



## Whistleblower Policy and Program Description

### INTRODUCTION

In accordance with its charter, the Audit Committee of the Board of Directors (the "Board") of Hudson's Bay Company (the "Company") is responsible for establishing procedures for the receipt, retention and treatment of all complaints received by the Company regarding:

- (a) accounting, internal accounting controls and auditing matters;
- (b) business integrity related risks such as non-compliance with regulatory obligations, and any actual, possible or threatened breach of Company policy or the Code of Business Conduct; and
- (c) the confidential and anonymous submission, investigation and documentation of concerns.

It is the Company's expectation that all Associates, including directors, officers and management associates as well as vendors and leased associates working in any Company location will speak up and report conduct or circumstances they believe violates the law, regulation, Code of Business Conduct or other Company policy.

In connection therewith, the Board has adopted this "Whistleblower Policy."

### COMPANY EXPECTATIONS

The Company believes that speaking up is essential to fostering a culture of trust and protecting the company, and its shareholders. Associates are required to speak up should they detect instances of non-compliance. By doing so at an early stage, it helps to reduce or avoid financial or reputational injury.

Associates are expected to speak up if:

- § they are unsure about the proper course of action and need advice
- § they believe that someone acting on behalf of the Company has done, is doing, or is about to do something that violates the law, the Code of Business Conduct or Company policy
- § they believe that someone may have been or is involved in misconduct when acting on behalf of the Company
- § they believe that an Associate has failed to report a violation or withheld relevant information concerning violation of the law, Code of Business Conduct or Company policy

#### Examples of Compliance Concerns and Complaints

Examples of Compliance concerns or Complaints which should be reported pursuant to this Policy include:

- (a) Tampering with or destroying any of the Company's accounting or audit-related records or documents (in any format, including electronic records such as e-mails) except as otherwise permitted or required by the Company's Records Retention Policy;
- (b) Fraud or deliberate error in the preparation, evaluation, review or audit of any of the Company's financial statements. Refer to the Code of Business Conduct and Anti-Fraud Policy for more details;
- (c) Fraud or deliberate error in the recording and maintaining of the Company's financial records Refer to the Code of Business Conduct and Anti-Fraud Policy for more details;
- (d) Deficiencies in or non-compliance with the Company's internal accounting controls (for example, circumventing review and approval procedures);
- (e) Misrepresentations or false statements to or by a senior officer or accountant regarding a matter contained in the

Company's financial records, financial reports or audit reports;

(f) Deviation from full and fair reporting of the Company's financial condition, results of operations or cash flows;

(g) Any effort to mislead, deceive, manipulate, coerce or fraudulently influence any internal or external accountant or auditor in connection with the preparation, examination, audit or review of any financial statement or records of the Company;

(h) Use of the Company's funds or property for any illegal, improper or unethical purpose (for example, fraud, theft of corporate property or embezzling funds, misappropriating funds, assets or corporate information, bribes, kickbacks or influence payments or misdirecting funds to related parties). See also the Code of Business Conduct and Anti-Fraud Policy;

(i) Blackmail, criminal offences, failure to comply with legal or regulatory obligations, miscarriage of justice, endangering the health and safety of an individual, damage to the environment;

(j) Questions, concerns and complaints relating to aspects of the Company's workplace, for example:

§ Work scheduling, required hours of work, compensation for work and transfers of the Company's associates

§ Behavior of any of the Company's associates, including discrimination and harassment of any nature

§ Enforcement of any of the Company's human resources policies and requirements, including Associate Discount violations or misuse of discount privileges; and

(k) Questions, concerns and complaints relating to theft and fraud by the Company's associates at the store level.

The Board has adopted this Policy to ensure that:

(a) Complaints are received, investigated and retained on a confidential and anonymous basis that is in compliance with all applicable laws; and

(b) Persons or corporate entities who submit Complaints (the "Complainant" or "Complainants") will not be penalized or retaliated against for making a good-faith report of a Complaint.

Should an overlap arise between the application of this Policy and any other Company policy, the policy most specific to the situation will apply. This Policy should be read in conjunction with the following policies:

§ Code of Business Conduct

§ Anti-Fraud Policy

§ Various Asset Protection Policies

§ Internal Audit Mandate.

