.

(2) Resigned as a director on September 11, 2019.

PERFORMANCE GRAPH

The stock performance graph below compares cumulative total return on the Corporation's common shares to the cumulative total return of the NASDAQ Composite Index, S&P 500 Index and S&P 500 Consumer Discretionary Sector Index from June 4, 2015 through February 1, 2020. The graph assumes an initial investment of \$100 in the Corporation and the NASDAQ Composite Index, S&P 500 Index and S&P 500 Consumer Discretionary Sector Index as of June 4, 2015, immediately prior to the Corporation's commencement of trading on NASDAQ. The performance shown on the graph below is not intended to forecast or be indicative of possible future performance of the Corporation's common shares.



Comparison of trend in stock performance to trend in compensation of executive officers

During the fiscal year ended January 30, 2016, the Corporation paid aggregate compensation of \$3,670,982 to its then-Named Executive Officers, decreasing slightly to \$3,531,535 for the fiscal year ended January 28, 2017 and increasing to \$4,563,676 for the fiscal year ended February 3, 2018, representing an increase of 24.32% over the two-year period. For the fiscal year ended February 2, 2019, the Corporation paid an aggregate of \$2,408,147 to its then-Named Executive Officers, including a severance payment to the former Chief Executive Officer, decreasing by 14.05% to \$2,069,876 for the fiscal year ended February 1, 2020. The aggregate compensation paid during the fiscal year ended February 1, 2020 represents 56.38% of the aggregate compensation paid during the fiscal year ended January 30, 2016. The percentage decline in the Corporation's stock price over the five-year period exceeds the percentage decrease in aggregate annual compensation paid to the Named Executive Officers.

APPOINTMENT OF AUDITOR

Except where authorization to vote with respect to the appointment of the auditor is withheld, the persons named in the accompanying form of proxy intend to vote for the appointment of Ernst & Young LLP, Chartered Professional Accountants, as the auditor of the Corporation until the next annual meeting of shareholders. Ernst & Young LLP, Chartered Professional Accountants, have served as auditor of the Corporation since the Corporation's 2011 fiscal year.

INFORMATION ON THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors is currently comprised of Pat De Marco (chair), Susan L. Burkman and Peter Robinson, all of whom are "independent" directors within the meaning of National Instrument 52-110 *Audit Committees*. The Board of Directors has determined that each of the three current members of the Audit Committee is "financially literate" within the meaning of section 1.6 of National Instrument 52-110 *Audit Committees*, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. Reference is made to the section entitled "Information on the Audit Committee" of the Corporation's Annual Report on Form 10-K for the fiscal year ended February 1, 2020 for required disclosure relating to the Audit Committee. The Annual Report on Form 10-K is available under the Corporation's profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov and can also be obtained by contacting the Secretary of the Corporation at 5430 Ferrier Street, Town of Mount Royal, Québec, Canada H4P 1M2, telephone (514) 739-0006.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officer, director or employee, former or present, of the Corporation or a subsidiary thereof, no person who is a nominee for election as a director of the Corporation, and no associate of such persons, is, or was at any time since the beginning of the fiscal year ended February 1, 2020, indebted to the Corporation or a subsidiary thereof, nor has any such person been indebted at any time since the beginning of the fiscal year ended February 1, 2020 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary thereof, other than as set out below under "Interest of Informed Persons in Material Transactions".

Interest of Certain Persons in Matters to be Acted Upon

None of the directors or executive officers of the Corporation, none of the persons who have been directors or executive officers of the Corporation at any time since the beginning of the fiscal year ended February 1, 2020, none of the proposed nominees for election as a director of the Corporation and none of the associates or affiliates of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter scheduled to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No "informed person" of the Corporation, that is: (a) the directors and executive officers of the Corporation; (b) any person who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Corporation's outstanding voting shares; (c) any director or executive officer of a person referred to in (b) above; or (d) any associate or affiliate of any "informed person" of the Corporation, has any material interest, direct or indirect, in any transaction since the beginning of the fiscal year ended February 1, 2020 or in any proposed transaction which has materially affected or would materially affect the Corporation, other than the following:

