



DAVIDsTEA INC.

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**June 18, 2024**

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

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

Date: June 18, 2024

Time: 9:30 a.m.

The purposes of the Meeting are to:

1. receive and consider the consolidated financial statements of the Company for the fiscal year ended February 3, 2024 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 Company as of the close of business on May 8, 2024 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.

The Meeting will be webcast through the Company’s Investor Relations website at <http://ir.davidstea.com/events> and **the Company 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 Company’s management at its conclusion through the webcast platform. **Attendance for the Meeting at the Company’s head office will be strictly limited to registered shareholders and duly-appointed proxyholders.**

**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 TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, Canada M5H 4H1 prior to 5:00 p.m. (eastern time) on June 14, 2024 or with the Secretary of the Company before the commencement of the Meeting or at any adjournment thereof.

DATED at Town of Mount Royal, Québec, Canada  
May 8, 2024

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) Jane Silverstone Segal*

Jane Silverstone Segal  
Chair of the Board of Directors

## 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 “Company”) of proxies to be used at the annual meeting of shareholders (the “Meeting”) of the Company 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 Company may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Company. Information contained herein is given as of the date hereof unless otherwise specifically stated.

### NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The Company 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 Canadian provincial securities laws. Shareholders should be aware that requirements under such Canadian federal and 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 Company 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.

### INTERNET AVAILABILITY OF PROXY-RELATED MATERIALS

#### Notice-and-Access

The Company 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 Company in their own names (referred to herein as “**Beneficial Shareholders**”) and to shareholders who hold their shares directly in their respective names (referred to herein as “**Registered 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 Company’s printing and mailing costs. Shareholders may obtain further information about Notice-and-Access by contacting TSX Trust Company 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 Company’s Investor Relations website at <http://ir.davidstea.com> and under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### 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 Company’s supplementary mailing list for receipt of the Company’s interim financial statements for the 2024 fiscal year.

Registered Shareholders will receive copies of the Notice of Meeting and a form of proxy 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 Company by 5:00 p.m. (eastern time) on May 15, 2024 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 sending an email to [investors@davidstea.com](mailto:investors@davidstea.com).

## APPOINTMENT AND REVOCATION OF PROXIES

### Appointment of Proxy

A Registered 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 TSX Trust Company by mail or hand delivery to 301 – 100 Adelaide Street West, Toronto, Ontario, Canada M5H 4H1. A Registered Shareholder may also vote using the Internet at [www.meeting-vote.com](http://www.meeting-vote.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 Friday, June 14, 2024 or be deposited with the Secretary of the Company before the commencement of the Meeting or any adjournment thereof.

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

**A Registered 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 Company. To exercise that right, the name of the Registered Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Registered Shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the Registered shareholder's shares are to be voted.**

Shareholders who are not Registered Shareholders should refer to "Notice to Beneficial Shareholders" below.

### Revocation of Proxy

A Registered Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy personally attends the Meeting at which that proxy is to be voted, that Registered Shareholder 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 Registered Shareholder or his attorney or authorized agent and deposited with TSX Trust Company at any time up to 5:00 p.m. (eastern time) on Friday, June 14, 2024 by mail or by hand delivery to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, Canada M5H 4H1, or deposited with the Secretary of the Company before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

### Notice to Beneficial Shareholders

The information set out in this section is of importance to Beneficial Shareholders, that is, the substantial number of shareholders who do not hold shares of the Company in their own name. Beneficial Shareholders should note that only proxies deposited by Registered Shareholder (shareholders whose names appear on the records of the Company 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 Company. 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 Company 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 Company, 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 Company.** Objecting beneficial owners (“**OBOs**”) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Company.

NI 54-101 allows the Company, 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 Company 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 Company 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 Company.

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 TSX Trust Company, the Company’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 Company knows of no such amendments, variations or other matters.

## **VOTING SHARES**

As at May 8, 2024, there were 26,899,479 issued and outstanding common shares of the Company. Each common share entitles the holder thereof to one vote. The Company has fixed May 8, 2024 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 “**CBCA**”), the Company is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to receive notice of the Meeting and an alphabetical list of

shareholders entitled to vote as of the Record Date, in both cases showing the number of shares held by each shareholder. A shareholder whose name appears on the latter list is entitled to vote the shares shown opposite their name at the Meeting. The list of shareholders is available for inspection during usual business hours at the head office of the Company, 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 SHAREHOLDERS

As at May 8, 2024, to the best knowledge of the Company, the following table sets out the only shareholders who beneficially own or exercise control or direction over, directly or indirectly, more than 10% of the issued and outstanding common shares of the Company:

Name	Number of Shares	Percentage
Herschel Segal <sup>(1)</sup> .....	12,014,061	44.66%
DOMO Capital Management, LLC <sup>(2)</sup> .....	3,023,902	11.24%

(1) Herschel Segal is Strategic Advisor of the Company, former Chairman of the Board and spouse of Jane Silverstone Segal, Chair of the Board. 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 Company and has been taken exclusively from insider reports filed on the System for Electronic Disclosure by Insiders (SEDI) at [www.sedi.ca](http://www.sedi.ca).

(2) The information set out above regarding DOMO Capital Management, LLC (“DOMO”) is taken from Schedule 13G dated January 18, 2023, as filed on EDGAR. According to Schedule 13G: the 3,023,902 shares may be deemed beneficially owned within the meaning of Rule 13d-3 of the United States *Securities Exchange Act of 1934* by: (1) DOMO by virtue of its investment discretion and/or voting authority granted by certain clients; and (2) Justin R. Dopierala by virtue of his control of DOMO.

### ELECTION OF DIRECTORS

The Board of Directors currently consists of five 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 in the table on page 6 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.

At last year’s annual meeting of shareholders of the Company held on June 13, 2023, all five candidates proposed as directors were duly elected to the Board of Directors of the Company by a majority of the votes cast by shareholders present or represented by proxy at the annual meeting, as follows:

Name of Nominee	Votes for	%	Votes Against	%
Jane Silverstone Segal .....	13,428,559	97.60	330,589	2.40
Sarah Segal .....	13,434,858	97.64	324,290	2.36
Susan L. Burkman .....	13,444,605	97.71	314,543	2.29
Pat De Marco .....	13,522,559	98.28	236,589	1.72
Peter Robinson.....	13,538,279	98.39	220,869	1.61

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 Company 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 Company, each committee of the Board of Directors on which such person currently serves, and the number of common shares of the Company 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.

<u>Name, province and country of residence and position with the Company</u>	<u>Principal occupation</u>	<u>First year as director</u>	<u>Number of shares beneficially owned or over which control is exercised as at May 8, 2024</u>
Jane Silverstone Segal ..... Québec, Canada Chair of the Board and Director	Chair of the Board of the Company	2021	117,287 <sup>(4)</sup>
Sarah Segal ..... Québec, Canada Chief Executive Officer, Chief Brand Officer and Director	Chief Executive Officer and Chief Brand Officer of the Company	2021  Previously, director from 2012 to September 2017	195,319
Susan L. Burkman <sup>(1)(2)(3)</sup> ..... Québec, Canada Director	President Burkman Capital Corporation (investment banking boutique)	2018	4,201
Pat De Marco <sup>(1)(2)(3)</sup> ..... Québec, Canada Lead Director	Chief Executive Officer Journey Freight International Inc. (third-party logistics company)	2018	—
Peter Robinson <sup>(1)(2)(3)</sup> ..... British Columbia, Canada Director	Private farm owner	2018	10,768

(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) Jane Silverstone Segal is the spouse of Herschel Segal, who controls Rainy Day Investments Ltd. See “Principal Shareholders” above.