## **POLICY OVERSIGHT**

The Audit Committee has oversight responsibility for this Policy on behalf of the Board. The Audit Committee has delegated the day-to-day administration of this Policy to the Senior Vice President/ General Counsel of the Company and his/her designated delegates.

## **PROCEDURES FOR REPORTING COMPLAINTS**

Associates of the Company, as well as vendor or leased employees working in any company location are expected to know and comply with all applicable laws, regulations and policies. In the event that one believes he or she may have violated a law or policy, they must self-report. The Company will consider the situation fully when deciding whether disciplinary action is appropriate.

It is important that Associates ask questions or raise concerns so that Management can address compliance issues promptly and appropriately. There are many ways to communicate concerns. Associates are encouraged to communicate by contacting their immediate supervisor, a member of senior management in their location, or their local or regional Human Resources representative.

In addition reporters may also contact the Company's confidential twenty-four hour HBC Alertline at 1.800.403.4792 or report on line at [www.hbcalertline.com](http://www.hbcalertline.com) The primary purpose of the HBC Alertline and our other reporting mechanisms is to provide a resource to Associates for the reporting of financial and accounting control issues, as well as other kinds of issues listed above. Concerns may also be reported directly to the HBC Alertline without proceeding through the above mentioned list.

The process will treat all disclosures in confidence and will involve only those individuals who need to be involved in order to

investigate such Complaints. The reporting procedure for Complaints is supported by the Board's Audit Committee.

## **REPORTING COMPLAINTS**

Complainants can include (but are not limited to) any: directors, officers or associates/employees of the Company, including its divisions, and subsidiaries, or agents, suppliers, external accountants, external lawyers, bankers, and all others, both corporate and individual with whom the Company conducts business (who are referred to as "All Others").

All directors, officers or associates/employees of the Company are encouraged to report concerns to their supervisor or other members of management as indicated above, or to make a confidential report to the HBC Alertline.

Company Associates who receive a complaint from a member of the public can direct that person or any Others wishing to make a complaint to do so by using any of the following 3 methods:

(a) Via Secure Web Form--<https://www.openboard.info/HBC/WebSubmit.cfm>

(b) Via Email using the following address: [HBC@openboard.info](mailto:HBC@openboard.info)

Once a message is submitted, the Complainant should receive a 14 to 16-digit confirmation number by email. If no confirmation number is received, the Complainant should re-submit the message using the Secure Web Form or Voicemail.

(c) Via Voicemail--A Complainant may call 866-822-9707 to leave a message with the Audit Committee. All voicemail messages will be electronically altered/disguised to ensure the confidentiality of the Complainant's identity.

## **CONFIDENTIALITY**

The Company is fully committed to maintaining procedures for the anonymous and confidential reporting of Complaints. All reports of Complaints will be treated in a confidential and anonymous manner. Generally and unless otherwise consented to by the Complainant, a report of a Complaint will only be disclosed to those persons who need to know such information in order to properly carry out an investigation of the Complaint in accordance with this Policy.

## **PROHIBITION ON RETALIATION**

There will be no retaliation or other action taken against any Complainant who, in good-faith, reports a Complaint. Anyone engaging in retaliatory conduct will be subject to disciplinary action by the Company, which may include termination.

More specifically, neither the Company, nor any person acting on behalf of the Company or in a position of authority will take any disciplinary measure against, demote, terminate or otherwise adversely affect a Complainant or threaten to do so with the intent to compel a Complainant to abstain from reporting a Complaint to a law enforcement and/or regulatory authority or with the intent to retaliate against the Complainant because the Complainant has reported a Complaint to a law enforcement and/or regulatory authority. Engaging in retaliatory conduct may be considered an offence under various Canadian and United States laws.

## **PROCEDURES FOR PUBLICIZING THE PROCESS FOR REPORTING COMPLAINTS**

### **Publicizing the Process for Reporting Complaints**

A copy of this Policy (and any subsequently revised versions) will be posted on the Company's Intranet and on the Company's Investor Relations website. The Company will also communicate the process for reporting Complaints to its associates and All Others. This will be accomplished by posting the policy on the Company's intranet, via posters displayed at all Company locations where the Company's associates generally have access and through periodic communications, associate orientation packages, and by way of a reference in the Code of Business Conduct.

This information will make it clear that no person will be penalized for making a good-faith report of a Complaint, nor will the Company tolerate retaliation against such person who makes a good-faith report of a Complaint.