The Corporation, as lender, entered into a loan agreement dated May 7, 2019 with Oink Oink Candy Inc., doing business as "Squish", as borrower, and Rainy Day Investments Ltd. ("**RDI**"), as guarantor, pursuant to which the Corporation agreed to lend to Squish an amount of up to \$4 million. The loan agreement was amended on September 13, 2019 to reflect a maximum amount of \$2 million. The interest rate on the loan was equal to the prime rate of the Bank of Montreal plus 1%, and was payable monthly. RDI guaranteed all of Squish's obligations to the Corporation under the loan agreement and, as security in full for the guarantee, granted a movable hypothec (or lien) in favour of the Corporation on its shares of the Corporation. Squish is a corporation controlled by Sarah Segal, Chief Brand Officer of the Corporation. RDI, the principal shareholder of the Corporation, is controlled by Herschel Segal, Chairman, Interim Chief Executive Officer and a director of the Corporation, and father of Sarah Segal. The Corporation and Squish previously entered into a Collaboration and Shared Services Agreement pursuant to which they collaborate on and share various services and infrastructure. On April 29, 2020, the loan in the amount of \$2 million and outstanding interest thereon was repaid in full.

OTHER MATTERS

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

SHAREHOLDER PROPOSALS

The *Canada Business Corporations Act* provides, in effect, that a registered shareholder or a Beneficial Shareholder that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Canada Business Corporations Act* further provides, in effect, that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated June 25, 2020, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is March 27, 2021.

The foregoing is a summary only; shareholders should carefully review the provisions of the *Canada Business Corporations Act* relating to Proposals and consult with a legal advisor.

CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The Corporation’s required annual disclosure of its corporate governance practices is set out below.

As a reporting issuer in the Province of Québec with securities listed on the NASDAQ, the Corporation complies with all applicable rules adopted by the Autorité des marchés financiers (Québec) and the United States Securities and Exchange Commission. As a Canadian issuer, the Corporation is exempt from complying with many of the NASDAQ Corporate Governance Standards, provided that the Corporation complies with Canadian governance requirements. The Board is of the view that the Corporation’s corporate governance practices satisfy the applicable requirements of the Province of Québec, as reflected in the disclosure made below. The Board of Directors has approved the disclosure of the Corporation’s corporate governance practices described below, on the recommendation of the CGNC.

1. Board of Directors

Independence

The Board of Directors consists of six directors, five of whom are non-employee directors. Directors are elected or appointed to hold office until the next annual meeting of shareholders or until their earlier resignation or removal from office in accordance with the Corporation’s by-laws.

Four of the six directors comprising the Board of Directors are considered “independent” pursuant to Section 1.4 of Québec *Regulation 52-110 respecting Audit Committees*. Under that provision, Susan L. Burkman, Pat De Marco, Ludwig Max Fischer and Peter Robinson are considered independent, while Herschel Segal is not considered to be independent in that he is an executive officer of the Corporation and Emilia Di Raddo is not considered to be independent in light of her long-standing business relationship with Herschel Segal. The independence of directors is determined by the Board based on the results of independence questionnaires completed by each director annually, as well as other factual circumstances reviewed on an ongoing basis. Of the five candidates to be nominated for election as directors at the Meeting, three (Susan L. Burkman, Pat De Marco and Peter Robinson) are considered independent and two (Herschel Segal and Emilia Di Raddo) are not considered independent pursuant to Section 1.4 of Québec *Regulation 52-110 respecting Audit Committees*.

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

Other Reporting Issuers

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
Herschel Segal	Le Chteau Inc.
Emilia Di Raddo	Le Chteau Inc.

In Camera Sessions

To enhance the independent judgment of the Board of Directors, the independent members of the Board of Directors may meet in the absence of the non-independent directors and members of management. Such meetings are chaired by the Lead Director, as described below. An *in camera* session is scheduled as part of every meeting of the Board of Directors and its committees to allow independent directors to meet without non-independent directors and members of management, as necessary. All non-independent directors are responsible to the Board of Directors as a whole and have a duty of care to the Corporation.

