

# **BIRKS GROUP INC.**

## **COMPENSATION AND NOMINATING COMMITTEE CHARTER**

### **I. PURPOSE**

The primary function of the Compensation Committee and Nominating (the “Committee”) of Birks Group Inc. (the “Company”) is to (a) assist the Board in discharging its responsibilities with respect to compensation of the Company's executive officers, (b) produce an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations, (c) provide recommendations regarding management succession, and (d) (i) identify individuals who are qualified to serve on the Company’s Board of Directors (the “Board”) based on criteria approved by the Board, and (ii) recommend for selection by the Board the director nominees for the next annual meeting of the shareholders or at any time that there is a vacancy on the Board.

The Committee will primarily fulfill this responsibility by carrying out the activities enumerated in Section IV of this Charter.

### **II. ORGANIZATION**

- (a) Appointment. The Committee shall be comprised of three or more directors as determined by the Board, all of whom shall be independent of the management of the Company and are free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as a Committee member. Each member of the Committee shall be a "non-employee director" as such term is defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended and independent as defined in accordance with the Section 803A of the Rules of the NYSE American LLC (the "Exchange"), the additional independence requirements for members of the Committee under Section 805(c)(1) of the Exchange (or any similar rules of any such exchange on which the Company's stock shall be listed in the future), and in the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder by the Securities and Exchange Commission (“SEC”), including Rule 10C-1.

In affirmatively determining the independence of any director who will serve on the Committee, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

Term. The members of the Committee shall be elected by the Board at the annual meeting of the Board and shall hold office until the earlier of (i) the election of their respective successors, (ii) the end of their service as a director of the Company (whether through resignation, removal, expiration of term, or death), or (iii) their resignation from the Committee. The full Board shall also elect a Chair of the Committee at such time.

(b) Removal. The Board may remove any member of the Committee at any such time as the Board determines, in its reasonable judgment, that (i) such member no longer meets the qualification standard set forth in this Charter, or (ii) it is in the best interests of the Company or its shareholders to remove such member from the Committee.

(c) Authority.

(i) The Committee, and each member of the Committee in his or her capacity as a member of the Committee, shall be entitled to rely, in good faith, on information, opinions, reports, statements, or other information prepared for or presented to them by (A) officers and other employees of the Company whom such member believes to be reliable and competent in the matters presented, and (B) counsel or other advisors as to matters which the member believes the person to be reliable and competent in the matters presented.

(ii) The Committee shall have the power and authority to interpret this Charter and make any determinations as to whether any act taken has been taken in compliance with the terms hereof.

### **III. MEETINGS**

A majority of the Committee shall constitute a quorum, and the actions of a majority of the members of the Committee present at any meeting at which a quorum is present, or actions unanimously adopted in writing without holding a meeting, shall be the acts of the Committee. The Chair of the Committee shall report to the Board following the meetings of the Committee. The Committee shall meet at least three times annually or more frequently as circumstances dictate. The Committee shall meet, as needed, in Executive Session. The Chief Executive Officer (“CEO”) shall not be present during voting or deliberations of the compensation of the CEO. As part of its job to foster open communication, the Committee shall meet at least annually with various executive officers. The Committee may request that any directors, officers or employees of the Corporation, or other persons (including non-employees) whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee shall maintain minutes or other records of Committee meetings and activities.

#### IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

1. Compensation:

- (a) Oversee guidelines and review the compensation of Named Executive Officers (as defined in Section 402 of Regulations S-K under the Securities Exchange Act of 1933, as amended) of the Company to ensure that the program is competitive with the comparator group and that the payout is aligned with the Company's performance and strategic orientations.
- (b) Review and approve corporate goals and objectives relevant to the compensation of the CEO and make recommendations to the Board for approval.
- (c) Evaluate the CEO's performance in light of these approved goals and objectives.
- (d) Establish and recommend for approval by the Board the CEO's compensation based on the Committee's evaluation of the CEO's performance.
- (e) After Board approval, communicate the evaluation and compensation to the CEO.
- (f) Annually review the performance of the Named Executive Officers of the Company as presented by the CEO and review and approve the various compensation components presented by the CEO.
- (g) Annually review the compensation and benefits plans made available by the Company to executive officers.
- (h) Review and approve for recommendation to the Board any proposed employment agreement with the CEO of the Company and any proposed modification or amendment thereof or to CEO compensation. Review and approve for recommendation to the Board any proposed key terms of an employment with any other Named Executive Officer of the Company and any proposed modification or amendment thereof or to Named Executive Officer compensation. Review and approve any consulting, severance, retention, change in control, or other termination arrangement proposed to be made to any current or former Named Executive Officer of the Company except for any such payment made in accordance with a plan previously approved by the Board or the Committee.
- (i) Review policies and procedures pertaining to expense accounts and perquisites of the CEO.
- (j) Review the executive compensation disclosure in the Company's proxy statement and, if required by applicable rules and regulations, produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.

- (k) Review the risks associated with the Company's compensation policies and practices to confirm such policies and practices do not encourage unnecessary and excessive risk-taking.
- (l) Review, approve and make recommendations to the Board with respect to incentive-compensation plans and equity-based plans.
- (m) Establish criteria for the granting of incentive awards under the Company's long-term incentive plans to the Company's executive officers and other employees.
- (n) Review and approve the granting of incentive awards under the Company's long-term incentive plans in accordance with such criteria for final approval by the Board.
- (o) Annually review, evaluate and provide recommendations to the Board regarding CEO and executive officers succession plans, management development plans and termination policies and arrangements.
- (p) In consultation with the Executive Committee of the Board, the Committee shall review and approve any appointments and terminations proposed by the CEO with regard to officers in charge of the retail, marketing, merchandising and finance functions, except that the Executive Committee will not be involved in any matters regarding compensation.
- (q) In addition to Section IV. 1(p) hereof, the Committee shall review and approve any appointments and terminations proposed by the CEO with regard to other positions with a base salary of \$300,000 or more.
- (r) Review director compensation levels and practices, and recommend, from time to time, changes in such compensation levels and practices to the Board,
- (s) Review and approve such other compensation matters as the CEO or the Board wish to have the Committee review and approve.

2. Nominating:

- (a) Review and define criteria which potential Board members should possess, taking into consideration the experience and expertise of the members of the then current Board;
- (b) Consider, recommend and recruit candidates to serve on the Board and to recommend the director nominees selected by the Committee for approval by the Board and the shareholders of the Company;
- (c) When vacancies occur or otherwise at the direction of Board, the Committee shall actively seek individuals whom the Committee determines meet the criteria and standards for recommendation to the Board;

- (d) Consider recommendations of director nominees by shareholders and establish procedures for shareholders to submit recommendations to the Committee;
- (e) Establish a process for interviewing and considering director candidates for nomination to the Board;
- (f) Review and update the criteria for Board membership set forth herein; and
- (g) Review the size of the Board and its committees and recommend to the Board any appropriate changes.

3. Assessment of the Board Performance:

The Committee shall oversee the process to assess the effectiveness of the Board and Board committees. This oversight process shall be conducted from time to time and in conjunction with the Chairman of the Board and external consultants, as required.

4. Director Education:

The Committee shall institute an orientation program for new directors and develop a plan or program for the continuing education of directors taking into account their knowledge of the evolving operations of the Corporation.

5. Charter:

- (a) Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval;
- (b) Report to the Board regarding compliance with this Charter, the activities of the Committee and any issues with respect to the duties and responsibilities of the Committee.

6. Subcommittees:

Form and delegate authority to subcommittees when appropriate or desirable.

7. Other Duties:

Perform any other activities consistent with this Charter, the Company's By-laws, Canadian and U.S. Securities laws, and applicable laws and stock exchange listed standards, or as the Committee or the Board deems appropriate.

**V. PERFORMANCE EVALUATION**

The Committee shall conduct a bi-annual performance evaluation of the Committee either together with the overall Board evaluation or independently in order to ensure the correct skill sets among the Committee members, the effectiveness of the Committee and the identification of areas for improvement.