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

To the knowledge of the Company, except as set out below, none of the foregoing nominees for election as a director of the Company:

- (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.

With the exception of Jane Silverstone Segal, who was appointed Chair of the Board and a director of the Company on September 14, 2021, each of the foregoing nominees was a director or executive officer of the Company during the proceedings described below.

On July 8, 2020, the Company obtained an Initial Order pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") from the Québec Superior Court in order to implement a restructuring plan. Among other things, the Initial Order provided for the appointment of PricewaterhouseCoopers ("PwC") as Monitor in the CCAA proceedings. The Company obtained a similar order for DAVIDsTEA (USA) Inc., its wholly-owned U.S. subsidiary, under Chapter 15 of the United States *Bankruptcy Code*. On July 16, 2020, the Company obtained an Amended and Restated Initial Order from the Québec Superior Court extending to September 17, 2020 the application of the Initial Order. On September 17, 2020, the Québec Superior Court issued a Claims Process Order establishing the claims procedures for the Company's creditors under the CCAA. The Claims Process Order, among other things, set 5:00 p.m. (eastern time) on November 6, 2020 as the time by which creditors of the Company and of DAVIDsTEA (USA) Inc. had to submit their claims to PwC. The Court also extended the stay of all proceedings against the Company then in effect to December 15, 2020. The Québec Superior Court subsequently extended the stay of all proceedings against the Company to June 4, 2021. On May 7, 2021, the Company obtained an order from the Québec Superior Court authorizing the Company to file a Plan of Arrangement under the CCAA and to call a creditors' meeting to be held on June 11, 2021. The Court also extended to July 16, 2021 the foregoing stay of all proceedings against the Company. On June 11, 2021, the Plan of Arrangement under the CCAA was approved by the requisite majorities of creditors of the Company and of DAVIDsTEA (USA) Inc., its wholly-owned U.S. subsidiary, respectively, following which the Company obtained a sanction order on June 16, 2021 from the Québec Superior Court for the Plan of Arrangement. On June 17, 2021, the Company obtained a recognition order from the United States Bankruptcy Court for the District of Delaware recognizing the sanction order issued by the Québec Superior Court, all in connection with the Plan of Arrangement under the CCAA. The recognition order was issued under Chapter 15 of the *United States Bankruptcy Code*. Following the issuance of the foregoing sanction order and recognition order, the Company funded PwC, the Court-appointed Monitor in the CCAA proceedings, with approximately \$18 million for distribution to the creditors of the Company and of DAVIDsTEA (USA) Inc., in full and final settlement of all claims affected by the Plan of Arrangement. The funding of PwC completed the Company's legal obligations under the Plan of Arrangement. On September 9, 2021, PwC as Monitor filed a Certificate of Termination with the Québec Superior Court and declared the CCAA proceedings were terminated without further act or formality.

Jane Silverstone Segal was a director of Le Château Inc. ("**Le Château**") until her resignation effective December 16, 2020. On January 11, 2021, Le Château announced that it had received a cease trade order issued by the Autorité des marchés financiers as a result of Le Château's failure to file its unaudited interim financial statements, management's discussion and analysis and related CEO and CFO certifications for the three and nine-month periods ended October 24, 2020. On October 23, 2020, Le Château obtained an order from the Québec Superior Court under the CCAA in order to proceed with the orderly liquidation of its assets and wind down of its operations, which order appointed PwC as monitor to Le Château to oversee its operations during the liquidation. On November 2, 2020, Le Château obtained a liquidation order from the Québec Superior Court, allowing Le Château to proceed with the sale of its assets and wind down of its operations.

Oink Oink Candy Inc., doing business as "Squish", is a company controlled by Sarah Segal, Chief Executive Officer and Chief Brand Officer of the Company. On July 28, 2020, Oink Oink Candy Inc. filed a notice of intention to file a proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada). Raymond Chabot Inc. was appointed as trustee pursuant to the notice of intention. On November 25, 2020, Oink Oink Candy Inc. filed a proposal pursuant to the *Bankruptcy and Insolvency Act*. On December 16, 2020, a creditors' meeting was held to vote on the proposal, at which the proposal was approved by the required majority of creditors. On January 21, 2021, the Québec Superior Court approved and homologated the proposal. On February 24, 2021, Raymond Chabot Inc., as trustee, signed a Certificate of Full Performance with respect to the proposal.

None of the foregoing nominees for election as director of the Company 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.

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

This section provides information regarding the Company'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 Company and the three most highly-compensated executive officers of the Company (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 Company's last financial year (each a "Named Executive Officer" and collectively the "Named Executive Officers" or "NEOs"). For the fiscal year ended February 3, 2024 ("FY 2023"), the Company's Named Executive Officers and their respective positions were as follows:

- Sarah Segal, Chief Executive Officer and Chief Brand Officer;
- Frank Zitella, President, Chief Operating Officer and Chief Financial Officer;
- Joe Bongiorno, Vice-President of Finance;
- Laura Wordingham, Head of Tea and Merchandising; and
- Guillaume Brière, Creative Director.

This discussion may contain forward-looking statements that are based on the Company's current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that the Company 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 Company'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 Company's compensation programs and related policies.

#### *Insider Trading Policy*

The Company has adopted an insider trading policy that applies to the equity transactions of all the employees, including most notably of directors and officers, including Named Executive Officers. Under the policy, transactions by covered individuals in the Company's securities are authorized only during insider trading windows (which open the second full day after financial results are released for each of quarters one, two and three to permit market adjustments), and all transactions must be pre-approved and cleared by the Corporate Secretary to avoid any appearance of trading based on non-public information.

#### *Hedging Prohibition*

Hedging transactions can be accomplished through a variety of mechanisms including prepaid forward contracts, equity swaps and collars and other similar devices. Because hedging transactions permit the holder of the securities to continue to own the securities without the full risks and rewards of ownership, such transactions can cause the interests of such holder not to be aligned with the Company's other shareholders and therefore the employees, officers and directors of the Company are prohibited from hedging any equity-based compensation or shares of the Company.



### *Automatic Securities Disposition Plan*

Automatic Securities Disposition Plans are permitted under the Insider Trading Policy and must be approved by the Corporate Secretary and meet the requirements of the *Securities Act* (Québec) and similar rules and regulations under other applicable Canadian securities laws. In general, such plans must be entered into at a time when the person entering into the plan is not aware of any material non-public information with respect to the Company.

### *Short and Long-term Incentive Plans*

The Company's executive compensation policy aims to attract and retain competent individuals and motivate them to optimize value for shareholders. The compensation program is designed to be competitive, and to promote the achievement of both short and long-term objectives.