Chair of the Board

Herschel Segal, Interim Chief Executive Officer and Chairman of the Board, chairs meetings of the Board of Directors. Mr. Segal is not an independent director. As a result, on September 23, 2018, upon the recommendation of the CGNC, the Board of Directors appointed Pat De Marco, an independent director, as “Lead Director”. As Lead Director, Mr. De Marco provides leadership in ensuring Board effectiveness and is responsible for facilitating and encouraging open and effective communication between management of the Corporation and the Board of Directors, consulting with the Chairman of the Board in setting the agenda for Board meetings, ensuring Board committees function appropriately, chairing meetings of the independent members of the Board of Directors and chairing Board of Directors’ meetings if the Chairman of the Board is absent.

Board and Committee Meetings

During the period from February 2, 2019 to the date hereof, inclusively, the Board of Directors held ten meetings, the Audit Committee held four meetings, the HRCC held four meetings and the CGNC held four meetings. The Corporation does not have an Executive Committee. Attendance of directors at the meetings is set out in the table below.

	Board Meetings	Audit Committee Meetings	HRCC Meetings	CGNC Meetings	Total
Herschel Segal	10/10	—	—	—	10/10
Susan L. Burkman	10/10	7/7	—	—	17/17
Anne Darche ⁽¹⁾	4/5	—	3/4	—	7/9
Pat De Marco	10/10	7/7	—	5/5	22/22
Emilia Di Raddo	10/10	—	7/7	—	17/17
Ludwig Max Fischer	10/10	—	7/7	5/5	22/22
Peter Robinson	10/10	7/7	—	5/5	22/22

(1) Resigned as a director on September 11, 2019.

2. Board Mandate

The Board of Directors has adopted a Charter of the Board of Directors delineating its principal roles and responsibilities. The Charter of the Board of Directors is available on the Corporation’s Investor Relations website at <http://ir.davidstea.com> under “Corporate Governance” and on SEDAR at www.sedar.com. As set out in the Charter of the Board of Directors, the responsibilities of the Board include the following:

- (i) adopting a strategic planning process, and approving, on at least an annual basis, the principal business objectives for the Corporation;

- (ii) identifying the principal risks applicable to the Corporation, ensuring that procedures are in place for the management of those risks with a view to the long-term viability of the Corporation and its assets, and conducting an annual review of such risks;
- (iii) overseeing the Corporation's corporate governance policies and practices and their disclosure in public disclosure documents;
- (iv) adopting a Code of Business Ethics and Conduct applicable to directors, officers and employees of the Corporation;
- (v) satisfying itself of the integrity of the Chief Executive Officer and the other executive officers and ensuring that they create a culture of integrity throughout the organization;
- (vi) appointing the Chief Executive Officer and, together with the Chief Executive Officer, developing the corporate goals and objectives that the Chief Executive Officer is responsible for meeting, and reviewing the performance of the Chief Executive Officer against such goals and objectives;
- (vii) reviewing and approving the Corporation's financial statements, management's discussion and analysis, earnings press releases and other disclosure material filed with the securities commissions;
- (viii) reviewing and approving annual operating plans, budgets and significant capital allocations and expenditures and periodically receive an analysis of actual results versus approved budgets;
- (ix) serving as an advisor to management and reviewing and approving major business decisions including material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, the issuance, purchase and redemption of securities, and acquisitions and dispositions of material capital assets;
- (x) reviewing and monitoring, with the assistance of the Audit Committee (a) the adequacy and effectiveness of the Company's internal controls and management information systems over financial reporting, including significant deficiencies and significant changes in internal controls, (b) the quality and integrity of the Corporation's external financial reporting processes, and (c) related procedures and reporting; and
- (xi) overseeing, in consultation with management, compliance with disclosure requirements applicable to the Corporation, including disclosure of material information in accordance with applicable securities laws and stock exchange rules.

