

## HR and Compensation Committee Charter

### 1. **PURPOSE**

The HR and Compensation Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of DAVIDsTEA Inc. (the “Company”). The principal purposes of the Committee are to discharge the responsibility of the Board of Directors relating to the compensation of the Company’s executive officers and executive leaders, including the President and Chief Executive Officer, and to recommend to the Board the compensation of the Company’s Directors (Board). The Committee shall also review with the Company’s management the compensation discussion and analysis prepared for inclusion in the Company’s annual proxy statement or Annual Report on Form 10-K (the “CD&A”), and shall prepare a report of the Committee for inclusion in the Company’s annual proxy statement or Annual Report on Form 10-K. In addition, the Committee shall assist the Board in discharging the Board’s responsibility by considering functions relating to the Company’s compensation and benefits programs generally.

### 2. **MEMBERSHIP AND QUALIFICATIONS**

The Committee shall consist of at least three members. The members and the Committee Chair shall be appointed annually by the Board upon the recommendation of the Governance Committee. A majority of the Board members appointed to serve on the Committee, including the Chair of the Committee, shall: (a) meet the independence requirements of the applicable Securities and Exchange legislation, rules and guidelines; (b) be “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code, as amended. All members of the Committee shall be “non-employee directors” as defined in Rule 16b-3 under the Act. Committee members shall serve until their successors shall be duly elected and qualified. The Board, in consultation with the Governance Committee, may remove a member of the Committee at any time with or without cause, by action of the majority of the members of the Board, and may appoint a director to fill the vacancy for the remainder of the term.

Compensation for Committee members shall be limited to directors’ fees, unless otherwise disclosed to and approved by the Board.

### 3. **MEETINGS**

The Committee’s Chair (or in his or her absence, a member designated by the Committee’s Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with the provisions of the Company’s bylaws that are applicable to a committee of the Board. Minutes for all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities, be approved at a subsequent meeting of the Committee and shall be made available to the Board. The Committee shall make regular reports to the Board.

In order to discharge its duties and responsibilities, the Committee shall meet on a regularly scheduled basis at least four (4) times a year and as the Committee deems necessary or desirable.

Except as otherwise provided by statute or this Charter, a majority of the members of the Committee shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the Committee members present and voting at any meeting at which a quorum is present shall be the act of the Committee. Any action required or permitted to be taken at any meeting of the Committee consent thereto in

writing or by electronic transmission, which shall be filed with the minutes of proceedings of the Committee.

#### **4. DUTIES AND RESPONSIBILITIES**

The Committee's common recurring activities in carrying out its responsibilities are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given circumstances.

##### ***A) Executive's Compensation Philosophy***

The Committee shall periodically, but at least annually:

1. Review and approve the Company's goals and objectives relevant to overall executive compensation philosophy based on the principles that compensation should, to a significant extent, be reflective of the financial performance of the Company, and ensure that the administration of the Company's executive compensation plans, policies and practices conform to this philosophy.

##### ***B) General Compensation oversight***

The Committee shall periodically, but at least annually:

1. Review competitive market analyses of the Company's executive officers and executive leaders compensation plan, significant executive compensation trends, issues and alternatives; and the impact of tax, accounting and regulatory requirements on executive compensation.
2. Review and, when appropriate, make recommendations to the Board regarding the non-equity-based executive compensation plans for all executive officers and executive leaders, including, but not limited to, annual bonus plans, deferred compensation plans, perquisites policies, benefits and retirement savings plans, including any amendment, termination or discontinuance of such plans.
3. Review and, when appropriate, make recommendations to the Board regarding the long-term equity-based compensation plans for all Directors (Management) and employees align with Company compensation's philosophy, including any amendment, termination or discontinuance of such plans.
4. Consider the adoption of stock ownership guidelines applicable to Directors (Board) and executive officers and executive leaders and shall recommend to the Board the adoption or revision of such guidelines.
5. Review and approve the terms of any severance, change in control, or employment agreements between the Company and its executive officers.
6. Administer and perform specified functions under the Company's compensation and benefit plans, as designated from time to time by the Board or by the terms of such plans.
7. Oversee generally the Company's compensation policies and practices to determine whether these policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

##### ***C) President and Chief Executive Officer Compensation***

The Committee shall periodically, but at least annually:

1. Manage the President and CEO evaluation and compensation process, including namely without

limitation:

- (a) In conjunction with the Board Chair, or Lead Independent Director, as appropriate:
- (i) Review and approve corporate goals and objectives relevant to the President and CEO's compensation and evaluate the CEO's performance in light of these goals and objectives.
  - (ii) Solicit feedback from the Directors (Board) regarding the appropriate corporate goals and objectives relevant to the President and CEO's compensation and the President and CEO's performance in light of the approved goals and objectives.
  - (iii) Review the results of the President and CEO's evaluation with the President and CEO. Discuss the results of such evaluation with the Directors (Board) in executive sessions.
- (b) Based on the results of the evaluation, as well as other factors as determined by the Committee, approve the President and CEO's salary, bonus and other incentive, and long-term equity-based incentive compensation.
- (c) In determining the long-term equity-based incentive compensation component of the President and CEO's and other executive officers' compensation, consider factors deemed relevant by the Committee, including, but not limited to, the Company's performance and relative shareholder return, the value of similar incentive awards at comparable companies, awards previously given to the President and CEO and other executive officers and executive leaders, and the need to attract and retain high-performing executive officers.