In 2020, the HRCC engaged PCI-Perrault Consulting Inc. (“**PCI**”) to provide independent compensation advice with a mandate consisting of: reviewing and providing advice to the HRCC on the compensation structure for the Chief Executive Officer and other NEOs; benchmarking Named Executive Officer compensation relative to the Company's peer groups; reviewing and offering advice on the design of the Short-term Incentive Plan (“**STIP**”) and Long-term Incentive Plan (“**LTIP**”); and a one-time equity grant for the appointments of Sarah Segal and Frank Zitella to their positions of Chief Executive Officer and President, respectively.

The HRCC is responsible for annually reviewing and approving the executive compensation program and executive compensation, including determining the compensation elements and the compensation mix to balance the executives' focus on short-term and long-term objectives.

In 2015, the Company adopted the 2015 Omnibus Equity Incentive Plan (the “**2015 Omnibus Plan**”) in connection with its initial public offering. All equity and equity-based awards, including awards of restricted stock units (“**RSUs**”) to the Named Executive Officers granted during FY 2023 were made under the 2015 Omnibus Plan.

The compensation program for the Named Executive Officers for FY 2023 was comprised of base salary, short-term incentives and long-term incentives.

### *Base Salary*

Base Salary for the NEOs reflects salaries offered for positions involving similar responsibilities and complexity, internal equity comparisons, as well as the individual's experience.

### *Short-Term Incentive Plan*

The STIP is comprised of both cash and share-based compensation elements and is intended to compensate NEOs and members of the senior management team for achieving short-term corporate goals. The Company believes that establishing a STIP is an important factor in both attracting and retaining the services of qualified and highly-skilled executives. It is also intended to reward the NEOs and members of the senior management team for both the overall performance of the Company and individual performance during the year.

Compensation under the STIP is based on achievement of specific levels of earnings before interest, income taxes, depreciation, amortization, stock-based compensation expense, non-recurring software implementation costs, restructuring plan activities and government wage and rent subsidies (“**Adjusted EBITDA**”). The Company believes that Adjusted EBITDA aligns the interests of management and shareholders and represents an appropriate measure to link the Company's short-term corporate goals under the STIP.

The goal of the annual STIP is to link the NEOs and the senior management team annual pay to the achievement of Adjusted EBITDA. The award is at risk and a STIP payment is made only if the Adjusted EBITDA is met. The amount of STIP payment depends on performance. Performance exceeding the Adjusted EBITDA will lead to above-target payments (“**Max**”). Performance below Adjusted EBITDA will lead to below-target payments, which can be zero if results are not achieved (“**Threshold**”).

For FY 2023, the HRCC determined that no STIP would be put in place. For the fiscal year ended January 28, 2023 a STIP was put in place solely for the CEO and Chief Brand Officer, and President, Chief Operating Officer and Chief Financial

Officer based upon the Adjusted EBITDA financial target of \$6.0 million (“**Target**”) and Threshold and Max financial goals determined to be 80% and 150% of Target, respectively. These targets are typically based on the operating plan and budget approved in advance by the Board of Directors for the year. The performance measures are used to calibrate the STIP payout. The STIP is paid out in a combination of cash and RSUs.

In assessing actual performance against the established performance targets, the HRCC may make additional adjustments. Typically, these adjustments are made in order to address developments arising during the year that were not contemplated when the targets (or relevant operating plan and budget on which the targets were based) were approved.

The Threshold, Target and Max achievement levels and actual level of achievement for the NEOs for the fiscal year ended January 28, 2023 are set out in the table below.

Participant	STIP Program – Financial Performance Target – Adjusted EBITDA Payout percentage (% of Base Salary)			FY 2023 Level of Achievement
	Threshold Achievement (80% of Adjusted EBITDA)	Target Achievement (100% of Adjusted EBITDA)	Max Achievement (150% of Adjusted EBITDA)	
<b>Cash reward</b>				
Sarah Segal	30%	60%	100%	0%
Frank Zitella	30%	60%	100%	0%
<b>RSU reward</b>				
Sarah Segal	15%	30%	50%	0%
Frank Zitella	15%	30%	50%	0%

For the fiscal year ended January 28, 2023, the Company did not meet the STIP achievement levels.

#### *Long-Term Incentive Plans*

The goal of the LTIP is to align NEOs and senior leadership team members to shareholder interests and focus attention on long-term performance. Since LTIP grants vest over a period of time, they also encourage retention. LTIP is a share-based reward, typically RSUs, that normally vest over a period of three years as follows: 25% on the first and second anniversaries of the grant and 50% on the third anniversary of the grant.

No awards were granted to NEOs or senior management for FY 2023.

For the fiscal year ended January 28, 2023 the award values for the Named Executive Officers are set out in the table below.

Participant	Time based RSUs Amount based on % of Base Salary
Sarah Segal	30%
Frank Zitella	30%
Joe Bongiorno	25%
Laura Wordingham	25%
Guillaume Brière	20%

Actual awards for the fiscal year ended January 28, 2023 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 Company determines the award value in the currency used to pay the Named Executive Officer.

#### *Special One-Time LTIP Award*

During Fiscal Year 2021, the HRCC and the independent Board members proposed the implementation of a special one-time LTIP award, in the form of RSUs, for Sarah Segal and Frank Zitella to reflect their respective contributions and nominations. The determination of the value range of the respective grants was based upon PCI's presentation of a compilation of data regarding one-time appointment grants offered to NEOs employed by many public Canadian and U.S. companies. The HRCC and the independent Board members also considered the timing of the award, and it was determined that the timing would be subsequent to the fulfillment of the terms of the Plan of Arrangement under the CCAA. On August 6, 2021, the Board approved the special one-time award of grants to each of Ms. Segal and Mr. Zitella in an amount equal to 150% of their base salaries, respectively. The HRCC and the independent Board members also agreed that the vesting date of the grants would begin on the anniversary date of their nominations and vest over a period of three years as follows: 25% on the first and second anniversaries of their nominations and 50% on the third anniversary of their nominations.

#### *Summary Compensation Table*

The following table sets out the compensation paid to the Named Executive Officers for the last three completed fiscal years, as applicable.

Name and Principal Position	Year	Salary (\$)	Bonus <sup>(1)</sup> (\$)	Stock Awards <sup>(2)(3)</sup> (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation		All Other Compensation (\$)	Total Compensation (\$)
						Annual Incentive Plan (\$)	Long-term Incentive Plan (\$)		
Sarah Segal <sup>(4)</sup> Chief Executive Officer, Chief Brand Officer and Director	2023	502,685	—	—	—	—	—	7,218	509,903
	2022	543,077	27,200	134,792	—	—	—	7,157	712,226
	2021	501,004	26,400	823,949	—	—	—	—	1,351,353
Frank Zitella <sup>(5)</sup> President, Chief Financial and Operating Officer and Corporate Secretary	2023	391,490	—	—	—	—	—	7,218	398,708
	2022	460,961	27,200	127,302	—	—	—	7,157	622,620
	2021	476,566	26,400	778,170	—	—	—	—	1,281,136
Joe Bongiorno <sup>(6)</sup> Vice-President of Finance	2023	222,923	—	—	—	—	—	—	222,923
	2022	232,877	12,240	60,677	—	—	—	—	305,794
	2021	205,759	11,880	45,000	—	—	—	1,181	263,820
Laura Wordingham <sup>(7)</sup> Head of Tea and Merchandising	2023	180,358	—	—	—	—	—	—	180,358
	2022	199,615	9,860	58,882	—	—	—	—	268,357
	2021	177,285	9,570	36,248	—	—	—	—	223,103
Guillaume Brière <sup>(8)</sup> Creative Director	2023	180,087	—	—	—	—	—	—	180,087
	2022	204,239	—	53,888	—	—	—	—	258,127
	2021	164,981	—	27,030	—	—	—	—	192,011