3. Position Description

Chairman of the Board

The Board of Directors has not adopted a written position description for the Chairman of the Board of Directors. The primary responsibilities of the Chairman of the Board are to provide leadership to the Board in order to enhance Board effectiveness and to oversee that the relationship between the Board, management, shareholders and other stakeholders is effective, efficient and further to the best interests of the Corporation, chair meetings of the Board of Directors, and ensure Board meetings function appropriately.

Committee Chairs

The Board of Directors has not adopted a written position description for the chair of each Board committee. The primary role and responsibility of the chair of each committee of the Board of Directors is to: (i) in general, ensure that the committee fulfills its mandate, as determined by the Board of Directors; (ii) chair meetings of the committee; (iii) report thereon to the Board of Directors; and (iv) act as liaison between the committee and the Board of Directors and, if necessary, management of the Corporation.

Chief Executive Officer

The Board of Directors has adopted a written position description for the Chief Executive Officer. The position description provides that the Chief Executive Officer will report to the Board of Directors and that the prime responsibility of the Chief Executive Officer is to lead the Corporation by providing a strategic direction that includes the development and implementation of plans, policies, strategies and budgets for the growth and profitable operation of the Corporation. In fulfilling such responsibilities, the Chief Executive Officer will, among other things: (i) see that the day-to-day business affairs of the Corporation are appropriately managed; (ii) work with key stakeholders to develop the Corporation's strategic plan that is aligned with the Board of Directors; (iii) recommend to the Board of Directors and, following their approval by the Board, consistently strive to achieve the Corporation's financial and operating goals and objectives; (iv) formulate policies and proposed actions and present to the Board of Directors for approval the long-term business plan, strategies and policies that lead to the creation of shareholder value; (v) develop and recommend to the Board of Directors annual business plans and budgets that support the Corporation's long-term business plan and strategies; and (f) oversee the Corporation's achievement and maintenance of a satisfactory competitive position within its industry.

4. Orientation and Continuing Education

The HRCC is responsible for developing, monitoring and reviewing the Corporation's orientation and continuing education programs for directors. New directors are provided with an information package on the Corporation's business, its strategic and operational business plans, its operating performance, its governance system and its financial position. Also, new directors meet individually with the Chief Executive Officer and other senior executives to discuss these matters. The Board ensures that prospective candidates fully understand the role of the Board and its Committees and the contribution that individual directors are expected to make, including, in particular, the personal commitment that the Corporation expects of its directors.

Continuing Education

All Board members have visited DAVIDsTEA's stores. Management makes presentations to the Board on a range of topics that are relevant to the Corporation's operations. Senior management makes regular presentations to the Board and its committees to educate them and keep them informed of developments within the Corporation's main areas of business and operations, as well as on key legal, regulatory and industry developments. Directors are also provided with Board and Board committee materials in advance of regularly-scheduled meetings. Directors receive periodic updates between Board meetings on matters that affect the Corporation's business. Finally, Board members have full access to the Corporation's senior management and employees.

5. Ethical Business Conduct

The Corporation's Code of Ethics for Senior Managers and Financial Officers (the "**Code of Ethics**") is applicable to all of the Corporation's directors, senior managers and financial officers and has been developed to promote the honest and ethical conduct of our directors, senior managers and financial officers, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; to promote full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by the Corporation; and to promote compliance with all applicable rules and regulations that apply to the Corporation and its officers. The Code of Ethics is available on the Corporation's Investor Relations website at <http://ir.davidstea.com> under "Corporate Governance" and on SEDAR at www.sedar.com. The Code of Ethics addresses several matters, including conflicts of interest, integrity of corporate records, confidentiality of corporate information, protection and use of corporate assets and opportunities, insider trading, compliance with laws and reporting of unethical or illegal behaviour. No waiver has ever been granted to a director or executive officer in connection with the Code of Ethics.

In addition to monitoring compliance with the Code of Ethics, the Board has adopted whistleblowing procedures for reporting unethical or questionable acts by the Corporation or employees thereof. Complaints can be made via telephone at a confidential line called the integrity line. Any human resources-related question is redirected to the Corporation's Head of Human Resources while any issue of misconduct or fraud is redirected to the Chair of the Audit Committee who is responsible for overseeing the whistleblowing procedures.

