



**HUDSON'S BAY COMPANY**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "Meeting") of the holders (the "Shareholders") of common shares ("Common Shares") of Hudson's Bay Company (the "Company") will be held at 2:00 p.m. (Toronto Time) on June 9, 2015 at TMX Broadcast Centre Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario for the following purposes:

- (1) to receive the audited consolidated financial statements of the Company for the fiscal year ended January 31, 2015, together with the auditors' report thereon;
- (2) to elect the directors of the Company who will serve until the next annual Shareholders meeting or until their successors are appointed;
- (3) to appoint the auditors of the Company and to authorize the directors to fix their remuneration;
- (4) to approve the non-binding advisory resolution on executive compensation described in the Company's management information circular (the "Circular");
- (5) to approve a resolution to renew and amend the Company's Option Plan (as defined in the Circular) to, among other things, increase the number of authorized Common Shares to be reserved for issuance under the Company's equity-based incentive compensation plans, including the Option Plan;
- (6) to approve a resolution to renew and amend the Company's RSU Plan (as defined in the Circular) to, among other things, increase the number of authorized Common Shares to be reserved for issuance under the Company's equity-based incentive compensation plans, including the RSU Plan; and
- (7) to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Meeting are: a copy of the Circular, a form of proxy or voting instruction form for the Common Shares, and the Company's annual report, which includes the audited consolidated financial statements of the Company for the fiscal year ended January 31, 2015 and management's discussion and analysis thereon. These materials, as well as the Company's annual information form dated April 30, 2015, can also be viewed under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.hbc.com](http://www.hbc.com). If you wish to receive a hard copy of any of these materials, please contact the Company's Investor Relations Department at [investorrelations@hbc.com](mailto:investorrelations@hbc.com).

The Company's board of directors ("Board of Directors") has fixed the close of business on April 28, 2015 as the record date for determining Shareholders entitled to receive notice of, and to vote at, the Meeting and any postponement or adjournment of the Meeting. No Shareholders becoming Shareholders of record after that time will be entitled to vote at the Meeting, or any adjournment or postponement thereof. Shareholders who have voted by proxy may still attend the Meeting.

As a Shareholder of the Company, it is very important that you read the accompanying materials carefully and then vote your Common Shares, either by proxy or in person, at the Meeting.

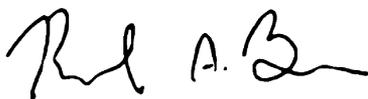
Registered shareholders are requested to complete, date, sign and return (in the return envelope provided for that purpose) the form of proxy enclosed in this package. You may also vote your Common Shares by proxy by appointing another person to attend the Meeting and vote your Common Shares for you. To be valid, the enclosed form of proxy must be signed and received by the proxy department of the Company's transfer agent, TMX Equity Transfer Services, by mail at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, on the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com) or by facsimile at 416-595-9593 not later than 5:00 p.m. (Toronto time) on June 5, 2015, or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Toronto time) on the second

business day preceding the date of the Meeting, or any adjournment(s) or postponement(s) thereof. Failure to properly complete or deposit a proxy may result in its invalidation.

Most Shareholders do not hold their Common Shares in their own names. Such Common Shares may be beneficially owned by you but registered either: (a) in the name of an intermediary such as a bank, trust company, securities dealer or broker, or the trustee or administrator of a self-administered RRSP, RRIF, RESP, TFSA or similar plan, or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) or its nominee, of which the intermediary is a participant. If your Common Shares are shown in an account statement provided to you by your intermediary, in almost all cases, your Common Shares will not be registered in your name in the records of the Company. Only proxies deposited by registered Shareholders can be recognized and acted upon at the Meeting. As a result, if you hold your Common Shares through a broker or other intermediary, we urge you to complete only the voting instruction form provided by your broker or other intermediary or provide your voting instructions to your broker or other intermediary by other acceptable methods. Please read the instructions regarding how to vote at, or attend, the Meeting under “General Proxy Matters — Non-Registered Shareholders” in the Circular.

Dated at Toronto, Ontario, this 4<sup>th</sup> day of May, 2015.

**By order of the Board of Directors,**

A handwritten signature in black ink, appearing to read "Richard A. Baker". The signature is fluid and cursive, with the first name "Richard" and the last name "Baker" clearly distinguishable.

Richard Baker  
Governor and Executive Chairman