- (1) On December 15, 2020, the Québec Superior Court approved a retention plan for certain key employees (“KERP”) and created a priority charge over the debtors’ assets for the KERP. In March 2022, October 2021, and December 2020, KERP payments were made according to the approved retention plan.
- (2) One-time stock awards shown reflect the aggregate grant date fair market value of time-based and performance-based vesting RSUs granted to Named Executive Officers on August 6, 2021, May 6, 2021, June 18, 2020 and February 27, 2020 respectively, 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 13 to the Company’s Consolidated Financial Statements for FY 2023.
- (3) Stock awards do not include performance-based RSUs for which the performance criteria have not been met. The fair value at grant date for performance-based RSUs at maximum level of achievement for each of Sarah Segal and Frank Zitella granted on June 16, 2022 was \$225,229 and \$212,716, respectively, and for each of Sarah Segal, Frank Zitella, Joe Bongiorno and Laura Wordingham granted on May 6, 2021 was \$225,243, \$212,727, \$118,129 and \$72,079, respectively. In the fiscal years ended January 28, 2023 and January 29, 2022, performance criteria were not met. The Company did not grant any performance-based RSUs for the fiscal year ended February 3, 2024 or the fiscal year ended January 28, 2023.
- (4) Sarah Segal was appointed Chief Brand Officer on August 21, 2018, and prior thereto was the Company’s VP Product Development and Innovation. Sarah Segal was appointed Chief Executive Officer effective December 16, 2020.
- (5) Frank Zitella was appointed Chief Financial Officer and Corporate Secretary on December 10, 2018, Chief Operating Officer on April 26, 2019, and President effective December 16, 2020.
- (6) Joe Bongiorno was appointed Vice-President of Finance on July 18, 2022. Prior thereto, he held the positions of Director of Finance and Manager of Financial Accounting of the Company.
- (7) Laura Wordingham was appointed Head of Tea and Merchandising on March 15, 2021. Prior thereto, she held various positions with the Company, including Director of Tea and Tea Advisor.
- (8) Guillaume Brière was appointed Creative Director in October 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 2, 2024.

Name	Option-based Awards				Share-based Awards			Market value of vested share-based awards not paid out or distributed (\$)
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Grant date	Number of shares or units of stock that have not vested <sup>(1)</sup> (#)	Market value of shares or units of stock that have not vested <sup>(2)</sup>	
Sarah Segal Chief Executive Officer, Chief Brand Officer and Director	—	—	—	—	2022-05-02	32,716	14,395	—
	—	—	—	—	2021-05-06	<u>15,116</u>	<u>6,651</u>	—
	—	—	—	—	—	47,832	21,046	—
Frank Zitella President, Chief Financial and Operating Officer and Corporate Secretary	—	—	—	—	2022-05-02	30,898	13,595	—
	—	—	—	—	2021-05-06	<u>14,276</u>	<u>6,281</u>	—
	—	—	—	—	—	45,174	19,876	—
Joe Bongiorno Vice-President of Finance	—	—	—	—	2022-09-29	11,250	4,950	—
	—	—	—	—	2022-05-02	11,341	4,990	—
	—	—	—	—	2021-05-06	<u>5,038</u>	<u>2,217</u>	—
—	—	—	—	—	27,629	12,157	—	
Laura Wordingham Head of Tea and Merchandising	—	—	—	—	2022-09-29	11,250	4,950	—
	—	—	—	—	2022-05-02	10,905	4,798	—
	—	—	—	—	2021-05-06	4,058	1,786	—
—	—	—	—	—	26,213	11,534	—	
Guillaume Brière Creative Director	—	—	—	—	2022-09-29	11,250	4,950	—
	—	—	—	—	2022-05-02	9,693	4,265	—
	—	—	—	—	2021-05-06	<u>3,023</u>	<u>1,330</u>	—
—	—	—	—	—	23,966	10,545	—	

- (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 Company’s common shares on the TSX Venture Exchange on February 2, 2024 (\$0.44), being the last trading day of the Company’s FY 2023, by the number of RSUs that had not vested as of the latter date.

### Equity Compensation Plan Information

The table below sets out the status of the shares reserved for issuance under the Company’s equity-based incentive plans as at February 3, 2024, the end of the Company’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 (b)	Number of securities to be issued upon vesting of RSUs #	Weighted average fair value price of RSUs	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#)
Equity compensation plans approved by security holders	Amended and Restated Equity Incentive Plan <sup>(1)</sup>	—	—	—	—	—
	2015 Omnibus Equity Incentive Plan	—	—	935,872	1.93	960,1010
Equity compensation plans not approved by security holders		—	—	—	—	—
Total		—		935,872		960,010

(1) Since the adoption of the 2015 Omnibus Plan, 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 in 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 Company pursuant to their respective employment agreements with the Company.

#### Sarah Segal

The Company entered into a new Executive Employment Agreement dated December 16, 2020 with Sarah Segal, which provides in part as follows:

If Sarah Segal’s employment is terminated by the Company without “Cause” or she resigns for “Good Reason”, as those terms are respectively defined in the Executive Employment Agreement, she will be entitled to (i) her earned but unpaid base salary, (ii) any unpaid business expense reimbursements, (iii) an amount payable for accrued but unused vacation days, and (iv) any awarded but unpaid bonus for the year preceding the year during which the resignation occurs, and a prorated portion of any bonus that becomes payable for that fiscal year, as determined by the HRCC at the end of that fiscal year (collectively, the “**Termination Payments**”). In addition, any stock options, RSUs, stock units or other long-term incentive grants held by Ms. Segal will be deemed vested on the date of termination.

Further, if Ms. Segal has less than 18 complete years of service with the Company as of the date on which the termination notice is given, the Company will pay an indemnity to her in lieu of notice equal to 18 months of her base salary, plus an amount equal to 1.5 times the performance-based bonus at “Target”, as that term is defined in the Executive Employment Agreement, to be paid in a lump sum within five business days following the date of termination. If Ms. Segal has at least 18 complete years of service with the Company as of the date on which the termination notice is given, the Company will pay

an indemnity to her in lieu of notice equal to 24 months of her base salary, plus an amount equal to two times the performance-based bonus at “Target”, to be paid in a lump sum within five business days following the date of termination.

If Ms. Segal remains a full-time employee of the Company for a period of six months following a “Change of Control” of the Company, as that term is defined in the Executive Employment Agreement, she will be entitled to the Termination Payments and acceleration applicable in the event of termination without “Cause” or for “Good Reason”.