6. Nomination of Directors

The Articles of the Corporation provide that the Board shall consist of not less than three and not more than fifteen directors. Each director is elected for a one-year term ending at the next annual meeting of shareholders or when his or her successor is elected, unless he or she resigns or his or her office otherwise becomes vacant.

The process by which the Board establishes new candidates for Board nominations lies within the discretion of the Board of Directors with a view of the best interests of the Corporation and in accordance with the corporate governance guidelines. Pursuant to the Corporation's governing statutes, Articles and by-laws, new candidates for Board nominations can be proposed by the shareholders and will be voted on by the shareholders at each annual meeting of shareholders.

Before making a recommendation on a new director candidate, the Chairman of the Board and members of the CGNC meet with the candidate to discuss the candidate's interest and ability to devote the time and commitment required to serve on the Board. In certain circumstances, the Board may also retain an independent recruiting firm to identify director candidates and fix such firm's fees and other retention terms.

The three members of the CGNC are Peter Robinson (chair), Pat De Marco and Ludwig Max Fischer, each of whom is an independent director. The Charter of the CGNC is available on the Corporation's Investor Relations website at <http://ir.davidstea.com> under "Corporate Governance" and on SEDAR at www.sedar.com.

7. Compensation of Directors and Officers

Directors

The HRCC reviews the compensation of the Corporation's directors annually and is mandated to review and recommend to the Board of Directors for approval the remuneration of directors. The HRCC considers time commitment, comparative fees and responsibilities in determining remuneration of the Corporation's directors.

Executive Officers

The HRCC's primary purpose, with respect to compensation, is to assist the Board of Directors in fulfilling its oversight responsibilities and to make recommendations to the Board of Directors with respect to the compensation of the Corporation's executive officers. Independent consultants may be periodically retained to assist the HRCC in fulfilling its responsibilities when needed. As required in its mandate, the HRCC is composed of a majority of independent directors, including the Chairman of the committee who must qualify as an independent director. The three members of the HRCC are Ludwig Max Fischer (chair), Susan L. Burkman and Emilia Di Raddo. The HRCC Charter is available on the Corporation's Investor Relations website at <http://ir.davidstea.com> under "Corporate Governance" and on SEDAR at www.sedar.com.

8. Other Board Committees

The Board does not have any committees other than the Audit Committee, HRCC and CGNC.

9. Assessments

On an annual basis, the CGNC is responsible for the process of assessing the performance and effectiveness of the Board as a whole, the Board committees, committee chairs and individual directors. Questionnaires are distributed to each director for the purpose of (i) evaluating the Board's responsibilities and functions, its operations, how it compares with boards of other companies on which the directors serve and the performance of the Board's committees and (ii) inviting directors to make suggestions for improving the performance of the Chairman of the Board, committee chairs and individual directors. The results of the questionnaires are compiled by the CGNC on a confidential basis to encourage full and frank commentary. The CGNC can meet with Board members individually in order to discuss the questionnaires. The results of the questionnaires as well as any issues raised during individual discussions are presented and discussed at a following meeting of the Board. At all times, Board members are free to discuss among themselves the performance of a fellow director or to submit such matter to the CGNC. Based on the outcome of the discussion, the CGNC then presents to the Board the assessment's findings and its recommendations to enhance the performance and effectiveness of the Board and its committees.

10. Director Term Limits and Other Mechanisms of Board Renewal

The Board does not impose nor does it believe that it should establish term limits or retirement age limits for its directors, as such limits may cause the loss of experience and expertise important to the optimal performance of the Board.

11. Policies Regarding the Representation of Women and Minorities on the Board

The Corporation does not currently have a written policy relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities or members of visible minorities as directors. Despite not having a formal policy, diversity, including gender, is an important component of the selection process for new members of the Board of Directors.

