



## HUDSON'S BAY COMPANY MANDATE OF THE GOVERNOR AND EXECUTIVE CHAIRMAN

### 1.0 Introduction

The Board of Directors (the “**Board**”) of Hudson’s Bay Company (the “**Company**”) has determined that, on the recommendation of the Corporate Governance and Nominating Committee, the Company should adopt a formal mandate of the Governor and Executive Chairman (the “**Governor**”) in accordance with the provisions of National Policy 58-201 – *Corporate Governance Guidelines*.

### 2.0 Appointment

The Board will select one of its members to be appointed Governor for such term as the Board may determine.

### 3.0 Duties and Responsibilities of the Governor

The Governor is responsible for the management, development and effective performance of the Board and provides leadership to the Board for all aspects of the Board’s work. The duties and responsibilities of the Governor as they relate to the following matters, are as follows:

#### 3.1 *Board Leadership and Governance*

- (a) provide overall leadership to enhance the effectiveness and performance of the Board;
- (b) assist the Board, Board committees and the individual directors in effectively understanding and discharging their respective duties and responsibilities;
- (c) oversee all aspects of the Board and Board committee functions to ensure compliance with the Company’s corporate governance practices;
- (d) organize and lead the Board in the conduct of its business in accordance with the Company’s corporate governance guidelines;
- (e) foster ethical and responsible decision making by the Board, Board committees and the individual directors;
- (f) foster a corporate culture that promotes ethical practices and encourages individual integrity;

#### 3.2 *Strategic Planning*

- (a) provide overall leadership, in conjunction with the Board and the Chief Executive Officer of the Company, in establishing the Company's long-term strategic plan;
- (b) in conjunction with the Chief Executive Officer of the Company, ensure the development of an annual business plan that supports the Company's strategic direction to maximize shareholder value and recommend the plan to the Board for consideration;
- (c) provide overall leadership in exploring, pursuing and, if approved by the Board, executing any acquisitions, divestitures, financings or other transactions in support of the strategic plan and ensure that the progress of such transactions are reported to the Board in a timely fashion;
- (d) identify, develop and maintain all shareholder, business, political and stakeholder contacts and relationships necessary to facilitate the implementation of the strategic plan;
- (e) serve as a spokesperson for the Company in respect of its strategic direction and implementation of the strategic plan;

### **3.3 Board Meetings**

- (a) ensure the Board meets at least quarterly and otherwise as required;
- (b) preside as the chairman of all meetings of the Board;
- (c) prepare the agenda for all meetings of the Board in consultation with the CEO and appropriate senior executives of the Company and, as appropriate, the chairmen of each committee of the Board;
- (d) establish procedures designed to ensure that all matters required to be considered by the Board are brought to a meeting of the Board in a timely fashion;
- (e) ensure that all items set out in the agenda are properly discussed, considered and resolved;
- (f) ensure sufficient time is provided to discuss agenda items;
- (g) create a cooperative atmosphere where Board members are encouraged to openly discuss, debate and question matters requiring Board attention in a constructive and productive fashion;

### **3.4 Shareholder Meetings**

- (a) ensure the shareholders meet at least once a year and otherwise as required by applicable law;
- (b) preside as the chairman at all meetings of the shareholders;

- (c) ensure that all items set out in the notice of meeting are properly discussed, considered and resolved;

### **3.5 Board Committees**

- (a) establish procedures to ensure that the duties and responsibilities of the Board committees are to be carried out in accordance with the Board committee charters;
- (b) assist the Board committees in bringing their recommendations forward to the Board for consideration;
- (c) facilitate Board discussions in which committee recommendations are considered;

### **3.6 Board – Management Relationships**

- (a) establish procedures to ensure that the different duties, responsibilities and roles of the Board are clearly understood by both the Board and management and the boundaries between the Board and management are clearly understood; and
- (b) establish procedures to ensure the Board receives timely and relevant information, material and reports from management regarding the Company's business and affairs in order to permit the Board to discharge its duties and responsibilities.

## **4.0 Other Duties**

- (a) The Governor shall carry out such other duties and responsibilities as the Board may request from time to time.
- (b) The approval of the Board (or appropriate Committee) shall be required for all significant decisions outside of the ordinary course of the Company's business, including major financings, acquisitions and dispositions or material departures from the Company's strategic plan, business plan or budgets.

Dated: March 2017

Approved by: Corporate Governance and Nominating Committee  
Board of Directors