Had Ms. Segal’s employment been terminated without cause on February 2, 2024, the last business day of the Company’s most recently completed fiscal year, she would have been entitled to receive an incremental payment of approximately \$1,245,500, subject to applicable withholding taxes.

#### *Frank Zitella*

The Company entered into a new Executive Employment Agreement dated December 16, 2020 with Frank Zitella, which provides in part as follows:

If Frank Zitella’s employment is terminated by the Company without “Cause” or he resigns for “Good Reason”, as those terms are respectively defined in the Executive Employment Agreement, he will be entitled to the Termination Payments. 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 termination.

Further, if Mr. Zitella has less than ten complete years of service with the Company as of the date on which the termination notice is given, the Company will pay an indemnity to him in lieu of notice equal to twelve months of his base salary, plus an amount equal to the performance-based bonus at “Target”, as that term is defined in the Executive Employment Agreement, to be paid in a lump sum within five business days following the date of termination. If Mr. Zitella has more than ten complete years and less than 18 years of service with the Company as of the date on which the termination notice is given, the Company will pay an indemnity to him in lieu of notice equal to 18 months of his base salary, plus an amount equal to 1.5 times the performance-based bonus at “Target”, to be paid in a lump sum within five business days following the date of termination. If Mr. Zitella has at least 18 complete years of service with the Company as of the date on which the termination notice is given, the Company will pay an indemnity to him in lieu of notice equal to 24 months of his base salary, plus an amount equal to two times the performance-based bonus at Target, to be paid in a lump sum within five business days following the date of termination.

If Mr. Zitella remains a full-time employee of the Company for a period of six months following a “Change of Control” of the Company, as that term is defined in the Executive Employment Agreement, he will be entitled to the Termination Payments and acceleration applicable in the event of termination without “Cause” or for “Good Reason”.

Had Mr. Zitella’s employment been terminated without cause on February 2, 2024, the last business day of the Company’s most recently completed fiscal year, he would have been entitled to receive an incremental payment of approximately \$807,500, subject to applicable withholding taxes.

#### ***2015 Omnibus Plan***

The following is a description of provisions of the 2015 Omnibus Plan relating to the effect of termination of employment and related matters.

##### *Termination for Cause*

Vested and unvested awards will be forfeited immediately at time of termination for cause.

##### *Termination Due to Death*

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.

### *Termination Due to Disability*

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.

### *Retirement*

Awards other than stock options will vest based *pro rata* of the number of elapsed days between the start of the 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.

### *Voluntary Resignation*

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 will be forfeited at the time of such termination.

### *Involuntary Termination*

Upon an involuntary termination of employment by the Company, 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.

### *Change in Control*

Upon a termination by the Company 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.

## DIRECTOR COMPENSATION

### Director Compensation Policy

The Company’s compensation policy for directors is designed to enable the Company to attract and retain highly qualified non-employee directors. Under the policy adopted on June 13, 2023, directors received the cash and equity compensation set out below.

<b>Non-Executive Board Chair</b>	
Annual retainer .....	\$125,000
Annual target equity grant.....	20,000 RSUs or deferred share units (“DSUs”), at the option of the chair
<b>Board members</b>	
Annual retainer .....	\$50,000
Annual target equity grant.....	10,000 RSUs or DSUs, at the option of the director
<b>Board meeting fees</b> .....	\$1,100 per meeting attended
<b>Lead Director</b>	
Annual retainer .....	\$25,000
<b>Audit Committee Chair</b>	
Additional annual retainer.....	\$17,500 minimum
<b>Audit Committee meeting fees</b> .....	\$1,100 per meeting attended
<b>Human Resources and Compensation Committee Chair</b>	
Additional annual retainer.....	\$12,500 minimum
<b>Human Resources and Compensation Committee meeting fees</b> ..	\$1,100 per meeting attended
<b>Corporate Governance and Nominating Committee Chair</b>	
Additional annual retainer.....	\$12,500 minimum
<b>Corporate Governance and Nominating Committee meeting fee</b>	\$1,100 per meeting attended

Under the Company’s non-employee director compensation policy, annual retainers and meeting fees are paid in quarterly cash payments.

Equity grants are generally made in the form of RSUs or DSUs granted under the 2015 Omnibus Plan and generally vest in full on the first anniversary of the grant date.

### Director Compensation Table

The following table sets out information concerning all amounts of compensation paid to the directors of the Company for their services in that capacity for FY 2023. Sarah Segal, Chief Executive Officer and Chief Executive Officer of the Company, does not receive any compensation as a director of the Company.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jane Silverstone Segal	127,432	8,600	—	—	—	—	136,032
Susan L. Burkman	87,917	4,300	—	—	—	—	92,217
Pat De Marco	116,917	4,300	—	—	—	—	121,217
Peter Robinson	87,917	4,300	—	—	—	—	92,217



The directors are reimbursed by the Company 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.

*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 FY 2023 for the directors.

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year	Non-equity incentive plan compensation - Value earned during the year (\$)
Jane Silverstone Segal	—	13,199	—
Sarah Segal	—	—	—
Susan L. Burkman	—	6,599	—
Pat De Marco	—	—	—
Peter Robinson	—	6,599	—

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

## 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 Company until the next annual meeting of shareholders. Ernst & Young LLP, Chartered Professional Accountants, have served as auditor of the Company since the Company's 2011 fiscal year.

## INFORMATION ON THE AUDIT COMMITTEE

### Audit Committee Charter

The Audit Committee Charter sets out the roles and responsibilities of the Audit Committee of the Board of Directors. A copy of the Charter is attached hereto as Schedule A.

### Composition of the Audit Committee

The Audit Committee is composed of Pat De Marco (chair), Susan L. Burkman and Peter Robinson. Each member of the Audit Committee is independent and financially literate within the meaning of Québec *Regulation 52-110 respecting Audit Committees* and National Instrument *52-110 Audit Committees*. The Board has determined that Pat De Marco and Susan L. Burkman are "Audit Committee financial experts".

### Financial Literacy

Each member of the Audit Committee has a good command of generally accepted accounting principles and has the ability to 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 Company's financial statements.

## External Auditor Service Fees

The following table sets out the aggregate fees billed to the Company for Fiscal 2023 and the prior fiscal year by Ernst & Young LLP, Chartered Professional Accountants (“EY”):

	For the year ended	
	February 3, 2024	January 28, 2023
	\$	\$
Audit fees <sup>(1)</sup> .....	357,280	522,550
Audit-related fees <sup>(2)</sup> .....	—	—
Tax fees <sup>(3)</sup> .....	—	—
All other fees <sup>(4)</sup> .....	56,375	—
	<u>413,655</u>	<u>522,550</u>

- (1) Audit fees consist of fees billed for professional services rendered for the audit of our consolidated annual financial statements and review of the interim consolidated financial statements included in our quarterly reports, consultation concerning financial reporting and accounting standards, and services provided in connection with statutory and regulatory filings or engagements, including consent procedures in connection with public filings.
- (2) Audit-related fees consist of fees billed for related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and that are not reported under “Audit Fees”.
- (3) Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) All other fees consist of fees for all other professional services and products rendered by EY.