### **Communicating Reminders of the Process**

The Company will periodically (at least annually) communicate reminders to its associates of the process for reporting Complaints. This will be accomplished by electronic or other means, including email.

## **PROCEDURES FOR INVESTIGATING COMPLAINTS AND REPORTING RESULTS**

### **Manner of Investigation**

All complaints received via the HBC Alertline will be reviewed, assessed and assigned for investigation by the office of the Company's General Counsel and/or his/her delegates (referred to herein as Alertline Administrator). The seriousness of all Complaints will be promptly determined, in consultation with others, if necessary, to determine if internal or external resources will be utilized in the investigation. It is anticipated that in the ordinary course, the Alertline Administrator will complete assessment of each Complaint and assign the investigation of the Complaint generally within two business days of receiving it.

Persons assigned to the investigation of Complaints will:

- (a) Treat each report of a Complaint, as well as its investigation and disposition, on a confidential basis in accordance with the Policy;
- (b) If so desired by the person reporting the Complaint, take all reasonable steps to ensure that such person's anonymity is maintained;
- (c) Will involve in each investigation only those persons who need to be involved in order to properly carry out such investigation; and
- (d) Conduct each investigation in a timely manner.

### **Monitoring the Status of the Investigation**

- (a) The investigation of all Complaints will be monitored on an ongoing basis by the Alertline Administrator and reported to the Audit Committee;
- (b) Depending on the nature and materiality of the complaint as determined when it is received, the Company's General Counsel will keep the Audit Committee, Chief Executive Officer and Chief Financial Officer of the Company (except to the extent any such persons are allegedly implicated in the Complaint) apprised as to the status of the investigation for purposes of ensuring compliance with regulatory requirements; and in particular with respect to any Complaint or Complaints that could materially affect the Company's financial statements or the integrity of the Company's system of internal controls; and
- (c) The Alertline administrator and/or assigned investigator will send formal feedback to the Complainant through responses in the AlertLine case management system about the progress of the Complaint.

### **Report to the Audit Committee**

On a quarterly basis the Alertline Administrator (at the end of each fiscal quarter), or more frequently upon request, will prepare a written report regarding the operation of the Alertline to provide to the Audit Committee specifying, among other things:

- (a) The number of complaints received during the prior fiscal quarter;
- (b) All complaints received, by relevant category, during the prior fiscal quarter; and
- (c) The reporting avenues used by persons reporting complaints.

In addition, if requested by the Audit Committee, a report on the effectiveness of the reporting system during the prior fiscal quarter will be provided.

The Audit Committee may request special treatment for any particular complaint, including the retention of outside counsel or other advisors in accordance with the terms of the Audit Committee Charter.

## **PROCEDURES REGARDING RETENTION OF COMPLAINTS RECEIVED AND INVESTIGATIONS CONDUCTED**

### **Documentation Requirements**

All Complaints will be fully documented in writing by the person(s) assigned to investigate the Complaint. Such documentation will be marked as "Privileged and Confidential" and will include:

- (a) The original report of the Complaint;
- (b) The unique reference number assigned to the Complaint;
- (c) A summary/log of the investigation;
- (d) Copies of any reports issued in connection with the Complaint;
- (e) A log of any communications with the Complainant; and
- (f) A summary of the disposition of the Complaint.

#### Retention Requirements

Such documentation will be maintained in accordance with the Company's Records Retention Policy. Such documentation will be available for inspection by the Audit Committee, executives, the external auditors and any external legal counsel or other advisors hired in connection with the Complaints. Disclosure of such documentation to any other person, and in particular any third party, will require the prior approval of the General Counsel to ensure that privilege of such documentation is properly maintained.

The Retention requirements above set out the procedures the Company will follow regarding the retention of Complaints received, including the type of documentation to be retained in respect of each Complaint and its investigation and the timing and procedures for retaining such documentation.

#### POLICY OVERVIEW

This Policy and its effectiveness will be reviewed at the discretion of the Audit Committee, with recommendations regarding updates or amendments, if any, being made to the Board as required. Amendments, if any, to the Policy will be made known in accordance The procedures for publicizing the process indicated above.

#### INQUIRIES

Any questions with respect to the general application of this Policy should be made to the Senior Vice President and General Counsel of the Company.

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