## VI. COMMITTEE RESOURCES

The Committee shall have the authority, in its sole discretion, to retain or obtain the advice, and seek assistance from, internal and external legal counsel, compensation consultants, and accounting and other advisors only after taking into consideration all relevant factors that could affect the independence of such advisor, or represent a conflict of interest on the part of such advisor, as required by SEC and Exchange rules. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such advisor retained by the Committee. More specifically, the Committee has the sole authority to retain or terminate, at the Company's expense, an independent compensation consultant or firm to be used to assist the Committee in benchmarking and setting appropriate compensation levels and policies and to approve such consultant's or firm's fees and other retention terms.

The Committee shall determine the extent of funding necessary for the payment of compensation to any consultant or advisor retained to advise the Committee.

The Committee may select a compensation consultant, legal counsel or other advisor (each, "Advisor") to the Committee only after taking into consideration all factors relevant to that Advisor's independence from management, including the following:

1. The provision of other services to the Company by the employer of the Advisor;
2. The amount of fees received from the Company by the employer of the Advisor, as a percentage of the total revenue of the employer of the Advisor;
3. The policies and procedures of the employer of the Advisor that are designed to prevent conflicts of interest;
4. Any business or personal relationship of the Advisor with a member of the Committee;
5. Any stock of the Company owned by the Advisor; and
6. Any business or personal relationship of the Advisor or the employer of the Advisor with an executive officer of the Company.

## VII. DIRECTOR NOMINEE CRITERIA

The Board has determined that individual nominees for the Board should meet the following specific, minimum qualifications in order to be considered by the Committee as a nominee:

- (a) Integrity: Character is an essential pre-condition in evaluating any Board member. Directors should demonstrate high ethical standards, professionalism, and integrity in their personal and professional dealings.

- (b) Commitment to Service on the Board: Board members should have a history of achievement that reflects high standards for themselves and others and be willing to commit themselves to their duties as members of the Board including availability to participate in regular meetings and the ability to provide thoughtful consideration of a broad range of issues.

In addition to the specific, minimum qualifications listed above, in order to adequately fulfill the roles and skills needed by the Board, the Committee will consider a host of core competencies that need to be represented on the Board. The Board as a whole should possess the following specific qualities or skills:

- (c) Business Judgment: Shareholders rely on directors to make sensible choices on their behalf so the Board's directors should include one or more senior executives or others who have had prior experience in managing and making business decisions in the corporate sector.
- (d) Financial Literacy: One of the important roles of the Board is to monitor the Company's financial performance. The Board should include members who are financially literate, know how to read a balance sheet, income statement and cash flow statement, and understand the use of financial ratios and other indices for evaluating the Company's performance.
- (e) Public Company Experience: The Board should include directors who have past experience with public companies or the Securities and Exchange Commission, either through past employment, directorships, or advisory or consulting roles.
- (f) Accounting and Finance: Among the most important missions of the Board is ensuring that shareholder value is both enhanced through corporate performance and protected through adequate internal financial controls. The Board should have one or more directors with specific expertise in financial accounting and corporate finance.
- (g) Industry Knowledge: The Company continually faces new opportunities and challenges that are unique to its industry. The Board should try to have one or more members with appropriate and relevant knowledge specific to the luxury goods and jewelry industry.
- (h) Diversity: The Board believes that it is in its best interest to have members with a diverse set of skill and experiences in order to provide varying perspectives to issues confronting the Board. The Board should have members with specific skill sets acquired in diverse environments. The Board should be a diverse group of people with members of different gender or race or ethnicity. The Board should have a good cross mix of geographic representation from the markets in which the Company does business.
- (i) Strategy and Vision: A key Board role is to approve and monitor Company strategy to ensure the Company's continued high performance. The Board should have one or more directors with the skills and capacity to provide strategic insight and direction by encouraging innovation, conceptualizing key trends, evaluating strategic decisions, and continuously challenging the organization to sharpen its vision.

- (j) Independence: The Board should include directors who are independent, as determined by the Board in accordance with applicable law and stock exchange listing standards and any standards of Board independence as may be established by the Board from time to time.