All fees paid and payable by the Company to EY in Fiscal 2023 and the prior fiscal year were pre-approved by the Company’s Audit Committee pursuant to the procedures and policies set forth in the Audit Committee mandate. The Audit Committee’s policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval. The Chair of the Audit Committee is also authorized, pursuant to delegated authority, to pre-approve additional services on a case-by-case basis, and such approvals are communicated to the full Audit Committee at its next meeting.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officer, director or employee, former or present, of the Company or a subsidiary thereof, no person who is a nominee for election as a director of the Company, and no associate of such persons, is, or was at any time since the beginning of FY 2023, indebted to the Company or a subsidiary thereof, nor has any such person been indebted at any time since the beginning of FY 2023 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 Company 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 Company, none of the persons who have been directors or executive officers of the Company at any time since the beginning of FY 2023, none of the proposed nominees for election as a director of the Company 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 Company, that is: (a) the directors and executive officers of the Company; (b) any person who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Company’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 Company, has any material interest, direct or indirect, in any transaction since the beginning of FY 2023 or in any proposed transaction which has materially affected or would materially affect the Company.

## OTHER MATTERS

Management of the Company 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 CBCA provides that a registered holder or beneficial owner of shares that are entitled to vote at an annual meeting of the Company may submit to the Company 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 CBCA further provides that the Company must set out the Proposal in its management proxy circular or attach the Proposal thereto and, if so requested by the person who submits a Proposal, the Company shall include in the management proxy circular or attach to it a statement in support of the Proposal by the person and the name and address of the person. The statement and the Proposal must together not exceed the prescribed maximum number of words. However, the Company 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 Company within the “prescribed period”, defined as the 60-day period that begins on the 150<sup>th</sup> day before the anniversary of the previous annual meeting of shareholders. As the date of the Meeting is June 18, 2024, the “prescribed period” for submitting a Proposal to the Company in connection with the next annual meeting of shareholders of the Company will be from January 19, 2025 to March 20, 2025.

The foregoing is a summary only. Shareholders should carefully review the provisions of the CBCA 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 Company, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The Company’s required annual disclosure of its corporate governance practices is set out below.

As a reporting issuer in the provinces of Québec, Alberta and British Columbia with securities listed on the TSX Venture Exchange, the Company complies with all applicable rules adopted by the Canadian provincial securities commissions. The Board is of the view that the Company’s corporate governance practices satisfy the applicable requirements of Canadian provincial securities regulations and the TSX Venture Exchange, as reflected in the disclosure made below. The Board of Directors has approved the disclosure of the Company’s corporate governance practices described below, on the recommendation of the CGNC.

### 1. **Board of Directors**

#### *Independence*

The Board of Directors consists of five 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 Company’s by-laws.

Three of the five 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 and Peter Robinson are considered independent, while Sarah Segal is not considered to be independent in that she is an executive officer of the Company and Jane Silverstone Segal is not considered to be independent in that she is the mother of Sarah 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 (Sarah Segal and Jane Silverstone Segal) are not considered independent pursuant to Section 1.4 of Québec *Regulation 52-110 respecting Audit Committees*.

In accordance with applicable law and the Company’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*

None of the directors of the Company is currently a director of another issuer that is a reporting issuer (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction.

*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 Company.

*Chair of the Board*

Jane Silverstone Segal, Chair of the Board, chairs meetings of the Board of Directors, but is not considered to be an independent director in that she is the mother of Sarah Segal, Chief Executive Officer and Chief Brand Officer of the Company. Pat De Marco, an independent director, has served as “Lead Director” since his appointment by the Board of Directors on September 23, 2018, upon the recommendation of the CGNC. 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 Company and the Board of Directors, consulting with the Chair 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 Chair of the Board is absent.

*Board and Committee Meetings*

During the period from January 29, 2023 to the date hereof, inclusively, the Board of Directors held ten meetings, the Audit Committee held five meetings, the HRCC held six meetings and the CGNC held five meetings. The Company does not have an Executive Committee. Attendance of directors at the meetings is set out in the table below. In addition, the three independent directors of the Company held eight *in camera* meetings.

	Board Meetings	Audit Committee Meetings	HRCC Meetings	CGNC Meetings	Total
Jane Silverstone Segal	10/10	-	-	-	10/10
Sarah Segal	10/10	-	-	-	10/10
Susan L. Burkman	10/10	5/5	6/6	5/5	26/26
Pat De Marco	10/10	5/5	6/6	5/5	26/26
Peter Robinson	10/10	5/5	6/6	5/5	26/26

**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 Company’s Investor Relations website at <http://ir.davidstea.com> under “Corporate Governance”. 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 Company;

- (ii) identifying the principal risks applicable to the Company, ensuring that procedures are in place for the management of those risks with a view to the long-term viability of the Company and its assets, and conducting an annual review of such risks;
- (iii) overseeing the Company'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 Company;
- (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 Company'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 Company'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 Company'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 Company, including disclosure of material information in accordance with applicable securities laws and stock exchange rules.

### **3. Position Description**

#### *Chair of the Board*

The Board of Directors has not adopted a written position description for the Chair of the Board of Directors. The primary responsibilities of the Chair 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 Company, 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 Company.

### *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 Company 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 Company. In fulfilling such responsibilities, the Chief Executive Officer will, among other things: (i) see that the day-to-day business affairs of the Company are appropriately managed; (ii) work with key stakeholders to develop the Company'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 Company'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 Company's long-term business plan and strategies; and (f) oversee the Company's achievement and maintenance of a satisfactory competitive position within its industry.

## **4. Orientation and Continuing Education**

### *Orientation*

The HRCC is responsible for developing, monitoring and reviewing the Company's orientation and continuing education programs for directors. New directors are provided with an information package on the Company'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 Company expects of its directors.

### *Continuing Education*

All Board members regularly monitor the Company's website and have visited DAVIDsTEA's stores. Management makes presentations to the Board on a range of topics that are relevant to the Company's operations. Senior management makes regular presentations to the Board and its committees to educate them and keep them informed of developments within the Company'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 Company's business. Finally, Board members have full access to the Company's senior management and employees.

## **5. Ethical Business Conduct**

The Company's Code of Ethics for Senior Managers and Financial Officers (the "**Code of Ethics**") is applicable to all of the Company'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 Company; and to promote compliance with all applicable rules and regulations that apply to the Company and its officers. The Code of Ethics is available on the Company's Investor Relations website at <http://ir.davidstea.com> under "Corporate Governance". 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 Company 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 Company'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 Company provide that the Board shall consist of not less than three and not more than 15 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 Company and in accordance with the corporate governance guidelines. Pursuant to the Company'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 Chair 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), Susan L. Burkman and Pat De Marco, each of whom is an independent director. The Charter of the CGNC is available on the Company's Investor Relations website at <http://ir.davidstea.com> under "Corporate Governance".

## 7. **Compensation of Directors and Officers**

### *Directors*

The HRCC reviews the compensation of the Company'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 Company'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 Company'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 Susan L. Burkman (chair), Pat De Marco and Peter Robinson. The HRCC Charter is available on the Company's Investor Relations website at <http://ir.davidstea.com> under "Corporate Governance".

## 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 Chair 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 Company 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 Company and its shareholders. The Company 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 Company 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 Company 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 three women on the Board of Directors of the Company, representing 60% 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 Company.