#### ***D) Executive Officers and Executive Leaders Compensation***

The Committee shall annually:

1. Meet with the President and CEO to review evaluations of the performance of the Company's executive officers and executive leaders and the President and CEO's corresponding compensation recommendations.
2. Review and approve compensation to be paid to the executive officers and executive leaders of the Company.
3. In determining the long-term equity-based incentive compensation component of the executive officers and executive leaders compensation, consider factors deemed relevant by the Committee, including, but not limited to, the Company's performance and relative shareholder return, the value of similar incentive awards at comparable companies, awards previously given to the executive officers and executive leaders, and the need to attract and retain high-performing executive officers and executive leaders.

#### ***E) Director (Board) Compensation***

Review and make recommendations to the Board concerning the compensation of Directors (Board). Consider those factors deemed relevant by the Committee including namely but without limitation the maintenance of the independent status of independent Directors (Board), the customary compensation for Directors (Board) at similarly situated companies, the alignment of the interests of Directors (Board) with

shareholders and the level of responsibilities.

***F) Incentive Compensation***

1. The Committee shall review and approve changes in the Company's incentive-compensation plans, equity-based plans, deferred compensation plans and all other incentive plans.
2. The Committee shall also review and make recommendations to the Board with respect to the Company's established criteria for the granting of options and other stock-based awards to eligible participants under such plans.

***G) Succession planning and promotions*** at the executive officer and leader level

1. Management shall present any proposed promotions or new hires at the executive officer and leader level (including promotions/demotions/terminations of existing executive officers or promotions of non-officer employees to an executive officer position) to the Committee, which shall have the authority to consider and approve any such proposed promotions, terminations or new hires.
2. The Committee shall review the Company's organizational structure, consider succession planning for the executive officers and executive leaders and recommend policies and principles for their selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the President and CEO and for the appointment, training and monitoring of other executive officers and executive leaders.

***H) Disclosure***

Review and discuss with the Company's management the Compensation Discussion and Analysis ("CD&A") required by applicable Securities and Exchange legislation. Based upon such review, applicable legislation, stock exchange guidelines and requirements and discussion, determine whether to recommend to the Board that the CD&A be included in the Company's annual report or proxy statement for the annual meeting of shareholders. Provide the required Committee report for the Company's annual report or proxy statement for the annual meeting of shareholders, as per applicable rules and regulations.

***I) Other Duties and Responsibilities***

1. Review the risks and exposures over which the Committee has been delegated oversight responsibility by the Board and the steps management has taken (including the assignment of management responsibility) to manage, control and monitor such risks and exposures.
2. Evaluate annually the Committee's own performance annually, as per governance guidelines, and report the results of the evaluation to the Board.
3. The chair of the Committee shall report regularly to the Board on the business of the Committee.
4. Review this Charter annually and update it as necessary (with any amendments subject to approval by the Board).

5. **ADVISORS TO THE COMMITTEE**

- The Committee may, in its sole discretion, retain and obtain the advice of compensation consultants, legal counsel or other advisors, but may do so only after taking into consideration the factors identified in applicable Securities and Exchange legislation. The Committee shall be directly responsible for the appointment, compensation and oversight of these advisors, but the Company shall pay these advisors on behalf of the Committee. Company personnel may interact with the Committee's advisors at the Committee's direction.
- The Committee may, in its sole discretion, obtain advice and assistance from Company personnel.
- The Committee may form and delegate authority to subcommittees to the extent consistent with the Company's certificate of incorporation, bylaws and applicable legislation.

6. **MISCELLANEOUS**

Nothing in this Charter should be construed as precluding discussion of any matter, including Directors (Board) and executive officers and executive leaders compensation matters, with the Board generally.

7. **APPENDIX – KEY TERM DEFINITIONS**

**Executive officer:** A duly appointed head of function and authorized Company officer. Part of the Company's executive leadership team.

**Executive leader:** A head of function who is not an officer of the Company and who is a direct report of the President and CEO.

Effective as of December 11, 2014, as amended on February 17, 2016 and on June 9, 2016