



Human Resources and Compensation Committee Charter

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Human Resources Committee and Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Hudson’s Bay Company (the “**Company**”).

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to executive compensation and to carry out the related responsibilities delegated to it by the Board, including through the establishment, review, approval, and/or administration of the Company’s executive compensation policies and procedures.

2.0 Composition and Membership

- (a) The Board will appoint the members (“**Members**”) of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of the Company or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director. In the event of a vacancy on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.
- (b) The Committee will consist of at least three directors. Each Member will meet the criteria for independence established by applicable laws and the rules of any stock exchanges upon which the Company’s securities are listed, including section 1.4 of National Instrument 52-110 - Audit Committees.
- (c) All Members must have a working familiarity with human resources and compensation matters and at least one member must have direct experience in executive compensation matters.
- (d) No more than one third of the Members of the Committee shall be a sitting Chief Executive Officer of another publicly traded company.
- (e) Two or more Members may not sit on two or more boards of the same publically traded companies. Three or more Members may not sit on any other corporate boards together.

3.0 Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than four (4) times per year.
- (b) Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting.
- (c) Members may attend all meetings either in person, videoconference or by telephone.
- (d) The Chair, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee the Members in attendance may select one of their number to act as chair of the meeting.
- (e) A majority of Members will constitute a quorum for a meeting of the Committee.
- (f) Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes.
- (g) Powers of the Committee may be exercised by written resolutions signed by all Members.

(h) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee shall meet in camera without members of management in attendance for a portion of each meeting of the Committee and in any event no individual shall be present at meetings at which his or her compensation or performance is discussed or determined.

(i) In advance of every regularly scheduled meeting of the Committee, the Chair, with the assistance of the secretary of the Committee (the “**Secretary**”), will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

(j) The Committee may delegate any or all of its functions to any of its members or any sub-set thereof, or other persons, from time to time as it sees fit.

4.0 Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

4.1 Compensation Policies and Practices

- | recommend compensation policies and practices for the directors, the Governor, the Chief Executive Officer, and the executive leadership team that are effectively designed to:
 - (i) reflect their respective duties and responsibilities;
 - (ii) be competitive in attracting, retaining and motivating people of the highest quality;
 - (iii) align their interests with the interests of the shareholders and of the Company as a whole;
 - (iv) identify and mitigate risks associated with the Company’s compensation policies and practices and not encourage the taking of inappropriate or excessive risks; and
 - (v) reflect pre-established corporate and individual performance objectives and goals.

4.2 Office of the Chairman Compensation

- | review the performance goals and objectives of the Governor and Chief Executive Officer on an annual basis and recommend any changes to the Board for consideration;
- | review and evaluate the performance of the Governor and Chief Executive Officer against such pre-established performance goals, objectives and other factors as the committee sees fit, and annually report on its conclusions to the Board;
- | review the compensation for the Governor and Chief Executive Officer in light of such evaluation and recommend any changes to the Board for consideration and approval;
- | review (i) the terms and conditions (both quantitative and qualitative) of any new compensation arrangements, and (ii) material amendments to the terms of conditions (both quantitative and qualitative) of existing compensation arrangements, for the Governor and Chief Executive Officer and recommend to the Board for consideration and approval;

4.3 Executive Leadership Team Compensation

- | review and approve the recommendations made by the Office of the Chairman for the compensation of the members of the executive leadership team, as may be constituted from time to time, on an annual basis, including performance goals and objectives;
- | review and approve (i) the terms and conditions (both quantitative and qualitative) of any new compensation arrangements, and (ii) material amendments to the terms of conditions (both quantitative and qualitative) of existing compensation arrangements, of the executive leadership team made by the Office of the Chairman;

4.4 Equity Compensation and Incentive Plans

- | review the Company’s incentive compensation plans and equity-based plans and recommend any changes to the Board for consideration and approval;
- | administer and/or oversee the administration of the Company’s incentive compensation plans and equity-based

plans, including designation of individuals to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, and the application of claw back provisions, subject to the provisions of each plan;

4.5 Succession Planning

- | review and approve the Company's succession plan for the Governor and the Chief Executive Officer, and review the office of the Chairman's succession plan for the executive leadership team, on a periodic basis;

4.6 Directors' Compensation

- | review the directors' compensation on a periodic basis and recommend any changes to the Board for consideration and approval;

4.7 Compensation Disclosure

- | review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and other executive compensation disclosure and recommend to the Board the CD&A and such other executive compensation disclosure for inclusion in the Company's public disclosure;

4.8 Stock Ownership Guidelines

- | determine and monitor stock ownership guidelines for the directors, Governor, Chief Executive Officer, and the executive leadership team and monitor compliance with such guidelines;

4.9 Investigations

- | direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties; and

4.10 Other Duties

- | perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law or regulatory authorities.

5.0 Reporting

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting.

6.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by Members.

The Committee has the authority to retain, at the Company's expense, independent legal, financial, compensation consulting and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board.

7.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration and approval.

Dated: December 2015; amended March 2017
Approved by: Human Resources and Compensation Committee
Board of Directors