**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 Company’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, three of the Board members are women, representing 60% of the total number of directors.

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

The Company does not have a formal policy on diversity in senior management positions. The Company 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 Company 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.

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

The Company 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 Company of women on the Board of Directors or in executive officer positions of the Company by a specific date. Although the Company 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 three women on the Board of Directors of the Company, representing 60% of the total number of directors. None of the directors are Aboriginal peoples, persons with disabilities or members of visible minorities.

The Company currently has two executive officers, of whom one (50%) is a woman. None of the executive officers of the Company are Aboriginal peoples, persons with disabilities or members of visible minorities.

**ADDITIONAL INFORMATION**

Financial information about the Company is contained in its comparative financial statements and Management's Discussion and Analysis for FY 2023, and additional information about the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's Investor Relations website at <http://ir.davidstea.com>.

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 Company for FY 2023 together with the accompanying report of the auditor thereon and any interim financial statements of the Company for periods subsequent to FY 2023 and Management's Discussion and Analysis with respect thereto; or
- (b) this Circular,

please send your request to:

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

e-mail: [investors@davidstea.com](mailto:investors@davidstea.com).

**AUTHORIZATION**

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

*(signed) Jane Silverstone Segal*

Jane Silverstone Segal  
Chair of the Board of Directors  
DATED at Town of Mount Royal, Québec, Canada  
May 8, 2024

## SCHEDULE A AUDIT COMMITTEE CHARTER

### STATUS

The Audit Committee (the “*Committee*”) is a committee of the Board of Directors (the “*Board*”) of DAVIDsTEA Inc., a federally incorporated Canadian corporation (the “*Company*”). The Committee adopted this Audit Committee Charter on March 31, 2015.

### PURPOSE

The Committee is appointed by the Board for the primary purposes of:

- assisting the Board in fulfilling its oversight responsibilities as they relate to the Company’s accounting policies and internal controls, financial reporting practices and legal and regulatory compliance, including, among other things;
- monitoring the integrity of the Company’s financial statements, corporate accounting and financial reporting processes and financial information that will be provided to shareholders and others;
- reviewing the Company’s compliance with certain legal and regulatory requirements;
- evaluating the independent auditors’ qualifications and independence; and
- monitoring the performance of the Company’s internal audit function and the Company’s independent auditors as well as any other public accounting firm engaged to perform other audit, review or attest services;
- maintaining, through regularly scheduled meetings, a line of communication between the Board and the Company’s financial management, internal auditors and independent auditors, and
- annually evaluating the performance of the Committee.

While the Committee has the duties and responsibilities set forth in this Charter, the role of the Committee is oversight. The Committee is not responsible for planning or conducting the audit or determining whether the Company’s financial statements are complete and accurate and in accordance with applicable accounting rules. Such activities are the responsibility of management and the Company’s independent auditors. The Committee and its members are not preparers, auditors, or certifiers of the Company’s financial statements or guarantors of the Company’s independent auditors’ reports. It is not the duty or responsibility of the Committee to ensure that the Company complies with all laws and regulations. The Committee and each of its members shall be entitled to rely on (a) the integrity of those persons and organizations within and outside of the Company from which it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board), and (c) representations made by management as to any audit and non-audit services provided by the independent auditors to the Company.

### COMPOSITION AND QUALIFICATIONS

The Committee shall be appointed by the Board and shall be comprised of three or more directors (as determined from time to time by the Board), each of whom shall, in the absence of an applicable exemption, meet the ‘independence’ requirements of the Sarbanes-Oxley Act of 2002 (the “*Act*”), NASDAQ Global Market (“*NASDAQ*”), and all other applicable laws and regulations. The Committee may avail itself of any phase-in compliance periods available to the Company that are afforded by applicable rules of NASDAQ or applicable law. Each member of the Committee shall be financially literate, as determined by the Board in their business judgment. At least one member of the Committee shall have accounting or related financial management expertise, as determined by the Board in its business judgment. The Board shall determine whether the Committee has an “audit committee financial expert” as defined by the rules promulgated by the Securities and Exchange Commission (“*SEC Rules*”) and whether such expert is “independent” from management as defined in the applicable SEC Rules.

A Committee member invited to sit on another public company's audit committee must notify the Board. The Board must determine whether or not the Committee member's service on another company's audit committee impairs the director's ability to serve on the Company's Committee. Committee members should be on no more than three public company audit committees; however, the Board may waive this limit in accordance with the applicable rules of the NASDAQ Stock Market.

## **MEETINGS**

### **Frequency**

The Committee shall meet as frequently as the Chairman of the Committee deems appropriate. The Committee may meet with the independent auditors and management separately, to the extent the Committee deems necessary and appropriate.

### **Agenda and Notice**

The Chairman of the Committee shall establish the meeting dates and the meeting agenda. The Chairman of the Committee or the Company Secretary shall send proper notice of each Committee meeting and information concerning the business to be conducted at the meeting, to the extent practical, to each member prior to each meeting. The Chairman or a majority of the members of the Committee may call a special meeting of the Committee at any time.

### **Holding and Recording Meetings**

Committee meetings may be held in person or telephonically. The Committee shall keep written minutes of its meetings and submit such minutes to the Board.

### **Quorum**

A majority of the members of the Committee shall constitute a quorum.

## **COMPENSATION**

The compensation of Committee members shall be determined by the Board.

## **RESPONSIBILITIES**

### **System of Financial Controls**

The Committee shall oversee the process by which management shall design, implement, amend, maintain, and enforce a comprehensive system of financial controls (including the right internal and external people and resources, policies, processes and enforcement) aimed at ensuring the integrity and compliance of the Company's books and records with International Financial Reporting Standards ("*IFRS*") as issued by the International Accounting Standards Board, and sound business practices, as well as protecting the value of the Company's assets and safeguarding the credibility of its brand, employees, management team, board of directors, and shareholders. Such system of financial controls will embody the adoption of best practices in financial controls and foster honesty, integrity, accuracy, and transparency in all aspects of the Company. Best practices include but are not limited to: setting the right tone at the top; active review of business performance by executive management, with regular reporting to and oversight by the Board; an accurate, stable and reliable general ledger; a robust internal audit function; unambiguous compliance with IFRS; and full transparency and ongoing dialogue with the Board, Audit Committee and external auditors. Such system shall also incorporate the principals contained within the Company's Code of Business Ethics and Conduct, as adopted by the Board.

