



## Code of Business Conduct

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## ABOUT THE CODE OF BUSINESS CONDUCT

### **BASIC PRINCIPLES**

The Code of Business Conduct (the “Code”) applies to all Hudson Bay Company and each of its affiliated United States and Canadian businesses, including Hudson’s Bay, Home Outfitters, Lord & Taylor, Saks Fifth Avenue and Gilt (the “Company”).

The Code does not attempt to set forth each and every rule, expectation and situation that may arise.

- The Code applies to all associates, officers and members of HBC’s Board of Directors (together, “Associates”) and is overseen by the HBC’s General Counsel;
- The Code is but one policy. The Company has many other policies and procedures and every Associate is expected to be familiar with the Code and all such other policies and procedures. Compliance with the Code is expected, along with all

Company policies and all applicable laws and regulations;

- The Company will not tolerate unethical behaviour or failure to report instances of possible or actual violations of this Code or any other of the Company's policies and procedures;
- The Company will not tolerate retaliation against any Associate, vendor, customer or supplier who makes a good faith report to the Company regarding actual or possible violations of the Code or other policies and procedures;
- Violations of the Code are serious matters and will result in disciplinary action up to and including termination without notice.

## **DOING BUSINESS**

### **CONFLICTS OF INTEREST**

The Company's best interests must be paramount in each Associate's dealings with colleagues, customers, suppliers, contractors, competitors, existing and potential business partners and other representatives or service providers.

No Company Associate shall engage or participate in any transaction or arrangements involving, or creating the appearance or raising questions of, possible conflicts of interests between the best interests of the Company and the interests of the Associate.

In general, a conflict of interest can exist when an Associate, or an Associate's family member or friend has an interest or relationship (or receives a gift) that makes it difficult, or may make it difficult, for the Associate to act in the best interests of the Company. Associates are required to make all decisions that affect the Company based solely on the best interests of the Company, free from improper influences.

Each Associate's obligation to conduct the Company's business with integrity includes the obligation to make full disclosure of any actual or potential conflicts of interest. Should an actual or potential conflict arise, an Associate must immediately disclose that situation to the Associate's

supervisor. In turn, the supervisor must document and discuss this conflict or apparent conflict with any individual listed at the end of the Code. A supervisor may not waive the conflict without the approval of the HBC's General Counsel.

Although it is not possible to list all of the types of conflicts that may arise, common examples of conflicts are listed below, which are prohibited unless approved in advance by the HBC's General Counsel.

a) Associates may not be employed by, consult to, advise, invest in (except for less than 5% of a publicly traded company) or serve as a board member of an entity that competes with the Company or supplies merchandise or otherwise conducts business with the Company;

Ø If there is any doubt about how an investment might be perceived, it must be discussed in advance with the HBC's General Counsel, or in the case of directors, with the Board of Directors;

Ø Should an Associate's relative or household member have such a relationship with the Company's suppliers or vendors that relates to the Associate's duties at the Company, the Associate must disclose that relationship to the HBC's General Counsel;

b) Associates may not manage, supervise or provide input into the performance of relatives or household members or those with whom such Associate has a personal relationship;

c) Associates may not conduct business with the Company except as a retail customer;

d) Associates may not conduct Company business with relatives or household members;

e) Associates may not maintain or establish a personal or financial relationship that may make it difficult for the Associate to objectively perform work for the Company; and

f) Associates may not use Company property, funds, facilities, personnel, information or other resources for personal benefit.

The appearance of a conflict may also damage the Company's trust and reputation. Accordingly Associates are expected to be sensitive to situations that could be perceived by disinterested observers (whether the media, vendors, customers, other

Associates, suppliers or regulators) as a conflict. Think about whether outsiders may view decisions of the Company as based on, for example, favoritism, friendship, family ties or the giving or receiving of improper gifts, rather than solely based on merit and business judgment. Associates must bring these possible conflicts to the attention of their supervisor.

Notwithstanding anything to the contrary in this Code, related party transactions that have been approved by the Company's Audit Committee and are in compliance with applicable corporate and securities laws shall not be deemed to be a conflict of interest pursuant to this Section.

## **CORPORATE OPPORTUNITY**

Associates are prohibited from taking for themselves personally opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. If an Associate learns of a business or financial opportunity available to the Company, the Associate may not provide, disclose or otherwise divert that opportunity to a third person or take personal advantage of that opportunity.

## **GIFTS AND ENTERTAINMENT**

Associates should consult the Company's Gifts Acceptance Policy and Acceptance of Gratis Merchandise Policy for guidance relating to trips, discount purchases, business related meals and entertainment, and acceptance of gratis merchandise for cosmetics Associates. Some excerpts from the Gift Acceptance Policy regarding the acceptance of gifts and entertainment are set forth below:

### Prohibitions Relating to Gifts

- a) soliciting gifts from others with whom the Company does business or seeks to do business;
- b) giving or accepting gifts to or from others with whom the Company does business or seeks to do business;
- c) accepting any gift of cash, cash equivalent, electronic gift cards or securities or a loan from others with whom the Company does business or seeks to do business (other than a loan from a financial institution on terms and at interests rates available to borrowers generally at the time of borrowing);
- d) accepting a gift or a gratuity from a customer for services rendered or expected to be rendered by an Associate in the normal course of his/her duties (except in those positions where gratuities from clients are the expected such as beauty/grooming operators, wait staff, doorman or other similar positions where gratuities are considered industry norm); and
- e) accepting gifts of any kind that would encourage or obligate (or be reasonably perceived as obligating) the Associate to give special consideration to the person or company making the gift.

### **Permissible Gifts**

Gifts do not include items that are generally available to a large group of Associates on an equal basis, such as perishable items (chocolates, fruit baskets or flowers) that are shared with Associates at the Associates' work location.

In addition, participation in customary business meals and entertainment is not a violation of the Gift Acceptance Policy, provided that it is a networking opportunity appropriate to the business at hand, and the actual or prospective business partner or customer is present at the meal or event. Acceptance of unsolicited tickets or invitations where a business partner, prospective business partner or customer is not present is prohibited and should be returned with a note explaining that the Company policy prohibits acceptance.

## **SERVICE ON OUTSIDE BOARDS**

Associates must obtain the prior approval of the HBC's General Counsel before serving on the board of directors or as an officer of a for-profit company. (See also Conflict of Interest section for further information). Should an Associate desire to serve on the board of directors of a not-for-profit entity in the Associate's capacity as a representative of the Company, the Associate must obtain the prior approval of the HBC's General Counsel.

## **FAIR DEALING**

All business dealings undertaken on behalf of the Company should be conducted in a manner that preserves the Company's integrity and reputation. Associates must deal fairly with the Company's security holders, customers,

associates, competitors, vendors, suppliers and contractors. It is unacceptable to take unfair advantage through concealment, abuse of privileged or confidential information, falsification, and misrepresentation of material facts or other unscrupulous means.

## **BRIBES OR KICKBACKS**

Associates must not offer, request or receive any kickback, bribe, disguised commission or similar payment or benefit from any vendor, supplier, contractor, landlord, developer, customer, competitor, another Associate of the Company, or any other individual, firm, or corporation or any public or governmental official. This applies to transactions with a foreign or domestic government official, agent, associate, company or contractor.

## **NON-SOLICITATION**

For a period of 12 months following termination of employment, no Associate shall directly or indirectly solicit, hire, offer employment to or in any manner encourage associates of the Company to leave their employment. The Company and its Associates shall respect non-solicitation clauses in Contractor or Service Provider Agreements.

## **OUR WORK ENVIRONMENT AND COMPANY ASSETS**

### **CONFIDENTIAL INFORMATION**

Associates and service providers are responsible for maintaining the security of all information regarding the affairs of the Company and safeguarding confidential information that has been entrusted to the Company by others including customer information. All confidential information should be properly protected from advertent or inadvertent disclosure. These obligations continue even if the Associate is no longer employed by the Company, for whatever reason.

Confidential information includes associate and customer personal information, records, reports, financial information and strategies, customer lists, sales, gross profit and sales promotion information, marketing information and strategies, business opportunities (including, product sourcing and distribution information and techniques) and research and development which information may be modified, amended or improved from time to time together with all designs, know-how, ideas, data, compilations of information, training manuals, selling and pricing techniques, products, services designs, service codes, object codes, documentation, diagrams, prototypes, samples and copies thereof whether in oral, written, graphic, electronic, machine readable or physical form.

The Company prohibits unauthorized disclosure or sharing of any confidential information outside of the Company. Associates may use or disclose confidential information about the Company only in performing their job responsibilities. Confidential Information may be disclosed with written authorization of an officer of the Company, or as required by law.

All rights to any inventions, improvements, designs, ideas or original works of authorship, that are developed by Associates using equipment, supplies, facilities, confidential information, or personnel of the Company, that result directly or indirectly from/by their work for the Company or that relate to the present or prospective business of the Company, are the sole and exclusive property of the Company.

Information may not be discussed or released to any person or entity who is not an executive, including but not limited to any reporters, journalists and other members of the press or the media. In the event that any Associate is contacted by any member of the press or media, the Associate is required to immediately contact the HBC Office of Communications.

### **INSIDE INFORMATION**

In the course of performing their duties, Associates may receive information about the Company or companies with which the Company is or may be doing business which, if known to the public, might affect the decisions of reasonable investors to buy, sell, or hold the Company's common shares or securities issued by the other company ("non-public material information"). This type of information is considered "non-public" material or "inside" information. All non-public information acquired by Associates must be kept confidential and may not be disclosed to any person. Non-public information may include (but is not limited to) information (prior to its disclosure to the public generally) concerning sales or earnings, margins, inventory, major contracts, store or facility openings or closings, dividends, proposed acquisitions, mergers, and other significant transactions.

Only specified individuals may publicly disclose non-public material information, as provided in the Company's Disclosure Policy.

Associates must not buy or sell the Company's securities or securities of other companies while in the possession of non-public information about the Company or those other companies. Transactions in the Company's securities by Associates and their families are also governed by the Company's HBC Insider Trading Policy.

## **CARE AND USE OF ASSETS**

All Company Associates and service providers are responsible for protecting the Company's assets from improper use including fraud, theft and misappropriation. (See the Company's Anti-Fraud Policy and Information Security Policy). It is the Company's policy to protect its assets and promote their efficient use for legitimate business purposes. The Company's assets should not be wasted through carelessness or neglect nor appropriated for improper use (including merchandise, samples, supplies and equipment). Proper care, discretion and restraint should always govern the personal use of the Company's assets.

The Company's facilities, equipment, supplies, time and trademarks must be used only for conducting Company business. Email and internet service are the Company's property intended to facilitate business and should therefore only be used for business reasons. The Company reserves the right to and may monitor the use of email and internet communication and as such, Associates should consider all messages and internet activity to be non-private information subject to Company policies and internal review.

## **BUSINESS RECORDS AND ACCOUNTING PRACTICES**

The Company prohibits the use of corporate funds or property for illegal, unethical or other improper purposes. The Company expects honesty and transparency in order to maintain the trust our shareholders have placed in us. Associates must abide by the following principles:

- a) All business records (including expense reports and time records) must be maintained in a manner that fairly and accurately reflects the true nature of the Company's business transactions and its financial performance. All assets, liabilities, income, expenses and commitments of the Company must be correctly identified and recorded in the appropriate books of account and reports;
- b) Associates must not create, maintain or distribute any document of Company record, whether it is for internal or external communication that contains false or misleading information or that conceals or omits information necessary to make documents accurate;
- c) No disbursement of Company funds or property shall be made without adequate supporting documentation and approvals. All invoices and other documentation we request or accept from vendors must accurately set forth the details for the transaction. Travel expenses and corporate credit cards must be managed according to the Company's Travel and Expense Policy applicable for the Associate's area of business;
- d) All accounting entries to any Company record or report must be made in accordance with Company accounting policies and procedures, and in compliance with generally accepted accounting principles. No false, misleading entries or improper accounting practices shall be made in the Company's books or records for any reason. Examples of improper accounting practices include, capitalizing costs that should be expensed, recording expenses or income in the incorrect period, recording credits or charges that are not appropriately documented or approved, or misleading financial disclosures, and disregarding the requirements of Company policy relating to financial reporting;
- e) Associates who have responsibilities relating to public reports and communications must take all reasonable steps to ensure that the Company's public reports, documents and other communications furnish the marketplace with full, fair, accurate, timely and understandable disclosure regarding the Company; and
- f) If an Associate has concerns about the Company's financial controls, accounting, financial reporting or auditing, the Associate must advise the Company as documented in the Whistleblower Policy through the appropriate reporting mechanisms.

Any concerns or complaints may be reported in accordance with the procedures outlined in the Company's Whistleblower Policy, to the HBC AlertLine or other hotline reporting mechanisms available to Associates or to the Associate's Human Resources representative.

## **RESPECTFUL CONDUCT / NO HARRASSMENT / NON-RETALIATION**

The Company respects the dignity and worth of each Associate. We believe that each Associate should be free to develop to their full potential, neither hindered by artificial barriers nor aided by factors that are not related to merit. All persons

including customers, suppliers, employees and fellow Associates, must be treated in a dignified, fair and respectful manner at all times, valuing the talents, experiences and strengths of our diverse workforce and customer base. As detailed in the Company's policies on anti-discrimination and the Professional Conduct and Anti-Harassment Policy and Reporting Procedures (US) and the Prevention of Workplace Violence and Harassment (Canada), the Company expects its Associates to behave in a manner that provides Associates with terms and conditions of employment (such as compensation, benefits, development and career opportunities) free from discrimination, and harassment. The Company respects and affirms each person's right to self-identify, to access restroom and fitting facilities that reflect their gender identity, and to dress in accordance with their gender expression, provided that their apparel is consistent with the Company's dress guideline.

The Company prohibits unprofessional, inappropriate or unwelcome conduct and comments of a sexual nature, verbal, physical or visual, in the workplace in whatever medium. Discrimination, harassment or the use of inappropriate language will not be tolerated. The Company will not tolerate retaliation against any person for raising, in good faith, concerns about adherence to these policies or any anti-discrimination/human rights laws and regulations.

## **WORKING WITH OUTSIDE PARTIES**

### **COMPLYING WITH THE LAW & COMPANY POLICIES**

The Company strives to ensure that its business is conducted in accordance with all applicable laws. This includes compliance with all applicable antitrust/competition, privacy, labour, employment, human rights, environmental, health and safety, advertising, stock exchange rules and securities laws.

Specifically, the Company will seek to comply with all applicable securities laws and regulations to ensure that non-public material information is disclosed in accordance with the law. This includes implementation of policies and procedures to protect against the improper use or disclosure of non-public material information, including improper trading of securities while in possession of non-public material information. For further detail, please refer to the Company's Insider Trading Policy.

In addition all Associates must adhere to all Company policies. Some policies apply to situations after active employment ends such as continuing to observe confidentiality and the terms of any bonus plan which provide that bonus payments are not payable after active employment. Associates are expected to refer to their Human Resources representative any questions related to any Company procedures, rules, and policies. Copies of any of these policies are available upon request, or may be viewed on the Company's intranet web page.

### **ANTITRUST AND UNFAIR COMPETITION**

Company Associates and service providers must comply at all times with all anti-trust and related laws designed to prevent unfair business arrangements and practices. The Company does not seek competitive advantage through illegal or unethical business practices. As such, the Company and its Associates may not discuss, agree (orally or otherwise), or act with any competitor with regard to prices, profit margins, terms or conditions of sale, marketing arrangements, number and types of product, production, distribution, territories, customers, suppliers or any other competitive information. Failure to comply with these restrictions may create criminal and civil liability for both the Company and the Associate involved, and may result in the Company issuing discipline to the Associate, up to and including termination without notice. Associates must consult the HBC's General Counsel regarding conduct which may give rise to antitrust concerns.

### **POLITICAL CONTRIBUTIONS**

Associates must not contribute on behalf of, or otherwise utilize the Company's name, money, goods, assets, resources (such as phones, social media accounts, computers and copiers), or services to any party, candidate, or political campaign. Associates may not pressure other Associates to make or refrain from making personal political contributions. Associates who engage in political activity must do so on their own time. Associates should make it clear that they are acting in their individual capacity and not on behalf of the Company.

### **PRIVACY AND INFORMATION SECURITY**

Associates must understand and comply with the Company's Information Security policies and all applicable laws. These policies are designed to protect the Company, its Associates, and its customers by protecting customer and Associate privacy.

### **ANTI-MONEY LAUNDERING**

The Company and its Associates must comply with all applicable laws, regulations and the Company's Anti-Money Laundering Policy. Every effort must be made to detect and deter money-laundering activities, the support and financing of terrorism, and reporting suspicious transactions.

## **ADMINISTRATION OF THE CODE**

### **ANNUAL AND NEW HIRE TRAINING AND CERTIFICATION**

Every Associate is expected to read the Code on an annual basis, certify to the Company that they have read, understand, will abide by the Code, and will disclose all information to the Company necessary to comply with the Code.

New hires are expected to read and sign off on the Code promptly upon employment.

Supervisors and managers are expected to reinforce and reemphasize the Code with their direct reports regularly, or when a situation arises that requires the supervisor or manager to revisit relevant sections of the Code, but no less than on an annual basis.

### **REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOUR**

The Company strives to foster a business environment that promotes integrity and deters unethical or illegal behaviour. The Company will ensure compliance with this Code and applicable laws. Any concerns or complaints may be reported in accordance with the procedures outlined in the Company's Whistleblower Policy to the HBC Alertline or by use of other applicable reporting mechanisms.

### **VIOLATIONS OF THE CODE OF BUSINESS CONDUCT**

Violations of the Code will result in disciplinary action up to and including termination without notice. No Associate may authorize a violation of the Code or disregard any provision in the Code. An Associate's violation of the Code is not excused because the Associate was directed by another individual to take such action.

In addition to disciplinary consequences, Associates, vendors, and service providers who commit misconduct may be subject to legal action including criminal or civil liability.

For those Associates working in the United States, nothing in this Code shall modify, change or otherwise abridge any Company policies regarding "at-will" employment.

### **COMPLIANCE AND WAIVERS**

Waivers or departures from the Code will generally only be granted in appropriate circumstances upon written request to the General Counsel. In the case of a waiver or departure requested by a director or executive officer of the Company, the General Counsel will consider such waiver and provide the Board of Directors with a recommendation as to whether the waiver should be granted. Any grant by the Company of a waiver of the Code to any executive officer or director of the Company (or consent under the Conflicts provisions of this Code) may be made only by the Company's Board of Directors and will be promptly disclosed to the extent required by law.

### **INVESTIGATIONS**

Associates must fully cooperate with efforts to verify compliance with the Code and with any inquiry concerning a possible violation of the Code. Associates are also obligated to act in accordance with the Company's Whistleblower Policy and/or other applicable policies or laws. Associates must not make any false or misleading statement to the Company or the Company's representatives, independent auditors or counsel, or conceal or omit information relating to such an investigation. Associates must not withhold, conceal, alter or destroy any hard copy or electronic documents, books or records that relate to such an investigation.

### **INTERPRETATION**

Questions concerning the interpretation of the Code should be directed to the Legal Department. If the Associate is uncertain about the application of the Code to a particular situation, the Associate must consult with the Legal Department.

### **NO RETALIATION**

No Associate will be penalized for making a good faith report of a violation of the Code. The Company will not tolerate actual or attempted retaliation against any Associate who makes a good faith report. An Associate who knowingly submits a false report of a violation may be subject to disciplinary action up to and including termination without notice.

## **CONFIDENTIALITY**

Consistent with the Company's legal obligations, the Company will, to the extent practical, take reasonable steps to keep confidential the identity of an Associate, reporting in good faith, a possible violation of the Code. There may be situations in which the Company cannot maintain confidentiality in order to appropriately address or investigate a possible Code violation. The Company also reserves the right to report actual or suspected violations of the Code to appropriate governmental authorities, including, federal, provincial/state and local law enforcement officials and agencies.

## **Questions or Concerns:**

If an Associate has any questions about this Code of Business Conduct or Company policies or a concern about a violation or possible violation of the Code, policies or any law, the Associate must report the concern promptly. All directors, officers or Associates/Employees of the Company are encouraged to report concerns to their supervisor or other members of management or to make a confidential report to the HBC Alertline. Additionally, questions may also be directed to the Senior Vice President and General Counsel of HBC.

Company Associates who receive a complaint from a member of the public may 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)

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.