When the Board of Directors recommends candidates for director positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Board of Directors to perform efficiently and act in the best interest of the Corporation and its shareholders. The Corporation is aware of the benefits of diversity on the Board, and therefore representation of women, Aboriginal peoples, persons with disabilities and members of visible minorities is one factor taken into consideration during the search process for directors.

The Corporation has not adopted a "target" number or percentage regarding women, Aboriginal peoples, persons with disabilities or members of visible minorities on the Board of Directors. The Corporation considers candidates based on their qualifications, personal qualities, business background and experience, and does not feel that targets necessarily result in the identification or selection of the best candidates.

There are two women on the Board of Directors of the Corporation, representing 33.33% of the membership of the Board of Directors. There are at present no Aboriginal peoples, persons with disabilities or members of visible minorities on the Board of Directors of the Corporation.

12. Consideration of the Representation of Women and Minorities in the Director Identification and Selection Process

Representation of women and minorities on the Board of Directors is one of the factors taken into consideration by the CGNC in the selection process for new members of the Board of Directors. This consideration is assessed annually by the CGNC when evaluating the Corporation's corporate governance practices compared to best practices. The CGNC has emphasized recruiting women in recent years in the mandates it has given to search firms and by identifying candidates who are women in its selection process. At present, two of the Board members are women, representing 33.33% of the total number of directors.

13. Consideration Given to the Representation of Women and Minorities in Executive Officer Appointments

The Corporation does not have a formal policy on diversity in senior management positions. The Corporation is, however, mindful of the benefit of diversity in senior management, including the representation of women, Aboriginal peoples, persons with disabilities and members of visible minorities in senior management positions, and the need to maximize their effectiveness and respective decision making abilities. Accordingly, in searches for new candidates, while the Corporation seeks to recruit or appoint the most qualified individuals for particular positions, it considers the merit of potential candidates based on a balance of skills, background, experience and knowledge, including taking diversity into consideration.

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14. Targets Regarding the Representation of Women and Minorities on the Board and in Executive Officer Positions

The Corporation has not adopted a "target" regarding women, Aboriginal peoples, persons with disabilities or members of visible minorities on the Board of Directors or in executive officer positions. The term "target" is defined in *National Instrument 58-101 Disclosure of Corporate Governance Practices* as, in effect, a number or percentage, or a range of numbers or percentages, adopted by the Corporation of women on the Board of Directors or in executive officer positions of the Corporation by a specific date. Although the Corporation has not adopted a target for the number of women, Aboriginal peoples, persons with disabilities or members of visible minorities on the Board of Directors or in executive officer positions, it has always supported and continues to pursue its efforts to promote such representation. In its work related to the composition of the Board of Directors, representation of women, Aboriginal peoples, persons with disabilities and members of visible minorities on the Board of Directors is one of the factors taken into consideration by the CGNC.

15. Number of Women and Minorities on the Board and in Executive Officer Positions

There are two women on the Board of Directors of the Corporation, representing 33.33% of the total number of directors. None of the directors are Aboriginal peoples, persons with disabilities or members of visible minorities.

The Corporation currently has six executive officers, of whom two (33.33%) are women. None of the executive officers of the Corporation are Aboriginal peoples, persons with disabilities or members of visible minorities.

ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its comparative financial statements and Management's Discussion and Analysis for the fiscal year ended February 1, 2020, and additional information about the Corporation is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the financial statements of the Corporation for the fiscal year ended February 1, 2020 together with the accompanying report of the auditor thereon and any interim financial statements of the Corporation for periods subsequent to February 1, 2020 and Management's Discussion and Analysis with respect thereto; or
- (b) this Circular,

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please send your request to:

DAVIDsTEA Inc.
5430 Ferrier Street
Town of Mount Royal, Québec, Canada H4P 1M2

telephone: (514) 739-0006
telecopier: (514) 739-0200
e-mail: investors@davidstea.com.

AUTHORIZATION

The contents and the mailing of this Circular have been approved by the Board of Directors of the Corporation.

(signed) Herschel Segal _____

Herschel Segal
Chairman of the Board of Directors and Interim Chief Executive Officer
DATED at Town of Mount Royal, Québec
June 25, 2020

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF DAVIDsTEA INC.

TAKE NOTICE that an Annual Meeting of Shareholders (the “**Meeting**”) of DAVIDsTEA INC. (the “**Corporation**”) will be held at the Corporation’s head office, 5430 Ferrier Street, Town of Mount Royal, Québec, Canada on Friday, July 31, 2020 at 9:30 a.m. (eastern time). The purposes of the Meeting are to:

1. receive and consider the consolidated financial statements of the Corporation for the fiscal year ended February 1, 2020 and the auditors’ report thereon;
2. elect directors;
3. appoint an auditor and authorize the directors to fix its remuneration; and
4. transact such other business as may properly be brought before the Meeting.

Additional information on the above matters can be found in the Management Information Circular of the Corporation dated June 25, 2020 (the “**Circular**”) under the headings “Election of Directors” and “Appointment of Auditor”.

Public Health Concerns

In light of ongoing public health concerns related to the COVID-19 pandemic and in order to comply with government decrees, the Corporation is requesting that shareholders not attend the Meeting in person. The Meeting will be webcast through the Corporation’s Investor Relations website at <http://ir.davidstea.com/events> and the Corporation asks all shareholders to participate in that manner. While shareholders viewing the webcast will not be able to vote during the Meeting, they will be able to ask questions to the Corporation’s management at its conclusion through the webcast platform.

Voting

The Board of Directors has fixed the close of business on June 10, 2020 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Shareholders can vote their shares before the Meeting by returning the enclosed voting instruction form (“**VIF**”), voting online or using the toll-free telephone number set out on the VIF prior to the date set out therein, in accordance with the instructions provided by your broker or other intermediary. Shareholders are urged to review the Circular before voting.

Notice-and-Access

The Corporation has elected to use “notice-and-access” rules (“**Notice-and-Access**”) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for distribution of its Proxy-Related Materials (as defined below) to shareholders who do not hold shares of the Corporation in their own names (“**Beneficial Shareholders**”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies. “**Proxy-Related Materials**” refers to the Circular, the Notice of Meeting, a VIF and a form of proxy.

The use of Notice-and-Access is more environmentally friendly as it helps reduce paper use. It also reduces the Corporation’s printing and mailing costs. Beneficial Shareholders may obtain further information about Notice-and-Access by contacting AST Trust Company (Canada) toll free at 800-387-0825 (within North America) or 416-682-3860 (outside North America).

The Corporation is not using Notice-and-Access for delivery to shareholders who hold their shares directly in their respective names (referred to herein as “**Registered Shareholders**”). Registered Shareholders will receive paper copies of the Circular and related materials via prepaid mail.

Websites Where Proxy-Related Materials are Posted

The Proxy-Related Materials are available on the Corporation’s Investor Relations website at <http://ir.davidstea.com/events> and under the Corporation’s profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Notice Package

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders will receive paper copies of a notice package (“**Notice Package**”) via prepaid mail, including the Notice of Meeting, containing information prescribed by NI 54-101 such as the date, time and location of the Meeting and the website addresses where the Proxy-Related

Materials are posted, a VIF and a supplemental mail list return card for Beneficial Shareholders to request they be included in the Corporation's supplementary mailing list for receipt of the Corporation's interim financial statements for the 2020 fiscal year.

How to Obtain Paper Copies of Proxy-Related Materials

Beneficial Shareholders may obtain paper copies of this Circular free of charge by contacting Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643. Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Corporation by 5:00 p.m. (eastern time) on July 10, 2020 in order to allow sufficient time for shareholders to receive their paper copies and to return their VIF or form of proxy, as applicable, by its due date. After the Meeting date, shareholders may obtain paper copies of the Circular free of charge by contacting the Secretary of the Corporation at 514 739-0006.

Dated at Town of Mount Royal, Québec, Canada, this 25th day of June, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

By: *(signed) Herschel Segal* _____
Herschel Segal
Chairman and Interim Chief Executive Officer