### **Annual Audit Review**

Review and discuss the annual audited financial statements including the independent auditors' audit and audit report thereon, and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management and the independent auditors. In connection with such review, the Committee will:

- Review the scope of the audit, the audit plan and the audit procedures utilized;

- Review and discuss the integrity of the annual audited Company financial statements and quarterly financial statements with management and the independent auditors, including the notes thereto and all matters required by applicable auditing standards, and the written disclosures required by applicable auditing standards regarding the independent auditor’s independence;
- Review significant changes in accounting or auditing practices, principles or policies;
- Review with the independent auditors any problems or difficulties encountered in the course of their audit, including any change in the scope of the planned audit work and any restrictions placed on the scope of such work or access to requested information, and any significant disagreements with management, and management’s response to such problems or difficulties;
- Review with the independent auditors, management, and the senior internal auditing executive, if any, the adequacy of the Company’s internal controls, including information systems controls and security and bookkeeping controls and any significant findings and recommendations with respect to such controls;
- Review reports required to be submitted by the independent auditor concerning: (a) all critical accounting policies and practices used; (b) all alternative treatments of financial information within IFRS that have been discussed with management, the ramifications of such alternatives, and the accounting treatment preferred by the independent auditors; and (c) any other material written communications with management, such as the management letter or schedule of unadjusted differences;
- Review (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles, and major issues as to the adequacy of the Company’s internal controls and any special audit steps adopted in light of material control deficiencies; and (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative IFRS methods on the financial statements and the effects of regulatory and accounting initiatives, as well as off- balance sheet structures, on the financial statements of the Company.
- Inquire about and review with management and the independent auditors any significant risks or exposures faced by the Company and discuss with management the steps taken to minimize such risk or exposure. Such risks and exposures include, but are not limited to, threatened and pending litigation, claims against the Company, tax matters, regulatory compliance and correspondence from regulatory authorities, and environmental exposure; and
- Discuss policies and procedures concerning earnings press releases and review the type and presentation of information to be included in earnings press releases (paying particular attention to any use of “pro forma” or “adjusted” non-IFRS information), as well as financial information and earnings guidance provided to analysts and rating agencies.

### **Quarterly Reviews**

Review and discuss the quarterly financial statements with management, the senior internal auditing executive, if any, and the independent auditor, together with the independent auditors’ review thereof pursuant to professional standards and procedures for conducting such reviews, as established by IFRS. In connection with the quarterly reviews, the Committee shall inquire about and review with management and the independent auditors any significant risks or exposures faced by the Company and discuss with management the steps taken to minimize such risk or exposure.

### **Oversight of Independent Auditors**

Oversee the performance and independence of independent auditors. The Company’s independent auditors shall report directly to and are ultimately accountable to the Committee. In connection with its oversight of the performance and independence of the independent auditors, the Committee will:

- Have the sole authority and direct responsibility to appoint, retain, compensate, oversee and replace (subject to shareholder approval, if deemed advisable by the Board) the independent auditors;

- Have authority to approve the engagement letter and all audit, audit-related, tax and other permissible non-audit services proposed to be performed by the independent auditors and the related fees for such services;
- Obtain confirmation and assurance as to the independent auditors' independence, including ensuring that they submit on a periodic basis (not less than annually) to the Committee a formal written statement delineating all relationships between the independent auditors and the Company. The Committee shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and shall take appropriate action in response to the independent auditors' report to satisfy itself of their independence;
- At least annually, obtain and review a report by the independent auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
- Meet with the independent auditors prior to the annual audit to discuss planning and staffing of the audit;
- Review and evaluate the performance of the independent auditors, as the basis for a decision to reappoint or replace the independent auditors;
- Set clear hiring policies for employees or former employees of the independent auditors, including but not limited to, as required by all applicable laws and listing rules; and
- Assure regular rotation of the lead audit partner, as required by the Act, and consider whether rotation of the independent auditor is required to ensure independence.

### **Oversight of Internal Audit**

Oversee the internal audit coverage and related matters. In connection with its oversight responsibilities, the Committee shall have authority over and direct responsibility for the internal audit function at the Company at all times when the Company has such a function. In the Committee's discretion, the internal audit function may be outsourced to a third party vendor, provided that such vendor follows the standards and guidelines established by the Committee. The head of the internal audit function (or the third party vendor providing internal audit function support, if applicable) will report directly to the Committee or its designee. The head of the internal audit function or the relationship manager of the vendor providing internal audit function support, as applicable, shall report at least annually to the Committee regarding the internal audit function's organizational structure and personnel. In overseeing internal audit, the Committee will:

- Review the appointment or replacement of the senior internal auditing executive, if any, or, if outsourced, the third party vendor providing internal audit services;
- Review, in consultation with management, the independent auditors and the senior internal auditing executive, if any, the plan and scope of internal audit activities;
- Review internal audit activities, budget and staffing; and
- Review significant reports to management prepared by the internal auditing department and management's responses to such reports.

### **Review of Internal Controls**

Review with management, the independent auditors and the senior internal auditing executive, if any, the adequacy of the Company's internal controls, and any significant findings and recommendations with respect to such controls.

## **Risk Assessment and Risk Management**

The Committee shall discuss the Company's major business, operational, and financial risk exposures and the guidelines, policies and practices regarding risk assessment and risk management, including derivative policies, insurance programs and steps management has taken to monitor and control major business, operational and financial risks.

## **Resolve Differences**

The Committee will resolve any differences in financial reporting between management and the independent auditors.

## **Code of Conduct**

The Committee shall establish, maintain and oversee the Company's code of business ethics and conduct including dealing with issues that may arise under the code of business ethics and conduct related to executive officers and directors of the Company.

## **Conflicts of Interest**

The Committee shall establish, maintain and oversee the Company's related party transaction policy, including overseeing the process for approval of all related-party transactions involving executive officers and directors.

## **Submission of Complaints**

The Committee shall establish, maintain and oversee procedures for (a) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

## **Access to Records and Personnel**

The Committee shall have full access to any relevant records of the Company that it deems necessary to carry out its responsibilities. The Committee may request that any officer or other employee of the Company or any advisor to the Company meet with members of the Committee or its advisors, as it deems necessary to carry out its responsibilities.

## **Executive Sessions**

The Committee will meet periodically (not less than annually) in separate executive session with each of the chief financial officer or any other executive officer, the principal accounting officer and/or the senior internal auditing executive (or any other personnel responsible for the internal audit function, if any), and the independent auditors.

## **Legal Compliance**

Review periodically including in conjunction with the annual audit with the Company's in-house counsel (a) legal and regulatory matters which may have a material effect on the Company and/or its financial statements, and (b) corporate compliance policies or codes of conduct.

## **Regulatory Developments**

The Committee shall monitor and provide reports to the Board with respect to developments in accounting rules and practices, income tax laws and regulations, and other regulatory requirements that affect matters within the scope of the Committee's authority and responsibilities.

## **Funding**

The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors or any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; to any other advisors engaged by the Committee; and of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

**Independent Advisors**

The Committee shall have authority to engage, determine funding and cause the Company to pay the compensation to obtain advice and assistance from outside legal, accounting or other advisors to carry out its responsibilities.

**Reports to Board of Directors**

The Committee shall report regularly to the Board with respect to Committee activities, and its conclusions with respect to the independent auditor, with recommendations to the Board as the Committee deems appropriate.

**Review of This Charter**

The Committee shall review and reassess annually the adequacy of this Committee Charter and recommend any proposed changes to the Board.

**Evaluation of Committee**

The Committee is responsible for developing and conducting an annual self-assessment of its performance. The Committee shall report to the full Board on the results of its assessment each year and shall make any appropriate recommendations to further enhance the Committee's performance.

**Other Responsibilities**

The Committee shall perform such other duties as may be required by law or requested by the Board or deemed appropriate by the Committee. The Committee shall discharge its responsibilities, and shall assess the information provided to the Committee, in accordance with its business judgment. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate.