UNDERWRITING AGREEMENT

May 16, 2014

Hudson's Bay Company
401 Bay Street
Suite 500
Toronto, Ontario
Canada M5H 2Y4

Hudson's Bay Company (Luxembourg) S.à r. l.
65, Boulevard Grande Duchesse
Charlotte, L-1331
Luxembourg

True North Retail Investments I, Inc.
15 W. 38th Street
New York, New York
10018 USA

Ladies and Gentlemen:

The undersigned, CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., TD Securities Inc., and Merrill Lynch Canada Inc. together as joint book-runners (the "**Joint Bookrunners**"), and Scotia Capital Corp., Canaccord Genuity Corp., and National Bank Financial Inc. (together with the Joint Bookrunners, the "**Underwriters**", and each individually, an "**Underwriter**") understand that Hudson's Bay Company (Luxembourg) S.à r.l. ("**LuxCo**"), a Luxembourg private limited liability company (société à responsabilité limitée), and True North Retail Investments I, Inc. ("**TNRI**"), a corporation existing under the laws of the state of Delaware, (collectively, the "**Selling Shareholders**"), propose to sell to the Underwriters for resale the number of common shares set forth opposite their respective names on Schedule E, being an aggregate of 7,870,000 common shares (the "**Purchased Securities**") of Hudson's Bay Company (the "**Company**") pursuant to this underwriting agreement (this "**Agreement**").

The Offered Securities (as defined below) will be offered and sold by the Selling Shareholders to the Underwriters (i) in Canada pursuant to the Final Prospectus (as defined below) and (ii) in the United States (as defined below) in reliance on the exemption from the registration requirements of the 1933 Act (as defined below) provided by Rule 144A (as defined below). The Underwriters will (i) distribute the Offered Securities in Canada, pursuant to the Final Prospectus and in accordance with Regulation S (as defined below), and (ii) offer and sell the Offered Securities to Qualified Institutional Buyers (as defined below) in the United States in reliance upon the exemption from the registration requirements of the 1933 Act provided by Rule 144A, in each case in the manner contemplated by this Agreement, including the Schedules to this Agreement.

Based on the foregoing, and subject to the terms and conditions contained in this Agreement, the Underwriters severally and not jointly (or jointly and severally), on the basis of the percentages set forth in Section 24.1 of this Agreement, agree to purchase from the Selling Shareholders and by their respective acceptance hereof, the Selling Shareholders agree to sell to the Underwriters all, but not less than all, of the Purchased Securities, on the Closing Date (as defined below) at a price of $17.80 per Purchased Security, for an aggregate purchase price for the Purchased Securities of $140,086,000 (the "**Purchase Price**").

In addition, LuxCo hereby grants to the Underwriters an unassignable right (the "**Over-Allotment Option**") to purchase, severally and not jointly (or jointly and severally), up to an additional 562,000 common shares (the "**Additional Securities**" and, together with the Purchased Securities, the "**Offered Securities**") on the same basis as the purchase of the Purchased Securities and at the same price of $17.80 per Additional Security for an aggregate additional purchase price for the Additional Securities of up to $10,003,600 (such amount, the "**Additional Purchase Price**"). All of the net proceeds of the Offering (as defined below) will be paid to the Selling Shareholders. The Company will not receive any proceeds from the Offering. If the Joint Bookrunners, on behalf of the Underwriters, elect to exercise the Over-Allotment Option, the Joint Bookrunners shall notify the Company and the Selling Shareholders in writing not later than 48 hours prior to the Option Closing Date (as defined below), which notice shall specify the aggregate number of Additional Securities to be purchased by the Underwriters and the date on which such Additional Securities are to be purchased (the "**Over-Allotment Option Notice**"). The date of such purchase may be the same as the Closing Date, but not earlier than the Closing Date nor later than 30 days following the Closing Date. If any Additional Securities are purchased, each Underwriter agrees, severally and not jointly (or jointly and severally), to purchase that number of Additional Securities (subject to such adjustments to eliminate fractional shares as the Joint Bookrunners, on behalf of the Underwriters, may determine) equal to the total number of Additional Securities to be purchased multiplied by the percentage set out in Section 24.1 opposite the name of such Underwriter.

DEFINITIONS

In this Agreement:

"**1933 Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**1934 Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**1940 Act**" means the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder;

"**Additional Purchase Price**" has the meaning given to it above;

"**Additional Securities**" has the meaning given to it above;

"**affiliate**" and "**subsidiary**" have the respective meanings given to them in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**Agreement**" has the meaning given to it above;

"**Annual Information Form**" means the Company's annual information form for the fiscal year ended February 1, 2014 filed by or on behalf of the Company on the System for Electronic Document Analysis and Retrieval on May 2, 2014;

"**Business Acquisition Report**" means the Form 51-102F4 - Business Acquisition Report of the Company relating to the acquisition of Saks filed by or on behalf of the Company on the System for Electronic Document Analysis and Retrieval on December 6, 2013;

"**Business Day**" means any day, other than a Saturday or Sunday, on which commercial banks in Toronto, Ontario are open for commercial banking business during normal banking hours;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Jurisdictions and the respective rules, regulations, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the Canadian Securities Regulators;

"**Canadian Securities Regulators**" means the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions and "**Canadian Securities Regulator**" means any one of them;

"**CBCA**" means the *Canada Business Corporations Act*;

“**Claims**” has the meaning given to it in Section 20.1;

“**Closing**” means the completion of the sale by the Selling Shareholders and the purchase by the Underwriters of the Purchased Securities pursuant to this Agreement;

“**Closing Date**” means June 2, 2014, or such other date as the Company, Selling Shareholders and CIBC World Markets Inc. may agree upon in writing or as may be changed pursuant to Section 10, which in any event shall not be later than July 7, 2014;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date;

“**Company**” has the meaning given to it above;

“**Company Contracts**” has the meaning given to it in Section 7.23;

“**Company Laws**” has the meaning given to it in Section 7.23;

“**Continuing Underwriters**” has the meaning given to it in Section 24.1;

“**distribution**” has the meaning given to it in the *Securities Act* (Ontario);

“**Environmental Laws**” has the meaning given to it in Section 7.44;

“**Final Offering Documents**” means the Final Prospectus and the Final Offering Memorandum;

“**Final Offering Memorandum**” has the meaning given to it in Section 6.3;

“**Final Prospectus**” means the (final) short form prospectus of the Company relating to the qualification for distribution of the Offered Securities (in both the English and French languages unless the context indicates otherwise), together with all of the documents incorporated by reference therein (including, without limitation, any Marketing Document), to be prepared by the Company under Canadian Securities Laws;

“**Final Receipt**” means a receipt issued by the Ontario Securities Commission (in its capacity as principal regulator under the Passport System) evidencing that final receipts of the Canadian Securities Regulators in each of the Qualifying Jurisdictions have been issued in respect of the Final Prospectus;

“**Financial Information**” means the information under the headings “Presentation of Financial Information” and “Consolidated Capitalization” found in the Offering Document, the MD&As, the Financial Statements and the information and documents referenced under “Financial Statements” in the Business Acquisition Report;

“**Financial Statements**” means the audited consolidated financial statements of the Company, as at and for the fiscal year ended February 1, 2014, together with the notes thereto and the auditors’ report thereon as incorporated by reference into the Offering Documents;

“**Financing Instruments**” means, collectively, the HBC Revolving Credit Facility, U.S. Revolving Credit Facility, Senior Term Loan B, Yorkdale Mortgage and the Lord & Taylor Mortgage, each of which is described in the Financial Statements under Note 14 entitled “Loans and Borrowings”;

“**Governmental Licenses**” has the meaning given to it in Section 7.36;

“**Hazardous Materials**” has the meaning given to it in Section 7.44;

“**HBTC**” means Hudson’s Bay Trading Company, L.P.;

“**IFRS**” means International Financial Reporting Standards which are issued by the International Accounting Standards Board, as adopted in Canada;

“**Indemnified Party**” has the meaning given to it in Section 20.1;

“**Indemnifier**” has the meaning given to it in Section 20.2;

“**Intellectual Property**” has the meaning given to it in Section 7.33;

“**Joint Bookrunners**” means CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., TD Securities Inc. and Merrill Lynch Canada Inc.;

“**Knowledge of the Company**” means, collectively, the actual knowledge of Richard A. Baker, David Pickwoad, Brian Pall, Donald Watros, Marigay McKee and Elizabeth Rodbell after reasonable enquiry;

“**Leased Properties**” has the meaning give to it in Section 7.38;

“**Lien**” means any mortgage, charge, pledge, hypothec, claim, security interest, assignment, lien (statutory or otherwise), defect, restriction on transfer, or other encumbrance of any nature, including any arrangement or condition which, in substance, secures payment or performance of an obligation;

“**Material Adverse Effect**” or “**Material Adverse Change**” means any fact, effect, change, event, occurrence, or any development involving a change, that (i) has had or is reasonably expected to have a material adverse effect on or change to the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flows, income or business operations of the Company and the Subsidiaries taken as a whole and as a going concern; or (ii) would result in any Offering Document or Supplementary Material containing a misrepresentation;

“**material change**” has the meaning given to it in the *Securities Act* (Ontario);

“**Material Contracts**” means, collectively, each of the contracts described in the Annual Information Form under the section entitled “Material Contracts”;

“**material fact**” has the meaning given to it in the *Securities Act* (Ontario);

“**Marketing Documents**” means, collectively, all marketing materials (including any template version, revised template version or limited use version thereof) provided to a potential investor in connection with the distribution of Offered Securities;

“**marketing materials**” has the meaning ascribed thereto under NI 41-101;

“**MD&A**” means management’s discussion and analysis of financial condition and results of operations of the Company for the fiscal year ended February 1, 2014;

“**misrepresentation**” has the meaning given to it in the *Securities Act* (Ontario);

“**NCI System**” has the meaning given to it in Section 14;

“**notice**” has the meaning given to it in Section 32;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements* adopted by the Canadian Securities Regulators;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions* adopted by the Canadian Securities Regulators;

"**NP 11-202**" means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* adopted by the Canadian Securities Regulators;

"**Offered Securities**" has the meaning given to it above;

"**Offering**" means the offering and sale of the Offered Securities contemplated hereby;

"**Offering Documents**" means the Preliminary Offering Documents, the Final Offering Documents, any Supplementary Material (including, for greater certainty, the documents incorporated by reference therein) and any U.S. Supplementary Material;

"**Option Closing**" means completion of the sale by LuxCo and the purchase by the Underwriters of any or all of the Additional Securities pursuant to this Agreement;

"**Option Closing Date**" means the date, not earlier than the Closing Date or later than 30 days following the Closing Date for the Option Closing set out in the Over-Allotment Option Notice;

"**Option Closing Time**" means 8:00 a.m. (Toronto time) on the Option Closing Date;

"**Option Plan**" means the option plan of the Company adopted on November 26, 2012;

"**Over-Allotment Option**" has the meaning given to it above;

"**Over-Allotment Option Notice**" has the meaning given to it above;

"**Owned Properties**" has the meaning given to it in Section 7.38;

"**Passport System**" means the passport system procedures provided for under NP 11-202;

"**Permitted Liens**" means any Lien permitted from time to time under the Financing Instruments;

"**person**" means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association or joint venture;

"**Preliminary Offering Documents**" means the Preliminary Prospectus and the Preliminary Offering Memorandum;

"**Preliminary Offering Memorandum**" has the meaning given to it in Section 6.3;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Company dated May 16, 2014 relating to the qualification for distribution of the Offered Securities (in both the English and French languages unless the context indicates otherwise), together with all of the documents incorporated by reference therein, prepared by the Company under Canadian Securities Laws;

"**Preliminary Receipt**" means a receipt issued by the Ontario Securities Commission (in its capacity as principal regulator under the Passport System) evidencing that receipts of the

Canadian Securities Regulators in each of the Qualifying Jurisdictions have been issued in respect of the Preliminary Prospectus;

"**Pro Forma Financial Statements**" means collectively, (i) the unaudited *pro forma* condensed consolidated balance sheet of the Company as at August 3, 2013 and (ii) the unaudited *pro forma* condensed consolidated statement of loss of the Company that gives effect to the acquisition of Saks, as well as *pro forma* earnings per share, for the year ended February 2, 2013 and the twenty-six weeks ended August 3, 2013 as contained in the Business Acquisition Report;

"**Prospectus Amendment**" means any amendment to the Preliminary Prospectus or the Final Prospectus;

"**Purchase Price**" has the meaning given to it above;

"**Purchased Securities**" has the meaning given to it above;

"**Qualified Institutional Buyer**" has the meaning given to it under Rule 144A;

"**Qualifying Jurisdictions**" means all of the provinces and territories of Canada;

"**Refusing Underwriter**" has the meaning given to in Section 24.1;

"**Regulation D**" means Regulation D under the 1933 Act;

"**Regulation S**" means Regulation S under the 1933 Act;

"**Release**" means the spilling, leaking, emptying, dumping, disposing, discharging, emitting, depositing, ejecting, leaching, escaping or any other release whether intentional or unintentional, of any Hazardous Material;

"**Returns**" has the meaning given to it in Section 7.45;

"**Rule 144A**" means Rule 144A under the 1933 Act;

"**Saks**" means Saks Incorporated;

"**Saks Financial Statements**" means, collectively, (i) the consolidated statements of comprehensive income of Saks for the years ended February 2, 2013 and January 28, 2012; (ii) the consolidated balance sheets of Saks as at February 2, 2013 and January 28, 2012; (iii) the consolidated statements of changes in shareholders' equity for Saks for the years ended February 2, 2013 and January 28, 2013; (iv) the consolidated statements of cash flows of Saks for the years ended February 2, 2013 and January 28, 2013, (v) the unaudited consolidated statements of income of Saks for the three and six months ended August 3, 2013 and July 28, 2012 (vi) the unaudited consolidated statements of comprehensive income of Saks for the three and six months ended August 3, 2013 and July 28, 2012; (vii) the unaudited consolidated balance sheets of Saks as at August 3, 2013 and July 28, 2012 and (viii) the unaudited consolidated statements of cash flows of Saks for the three and six months ended August 3, 2013 and July 28, 2012, in each case, together with the notes thereto, as contained or incorporated by reference in the Business Acquisition Report;

"**SEC**" means the United States Securities and Exchange Commission;

"**Selling Firm**" has the meaning given to it in Section 3.1;

"**Selling Shareholders**" has the meaning given to it above;

“**Selling Shareholder Contracts**” has the meaning given to it in Section 8.5;

“**Selling Shareholder Laws**” has the meaning given to it in Section 8.5;

“**Selling Shareholder Matters**” means, collectively, the sections in the Preliminary Offering Documents and Final Offering Documents entitled “Enforcement of Legal Rights”, “Selling Shareholders” and “Plan of Distribution” insofar as such sections relate solely to the Selling Shareholders, and any information relating solely to the Selling Shareholders and furnished by them in writing (in their capacity as Selling Shareholders) for use in any Offering Document;

“**standard term sheet**” has the meaning ascribed thereto under NI 41-101;

“**Subsidiaries**” means the subsidiaries of the Company as set forth on Schedule A hereto;

“**Supplementary Material**” means, collectively, any Prospectus Amendment and each other document incorporated or deemed to be incorporated by reference in the Final Prospectus or any Prospectus Amendment, filed or that may be filed by the Company with any Canadian Securities Regulators in connection with the qualification for distribution of the Securities under Canadian Securities Laws;

“**template version**” has the meaning ascribed thereto under NI 41-101 and includes any revised template version of marketing materials as contemplated by NI 41-101;

“**TMX Group**” has the meaning given to it in Section 27;

“**TNRI Defaulted Securities**” has the meaning given to it in Section 13.3;

“**TSX**” means the Toronto Stock Exchange;

“**Underwriter**” and “**Underwriters**” have the respective meanings given to them above;

“**Underwriter Defaulted Securities**” has the meaning given to it in Section 24.1;

“**Underwriting Fee**” has the meaning given to it in Section 13;

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

“**United States Securities Laws**” means the 1933 Act, the 1934 Act and any other laws of the United States or any state therein applicable to the offering for sale of the Offered Securities;

“**U.S. Affiliate**” of any Underwriter means a U.S. registered broker-dealer affiliate of such Underwriter;

“**U.S. GAAP**” means United States generally accepted accounting principles; and

“**U.S. Supplementary Material**” means any amendment or supplement to the Preliminary Offering Memorandum or the Final Offering Memorandum.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to “**Sections**” or “**Clauses**” are to the appropriate Section or Clause of this Agreement.

All references to “**dollars**” or “**$**” are to Canadian dollars, unless otherwise expressly stipulated. All references to “**US$**” are to United States dollars.

TERMS AND CONDITIONS

1. Compliance with Securities Laws

1.1 The Company covenants with the Underwriters that (i) the Company shall as soon as possible following the execution of this Agreement, prepare and file the Preliminary Prospectus, and (ii) following receipt of the Preliminary Receipt, prepare and file the Final Prospectus, in each case, in the English and French languages, in form and substance satisfactory to the Underwriters (acting reasonably), in each of the Qualifying Jurisdictions with Canadian Securities Regulators pursuant to Canadian Securities Laws, and will use reasonable efforts to obtain the Final Receipt therefor as soon as possible after the filing of the Final Prospectus, and, in any event, obtain such document by no later than 5:00 p.m. (Toronto time) on May 26, 2014 (or such other time and/or later date as the Selling Shareholders, the Company and the Underwriters may agree). The Company and the Selling Shareholders will promptly fulfill and comply with, to the satisfaction of the Underwriters, acting reasonably, Canadian Securities Laws and United States Securities Laws required to be fulfilled or complied with by the Company or the Selling Shareholders to enable the Offered Securities to be lawfully distributed in the Qualifying Jurisdictions and the United States through the Underwriters or their respective affiliates or any other investment dealers or brokers registered in such jurisdictions as contemplated therein.

1.2 During the distribution of the Offered Securities, the Company, the Selling Shareholders and CIBC World Markets Inc. shall approve in writing, prior to such time that marketing materials are provided to potential investors, any marketing materials reasonably requested to be provided by the Underwriters to any potential investor of Offered Securities, such marketing materials to comply with Canadian Securities Laws. The Company shall file a template version of such marketing materials with the Canadian Securities Regulators as soon as reasonably practicable after such marketing materials are so approved in writing by the Company, the Selling Shareholders and CIBC World Markets Inc., on behalf of the Underwriters, and in any event on or before the day the marketing materials are first provided to any potential investor of Offered Securities, and such filing shall constitute the Underwriters' authority to use such Marketing Documents in connection with the Offering. Any comparables shall be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Canadian Securities Regulators and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Canadian Securities Regulators by the Company.

1.3 The Company, the Selling Shareholders and the Underwriters, on a several basis, covenant and agree:

(i) not to provide any potential investor of Offered Securities with any marketing materials unless a template version of such marketing materials has been filed by the Company with the Canadian Securities Regulators on or before the day that such marketing materials are first provided to any potential investor of Offered Securities;

(ii) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Securities or the Company other than: (a) such marketing materials that have been approved and filed in accordance with Section 1.2; (b) the Preliminary Prospectus and the Final Prospectus; and (c) any standard term sheets approved in writing by the Company, the Selling Shareholders and the Joint Bookrunners; and

(iii) that any marketing materials approved and filed in accordance with Section 1.2, and any standard term sheets approved in writing by the Company, the Selling Shareholders and the Joint Bookrunners, shall only be provided to potential investors in the Qualifying Jurisdictions.

2. Due Diligence

Prior to the filing of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, the Company shall permit the Underwriters to review and participate in the preparation of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material, and shall allow each of the Underwriters to conduct any due diligence investigations which any of them reasonably requires in order to fulfill its obligations as an underwriter under Canadian Securities Laws and United States Securities Laws in order to enable it to responsibly execute the certificate in the Preliminary Prospectus, the Final Prospectus and any Supplementary Material required to be executed by it. Up to the later of the Closing Date and the date of completion of the distribution of the Offered Securities, the Company and the Selling Shareholders shall allow each of the Underwriters to conduct any due diligence investigations that any of them reasonably requires to confirm as at any date that it continues to have reasonable grounds for the belief that the Offering Documents do not contain a misrepresentation as at such date or as at the date of such Offering Documents or, for United States Securities Laws purposes, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances under which they were made, not misleading as at such date or as at the date of such Offering Documents.

3. Distribution and Certain Obligations of the Underwriters

3.1 The Company and the Selling Shareholders agree that the Underwriters will be permitted to appoint, at their sole expense, other registered dealers or brokers as their agents to assist in the distribution of the Offered Securities. The Underwriters shall, and shall require any such dealer or broker with which the Underwriters have a contractual relationship in respect of the distribution of the Offered Securities (a "**Selling Firm**") to, comply with the applicable Canadian Securities Laws and United States Securities Laws in connection with the distribution of the Offered Securities and shall offer the Offered Securities for sale to the public directly and through the Selling Firms upon the terms and conditions (including the offer price) set out in the Offering Documents and this Agreement (including Schedule B hereto). The Underwriters shall, and shall require any Selling Firm to, offer for sale to the public and sell the Offered Securities only in those jurisdictions where the Offered Securities may be lawfully offered for sale or sold.

3.2 The Underwriters shall, and shall require any Selling Firm to agree to, observe and distribute the Offered Securities in a manner that complies with all applicable laws and regulations (including in connection with offers and sales in the United States in accordance with Rule 144A) in each jurisdiction into and from which they may offer to sell the Offered Securities or distribute the Offering Documents in connection with the distribution of the Offered Securities and will not, and will require any Selling Firm not to, directly or indirectly, offer, sell or deliver any Offered Securities or distribute the Offering Documents or any other document to any person in any jurisdiction, except in a manner which will not require the Company to comply with the registration, prospectus, continuous disclosure, filing or other similar requirements under the applicable securities laws of any jurisdictions (other than the Qualifying Jurisdictions).

3.3 The Company and the Selling Shareholders acknowledge and agree that the Underwriters are acting severally and not jointly (or jointly and severally) in performing their respective obligations under this Agreement (including obligations under any Schedules to this Agreement) and no Underwriter shall be liable for any act, omission, default, breach or conduct by any other Underwriter or any Selling Firm appointed by any other Underwriter.

3.4 For the purposes of this Section 3, the Underwriters shall be entitled to assume that the Offered Securities are qualified for distribution in any Qualifying Jurisdiction where a Final Receipt shall have been obtained from the applicable Canadian Securities Regulator following the filing of the Final Prospectus in each of the Qualifying Jurisdictions.

4. United States Offers and Sales

The Company, the Selling Shareholders and the Underwriters agree that Schedule B to this Agreement, entitled “United States Offers and Sales”, is incorporated by reference in, and shall form part of, this Agreement. Any offer or sale of the Offered Securities in the United States will be made in accordance with Schedule B and each Underwriter will require this undertaking to be contained in any agreements among the Selling Firms.

5. Delivery of Documents

The Company shall deliver or cause to be delivered to each of the Underwriters and the Underwriters’ counsel at the respective times indicated, the following documents:

5.1 At or prior to the filing of the Final Prospectus, a “long-form” comfort letter of Deloitte LLP, auditors to the Company, dated the date of the Final Prospectus (with the requisite procedures to be completed by such auditors no later than two Business Days prior to the date of the Final Prospectus) addressed to the Underwriters and the directors of the Company, in form and substance satisfactory to the Underwriters, acting reasonably, containing statements and information of the type ordinarily included in “comfort letters” to underwriters in connection with a public offering (except for information covered by the comfort letter to be delivered in accordance with Section 5.2 below).

5.2 At or prior to the filing of the Final Prospectus, a “long-form” comfort letter of PricewaterhouseCoopers LLP, auditors to Saks prior to the Company’s acquisition of Saks, dated the date of the Final Prospectus (with the requisite procedures to be completed by such auditors no later than two Business Days prior to the date of the Final Prospectus) with respect to the financial and accounting information relating to Saks, prior to the Company’s acquisition of Saks, addressed to the Underwriters and the directors of the Company, in form and substance satisfactory to the Underwriters, acting reasonably, containing statements and information of the type ordinarily included in “comfort letters” to underwriters in connection with a public offering.

5.3 At or prior to the filing or delivery thereof with the Canadian Securities Regulators:

(i) a copy of the Preliminary Prospectus and the Final Prospectus in each case signed and certified on behalf of the Company and each of the Selling Shareholders as required by Canadian Securities Laws, and a copy of any Supplementary Material filed by the Company under Canadian Securities Laws, in each case in the English language;

(ii) a copy of the Preliminary Prospectus and the Final Prospectus in each case signed and certified on behalf of the Company and each of the Selling Shareholders as required by Canadian Securities Laws applicable in Québec, and a copy of any Supplementary Material filed by the Company under Canadian Securities Laws applicable in Québec, in each case in the French language; and

(iii) a copy of any other document required to be filed along with the Preliminary Prospectus, the Final Prospectus or any Prospectus Amendment by the Company or the Selling Shareholders under Canadian Securities Laws.

5.4 At or prior to the filing of the Preliminary Prospectus and the Final Prospectus, as the case may be, with the Canadian Securities Regulators:

(i) opinions of Stikeman Elliott LLP, dated the date of each of the Preliminary Prospectus and the Final Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and their counsel, to the effect that the French language version of each of the Preliminary Prospectus and the Final Prospectus (including, for greater certainty, the documents incorporated by reference therein), except the Financial Information, and the remaining financial information or data (including with respect to the Company and, for greater certainty, Saks both before and after its acquisition by the Company) upon which the auditors of an issuer usually opine as to which no opinion need be expressed by such counsel, is, in all material respects, a complete and proper translation of the English language version thereof;

(ii) opinions of Deloitte LLP, dated the date of each of the Preliminary Prospectus and the Final Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and their counsel, to the effect that the French language version of the Financial Information and the remaining financial information or data (as such financial information or data relates to the Company) upon which the auditors of an issuer usually opine included in the Preliminary Prospectus and the Final Prospectus is, in all material respects, a complete and proper translation of the English language version thereof; and

(iii) opinions of PricewaterhouseCoopers LLP, dated the date of each of the Preliminary Prospectus and the Final Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and their counsel, to the effect that the French language version of the Saks Financial Statements and the remaining financial information or data (as such financial information or data relates to Saks) upon which the auditors of an issuer usually opine included in the Preliminary Prospectus and the Final Prospectus is, in all material respects, a complete and proper translation of the English language version thereof; and

5.5 as soon as practicable, after filing the Preliminary Prospectus and Final Prospectus with the Canadian Securities Regulators, a copy of the Preliminary Offering Memorandum and Final Offering Memorandum, respectively.

5.6 Supplementary Materials

During the period from the date of this Agreement until the later of the Closing Date and the date of completion of the distribution of the Offered Securities under the Offering Documents, the Company will comply with Section 57(1) of the *Securities Act* (Ontario) and with the comparable provisions of the other Canadian Securities Laws, and the Company will prepare, with the input of the Underwriters and the Selling Shareholders and the Company will file promptly after consultation with the Underwriters and the Selling Shareholders, any Supplementary Material which, in the opinion of the Company, acting reasonably, may be necessary or advisable, and will otherwise comply with all legal requirements and take all actions necessary to continue to qualify the Offered Securities for distribution in each of the Qualifying Jurisdictions for as long as may be necessary to complete the distribution of the Offered Securities.

In the event that the Company (or a Selling Shareholder with respect to any Selling Shareholder Matters) is required by Canadian Securities Laws (as a result of a change in Canadian Securities Laws or otherwise) to prepare and file a Prospectus Amendment, the Company shall prepare and deliver promptly to the Underwriters signed and certified copies of such Prospectus Amendment in the English and French languages. Concurrently with the delivery of any Supplementary Material, the Company shall deliver to the Underwriters, with respect to such Supplementary Material, documents similar to those referred to in Sections 5.1, 5.2 5.3 and 5.4, as applicable, and shall prepare and deliver to the Underwriters corresponding U.S. Supplementary Material. The Underwriters shall deliver a copy of any applicable Supplementary Material to each purchaser of Offered Securities from the Underwriters which they are required to deliver pursuant to Canadian Securities Laws.

In addition to the matters set out above in this Section 5.6 and in Section 12, the Company (and the Selling Shareholders with respect to any Selling Shareholder Matters) will, in good faith, discuss with the Underwriters any change, event or fact contemplated in such Sections which is of a nature that there may be reasonable doubt as to whether notice should be given to the Underwriters under Section 12 and will consult with the Underwriters with respect to the form and content of any Supplementary Material and corresponding U.S. Supplementary Material, it being understood and agreed that no such Supplementary Material will be filed with any Canadian Securities Regulator, and no Supplementary Material or U.S. Supplementary Material will be distributed, prior to review by the Underwriters and their counsel, and the Company shall permit the Underwriters to review and participate in the preparation of any Supplementary Material and corresponding U.S. Supplementary Material and shall allow each of the Underwriters to conduct any due diligence investigations which any of them reasonably requires in order to fulfill its obligations as an underwriter under Canadian Securities Laws in order to enable such Underwriter to responsibly execute the certificate in any Supplementary Material required to be executed by it.

In addition, if, prior to the completion of the distribution of the Offered Securities by the Underwriters, any event shall occur as a result of which it is necessary, in the reasonable opinion of the Company after consultation with the Underwriters, to amend or supplement previously filed Offering Documents in order that such Offering Documents not include any untrue statement of material fact or omit to state any material fact that is required to be stated or that is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Company will forthwith amend or supplement such Offering Documents by preparing, with the input of the Underwriters (and the Selling Shareholders with respect to any Selling Shareholder Matters), and furnishing to each Underwriter the Supplementary Material and any corresponding U.S. Supplementary Material so that, as so amended or supplemented, the Offering Documents will not include an untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. Representations and Warranties of the Company and the Selling Shareholders as to Offering Documents

6.1 Each filing of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material shall constitute a representation and warranty by the Company to the Underwriters that, as at their respective filing dates:

(i) the information and statements (except information and statements relating solely to the Underwriters which have been provided by the Underwriters through the Joint Bookrunners in writing specifically for use in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material) contained in the Preliminary Prospectus, the Final Prospectus and any Supplementary Material contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company, the Subsidiaries, the business of the Company and the Offered Securities as required by Canadian Securities Laws;

(ii) such documents comply fully with the requirements of Canadian Securities Laws, other than as to non-material matters of form or similar non-material matters; and

(iii) the statistical and market-related data included in the Preliminary Prospectus, the Final Prospectus and any Supplementary Material are based on or derived from sources that are believed by the Company to be reliable and accurate in all material respects.

Such filing shall also constitute the Company's consent to the Underwriters' use of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material in connection with the distribution of the Offered Securities in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws.

6.2 Each delivery of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material to the Underwriters by the Company will constitute the representation and warranty of the Selling Shareholders to the Underwriters that at the respective times of delivery, the Selling Shareholder Matters as applicable to such Selling Shareholder:

(i) are true and correct in all material respects and contain no misrepresentation; and

(ii) constitute full, true and plain disclosure of all material facts relating to such matters.

6.3 The Company has prepared and delivered to the Underwriters copies of (a) a preliminary offering memorandum dated the date hereof comprised of the Preliminary Prospectus and a U.S. covering memorandum thereto (together, the "**Preliminary Offering Memorandum**"), and (b) will prepare and deliver a final offering memorandum dated the date of the Final Prospectus and comprised of the Final Prospectus and a U.S. covering memorandum thereto (together, the "**Final Offering Memorandum**"), each for use by the Underwriters and their U.S. Affiliates in connection with their respective solicitation of purchases of, or offering of, the Offered Securities to certain Qualified Institutional Buyers in the United States in reliance on the exemption from registration provided by Rule 144A.

6.4 The Company represents and warrants to the Underwriters that (i) as of the date of the filing of the Preliminary Offering Documents, the Preliminary Offering Documents do not and (ii) as of the date of filing of the Final Prospectus and as of the Closing Time, the Final Offering Documents will not contain an untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that this representation and warranty shall not apply to statements in or omissions from the Offering Documents relating solely to the Underwriters made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Joint Bookrunners specifically for use in the Offering Documents.

7. Additional Representations and Warranties of the Company

The Company represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Offered Securities, that:

7.1 since the respective dates as of which information is given in the Offering Documents, except as otherwise stated therein, (i) there has been no Material Adverse Change; (ii) there have been no transactions entered into by the Company or any of the Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and the Subsidiaries taken as a whole; and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company or any of the Subsidiaries on any class of its shares (other than dividends paid in the ordinary course);

7.2 the Company has been incorporated and is existing as a corporation and in good standing under the federal laws of Canada, has the corporate power and authority to own, lease and operate its properties and assets (including licenses and other similar rights) and to conduct its business as described in the Offering Documents, and is registered to transact business and is in good standing under the laws of all jurisdictions in which its business is carried on or in which it owns or leases properties except where the failure to be registered or in good standing would not have a Material Adverse Effect;

7.3 each of the Subsidiaries has been incorporated (or formed, if it is not a corporation), is existing and in good standing under the laws of its jurisdiction of incorporation or formation, as the case may be, has the power and authority to own, lease and operate its properties and assets (including licenses and other similar rights) and to conduct its business as described in the Offering Documents, and is registered to transact business and is in good standing under the laws of all jurisdictions in which its business is carried on or in which it owns or leases properties. All of the issued and outstanding shares of, or other equity interests in, each Subsidiary are owned directly or indirectly by the Company, have been duly and validly authorized and issued, are fully paid and, if the Subsidiary is a company, non-assessable, and are owned directly or indirectly by the Company free and clear of any Lien other than: (i) those described in the Offering Documents; and (ii) Permitted Liens;

7.4 the Company has an authorized share capital consisting of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which an aggregate of 182,100,001 common shares and no preferred shares are issued and outstanding as of the date hereof. No person, firm or company has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company or any Subsidiary of any unissued shares of the Company or any Subsidiary or any right to convert any obligation into or exchange any shares of the Company or any Subsidiary, or for the purchase or acquisition of the assets or property of any kind of the Company or any Subsidiary, in each case, except as otherwise referred to in the Offering Documents. All of the issued and outstanding common shares (including, for greater certainty, the Offered Securities) of the Company have been duly and validly authorized and issued as fully paid and non-assessable, and none of the outstanding common shares (including, for greater certainty, the Offered Securities) of the Company was issued in violation of the pre-emptive or similar rights of any securityholder of the Company;

7.5 the Company is currently and, as at the Closing Time, will be directly or indirectly the registered owner of 100% of the equity and voting interest in each of the Subsidiaries;

7.6 other than the Subsidiaries, the Company does not have any subsidiaries that are material to the Company's business, on a consolidated basis;

7.7 the Company has the requisite corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder;

7.8 this Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms; except as enforcement hereof and thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law;

7.9 the forms of the certificates representing the Offered Securities have been duly approved and adopted by the Company and comply in all respects with the requirements of the CBCA and the TSX;

7.10 the common shares of the Company, including the Offered Securities, are listed and posted for trading on the TSX;

7.11 each of the Preliminary Prospectus and the Final Prospectus, in each case, in both the English and French languages, the Preliminary Offering Memorandum and the Final Offering Memorandum and the execution and filing of each of the Preliminary Prospectus and the Final Prospectus, in both the English and French languages, with the Canadian Securities Regulators have been duly approved and authorized by all necessary action by the Company, and each of the Preliminary Prospectus and the Final Prospectus, in both the English and French languages, has been, in the case of the Preliminary Prospectus, and will be, in the case of the Final Prospectus, duly executed and filed by and on behalf of the Company;

7.12 the rights, privileges, restrictions, conditions and other terms attaching to the common shares and the preferred shares of the Company conform in all material respects to the respective descriptions thereof contained in the Offering Documents;

7.13 the Financial Statements have been prepared in conformity with IFRS, consistently applied throughout the periods involved, and comply as to form in all material respects with the applicable accounting requirements of Canadian Securities Laws and the CBCA. Such Financial Statements present fairly in all material respects the financial position, financial performance and cash flows of the Company as at the dates and for the periods of such Financial Statements. The Financial Information presents fairly in all material respects the information shown therein and has been compiled on a basis consistent with that of the Financial Statements;

7.14 the Company's inventory of products consists of items that are usable and saleable, subject to any reserves reflected in the most recent Financial Statements, in each case, in the ordinary course of business or as otherwise would not result in a Material Adverse Effect; the Company owns such inventory free and clear of any Lien, other than (i) those described in the Offering Documents including the Financial Statements; (ii) those that do not, individually or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of the Subsidiaries; and (iii) Permitted Liens. As of the date of the most recent consolidated balance sheet of the Company forming part of the Financial Statements, the values at which such inventory is carried on such balance sheet are in accordance with IFRS;

7.15 except as disclosed in the Offering Documents including the Financial Statements, neither the Company nor any of the Subsidiaries has outstanding any debentures, notes, mortgages, or other indebtedness that is material to the Company and the Subsidiaries taken as a whole;

7.16 none of the Company or any Subsidiary has, or on the Closing Date and the Option Closing Date, as applicable, will have, incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise) that continue to be outstanding on such date except: (i) as disclosed or contemplated in the Offering Documents including the Financial Statements; or (ii) as incurred in the ordinary course of business by the Company or any of the Subsidiaries and which do not have a Material Adverse Effect;

7.17 except as disclosed in the Offering Documents including the Financial Statements, or which would not individually or in the aggregate have a Material Adverse Effect, since February 1, 2014 (i) there has not been any change in the share capital, long-term debt, financial condition or operations of the Company or any of the Subsidiaries other than changes in the ordinary course of business; (ii) the business of the Company and the Subsidiaries has been carried on in the ordinary course; (iii) none of the property or assets of the Company or the Subsidiaries shown or reflected in the Financial Statements has been transferred, assigned, sold, distributed, dividended or otherwise disposed of other than in the ordinary course of business; and (iv) none of the Company or any of the Subsidiaries has cancelled any material debts or entitlements other than in the ordinary course of business;

7.18 Deloitte LLP is independent in accordance with the rules of professional conduct applicable to auditors in Canada, and applicable Canadian Securities Laws, and there has not been any “reportable event” (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with such auditors with respect to audits of the Company or any of the Subsidiaries;

7.19 the Company and each of the Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

7.20 the Company has devised and maintains a system of disclosure controls and procedures designed to ensure that information required to be disclosed by it under Canadian Securities Laws is recorded, processed, summarized and reported within the time periods specified in Canadian Securities Laws. Such disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed is accumulated and communicated to the management of the Company, including the chief executive officer and the chief financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure and such disclosure controls and procedures are effective;

7.21 the Company and each of the Subsidiaries maintains internal control over financial reporting which is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As of February 1, 2014, none of the Company or the Subsidiaries was aware of any material weaknesses in its internal control over financial reporting;

7.22 since February 1, 2014, there has been no change in the Company’s or the Subsidiaries’ internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's or the Subsidiaries' internal control over financial reporting;

7.23 except as disclosed in the Offering Documents including the Financial Statements (and except, in the case of defaults under Company Contracts (as defined below) and Company Laws (as defined below), for such breaches, violations, conflicts or defaults that do not or would not, individually or in the aggregate, have a Material Adverse Effect), neither the Company nor any of the Subsidiaries is in violation or default of, nor will the execution of this Agreement and the performance by the Company of its obligations hereunder, result in any breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under, or give rise to any right to accelerate the maturity or require the prepayment of any indebtedness under, or result in the imposition of any Lien upon any property or assets of the Company or any Subsidiary pursuant to (i) any term or provision of the constating documents or by-laws of the Company or any Subsidiary or any resolution of the directors or shareholders of the Company or any Subsidiary; (ii) any contract (including the Material Contracts), mortgage, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease (including for real property) or licence to which the Company or any Subsidiary is a party or bound or to which any of the business, operations, property or assets of the Company or any Subsidiary is subject (collectively, "**Company Contracts**"); or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any Subsidiary or their business, operations or assets, of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such Subsidiary (collectively, "**Company Laws**");

7.24 all material Company Contracts have been made available to the Underwriters in the Company's data room, and all Company Contracts are valid and binding obligations of the Company or the Subsidiaries, as applicable, and are in good standing; and except as would not result in a Material Adverse Effect, (i) no event of default or event which after the giving of notice or the lapse of time or both would constitute an event of default, has occurred and is outstanding under any Company Contracts; (ii) none of the Company or any Subsidiary is aware of any default by the other parties to each Company Contract; and (iii) none of the Company or any Subsidiary has waived any rights under any Company Contract;

7.25 no securities commission, stock exchange or comparable authority has issued any order preventing or suspending the use of the Preliminary Prospectus, the Preliminary Offering Memorandum, the Final Prospectus, the Final Offering Memorandum, or any Supplementary Material or U.S. Supplementary Material, if any, nor instituted proceedings for that purpose and, to the Knowledge of the Company, no such proceedings are pending or contemplated;

7.26 Equity Financial Trust Company at its principal office in Toronto, Ontario has been duly appointed as registrar and transfer agent for the common shares;

7.27 except as disclosed in the Offering Documents including the Financial Statements, there is no litigation or governmental or other proceeding or investigation at law or in equity before any court or before or by any federal, provincial, state, municipal or other governmental or public department, commission, board, agency or body, domestic or foreign, in progress or, to the Knowledge of the Company, pending or threatened against, or involving the assets, properties or business of, the Company or any of the Subsidiaries which would result in a Material Adverse Effect or which would materially and adversely affect the consummation of the transactions contemplated by this Agreement or the performance by the Company of its obligations hereunder and thereunder;

7.28 (i) each of the Company and the Subsidiaries is in compliance in all material respects with the provisions of applicable federal, provincial, state, local and foreign laws and regulations respecting employment; (ii) no labour dispute with the employees of the Company or any of the Subsidiaries exists or, to the Knowledge of the Company is pending or threatened or imminent, and the Company is not aware of any existing or imminent labour disturbance by the employees of the Company and any Subsidiary's principal suppliers and contractors, which, in either case, may have or result in a Material Adverse Effect or impair the sale of the Offered Securities or the consummation of the transactions contemplated hereby; (iii) the labour relations of the Company, its Subsidiaries and of each of the Subsidiaries are satisfactory; and (iv) no collective agreement or collective bargaining agreement or modification thereof has expired and none is currently being negotiated by the Company or any of the Subsidiaries, which, in either case, may have or result in a Material Adverse Effect;

7.29 none of the five largest suppliers of the Company and the Subsidiaries, taken as a whole, has notified the Company or any Subsidiary in writing, and the Company and the Subsidiaries have no reason to believe, that any such supplier does not intend to continue dealing with the Company or any Subsidiary on substantially the same terms as presently conducted, subject to changes in pricing and volume in the ordinary course;

7.30 except as disclosed in the Offering Documents, there are no bonuses, distributions or excess salary payments which will be payable by the Company to any employee of the Company or the Subsidiaries after the Closing Date relating to his or her employment with the Company or the Subsidiaries prior to the Closing Date;

7.31 except as disclosed in the Offering Documents, (i) there are no workers' compensation claims pending against the Company or any of the Subsidiaries that individually or in the aggregate, would result in a Material Adverse Effect; and (ii) to the Knowledge of the Company (a) none of the executive officers of the Company described in the Offering Documents or any executive employee of any Subsidiary has any plans to terminate his or her employment, (b) none of the executive officers of the Company described in the Offering Documents or any other employee of any Subsidiary is subject to any secrecy or non-competition agreement or any other agreement or restriction of any kind that would impede in any way the ability of such executive officer or employee to carry out fully all activities of such employee in furtherance of the Company's or such Subsidiary's business, and (c) none of the executive officers of the Company described in the Offering Documents or any other employee or former employee of any Subsidiary has any claim with respect to any Intellectual Property rights of any Subsidiary or the Company;

7.32 (i) to the Knowledge of the Company, neither the Company nor any of the Subsidiaries has since February 1, 2014, directly or indirectly, (a) made or authorized any contribution, payment or gift of funds or property of the Company or the Subsidiaries or other unlawful expense relating to political activity to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or (b) made any direct or indirect contribution from corporate funds to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the United States *Foreign Corrupt Practices Act of 1977*, as amended, or *Title 18 United States Code Section 1956 and 1957* (U.S.) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Company or the Subsidiaries and their respective operations, and the Company and the Subsidiaries have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation; and (ii) the operations of the Company and the Subsidiaries are and since February 1, 2014, have been conducted at all times in compliance with such legislation and no suit, action or proceeding by or before any governmental authority or any arbitrator involving the Company or any Subsidiary with respect to such legislation is in progress, or to the Knowledge of the Company, pending or threatened;

7.33 (i) the Company or the Subsidiaries, as the case may be, owns or has the right to use all patents, patent rights, licences, inventions, copyrights, know how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trade-marks, service marks, trade names or other intellectual property (collectively, "**Intellectual Property**") and all technology used or held for use in the conduct of the business now operated by the Company and the Subsidiaries without any conflict with or infringement upon the rights of others, in each case with such exceptions as would, individually or in the aggregate, not result in a Material Adverse Effect and subject to limitations contained in any applicable license agreement; provided, however, that no representation or warranty is made as to the extent to which ownership of or right to use any particular Intellectual Property or technology includes the exclusive right to use such Intellectual Property or technology; and (ii) to the Knowledge of the Company, there is no action, suit proceeding or claim pending or threatened by others challenging the Company's rights in or to any Intellectual Property or the validity or scope of any Intellectual Property owned, licensed or commercialized by the Company and the Subsidiaries, and the Company is unaware of any other fact which could form a reasonable basis for any such action, suit, proceeding or claim;

7.34 neither the Company nor any Subsidiary has taken, nor will the Company or any Subsidiary take, any action which is designed to or which constitutes or might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Securities;

7.35 no approval, authorization, consent or other order of, permit, qualification, license, decree, and no filing, registration or recording with, any government, governmental instrumentality, authority, agency or court having jurisdiction over the Company or the Subsidiary is required for the performance by the Company or the Subsidiary of its obligations under this Agreement or the consummation of the transactions contemplated by this Agreement (including, without limitation, the distribution of the Offered Securities in the manner contemplated herein), except as have been or will be obtained or made prior to Closing;

7.36 the Company and the Subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them, except where the failure to hold such Governmental Licenses would not, individually or in the aggregate, result in a Material Adverse Effect. The Company and the Subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, individually or in the aggregate, result in a Material Adverse Effect;

7.37 the Company and the Subsidiaries have good and marketable title to all personal and movable properties owned by them, in each case, free and clear of any Lien other than (i) those described in the Offering Documents including the Financial Statements; (ii) those that do not, individually or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of the Subsidiaries; or (iii) the Permitted Liens;

7.38 (i) the Company and the Subsidiaries, as applicable, have good and marketable title, or in the case of real property in Québec, good and valid title, in fee simple to all real property owned by them as set forth as "Fee-Owned" under the heading "Real Estate Portfolio" in the Offering Documents (the "**Owned Properties**") free and clear of all Liens, except Permitted Liens or such as do not affect the value of such property and do not interfere with the current use thereof by the Company and the Subsidiaries; (ii) any real property and buildings held under lease by the Company and the Subsidiaries (the "**Leased Properties**") are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the current use thereof by the Company and the Subsidiaries; (iii) the buildings, improvements, fixtures and other structures located on the Owned Properties and on the Leased Properties, and the operation and maintenance thereof, as now operated and maintained comply in all material respects with all applicable laws and regulations, municipal or otherwise (except where the failure to comply would not result in a Material Adverse Effect); (iv) there are no expropriation or similar proceedings, actual or threatened, of which the Company or the Subsidiaries have received written notice against or in respect of the Owned Properties or the Leased Properties or any part thereof; and (v) other than as described in the Offering Documents, all buildings, improvements, fixtures and other structures situated on the Leased Properties are adequate and suitable for the purposes for which they are currently being used, in all material respects; (vi) there are no agreements, options, contracts or commitments to sell, transfer or dispose of the Owned Properties or any interest therein; and (vii) all of the Owned Properties and the Leased Properties have ingress thereto and egress therefrom, and such ingress and egress are sufficient and adequate for the operations of the Company and the Subsidiaries as presently conducted or the Company and the Subsidiaries have title insurance which provides coverage for such ingress and egress;

7.39 except for the Owned Properties and except as disclosed in the Offering Documents, each of the Company and the Subsidiaries leases all such properties as are necessary to the conduct of its operations as presently conducted;

7.40 to the Knowledge of the Company, none of the Company's directors or officers is now, or has ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;

7.41 except as disclosed in the Offering Documents, no director or officer, former director or officer, or employee of, or any other person not dealing at arm's length with, the Company or the Subsidiaries, their respective affiliates or their respective directors, officers or employees, is or will be after Closing engaged in any material transaction or arrangement with or be a party to a material contract with, or have any material indebtedness, liability or obligation to, the Company or any of the Subsidiaries;

7.42 except as disclosed in the Offering Documents, none of the Company or any Subsidiary is a party or bound by, and none of the business, operations, property or assets of the Company or any Subsidiary is subject to, any material non-arm's length agreements or arrangements other than on terms and at a price that would have applied if the parties had been dealing at arm's length;

7.43 except as described in or contemplated in the Offering Documents and in the Financing Instruments entered into as of the date hereof, (i) the Company is not currently, and will not be following the Closing, prohibited directly or indirectly, from paying any dividends or from making any other distributions on its share capital; (ii) no Subsidiary is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such Subsidiary's share capital, partnership interests or membership interests, from repaying to the Company any loans or advances to such Subsidiary or from transferring any of such Subsidiary's property or assets to the Company or any other Subsidiary of the Company;

7.44 except as described in the Offering Documents including the Financial Statements and except for such matters as would not, individually or in the aggregate, result in a Material Adverse Effect, (i) neither the Company nor any of the Subsidiaries is in violation of any currently applicable federal, provincial, state, local or foreign statute, law, rule, regulation, ordinance or code relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to a Release or threatened Release of pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos containing materials or mold (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"); (ii) the Company and the Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws to conduct the business now operated by them and are each in compliance with the requirements of such permits, authorizations and approvals; (iii) there are no pending administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of the Subsidiaries; and (iv) neither the Company nor any of the Subsidiaries has received any written notice within the past five years alleging in any manner that such entity is responsible, or potentially responsible for any Release of Hazardous Materials, any penalties or liabilities arising under any Environmental Laws or any violation of Environmental Laws. To the Knowledge of the Company, any costs or liabilities associated with compliance with Environmental Laws would not, individually or in the aggregate, result in a Material Adverse Effect;

7.45 the Company and the Subsidiaries, as the case may be, have each, except as would not result in a Material Adverse Effect, (i) timely filed (or has had timely filed on their behalf) all returns, declarations, reports, estimates, information, returns, elections and statements (collectively, "**Returns**") required to be filed or sent in respect of any governmental charges or required to be filed or sent by it to any taxing authority having jurisdiction since incorporation or organization and all such Returns have been prepared in accordance with the provisions of the applicable legislation and are true, correct and complete in all material respects; (ii) timely and properly paid (or has had paid on its behalf), all governmental charges due or claimed to be due by a governmental body; and (iii) has properly withheld or collected and remitted all amounts required to be withheld or collected and remitted by it in respect of any governmental charges;

7.46 other than the nominating rights agreement among the Company, Hudson's Bay Company (Luxembourg) S.à r.l., L&T B (Cayman) Inc. and Hanover Investments (Luxembourg) S.A. dated November 26, 2012, the nominating rights agreement among the Company and HS Investments L.P. dated July 28, 2013, the standstill, voting and support agreement among the Company and West Face Capital Inc. dated November 4, 2013, and except as disclosed in the Offering Documents or any agreements among and between the managers of L&T B (Cayman) Inc., the Company has not been notified of, nor is it a party to, any agreement which in any manner affects the voting or control of any securities of the Company or any of their Subsidiaries;

7.47 other than the amended and restated shareholders agreement (the "**Shareholders Agreement**") among the Company, Luxco, L&T B (Cayman) Inc., Hanover Investments (Luxembourg) S.A. and HS Investment L.P. dated July 28, 2013, the side letter entered into by the Company and West Face Capital Inc. and dated November 4, 2013 and consented to by L&T B (Cayman) Inc., Hanover Investments (Luxembourg) S.A. Luxco and HS Investment L.P., and except as disclosed in the Offering Documents, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the 1933 Act or to file a prospectus under Canadian Securities Laws with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the offering to which the Final Prospectus relates. Except for the Shareholders Agreement, options granted under the Option Plan or any other convertible securities issued under any of the other equity incentive plans described in the Offering Documents, the holders of outstanding shares of the Company's share capital are not entitled to pre-emptive or other rights to subscribe for common shares, including after exercise or conversion of any security or right to acquire any security;

7.48 No person has provided the Company with a Demand Registration pursuant to section 2.1 of the Shareholders Agreement (other than in connection with the Offering). The Company has provided a Piggy-Back Notice in connection with the Offering to each of the Shareholders (other than the Shareholder who initiated such Demand Registration in connection with the Offering) as required pursuant to section 2.2 of the Shareholders Agreement and none of these Shareholders has provided the Company with a Piggy-Back Registration in the time periods agreed to by the Shareholders and the Company. None of the Shareholders has provided a notice to transfer any common shares pursuant to section 3.1 or section 3.2 of the Shareholders Agreement. (Terms not otherwise defined in this Section 7.48 have the meanings ascribed to them in the Shareholder Agreement).

7.49 no order, ruling or determination having the effect of suspending the sale or ceasing the trading or distribution of the Offered Securities or any other securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the Knowledge of the Company, threatened, under any of Canadian Securities Laws or United States Securities Laws;

7.50 policies of insurance issued by insurers of recognized financial responsibility are maintained in respect of the operations, properties and assets, employees, directors and officers of the Company and the Subsidiaries in such amounts and covering such risks as are prudent and customary in the businesses in which they are engaged, and such policies of insurance are maintained for the benefit of the Company and the Subsidiaries. All such policies of insurance are in full force and effect and no material default exists under such policies of insurance as to the payment of premiums or otherwise under the terms of any such policy, there are no claims by the Company nor any Subsidiary under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and the Company and the Subsidiaries have no reason to believe that they will not be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage on similar terms from similar insurers as may be necessary to continue their business. Neither the Company nor any Subsidiary has been denied any insurance coverage which it has sought or for which it has applied;

7.51 copies of the minute books and records of the Company and the Subsidiaries made available to counsel for the Underwriters in connection with their due diligence investigation in respect of the offering of the Offered Securities constitute all of the minute books and records of such entities and contain copies of all proceedings (or certified copies thereof) in respect of matters of the shareholders, the boards of directors and all committees of the boards of directors of the Company and the Subsidiaries to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings in respect of matters of the shareholders, board of directors or any committees of the board of directors of the Company and the Subsidiaries to the date of review of such corporate records and minute books not reflected in such minutes and other records other than those which are not material in the context of such entities, as applicable;

7.52 except as contemplated hereby, there is no person acting at the request of the Company who is entitled to any brokerage or agency fee in connection with the sale of the Offered Securities contemplated herein;

7.53 except as disclosed in the Offering Documents, no acquisition has been made by the Company or any Subsidiary during its three most recently completed fiscal years that would be a significant acquisition for the purposes of Canadian Securities Laws, and no proposed acquisition by the Company or any Subsidiary has progressed to a state where a reasonable person would believe that the likelihood of the Company or any Subsidiary completing the acquisition is high and that, if completed by the Company or any Subsidiary at the date of the Offering Documents, would be a significant acquisition for the purposes of Canadian Securities Laws, in each case, that would require the prescribed disclosure in the Offering Documents pursuant to such laws;

7.54 the Company has a reasonable basis for disclosing any forward looking information contained in the Offering Documents and is not, as of the date hereof, required to update any such forward looking information pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*;

7.55 the Company is a reporting issuer in all provinces and territories of Canada, is not in default of any requirement under Canadian Securities Laws and is not on the list of defaulting issuers maintained by the applicable Canadian Securities Regulators;

7.56 the Company is qualified in each of the Qualifying Jurisdictions to issue securities using a short form prospectus pursuant to National Instrument 44-101 – S*hort Form Prospectus Distributions*;

7.57 to the Knowledge of the Company, the Saks Financial Statements fairly present, in all material respects, in accordance with U.S. GAAP, as amended from time to time, consistently applied, the financial position of Saks as at the dates thereof and the consolidated results of the operations of Saks for the periods then ended and reflect, on a consolidated basis, all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Saks and its subsidiaries, on a consolidated basis, for the periods and as at the dates thereof;

7.58 the Pro Forma Financial Statements have been prepared in accordance with IFRS, consistently applied, have been prepared and presented in accordance with Canadian Securities Laws, and include all adjustments necessary for a fair presentation, including with respect to the Saks Financial Statements, and includes all reconciliations to IFRS, as required in order to prepare the Pro Forma Financial Statements in accordance with National Instrument 52-107 - *Acceptable Accounting Principles and Auditing Standards of the Canadian Securities Regulators*. The assumptions contained in the Pro Forma Financial Statements are suitably supported and consistent with the operating results of the Company and Saks, and such statements provide a reasonable basis for the compilation of the Pro Forma Financial Statements and the Pro Forma Financial Statements accurately reflect such assumptions; and

7.59 the Company is in compliance in all material respects with its continuous and timely disclosure obligations under Canadian Securities Laws and the rules and regulations of the TSX and has filed all documents required to be filed by it with the Canadian Securities Regulators under applicable Canadian Securities Laws, and no document has been filed on a confidential basis with the Canadian Securities Regulators that remains confidential at the date hereof. None of the documents filed in accordance with applicable Canadian Securities Laws contained, as at the date of filing thereof, a misrepresentation.

8. Additional Representations and Warranties of the Selling Shareholders

Each of the Selling Shareholders jointly and severally represents and warrants to the Underwriters with respect to itself, and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Purchased Securities and Additional Securities (if any) that:

8.1 (i) in the case of LuxCo, it is existing as a private limited liability company (*société à responsabilité limitée*) under the laws of Luxembourg and has the power and authority to own, lease and operate its properties and assets and (ii) in the case of TNRI, it is a corporation existing under the laws of the state of Delaware and has the power and authority to own, lease and operate its properties and assets;

8.2 as of the Closing, other than common shares of the Company (and, in the case of TNRI, other than the issued and outstanding preferred shares of LuxCo), it owns no material assets and, in the case of TNRI, other than intercompany notes held by HBTC, has no outstanding indebtedness nor is it subject to any material obligations;

8.3 it has the requisite corporate power, authority and capacity to enter into and deliver this Agreement and to perform its obligations hereunder, including as of the Closing to sell the Purchased Securities and, as of the Option Closing Date, the Additional Securities (if any) to be sold by it to the Underwriters;

8.4 this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation of such Selling Shareholder, enforceable against it in accordance with its terms; except as enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law;

8.5 except, in the case of defaults under Selling Shareholder Contracts and Selling Shareholder Laws (each as defined below), for such breaches, violations, conflicts or defaults that do not or would not, individually or in the aggregate, have a material adverse effect on it or the completion of the transactions contemplated in this Agreement such Selling Shareholder is not in violation or default of, nor will the execution and delivery of this Agreement, and the performance by such Selling Shareholder of its obligations hereunder, including the sale of the Offered Securities to be sold by it, result in any breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under, or give rise to any right to accelerate the maturity or require the prepayment of any indebtedness under, or result in the imposition of any Lien upon any property or assets of such Selling Shareholder pursuant to (i) any term or provision of its constating document or by-laws or any of its resolutions of the managers or shareholders; (ii) any material contract, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease (including for real property) or license to which it is a party or bound or to which any of the business, operations, property or assets of such Selling Shareholder is subject (collectively, the "**Selling Shareholder Contracts**"); or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to such Selling Shareholder or its business, operations or assets, of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over it (collectively, the "**Selling Shareholder Laws**");

8.6 (i) LuxCo is the beneficial owner and has valid and marketable title to the Offered Securities and on the Closing Date and the Option Closing Date each Selling Shareholder will be the beneficial owner and have valid and marketable title to the Purchased Securities and the Additional Securities, as applicable, to be sold by it under the Offering Documents, and as of the Closing Date or Option Closing Date, as applicable, such Offered Securities will be free and clear of any Lien, except as provided for or as is contemplated in this Agreement; (ii) it will have the full right, power and authority to sell, assign, transfer and deliver the Purchased Securities to be sold by it on the Closing Date and, in the case of LuxCo, the Additional Securities to be sold by it on the Option Closing; and (iii) upon delivery of Offered Securities to be sold by it and payment of the purchase price therefor as herein contemplated, the Underwriters will obtain good, valid and marketable title to the Offered Securities to be acquired by them from such Selling Shareholder, free and clear of any Lien;

8.7 neither it nor any affiliate of it has taken, nor will it or any of its affiliate take, any action which is designed to or which constitutes or might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Securities;

8.8 no approval, authorization, consent or other order of, permit, qualification, license, decree, and no filing, registration or recording with, any government, governmental instrumentality, authority, agency or court having jurisdiction over it is required of such Selling Shareholder for the performance by it of its obligations under this Agreement (including in connection with the sale of the Offered Securities hereunder), or the consummation of the transactions contemplated by this Agreement, except as have been or will be obtained or made prior to Closing or Option Closing, as the case may be;

8.9 except as contemplated hereby, there is no person acting at the request of such Selling Shareholder who is entitled to any brokerage or agency fee in connection with the sale of the Offered Securities contemplated herein;

8.10 there are no reports or information that, in accordance with the requirements of the Canadian Securities Regulators, must be made publicly available by it in connection with the sale of the Purchased Securities and the Additional Securities, as applicable, to be sold by it that have not been made or will not be made publicly available as required;

8.11 there are no documents required to be filed by it with any Canadian Securities Regulator in connection with the Offering Documents that have not been filed or will not be filed as required by the Canadian Securities Laws; and there are no contracts or documents to which it is a party which are required to be described in the Offering Documents which have not been or will not be so described;

8.12 there is no litigation or governmental or other proceeding or investigation at law or in equity before any court or before or by any federal, provincial, state, municipal or other governmental or public department, commission, board, agency or body, domestic or foreign, in progress or, to the knowledge of such Selling Shareholder, pending or threatened against, or including the assets, properties or business of, such Selling Shareholder which would result in a material adverse effect on such Selling Shareholder or which would adversely affect the consummation of the transactions contemplated by this Agreement, or the performance by the Selling Shareholder of its obligations hereunder; and

8.13 in respect of each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material, all information and statements (except information and statements relating solely to the Underwriters which have been provided by the Underwriters through the Joint Bookrunners in writing specifically for use in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material) contained therein (A) are, to the best of the knowledge of the Selling Shareholder, true and correct in all material respects and contain no misrepresentation; and (B) to the best of the knowledge of the Selling Shareholder, constitute full, true and plain disclosure of all material facts relating to, (i) the Company and the Subsidiaries considered as a whole, and (ii) the Offered Securities.

9. Commercial Copies

The Company shall cause commercial copies of the Preliminary Prospectus and the Final Prospectus, in the English and French languages, and the Preliminary Offering Memorandum and the Final Offering Memorandum to be printed and delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by written instructions to the printer of such documents. The delivery of the Preliminary Prospectus or the Final Prospectus, as the case may be, shall be effected as soon as possible after receipt of the Preliminary Receipt and the Final Receipt, as applicable, but in any event no later than 11:00 a.m. (Toronto time) on the Business Day following the receipt of the Preliminary Receipt or the Final Receipt, as applicable. The Company shall similarly cause to be delivered, without charge in such quantities and in such cities as the Underwriters may reasonably request, commercial copies of any Supplementary Material or any U.S. Supplementary Material. Such deliveries shall constitute the consent of the Company and the Selling Shareholders to the Underwriters' use of such Offering Documents for the distribution of Offered Securities in compliance with the provisions of this Agreement and Canadian Securities Laws and United States Securities Laws. The commercial copies of the Preliminary Prospectus and the Final Prospectus shall be identical in content to the electronically transmitted versions thereof filed with Canadian Securities Regulators on the System for Electronic Document Analysis and Retrieval.

10. Change of the Closing Date

Subject to the right of any Underwriter to terminate its obligations under this Agreement in accordance with the termination provisions contained in Section 19, if a material change or a change in a material fact occurs prior to the Closing Date which requires a Prospectus Amendment, the Closing Date shall be, unless the Company and the Selling Shareholders and the Underwriters otherwise agree in writing or unless otherwise required under Canadian Securities Laws, the fifth Business Day following the later of:

(a) the date on which all applicable filings or other requirements of Canadian Securities Laws with respect to such material change or change in a material fact have been complied with in all Qualifying Jurisdictions and any appropriate Passport System receipt obtained for such filings and notice of such filings from the Company or its counsel have been received by the Underwriters; and

(b) the date upon which the commercial copies of any Supplementary Material or U.S. Supplementary Material have been delivered in accordance with Section 9,

provided, however, that the Closing Date shall not be later than July 7, 2014.

11. Completion of Distribution

The Underwriters shall after the Closing Time and, if applicable, the Option Closing Time, give prompt written notice to the Company and the Selling Shareholders when, in the opinion of the Underwriters, they have completed the distribution of the Purchased Securities or the Additional Securities, as the case may be, including the total proceeds realized in each of the Qualifying Jurisdictions and any other jurisdiction.

12. Material Change or Change in Material Fact and Other Covenants

12.1 During the period from the date of this Agreement to the later of the Closing Date and the date of completion of distribution of the Offered Securities under the Final Offering Documents, each of the Company and the Selling Shareholders (but in the case of the

Selling Shareholders, only with respect to Section 12.1(ii) and only to the extent related to Selling Shareholder Matters applicable to such Selling Shareholders) shall promptly, after receiving notice or obtaining knowledge, notify the Underwriters and their counsel in writing of the full particulars of:

(i) (a) the issuance by any securities commission, stock exchange or comparable authority of any order suspending or preventing the use of the Preliminary Prospectus, the Preliminary Offering Memorandum, the Final Prospectus, the Final Offering Memorandum, or any Supplementary Material or U.S. Supplementary Material, (b) the suspension of the qualification of the Offered Securities for offering or sale in any of the Qualifying Jurisdictions or in the United States, (c) the institution, threatening or contemplation of any proceeding for any of those purposes, or (d) any requests made by any securities commission, stock exchange or comparable authority for amending or supplementing the Preliminary Prospectus, the Preliminary Offering Memorandum, the Final Prospectus, the Final Offering Memorandum, or any Supplementary Material or U.S. Supplementary Material or for additional information, and will use its reasonable best efforts to prevent the issuance of any such order and, if any such order is issued, to obtain the withdrawal of the order promptly;

(ii) any material change (whether actual, anticipated, contemplated or proposed by, or threatened) or development involving a prospective material change in the results of operations, condition (financial or otherwise), business, affairs, prospects, assets, properties, liabilities (contingent or otherwise), cash flows, income, business operations or capital of the Company and the Subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business;

(iii) any material fact that has arisen or has been discovered and would have been required to have been stated in the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such document; and

(iv) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents or whether any event or state of facts has occurred after the date of this Agreement,

which fact or change is, or may be, in any case, of such a nature as to render any statement in the Offering Documents misleading or untrue or which would result in a misrepresentation in the Offering Documents or which would result in the Offering Documents not complying (to the extent that such compliance is required) with Canadian Securities Laws or United States Securities Laws, in each case, as at any time up to and including the later of the Closing Date and the date of completion of the distribution of the Offered Securities.

12.2 The Company shall promptly, and in any event within any applicable time limitation, comply to the satisfaction of the Underwriters, acting reasonably, with all applicable filings and other requirements under Canadian Securities Laws and United States Securities Laws or as requested by the Underwriters which, in their opinion, acting reasonably, is necessary or advisable as a result of any fact or change contemplated under Subsection 12.1 and each Selling Shareholder shall cooperate with and assist the Company for purposes of facilitating such compliance by the Company; provided that the Company shall not file any Supplementary Material or other document, or distribute any Supplementary Material or U.S. Supplementary Material or other document, without first consulting with the Underwriters and the Selling Shareholders. The Company (and the

Selling Shareholders with respect to Selling Shareholder Matters) shall in good faith discuss with the Underwriters any fact or change in circumstances which is of such a nature that there is reasonable doubt whether written notice need be given under this Section 12.

12.3 The Company covenants and agrees with the Underwriters that it will:

(i) promptly provide to the Underwriters, and will cause each of the Subsidiaries to provide to the Underwriters, during the period commencing on the date hereof and until completion of the distribution of the Offered Securities, copies of any filings made by the Company or the Subsidiaries of information relating to the offering of the Offered Securities with any securities exchange or any regulatory body in Canada or the United States or any other jurisdiction; and

(ii) promptly provide to the Underwriters, during the period commencing on the date hereof and until completion of the distribution of the Offered Securities, drafts of any press releases and other public documents of the Company or the Subsidiaries relating to the Company or the Offering contemplated by this Agreement for review by the Underwriters and their counsel prior to issuance, provided that any such review will be completed in a timely manner.

13. Obligations of the Selling Shareholders

13.1 Each of the Selling Shareholders covenants and agrees with the Underwriters that it will deliver to the Underwriters, without charge, in Toronto, Ontario, contemporaneously with or prior to the filing of the Preliminary Prospectus and the Final Prospectus, a copy of any document, if any, required to be filed by such Selling Shareholder under Canadian Securities Laws in connection with the offering of the Offered Securities contemplated by this Agreement.

13.2 LuxCo hereby agrees to transfer, assign or convey to TNRI and TNRI agrees to accept such transfer, assignment or conveyance from LuxCo, prior to the Closing Date, the number of common shares of the Company equal to the number of Purchased Securities set forth opposite TNRI's names on Schedule E.

13.3 The obligation of the Selling Shareholders to sell and deliver the Purchased Securities at the Closing Time shall be joint and several. If, for any reason whatsoever, TNRI fails to deliver to the Joint Bookrunners, on behalf of the Underwriters, any Purchased Securities required to be delivered by it (the "**TNRI Defaulted Securities**"), LuxCo shall be unconditionally obliged, at the Closing Time to sell and deliver to the Underwriters such number of common shares of the Company equal to the number of TNRI Defaulted Securities.

14. Services Provided by Underwriters and Underwriting Fee

In consideration of the Underwriters' agreement to purchase the Purchased Securities and the Additional Securities (if any) from the Selling Shareholders, and in consideration of the services in connection with the distribution of the Offered Securities:

(A) each Selling Shareholder agrees to pay to the Underwriters a fee equal to $0.7120 per Purchased Security purchased from such Selling Shareholder, or 4.0% of the offering price per Purchased Security at the Closing Time; and

(B) LuxCo agrees to pay to the Underwriters a fee equal to $0.7120 per Additional Security, or 4.0% of the offering price per Additional Security at the Option Closing Time,

(collectively, the "**Underwriting Fee**").

The Underwriting Fee shall be payable as provided for in Section 15.

15. Delivery of Purchase Price, Underwriting Fee and Offered Securities

The purchase and sale of the Purchased Securities and Additional Securities shall be completed at the Closing Time and the Option Closing Time, respectively, at the offices of Stikeman Elliott LLP in Toronto, Ontario or at such other place as the Underwriters and the Company and the Selling Shareholders may agree upon.

At the Closing Time each Selling Shareholder and, if applicable, at the Option Closing Time, LuxCo, shall duly deliver to the Joint Bookrunners, on behalf of the Underwriters in the form of an electronic deposit pursuant to the non-certificate issue system (the "**NCI System**") maintained by CDS Clearing & Depository Services Inc. or one or more unlegended certificates representing, as the case may be, the Purchased Securities or the Additional Securities sold by such Selling Shareholder to the Underwriters, in each case registered in the name of "CDS & Co." or in such other form or such other name or names as the Joint Bookrunners, on behalf of the Underwriters, may notify the Company and the Selling Shareholders in writing not less than 48 hours prior to the Closing Time or Option Closing Time, as the case may be.

Purchased Securities or Additional Securities, as the case may be, shall be delivered against payment by the Underwriters to the Selling Shareholders of the Purchase Price or Additional Purchase Price (in each case net of the applicable Underwriting Fee) for the Purchased Securities or Additional Securities, as the case may be, by wire transfer of immediately available funds together with a receipt signed by the Joint Bookrunners, on behalf of the Underwriters, for such Purchased Securities or Additional Securities, as the case may be, purchased by the Underwriters for resale, and for receipt of the Underwriting Fee.

In order to facilitate an efficient and timely closing at the Closing Time and, if applicable, the Option Closing Time, the Joint Bookrunners, on behalf of the Underwriters, may choose to initiate wire transfers of immediately available funds to the Selling Shareholders prior to the Closing Time or prior to the Option Closing Time, as the case may be. If the Joint Bookrunners do so, the Selling Shareholders agree that such transfer of funds to the Selling Shareholders prior to the Closing Time and to LuxCo prior to the Option Closing Time, as the case may be, does not constitute a waiver by the Underwriters of any of the conditions of Closing or the Option Closing set out in this Agreement. Furthermore, each Selling Shareholders agrees that any such funds received by such Selling Shareholder from the Underwriters prior to the Closing Time or prior to the Option Closing Time, if applicable, will be held by such Selling Shareholder in trust solely for the benefit of the Underwriters until the Closing Time or the Option Closing Time, as the case may be, and if the Closing or the Option Closing, as the case may be, does not occur at the scheduled Closing Time or the Option Closing Time, as the case may be, such funds shall be immediately returned by wire transfer to the Joint Bookrunners, on behalf of the Underwriters, without interest. Upon the satisfaction of the conditions of the Closing or the Option Closing, as the case may be, and the delivery to the Underwriters of the items set out in Section 16, the funds held by the Selling Shareholders in trust for the Underwriters shall be deemed to be delivered by the Underwriters to the Selling Shareholders in satisfaction of the obligation of the Underwriters under this Section 15 and upon such delivery, the trust constituted by this Section 15 shall be terminated without further formality.

16. Delivery of Certificates to Transfer Agent

The Company and the Selling Shareholders, prior to the Closing Date or the Option Closing Date, as the case may be, shall make all necessary arrangements for the electronic deposit pursuant to the NCI

System and for the preparation, delivery, certification and deposit of the definitive certificate(s), if any, representing the Purchased Securities or Additional Securities, as the case may be, on the Closing Date or the Option Closing Date, as the case may be, with CDS Clearing and Depository Services Inc. and/or Equity Financial Trust Company, except for legended certificates, if any, which shall be delivered and/or deposited upon instruction from the Joint Bookrunners.

All fees and expenses payable to CDS Clearing and Depository Services Inc. and/or Equity Financial Trust Company including in connection with the electronic deposit pursuant to the NCI System and the preparation, delivery, certification and exchange of the certificate(s), if any, representing the Purchased Securities and the Additional Securities contemplated by this Section 16, the fees and expenses payable to CDS Clearing and Depository Services Inc. and/or Equity Financial Trust Company in connection with the initial or additional transfers as may be required in the course of the distribution of the Purchased Securities and the Additional Securities shall be borne by the Company.

17. Conditions to the Underwriters' Obligation to Purchase the Purchased Securities

The Underwriters' obligation to purchase the Purchased Securities at the Closing Time shall be subject to the accuracy of the representations and warranties of the Company contained in this Agreement as of the date of this Agreement and as of the Closing Date, the performance by the Company of its obligations under this Agreement and the following conditions:

17.1 Delivery of Opinions

(i) The Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Underwriters, acting reasonably, addressed to the Underwriters (and if required for opinion purposes, counsel to the Underwriters) from Stikeman Elliott LLP, Canadian counsel to the Company and the Selling Shareholders, as to the laws of Canada and the Qualifying Jurisdictions, which counsel in turn may rely upon the opinions of local counsel where it deems such reliance proper as to the laws other than the laws of the provinces of Alberta, British Columbia, Ontario and Québec (or alternatively, make arrangements to have such opinions directly addressed to the Underwriters and counsel to the Underwriters), and all of such counsel may rely upon, as to matters of fact, certificates of the auditors of the Company, public officials and officers of the Company and the Selling Shareholders, as applicable, and letters from stock exchange representatives and transfer agents, with respect to the following matters, it being understood that such legal opinion will be subject to market customary assumptions and qualifications:

(A) as to the continuation, existence and good standing status of the Company under the laws of its jurisdiction of continuation;

(B) as to the adequacy of the corporate power and capacity of the Company to enter into this Agreement and to carry out its obligations hereunder;

(C) as to the authorized capital of the Company;

(D) that the Company has all requisite corporate power, capacity and authority under the laws of its jurisdiction of continuation to carry on its businesses as presently carried on and to own its property and assets;

(E) that no authorization, consent or approval of, or filing, registration, permit, license, decree, qualification or recording with, any government, governmental instrumentality, authority, agency or court having jurisdiction in British Columbia, Alberta, Ontario or Québec is required for the execution and delivery of this Agreement and the performance by each of the Company or the Selling Shareholders of their respective obligations hereunder and the consummation of the transactions contemplated by this Agreement (including, without limitation, the distribution of the Offered Securities in the manner contemplated herein), except as have been or will be obtained or made prior to Closing;

(F) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of (A) this Agreement and the performance of its obligations hereunder, and (B) the Preliminary Prospectus, the Final Prospectus, and, if applicable, the Preliminary Offering Memorandum, the Final Offering Memorandum and, if applicable, any Supplementary Material or U.S. Supplementary Material, and the filing of the Preliminary Prospectus and the Final Prospectus and, if applicable, any Supplementary Material under Canadian Securities Laws in each of the Qualifying Jurisdictions;

(G) that the Offered Securities have been duly authorized, executed and issued by the Company and are outstanding as fully paid and non-assessable common shares;

(H) that the description of the Offered Securities in the Final Prospectus is in all material respects a true, complete and accurate description of the rights, privileges, restrictions and conditions attaching to the Offered Securities;

(I) that this Agreement has been duly authorized, executed and delivered by each of the Company and the Selling Shareholders and constitutes a legal, valid and binding obligation of the Company and the Selling Shareholders, as the case may be, enforceable against the Company and the Selling Shareholders in accordance with its terms under the laws of Ontario, subject to customary qualifications for enforceability;

(J) that the execution, delivery and performance of this Agreement and the performance by the Company and the Selling Shareholders of their respective obligations under this Agreement, including, in the case of the Selling Shareholders, the sale of the Offered Securities do not constitute and will not result in any breach or violation of, (i) any term or provision of the constating documents or by-laws of the Company; and (ii) the applicable laws of general application in British Columbia, Alberta, Ontario and Québec,

(K) that the forms and terms of certificate(s) representing the Offered Securities comply in all respects with all applicable statutory requirements, any applicable requirements of the constating documents and by-laws of the Company, the rules of the TSX and the CBCA, and have been duly approved by the Company;

(L) that the statements under the heading “Eligibility for Investment” in the Offering Documents are accurate, subject to the assumptions, qualifications, limitations and restrictions set out therein;

(M) that, subject to the qualifications, assumptions, limitations and restrictions referred to in the Section entitled “Certain Canadian Federal Income Tax Considerations” in the Offering Documents, the statements made therein, to the extent that such statements summarize matters of law or legal conclusions, fairly summarize the matters described therein in all material respects;

(N) that Equity Financial Trust Company, at its principal office in Toronto, Ontario has been duly appointed as registrar and transfer agent for the common shares of the Company;

(O) that the Company is a reporting issuer under Canadian Securities Laws and is not in default nor is it included on the list of defaulting issuers maintained pursuant to Canadian Securities Laws of each of the Qualifying Jurisdictions that maintains such list;

(P) that all necessary documents have been filed, all requisite proceedings have been taken and all legal requirements have been fulfilled by the Company to qualify the Offered Securities for distribution and sale to the public in each of the Qualifying Jurisdictions through investment dealers or brokers registered in such categories under the applicable laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such applicable laws;

(Q) that the Company is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus in each Qualifying Jurisdiction;

(R) all the laws of the Province of Québec relating to the use of the French language (other than those relating to verbal communication) will have been complied with in connection with the Offering to purchasers in such province if such purchasers received a copy of the Preliminary Prospectus and Final Prospectus (or if applicable, any Supplementary Material) and forms of order and confirmation in the French language only or a copy of each such documents in the French language and in the English language, provided that such documents in the English language may be delivered, without delivery of the French language versions thereof, to physical persons in the Province of Québec who have expressly requested them in writing.

(ii) The Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Underwriters, acting reasonably, addressed to the Underwriters from Paul, Weiss, Rifkind, Wharton & Garrison LLP, U.S. securities law counsel to the Company and the Selling Shareholders, as to the laws of the United States (which counsel in turn may rely, as to matters of fact, on certificates of the auditors of the Company, public officials and officers of the Company and the Selling Shareholders, as applicable, and letters from stock exchange representatives) with respect to the following matters, it being understood that such legal opinion will be subject to market customary assumptions and qualifications:

(A) that, assuming the accuracy of the representations and warranties of the Company, the Selling Shareholders and the Underwriters set forth in this Agreement, it is not necessary in connection with (i) the offer, sale and delivery of the Offered Securities by the Selling Shareholders to the Underwriters or (ii) the initial resale of the Offered Securities in the United States by the Underwriters, in each case in the manner contemplated by the Preliminary Offering Memorandum and the Final Offering Memorandum and this Agreement and Schedule B to this

Agreement, to register the Securities under the 1933 Act, it being understood that no opinion is expressed as to any subsequent resale of the Offered Securities; and

(B) that the Company is not, and immediately following the Closing will not be, required to be registered as an "investment company" under the 1940 Act, as amended.

(iii) The Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Underwriters, acting reasonably, addressed to the Underwriters from Allen & Overy, Luxembourg counsel to LuxCo, with respect to the following matters, it being understood that such legal opinion will be subject to Luxembourg market customary assumptions and qualifications:

(A) as to the existence of LuxCo under the laws of Luxembourg;

(B) that LuxCo has all requisite corporate power, capacity and authority under the laws of Luxembourg to:

1. hold and own the Offered Securities and to sell the Offered Securities to the Underwriters; and

2. enter into, execute and perform its obligations under this Agreement;

(C) that this Agreement has been duly executed and delivered by it;

(D) that the execution, delivery and performance by LuxCo of this Agreement, and the compliance by LuxCo with the terms of the Agreement (including the sale of the Offered Securities to be sold by LuxCo), do not violate the articles of association of LuxCo or any applicable law Luxembourg relating to private limited liability companies (*sociétés à responsabilité limitée*) generally; and

(E) that no approval, authorization or consent of governmental, judicial and public bodies and authorities of or in Luxembourg is required under statute for the entry into or performance by Luxco of its obligations (including the transfer of common shares of the Company from LuxCo to TNRI) under this Agreement, or the consummation of the transactions contemplated hereunder, except as have been or will be obtained or made prior to Closing.

(iv) The Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Underwriters, acting reasonably, addressed to the Underwriters from Paul, Weiss, Rifkind, Wharton & Garrison LLP, Delaware counsel to TNRI, with respect to the following matters, it being understood that such legal opinion will be subject to market customary assumptions and qualifications:

(A) TNRI is validly existing and in good standing under the laws of the State of Delaware;

(B) TNRI has all necessary limited liability company power to execute, deliver and perform its obligations under this Agreement and to sell, assign, transfer and deliver the Purchased Securities;

(C) this Agreement has been duly authorized by TNRI and, to the extent that execution and delivery are governed by the laws of the state of Delaware, has been duly executed and delivered by or on behalf of TNRI; and

(D) the sale of the Purchased Securities to be sold by TNRI under this Agreement, the execution and delivery by TNRI of this Agreement and the performance by TNRI of its obligations hereunder will not (a) result in the violation of TNRI's organizational documents or (b) violate the Delaware Limited Liability Company Act and those laws, rules and regulations of the United States of America ("Applicable Law"), in each case which in our experience are normally applicable to the transactions of the type contemplated by this Agreement. For purposes of this paragraph, the term "Applicable Law" does not include federal securities laws or state securities laws, other anti-fraud laws, or any law, rule or regulation that is applicable to TNRI, the Purchased Securities, this Agreement or the transactions contemplated hereby solely because such law, rule or regulation is part of a regulatory regime applicable to any party to this Agreement or any of its affiliates due to the specific assets or business of such party or such affiliate.

(v) The Underwriters shall have received at the Closing Time a legal opinion of Norton Rose Fulbright Canada LLP, dated the Closing Date, addressed to the Underwriters with respect to certain matters in Section 17.1(i); provided that Norton Rose Fulbright Canada LLP shall be entitled to rely on the opinions of local counsel as to matters governed by the laws of jurisdictions other than the federal laws of Canada, Alberta, Québec and Ontario, as to matters of fact, on certificates of the auditors of the Company, public officials and officers of the Company; and provided further that such counsel shall be entitled to rely on the opinions of counsel to the Company and the Selling Shareholders with respect to certain of such matters.

(vi) The Underwriters shall have received at the Closing Time a legal opinion from Norton Rose Fulbright Canada LLP as special U.S. counsel to the Underwriters, dated the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters in respect of sales of the Offered Securities in the United States and such counsel shall have received such documentation and information as they may reasonably request to enable them to pass upon such information, and to the effect that, assuming the accuracy of the representations and warranties of the Company, the Selling Shareholders and the Underwriters set forth in this Agreement and Schedule B to this Agreement, it is not necessary in connection with (i) the offer, sale and delivery of the Offered Securities by the Selling Shareholders to the Underwriters or (ii) the initial resale of the Offered Securities in the United States by the Underwriters, in each case in the manner contemplated by the Preliminary Offering Memorandum and the Final Offering Memorandum and this Agreement and Schedule B to this Agreement, to register the Securities under the 1933 Act, it being understood that no opinion is expressed as to any subsequent resale of the Offered Securities.

17.2 Delivery of Comfort Letters at Closing

The Underwriters shall have received from each of Deloitte LLP and PricewaterhouseCoopers LLP at the Closing Time a “bring-down” comfort letter dated the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors of the Company, confirming the continued accuracy of the comfort letters to be addressed to the Underwriters and the directors of the Company pursuant to Section 5 with such changes as may be necessary to bring the information in such letters forward to a date not more than two Business Days prior to the Closing Date, provided such changes are acceptable to the Underwriters, acting reasonably.

17.3 Delivery of Certificates

(i) The Underwriters shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriters signed by appropriate officers of the Company, in form and substance satisfactory to the Underwriters, acting reasonably, with respect to the constating documents and by-laws of the Company, all resolutions of the board of directors of the Company relating to the Offering, the incumbency and specimen signatures of signing officers of the Company.

(ii) The Underwriters shall have received at the Closing Time certificates from each of the Selling Shareholders dated the Closing Date, addressed to the Underwriters signed by appropriate officers of each of the Selling Shareholders, in form and substance satisfactory to the Underwriters, acting reasonably, with respect to the constating documents and by-laws, as applicable, of such Selling Shareholder, all resolutions of the directors or managers, as the case may be, of such Selling Shareholder relating to this Agreement, the incumbency and specimen signatures of signing officers of such Selling Shareholder.

(iii) The Underwriters shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriters and signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company or other senior officers of the Company acceptable to the Underwriters, certifying for and on behalf of the Company after having made enquiry and after having examined the Offering Documents, that:

(A) since the date as of which information is given in the Offering Documents there has been no Material Adverse Change and that no material transaction has been entered into by the Company or the Subsidiaries other than as disclosed in the Offering Documents;

(B) the Offering Documents (except any information, statement or omission relating solely to the Underwriters made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Joint Bookrunners, specifically for use in the Offering Documents) (i) do not contain a misrepresentation and contain full, true and plain disclosure of all material facts relating to the Offered Securities; and (ii) do not contain an untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(C) no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Offered Securities or any other securities of the Company has been issued by any regulatory authority or governmental entity and no proceedings for that purpose has been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority or governmental entity;

(D) the Company has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with at or prior to the Closing Time; and

(E) the representations and warranties of the Company contained in this Agreement and in any certificates or other documents delivered by the Company pursuant to or in connection with this Agreement are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only and in respect of any representations and warranties that are subject to a materiality qualification in which case, they will be true and correct in all respects.

(iv) The Underwriters shall have received at the Closing Time certificates from each of the Selling Shareholders dated the Closing Date, addressed to the Underwriters and signed on behalf of such Selling Shareholder by any authorized signatory of such Selling Shareholder acceptable to the Underwriters, certifying for and on behalf of such Selling Shareholder after having made enquiry, that:

(A) the Selling Shareholder has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with at or prior to the Closing Time; and

(B) the representations and warranties of the Selling Shareholder contained in this Agreement are true and correct in all material respects as of the Closing Time, with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only.

17.4 Additional Conditions

Each of the persons identified in Schedule C will have executed, and Company shall have used reasonable commercial efforts to obtain from Hanover Investments (Luxembourg) S.A., a lock-up agreement in the form set forth in Schedule D.

18. Conditions to Underwriters' Obligations to Purchase the Additional Securities

The several obligations of the Underwriters to purchase the Additional Securities hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Shareholders contained in this Agreement as of the date of this Agreement and as of the Option Closing Date, the performance by the Company and the Selling Shareholders of their respective obligations under this Agreement, the delivery to the Underwriters on the Option Closing Date of opinions dated the Option Closing Date substantially similar to the opinions referred to in Section 17.1 (other than 17.1(iv)), letters dated the Option Closing Date substantially similar to the letters referred to in Section 17.2 and certificates dated the Option Closing Date substantially similar to the certificates referred to in Section 17.3 and the delivery of such other documents as the Underwriters may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Securities and other matters related to the sale of the Additional Securities.

19. Rights of Termination

19.1 Proceedings to Restrict Distribution

If any enquiry, action, suit, investigation or other proceeding is instituted or announced or any order is made by any federal, provincial, state or other governmental authority in relation to the Company or any Selling Shareholders or there is any change in law, or the interpretation or administration thereof, or there is a general moratorium on banking activities in the United States or Canada declared by relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services, which, in any such cases, in the opinion of any of the Underwriters, acting reasonably, operates to materially impact, prevent or restrict the distribution or trading of the Offered Securities, any of the Underwriters shall be entitled, at its option and in accordance with Section 19.5, to terminate its obligations under this Agreement by notice to that effect given to the Company and the Selling Shareholders prior to the Closing Time, or the Option Closing Time, as applicable.

19.2 Disaster Clause

If prior to the Closing Time, or the Option Closing Time, as applicable:

(i) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any outbreak or escalation of national or international hostilities or any crisis or calamity or any governmental action, law, regulation, inquiry or other similar occurrence which, in the reasonable opinion of any of the Underwriters, materially adversely affects or may materially adversely affect the financial markets in Canada or in the United States or the business, operations or affairs of the Company and the Subsidiaries, taken as a whole, or the market price, value or marketability of the Offered Securities or any of them; or

(ii) any inquiry, investigation or other proceeding, or order, ruling or other pronouncement is issued or announced under or pursuant to any relevant statute or by any stock exchange or other regulatory authority, which, in the reasonable opinion of any of the Underwriters, operates to prevent, suspend, restrict, inhibit or otherwise adversely affect the trading in, or which materially adversely impacts the distribution or the marketability of the Offered Securities;

any of the Underwriters shall be entitled, at its option, in accordance with Section 19.5, to terminate its obligations under this Agreement by written notice to that effect given to the Company and the Selling Shareholders at or prior to the Closing Time, or the Option Closing Time, as applicable.

19.3 Material Change or Change in Material Fact

If, prior to the Closing Time, or the Option Closing Time, as applicable, there should occur, be discovered by the Underwriters or be announced by the Company or any Selling Shareholder, any material change or a change in any material fact such as is contemplated by Section 12 which, in the opinion of any of the Underwriters, has or could be reasonably expected to have a significant adverse effect on the market price or value of the Offered Securities or could reasonably be expected to result in the purchasers of a material number of Offered Securities exercising their rights under applicable securities laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof, any Underwriter shall be entitled, at its option and in accordance with Section 19.5, to terminate its obligations under this Agreement by written notice to that effect given to the Company and the Selling Shareholders at or prior to the Closing Time, or the Option Closing Time, as applicable.

19.4 Non-Compliance With Conditions

Each of the Company and the Selling Shareholders agree that all terms and conditions in Section 17 shall be construed as conditions and shall be complied with so far as they relate to acts to be performed or caused to be performed by it, that it will use its commercially reasonable efforts to cause such conditions to be complied with and that any breach or failure by the Company or any of the Selling Shareholders to comply with any such conditions in all material respects shall entitle any of the Underwriters to terminate its obligations to purchase the Purchased Securities and, if the Over-Allotment Option has been exercised, the Additional Securities, by notice to that effect given to the Company and the Selling Shareholders at or prior to the Closing Time, or in the case of the Additional Securities, if any, by notice to that effect to the Company and LuxCo at or prior to the Option Closing Time, as the case may be, unless otherwise expressly provided in this Agreement. Each Underwriter may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon an Underwriter only if such waiver or extension is in writing and signed by the Underwriter.

19.5 Exercise of Termination Rights

The rights of termination contained in Sections 19.1, 19.2, 19.3 and 19.4 may be exercised by any of the Underwriters with respect to the obligation of such Underwriter, and are in addition to any other rights or remedies that any of the Underwriters may have in respect of any default, act or failure to act or non-compliance by the Company or any Selling Shareholder in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the terminating Underwriter(s) to the Company or Selling Shareholders or on the part of the Company or Selling Shareholders to the terminating Underwriter(s), except in respect of any liability which may have arisen prior to or arise after such termination under Sections 20, 21 and 23. A notice of termination given by an Underwriter under Sections 19.1, 19.2, 19.3 and 19.4 shall not apply to or be binding upon any other Underwriter.

20. Indemnity

20.1 Rights of Indemnity

(i) The Company agrees to indemnify and save harmless each of the Underwriters and each of their affiliates and their respective directors, officers, employees and agents, and each person, if any, controlling any Underwriter or any of its subsidiaries and each shareholder of any Underwriter (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") from and against all losses (other than losses of profit or other consequential damages in connection with the distribution of the Offered Securities), costs, expenses, claims, actions, damages and liabilities, joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, commenced or threatened, and any and all reasonable expenses whatsoever including the reasonable fees and expenses of counsel of any Underwriter that may be incurred in investigating, preparing for and/or defending any action, suit, proceeding, investigation or claim made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**"), to which an Indemnified Party may become subject insofar as the Claims are caused by, result from, arise out of or are based upon, directly or indirectly:

(A) any information or statement (except any information, statement or omission relating solely to the Underwriters made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Joint Bookrunners, specifically for use in such document) contained in the Preliminary Offering Documents, the Final Offering Documents or any Supplementary Material or U.S. Supplementary Material (which, in each Offering Document, for greater certainty, includes all documents incorporated by reference therein) or in any certificate of the Company delivered pursuant to this Agreement that at the time and in light of the circumstances under which it was made contains or is alleged to contain (i) a misrepresentation; or (ii) an untrue statement of a material fact or an omission to state a material fact that is required to be stated therein or that is necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(B) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission or other competent authority based upon any misrepresentation or alleged misrepresentation (except any information, statement or omission relating solely to the Underwriters made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Joint Bookrunners, specifically for use in the Preliminary Offering Documents, the Final Offering Documents or any Supplementary Material or U.S. Supplementary Material) contained in the Preliminary Offering Documents, the Final Offering Documents or any Supplementary Material or U.S. Supplementary Material (which, in each Offering Document, for greater certainty, includes all documents incorporated by reference therein), preventing or restricting the trading in or the sale or distribution of the Offered Securities in any jurisdiction;

(C) the non-compliance or alleged non-compliance by the Company or any Selling Shareholder with any of Canadian Securities Laws or United States Securities Laws; or

(D) any breach by the Company or any Selling Shareholder of their respective representations, warranties, covenants or obligations to be complied with under this Agreement.

(ii) Each of the Selling Shareholders jointly and severally agree to indemnify and save harmless each of the Indemnified Parties from and against all Claims to which an Indemnified Party may become subject insofar as the Claims are caused by, result from, arise out of or are based upon, directly or indirectly:

(A) any information or statement contained in any Selling Shareholder Matters related to such Selling Shareholder (except any information, statement or omission relating solely to the Underwriters made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Joint Bookrunners, specifically for use in such documents) contained in the Preliminary Offering Documents, the Final Offering Documents or any Supplementary Material or U.S. Supplementary Material (which, in each Offering Document, for greater certainty, includes all documents incorporated by reference therein) or in any certificate of such Selling Shareholder delivered pursuant to this Agreement that at the time and in light of the circumstances under which it was made contains or is alleged to contain (i) a misrepresentation; or (ii) an untrue statement of a material fact or an omission to state a material fact that is required to be stated therein or that is necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(B) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission or other competent authority based upon any misrepresentation or alleged misrepresentation contained in any Selling Shareholder Matters related to such Selling Shareholder (except any information, statement or omission relating solely to the Underwriters made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Joint Bookrunners, specifically for use in the Preliminary Offering Documents, the Final Offering Documents or any Supplementary Material or U.S. Supplementary Material) contained in the Preliminary Offering Documents, the Final Offering Documents or any Supplementary Material or U.S. Supplementary Material (which in each Offering Document, for greater certainty includes all documents incorporated by reference therein), preventing or restricting the trading in or the sale or distribution of the Offered Securities in any jurisdiction;

(C) the non-compliance or alleged non-compliance by such Selling Shareholder with any of Canadian Securities Laws or United States Securities Laws; or

(D) any breach by such Selling Shareholder of its respective representations, warranties, covenants or obligations to be complied with under this Agreement.

Notwithstanding anything to the contrary in this Agreement, the maximum aggregate amount payable by any Selling Shareholder under the indemnity provision contained in this Section 20 shall be the gross proceeds received by such Selling Shareholder from the sale of the Offered Securities hereunder, net of the Underwriting Fee payable by the Selling Shareholder under Section 13.

(iii) The rights of indemnity contained in this Section 20 will not inure to the benefit of the Indemnified Parties if the person asserting any claim contemplated by this Section 20 was not provided by the Indemnified Parties with a copy of any Final Offering Document or any Supplementary Material or U.S. Supplementary Material which corrects any untrue statement or information, misrepresentation (for the purposes of Canadian Securities Laws or United States Securities Laws) or omission which is the basis of the Claim and which is required under applicable securities laws to be delivered to that person by the Underwriters or Selling Firms.

20.2 Notification of Claims

If any Claim is asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be provided, such Indemnified Party will notify the Company and/or the applicable Selling Shareholder, as the case may be (as applicable, the "**Indemnifiers**"), as soon as possible of the nature of such Claim (but failure or delay to so notify the Indemnifiers of any potential Claim shall not relieve the Indemnifiers from any liability which it may have to any Indemnified Party and any failure to so notify the Indemnifiers of any actual Claim shall affect the Indemnifier's liability only to the extent that it is materially prejudiced by such failure or delay). The Indemnifiers shall assume the defence of any suit brought to enforce such Claim; provided, however, that the defence shall be conducted through legal counsel reasonably acceptable to the Indemnified Party, and provided that no settlement of any such Claim or admission of liability may be made by the Indemnifiers without the prior written consent of the Indemnified Parties, or unless such settlement, compromise or judgment: (i) includes an unconditional release of each Indemnified Party from all liability arising out of such Claim; and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnified Party.

20.3 Right of Indemnity in Favour of Others

With respect to any Indemnified Party who is not a party to this Agreement, the Underwriters shall obtain and hold the rights and benefits of this Section 20 in trust for and on behalf of such Indemnified Party.

20.4 Retaining Counsel

In any Claim, the Indemnified Party shall have the right to retain other counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party, unless: (i) the Indemnifiers and the Indemnified Party shall have mutually agreed to the retention of the other counsel; (ii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Party and the Indemnifiers, and the Indemnified Party shall have reasonably concluded that there may be legal defences available to the Indemnified Party that are different or in addition to those available to the Indemnifiers or the Indemnified Party shall have been advised in writing by legal counsel that the representation of all parties by the same counsel would be inappropriate due to the actual or potential differing interests between them; or (iii) the Indemnifiers shall not have assumed responsibility for the Claim and retained acceptable counsel within seven Business Days following receipt by the Indemnifiers of notice of any such Claim from the Indemnified Party, provided, however, that no settlement of any such Claim or admission of liability may be made by the Indemnified Party without the prior written consent of the Company and the Selling Shareholders, as the case may be, acting reasonably.

21. Contribution

21.1 Rights of Contribution

In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 20 would otherwise be available in accordance with its terms but is, for any reason not solely attributable to any one or more of the Indemnified Parties, held to be unavailable to, insufficient or unenforceable by the Indemnified Parties, or enforceable otherwise than in accordance with its terms, the Indemnifiers and the Indemnified Parties shall:

(i) contribute to the aggregate of all claims, expenses, costs and liabilities and all losses of a nature contemplated by Section 20 in such proportions so that the Indemnified Parties shall be responsible for the portion represented by the percentage that the aggregate Underwriting Fee payable to the Underwriters hereunder bears to the aggregate selling price of the Offered Securities and the Indemnifiers shall be responsible for the balance; and

(ii) if the allocation provided by Section 21.1(i) above is not permitted by applicable law, the Indemnifiers and the Indemnified Parties shall contribute such proportions as is appropriate to reflect not only the relative benefits referred to in Section 21.1(i) above but also the relative fault of the Company and the Selling Shareholder, on the one hand, and the Indemnified Parties, on the other hand, in connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses, as determined by final judgment of a court of competent jurisdiction, as well as any other relevant equitable considerations,

provided, however, that: (a) the Indemnified Parties shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate Underwriting Fee or any portion of such fee actually received under this Agreement; and (b) no party who has been determined by a court of competent jurisdiction in a final, non-appealable judgment to have engaged in any fraud, wilful default, fraudulent misrepresentation or gross negligence in connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses shall be entitled to claim contribution from any person who has not been determined by a court of competent jurisdiction in a final, non-appealable judgement to have engaged in such fraud, wilful default, fraudulent misrepresentation or gross negligence in connection with such Claim or Claims.

For greater certainty, the Selling Shareholders will not have any obligation to contribute pursuant to this Section 21 in respect of any Claim except to the extent the indemnity given by it in Section 20.1(ii) of this Agreement would have been applicable to that Claim in accordance with its terms, had that indemnity been found to be enforceable and available to the Indemnified Parties.

21.2 Rights of Contribution in Addition to Other Rights

The rights to contribution provided in this Section 21 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law.

21.3 Calculation of Contribution

In the event that the Indemnifiers may be held to be entitled to contribution from the Indemnified Parties under the provisions of any statute or at law, the Indemnifiers shall be limited to contribution in an amount not exceeding the lesser of:

(i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Indemnified Parties are responsible, as determined in Section 21.1 or 21.2, as the case may be; and

(ii) the amount of the Underwriting Fee actually received by the Underwriters from the Selling Shareholders under this Agreement;

and an Indemnified Party shall in no event be liable to contribute any amount in excess of such Indemnified Party's portion of the Underwriting Fee actually received from the Selling Shareholders under this Agreement.

21.4 Notice

If the Indemnified Parties have reason to believe that a claim for contribution may arise, they shall give the Company and the Selling Shareholders notice of such claim in writing, as soon as reasonably possible, but failure or delay to so notify the Company and the Selling Shareholders shall not relieve the Company or the Selling Shareholders of any obligation which they may have to the Indemnified Parties under this Section 21, except to the extent they are actually prejudiced thereby.

21.5 Right of Contribution in Favour of Others

With respect to this Section 21, the Indemnifiers acknowledge and agree that the Underwriters are contracting on their own behalf and as agents for their affiliates, directors, officers, employees and agents, and each person, if any, controlling any Underwriter or any of its subsidiaries and each shareholder of any Underwriter. The Underwriters' respective obligations to contribute pursuant to this Section 21 are several in proportion to the percentages of Offered Securities set forth opposite their respective names in Section 24 hereof and not joint (or joint and several).

21.6 Remedy Not Exclusive

The remedies provided for in this Section 21 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any party at law or in equity.

22. Severability

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

23. Expenses

23.1 Fees and Expenses of Offering

(i) Whether or not the transactions contemplated by this Agreement shall be completed, all expenses of or incidental to the sale and delivery of the Offered Securities and all reasonable expenses of or incidental to all other matters in connection with the transactions set out in this Agreement shall be borne by the Company including, without limitation, fees and expenses payable in connection with the qualification of the Offered Securities for distribution and expenses with respect to the sale and delivery of the Offered Securities, the fees relating to arranging for clearance and settlement arrangements, all fees and disbursements of counsel to the Company and the Selling Shareholders, all fees and expenses of the Company's auditors, accountants (including PricewaterhouseCoopers LLP), translators and other advisors, all costs incurred in connection with the preparation, translating, filing and printing of the Offering Documents, any Supplementary Material, any U.S. Supplementary Material, "green sheets" and certificates representing the Offered Securities (including any transfer taxes and any stamp or other duties payable upon the sale and delivery of the Offered Securities to the Underwriters), all filing fees, attorneys' fees and expenses incurred by the Company and Selling Shareholders or reasonably incurred by the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Offered Securities for offer and sale under the 'Blue Sky' laws and, if requested by the Underwriters, preparing and printing a 'Blue Sky Survey' or memorandum, and any supplements thereto, and advising the Underwriters of such qualifications, registrations and exemptions, the fees and expenses of the Company's transfer agent, the fees and expenses relating to the preparation, issuance and delivery of this Agreement, any agreement among Underwriters and such other documents as may be required in connection with the offering, purchase, sale or delivery of the Offered Securities, all reasonable expenses associated with any roadshows and marketing activities of the Company including travel and lodging expenses in connection with due diligence and marketing activities, and all taxes exigible in respect of any of the foregoing.

(ii) The Selling Shareholders covenant and agree with the Underwriters that the Selling Shareholders will pay or cause to be paid all costs and expenses incidental to the performance of the Selling Shareholders' obligations hereunder which are not otherwise specifically provided for in this Section, including all expenses and taxes incident to the sale and delivery of the Offered Securities, if any, to be sold by the Selling Shareholders to the Underwriters hereunder.

(iii) To the extent applicable, all expenses and other amounts payable under the terms of this Agreement shall be paid without any set-off.

23.2 Fees and Expenses of Underwriters

In the event the Closing occurs, the Underwriters will be responsible for their "out of pocket" expenses and the fees and disbursements of their legal counsel. In the event the Offering is not completed due to any failure by the Company and/or the Selling Shareholders to comply with the terms of this Agreement or due to the exercise of the termination rights of the Underwriters set forth herein, the Company will be responsible for reimbursing the Underwriters for all such expenses, fees and disbursements, to the extent they are reasonably incurred.

24. Rights to Purchase

24.1 Obligation of Underwriters to Purchase

Subject to the terms and conditions of this Agreement, the obligation of the Underwriters to purchase the Purchased Securities or the Additional Securities at the Closing Time or at the Option Closing Time, as the case may be, shall be several and not joint and shall be limited to the percentage of the Purchased Securities or the Additional Securities, as the case may be, set out opposite the name of the respective Underwriters below:

CIBC World Markets Inc.	20.0%
RBC Dominion Securities Inc.	20.0%
BMO Nesbitt Burns Inc.	15.0%
TD Securities Inc.	15.0%
Merrill Lynch Canada Inc.	12.0%
Scotia Capital Inc.	9.0%
Canaccord Genuity Corp.	7.0%
National Bank Financial Inc.	2.0%
TOTAL	**100.0%**

Subject to Section 24.3 if an Underwriter (a "Refusing Underwriter") shall fail to purchase its applicable percentage of the Purchased Securities or the Additional Securities, as the case may be (the "Underwriter Defaulted Securities"), at the Closing Time or the Option Closing Time, as the case may be, the remaining Underwriters (the "Continuing Underwriters") will be entitled, at their option, to purchase, severally and not jointly (or jointly and severally), all but not less than all of the Underwriter Defaulted Securities on a pro rata basis among the Continuing Underwriters in proportion to the percentage of Purchased Securities or the Additional Securities, as the case may be, which such Continuing Underwriters have agreed to purchase pursuant to this Agreement or in any proportion agreed upon, in writing, by the Continuing Underwriters. If no such arrangement has been made and the number of Underwriter Defaulted Securities to be purchased by the Refusing Underwriters does not exceed 10% of the total number of the Purchased Securities or the Additional Securities, as the case may be, the Continuing Underwriters will be obligated to purchase, severally and not jointly (or jointly and severally), the Underwriter Defaulted Securities on the terms set out in this Agreement in such proportions, provided that the Continuing Underwriters shall have the right to postpone the Closing Time or the Option Closing Time, as applicable, for such period not exceeding ten Business Days as they shall determine and notify the Company and the Selling Shareholders in order that the required changes, if any, to the Offering Documents or to any other documents or arrangements may be effected. If the number of Underwriter Defaulted Securities to be purchased by the Refusing Underwriters exceeds 10% of the total number of the Purchased Securities or the Additional Securities, as the case may be, the Continuing Underwriters will not be obliged to purchase the Underwriter Defaulted Securities and, if the Continuing Underwriters do not elect to purchase the Underwriter Defaulted Securities, the Continuing Underwriters will not be obliged to purchase any of the Purchased Securities or the Additional Securities, as the case may be, and there shall be no further liability or obligation on the part of the Company, the Selling Shareholders or the Underwriters except in respect of any liability which may have arisen or may arise under Sections 20, 21 and 23. Nothing in this Section 24 shall oblige the Selling Shareholders to sell to the Underwriters less than all of the Purchased Securities or the Additional Securities covered by the Over-Allotment Option Notice, as the case may be, or relieve "from liability" to the Selling Shareholders any Underwriter which shall be so in default.

24.2 Purchases by Other Underwriters

If the amount of the Purchased Securities or the Additional Securities, as the case may be, that the Continuing Underwriters wish to purchase exceeds the amount of the Purchased Securities or the Additional Securities, as the case may be, that would otherwise have been purchased by an Underwriter that is in default, such Purchased Securities or Additional Securities, as the case may be, shall be divided *pro rata* among the Continuing Underwriters desiring to purchase such Purchased Securities or Additional Securities, as the case may be, in proportion to the percentage of Purchased Securities or Additional Securities, as the case may be, that such Underwriters have agreed to purchase as set out in Section 24.1.

24.3 Rights to Purchase of Other Underwriters

In the event that one or more but not all of the Underwriters shall exercise their right of termination under Section 19, the Continuing Underwriters shall have the right, but shall not be obligated, to purchase all of the percentage of the Purchased Securities or Additional Securities, as the case may be, that would otherwise have been purchased by such Underwriters which have so exercised their right of termination. If the amount of such Purchased Securities or Additional Securities, as the case may be, that the Continuing Underwriters wish, but are not obliged, to purchase exceeds the amount of such Purchased Securities or Additional Securities, as the case may be, which remain available for purchase, such Purchased Securities or Additional Securities, as the case may be, shall be divided *pro rata* among the Underwriters desiring to purchase such Purchased Securities or Additional Securities, as the case may be, in proportion to the percentage of Purchased Securities or Additional Securities, as the case may be, which such Underwriters have agreed to purchase as set out in Section 24.1.

24.4 Right of the Selling Shareholders to Terminate

Nothing in this Section 24 or in Section 19 shall oblige the Selling Shareholders to sell to the Underwriters less than all of the Purchased Securities or the Additional Securities set out in the Over-Allotment Notice.

25. Restrictions of Further Issuances and Sales

25.1 The Company shall not, directly or indirectly, without the prior written consent of the Joint Bookrunners, such consent not to be unreasonably withheld, create, issue, sell, offer, contract, grant any option, right (including without limitation any put option or call option) or warrant for the sale of, lend, secure, pledge, transfer or otherwise dispose of or monetize, or make any short sale, engage in any hedging transaction, enter into any swap, or enter into any form of arrangement the consequence of which is to directly or indirectly transfer to someone else, in whole or in part, any of the economic consequences of ownership of, whether in a public offering or by way of private placement or otherwise, any common shares or any securities convertible or exchangeable into common shares, or any other securities of the Company, or agree or become bound to do so, or prepare or file any preliminary prospectus or prospectus under Canadian Securities Laws, any registration statement under the 1933 Act, or any offering memorandum or other offering document with respect to any of the foregoing, or publicly announce any intention to do any of the foregoing, for the period commencing on the date hereof and ending 90 days after the Closing Date, except pursuant to its outstanding stock option or employee purchase plans or any outstanding convertible securities.

25.2

(i) Except as contemplated by this Agreement, TNRI and LuxCo shall not, directly or indirectly, without the prior written consent of the Joint Bookrunners such consent not to be unreasonably withheld, sell, offer, contract, grant any option, right (including without limitation any put option or call option) or warrant for the sale of, lend, secure, pledge, transfer or otherwise dispose of or monetize, or make any short sale, engage in any hedging transaction, enter into any swap, or enter into any form of arrangement the consequence of which is to directly or indirectly transfer to someone else, in whole or in part, any of the economic consequences of ownership of, whether in a public offering or by way of private placement or otherwise, any common shares or any securities convertible or exchangeable into common shares, or any other securities of the Company, or agree or become bound to do so, or prepare or file or cause the Company to prepare or file any preliminary prospectus or prospectus under Canadian Securities Laws, any registration statement under the 1933 Act, or any offering memorandum or other offering document with respect to any of the foregoing, or act jointly or in concert with any third party with respect to any of the foregoing, or publicly announce any intention to do any of the foregoing, for a period commencing on the date hereof and ending 90 days after the Closing Date.

(ii) Notwithstanding the foregoing, LuxCo may transfer its common shares of the Company to its sole shareholder, HBTC, provided HBTC agrees, with respect to such transferred shares, to be bound by and to comply with the terms of this Section 25.2 for the remainder of the 90 day period and provided that HBTC shall be permitted to transfer the shares it acquires to its limited partners if they agree to be bound by and to comply with the terms of this Section 25.2 on the same basis as HBTC provided that any person who would, after giving effect to such transfer, beneficially own or control, directly or indirectly, less than 1.0% of all outstanding common shares of the Company shall not be obligated to be bound and comply with the terms of this Section 25.2.

26. Stabilization

In connection with the distribution of the Offered Securities, the Underwriters and the Selling Firms, if any, may over-allot or effect transactions which stabilize or maintain the market price of the common shares at levels other than those which might otherwise prevail in the open market, in compliance with applicable Canadian Securities Laws, United States Securities Laws and the rules and regulations of applicable stock exchanges. Those stabilizing transactions, if any, may be discontinued at any time.

27. Interest in TMX Group Limited

Each of CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc. and National Bank Financial Inc., or an affiliate thereof, owns or controls an equity interest in TMX Group Limited ("**TMX Group**") and has a nominee director serving on the TMX Group's board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the TSX, the TSX Venture Exchange and the Alpha Exchange. No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc. and National Bank Financial Inc. supplying or continuing to supply a product or service.

28. Survival of Representations and Warranties

The representations, warranties, obligations and agreements of the Company and the Selling Shareholders contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Securities shall survive the purchase of the Offered Securities for a period of three years and 30 days following the Closing (other than in respect of the indemnification obligations of the Company and the Selling Shareholders set forth in Section 20 or in respect of any Claim that may be pending at that time with respect to any representation, warranty, obligation or agreement of the Company or the Selling Shareholders contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Securities, which in each case shall survive indefinitely) and shall continue in full force and effect unaffected by any subsequent disposition of the Offered Securities by the Underwriters or the termination of the Underwriters' obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the preparation of the Offering Documents or the distribution of the Offered Securities.

29. Time, Assignment

Time is of the essence in the performance of the parties' respective obligations under this Agreement.

The terms and provisions of this Agreement will be binding upon and inure to the benefit of the Company, the Selling Shareholders and the Underwriters and their respective successors and assigns; provided that, except as otherwise provided in this Agreement, this Agreement will not be assignable by any party without the written consent of the others and any purported assignment without such consent will be invalid and of no force and effort.

30. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

31. No Fiduciary Duty

The Company and the Selling Shareholders hereby acknowledge that (i) the purchase and sale of the Offered Securities pursuant to this Agreement is an arm's-length commercial transaction between the Selling Shareholders, on the one hand, and the Underwriters and any affiliate through which they may be acting to effect sales pursuant to Schedule B hereof, on the other hand; (ii) such Underwriters are acting as principal and not as an agent or fiduciary of the Company or the Selling Shareholders; and (iii) the Company and Selling Shareholders' engagement of the Underwriters in connection with the purchase and sale of the Offered Securities and the process leading up to the purchase and sale of the Offered Securities is as independent contractors and not in any other capacity. Furthermore, the Company and Selling Shareholders agree they are solely responsible for making their own judgments in connection with the purchase and sale of the Offered Securities (irrespective of whether any of such Underwriters has advised or is currently advising the Company and any of the Selling Shareholders on related or other matters). The Company and Selling Shareholders agree that they will not claim that such Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company or Selling Shareholders in connection with such transaction or the process leading thereto.

32. Notice

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Company, addressed and sent to:

Hudson's Bay Company
401 Bay Street
Suite 500
Toronto, Ontario
Canada M5H 2Y4

Attention: David Pickwoad, Senior Vice President and General Counsel
Facsimile: (416) 861-4200
Email: david.pickwoad@hbc.com

If to Luxco, addressed and sent to:

Hudson's Bay Company (Luxembourg) S.à r. l.
65, Boulevard Grande Duchesse
Charlotte, L-1331 Luxembourg

Attention: Richard A. Baker, Class A Manager
Facsimile: (212) 382-7880
Email: richard.baker@hbc.com

If to TNRI

True North Retail Investments I, Inc.
15 W. 38th Street
New York, New York 10018

Attention: Richard A. Baker
Facsimile: (212) 382-7880
Email: richard.baker@hbc.com

If to the Company or Selling Shareholders with a copy (which shall not constitute notice to the Company or Selling Shareholders) to Stikeman Elliott LLP, addressed and sent to:

5300 Commerce Court West
199 Bay Street
Toronto, Ontario
Canada M5L 1B9

Attention: Ian Putnam
Facsimile: (416) 947-0866
Email: iputnam@stikeman.com

If to CIBC World Markets Inc., addressed and sent to:

CIBC World Markets Inc.
161 Bay Street, 6th Floor
Brookfield Place
Toronto, Ontario
Canada M5J 2S8

Attention: Ryan Voegeli
Facsimile: (416) 594-7226
Email: ryan.voegeli@cibc.com

If to RBC Dominion Securities Inc., addressed and sent to:

RBC Dominion Securities Inc.
200 Bay Street
Royal Bank Plaza
4th Floor, South Tower
Toronto, Ontario
Canada M5J 2W7

Attention: Steve Michell
Facsimile: (416) 842-7650
Email: steve.michell@rbccm.com

If to BMO Nesbitt Burns Inc., addressed and sent to:

BMO Nesbitt Burns Inc.
1 First Canadian Place
100 King Street West, 5th Floor
Toronto, Ontario
Canada M5X 1H3

Attention: Brad Fraser
Facsimile: (416) 359-7300
Email: brad.fraser@bmo.com

If to TD Securities Inc., addressed and sent to:

TD Securities Inc.
66 Wellington Street West, 8th Floor
Toronto, Ontario
Canada M5K 1A2

Attention: Sanjay Nakra
Facsimile: (416) 983-3176
Email: sanjay.nakra@tdsecurities.com

If to Merrill Lynch Canada Inc., addressed and sent to:

Merrill Lynch Canada Inc.
181 Bay Street, 4th Floor
Toronto, Ontario
Canada M5J 2V8

Attention: Jamie Hancockmailto:timothy.johnston@baml.com
Facsimile: 416-369-2106
Email: jamie.hancock@baml.com

If to Scotia Capital Inc., addressed and sent to:

Scotia Capital Inc.
Scotia Plaza
40 King Street West, 66th Floor
Toronto, Ontario
Canada M5W 2X6

Attention: Dany Beauchemin
Facsimile: (416) 863-7117
Email: dany.beauchemin@scotiabank.com

If to Canaccord Genuity Corp., addressed and sent to:

Canaccord Genuity Corp.
Brookfield Place
161 Bay Street, Suite 3000
Toronto, Ontario
Canada M5J 2S1

Attention: James Merkur
Facsimile: (416) 869-3876
Email: jmerkur@canaccordgenuity.com

If to National Bank Financial Inc., addressed and sent to:

National Bank Financial Inc.
The Exchange Tower
130 King Street West
Suite 3200
Toronto, Ontario
Canada M5X 1J9

Attention: Alex Smith
Facsimile: (416) 869-6411
Email: alex.smith@nbc.ca

If to any of the Underwriters, with a copy (which shall not constitute notice to the Underwriter) to Norton Rose Fulbright Canada LLP, addressed and sent to:

Royal Bank Plaza
South Tower, Suite 3800
200 Bay Street
Toronto, Ontario
Canada M5J 2Z4

Attention: Pierre Dagenais
Facsimile: (416) 216-3930
Email: pierre.dagenais@nortonrosefulbright.com

or to such other address as any of the parties may designate by giving notice to the others in accordance with this Section 32.

Each notice shall be personally delivered to the addressee or sent by facsimile or e-mail to the addressee and:

(i) a notice that is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and

(ii) a notice that is sent by facsimile or e-mail shall be deemed to be given and received on the first Business Day following the day on which it is sent.

33. Authority of Joint Bookrunners

The Joint Bookrunners are hereby authorized by each of the other Underwriters to act on its behalf, and the Company and the Selling Shareholders shall be entitled to and shall act on any notice given in accordance with Section 32 jointly by the Joint Bookrunners or any agreement entered into by or on behalf of the Underwriters by the Joint Bookrunners, which represent and warrant that they have irrevocable authority to bind the Underwriters, except in respect of: (i) a settlement of an indemnity claim pursuant to Section 20, which settlement shall be made by the Indemnified Party; (ii) a notice of termination pursuant to Section 19, which notice may be given by any of the Underwriters exercising such right; or (iii) any waiver pursuant to Section 19.4, which waiver may be given by any of the Underwriters exercising such waiver. The Joint Bookrunners shall, where practicable, consult with the other Underwriters concerning any matter in respect of which they act as representative of the Underwriters.

34. Counterparts

This Agreement may be executed by the parties to this Agreement in counterpart and may be executed and delivered by facsimile or other electronic transmission and all such counterparts and facsimiles or other electronic transmissions shall together constitute one and the same agreement.

35. USA Patriot Act

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company and the Selling Shareholders, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriter to properly identify their respective clients.

36. Entire Agreement

The terms and conditions of this Agreement supersede any previous verbal or written agreement between the Underwriters (or any of them) and any one or more of the Company and the Selling Shareholders with respect to the subject matter hereof, including the engagement letter dated May 12, 2014 entered into between CIBC World Markets Inc. and the Company and the Selling Shareholders.

[The remainder of this page is intentionally left blank.]

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this letter where indicated below and returning the same to the Joint Bookrunners upon which this letter as so accepted shall constitute an Agreement among us.

Yours very truly,

CIBC WORLD MARKETS INC.

Per: *(signed) "Ryan Voegeli"*
Name: Ryan Voegeli
Title: Managing Director

RBC DOMINION SECURITIES INC.

Per: *(signed) "Steve Michell"*
Name: Steve Michell
Title: Managing Director

BMO NESBITT BURNS INC.

Per: *(signed) "Brad Fraser"*
Name: Brad Fraser
Title: Managing Director

TD SECURITIES INC.

Per: *(signed) "Sanjay Nakra"*
Name: Sanjay Nakra
Title: Managing Director

MERRILL LYNCH CANADA INC.

Per: *(signed) "Jamie Hancock"*
Name: Jamie Hancock
Title: Managing Director

SCOTIA CAPITAL INC.

Per: *(signed) "Dany Beauchemin"*
Name: Dany Beauchemin
Title: Managing Director

CANACCORD GENUITY CORP.

Per: *(signed) "James Merkur"*
Name: James Merkur
Title: Managing Director

NATIONAL BANK FINANCIAL INC.

Per: *(signed) "Alex Smith"*
Name: Alex Smith
Title: Managing Director

Accepted and agreed to by the undersigned as of the date of this Agreement first written above.

HUDSON'S BAY COMPANY

Per: *(signed) "David Pickwoad"*

Name: David Pickwoad

Title: SVP and General Counsel

HUDSON'S BAY COMPANY (LUXEMBOURG) S.à r.l.

Per: *(signed) "Richard Baker"*

Name: Richard Baker

Title: Class A Manager

True North Retail Investments I, Inc.

Per: *(signed) "Richard Baker"*

Name: Richard Baker

Title: President

SCHEDULE A

SUBSIDIARIES

HBC Asia Limited

HBC Avantem Insurance Agency Inc.

Hudson’s Bay Company Payroll Services Inc.

Hudson’s Bay Company Limited

Baycrest Captive Insurance Company Limited

Snospmis Limited

HBC Montreal LP

HBC Vancouver LP

RSCL Distribution Services Inc.

7248571 Canada Inc.

HBC Quebec GP Inc.

HBC Quebec LP

HBC Prefco ULC

Lord & Taylor Acquisition Inc.

HBC Prefco ULC

Lord & Taylor Holdings LLC

LT Parent Propco LLC

LT Propco LLC

LT 424 LLC

Lord & Taylor LLC

LT Card Company LLC

Lord & Taylor Home LLC

Lord & Taylor Acquisition 2 Inc.

Saks Incorporated

Saks Holdings, Inc.

Saks & Company

Saks Fifth Avenue HoldCo LLC

12 East 49th Street LLC

Saks Fifth Avenue LLC

SCHEDULE B

UNITED STATES OFFERS AND SALES

As used in this Schedule B the following terms have the following meanings:

"affiliate" has the meaning assigned to such term under Rule 501(b) under the 1933 Act;

"Directed Selling Efforts" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Offered Securities, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Securities;

"Foreign Issuer" means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

"General Solicitation" and "General Advertising" means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) under the 1933 Act, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet, and any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;

"Substantial U.S. Market Interest" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;

"Transfer Agent" means Equity Financial Trust Company; and

All other capitalized terms used but not otherwise defined in this Schedule B shall have the meanings assigned to them in the Agreement to which this Schedule B is attached.

Representations, Warranties and Covenants of the Company

1. The Company and the Selling Shareholders jointly and severally represent, warrant, covenant and agree to and with the Underwriters that:

    (a) The Company is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Offered Securities.

    (b) Neither the Company nor either of Selling Shareholders nor any of their respective affiliates, or any person acting on its or their behalf has engaged or will engage in any Directed Selling Efforts in the United States or has engaged or will engage in any form of General Solicitation or General Advertising or will take any action that would cause the applicable exemption or exclusion afforded by Rule 144A or Rule 903 of Regulation S not to be available in connection with the offer or sale of the Offered Securities, provided, however, that no representation, warranty, covenant or agreement is made with respect to the Underwriters, the U.S. Affiliates or any Selling Firm.

    (c) The Offered Securities satisfy the requirements set forth in Rule 144A(d)(3) under the 1933 Act.

(d) The Company is not, and upon the sale of the Offered Securities as herein contemplated will not be, an “investment company” that is or is required to be registered under the 1940 Act.

(e) Neither the Company nor either of the Selling Shareholders nor any of their affiliates has, in the past six months, directly or indirectly, solicited any offer to buy, sold or offered to sell or otherwise negotiated in respect of, or will solicit any offer to buy, sell or offer to sell or otherwise negotiate in respect of any security which is or would be integrated with the sale of the Offered Securities in a manner that would require the Offered Securities to be registered under the 1933 Act.

(f) It is not necessary in connection with the offer, sale and delivery of the Offered Securities to the Underwriters and the resale of the Offered Securities by the Underwriters to Qualified Institutional Buyers within the United States in the manner contemplated by this Agreement and the Offering Documents to register the Offered Securities under the 1933 Act.

(g) The Company shall cooperate with the Underwriters and counsel for the Underwriters to qualify or register the Offered Securities for sale under (or obtain exemptions from the application of) the ‘Blue Sky’ or state securities laws of those jurisdictions designated by the Underwriters, shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Offered Securities.

Representations, Warranties and Covenants of the Underwriters

2. The Underwriters represent, warrant, covenant and agree severally (and not jointly or jointly and severally) to and with the Company that:

(a) It acknowledges that the Offered Securities have not been and will not be registered under the 1933 Act or any state securities laws and may not be offered or sold within the United States except pursuant to the exemption from the registration requirements of the 1933 Act provided by Rule 144A or outside the United States in accordance with Regulation S. It has not offered or sold, and will not offer or sell, any of the Offered Securities constituting part of its allotment except (i) in the United States to Qualified Institutional Buyers in transactions exempt from the registration requirements of the 1933 Act pursuant to Rule 144A, or (ii) outside the United States in accordance with Regulation S, in either case as provided in clauses (b) through (i) below. None of it, the U.S. Affiliates, nor any persons acting on its or their behalf have engaged or will engage in any Directed Selling Efforts in the United States with respect to the Offered Securities.

(b) It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities, except with its affiliates, any selling group members or with the prior written consent of the Company. It shall require each of its U.S. Affiliates and each selling group member to agree for the benefit of the Company to comply with and shall ensure that each of its U.S. Affiliates and each selling group member complies with the same provisions of this Schedule as apply to such Underwriter.

(c) All offers to sell and solicitations of offers to buy and any sales of any Offered Securities in the United States shall be made through a U.S. Affiliate in compliance with all applicable United States state and federal broker-dealer requirements or pursuant to the exemption provided under Rule 15a-6 of the 1934 Act. Such U.S. Affiliate is and will be a Qualified Institutional Buyer, a duly registered broker-dealer with the SEC under Section 15(b) of the 1934 Act and applicable state securities laws and a member in good standing of the Financial Industry Regulatory Authority, Inc. on the date hereof and at the date of any offer or sale of the Offered Securities in the United States.

(d) Each U.S. Affiliate purchasing Offered Securities in the United States is a Qualified Institutional Buyer.

(e) It will not, either directly or through its U.S. Affiliates, solicit offers for, or offer to sell, the Offered Securities in the United States by means of any form of General Solicitation or General Advertising in connection with its offers or sales of the Offered Securities in the United States.

(f) It will inform, and cause its U.S. Affiliates to inform, all purchasers of the Offered Securities in the United States that the Offered Securities have not been and will not be registered under the 1933 Act and are being sold to them without registration under the 1933 Act in reliance on Rule 144A.

(g) Immediately prior to soliciting offerees purchasing Offered Securities pursuant to Rule 144A, the Underwriter has reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer.

(h) If it or its U.S. Affiliates have offered or sold the Offered Securities in the United States, at Closing, it, together with each such U.S. Affiliate, will provide a certificate, substantially in the form of Exhibit 1 to this Schedule B, or will be deemed to have represented that neither it nor they offered or sold Offered Securities in the United States.

(i) It or its U.S. Affiliates will cause each Qualified Institutional Buyer purchasing Offered Securities from such Underwriter or U.S. Affiliates pursuant to the terms of this Agreement, to execute and deliver the letter attached as Exhibit A to the Final Offering Memorandum for the benefit of the Company.

Mutual Covenants and Agreements

3. Each Underwriter and the Company covenants to and agrees with each other that the Offering Documents shall contain disclosure in substantially the form set forth below:

The Offered Securities have not been and will not be registered under the 1933 Act or any state securities laws and may not be offered and sold in the United States, except that the Offered Securities may be offered and sold to Qualified Institutional Buyers in reliance on the exemption from such registration provided by Rule 144A. Each purchaser of the Offered Securities is hereby notified that the offer and sale of the Offered Securities to it is being made in reliance on the exemptions from the registration requirements of the 1933 provided by Rule 144A.

Each purchaser of Offered Securities offered hereby will have represented and agreed for the benefit of the Company, the Selling Shareholders, the Underwriters and the U.S. Affiliates as follows:

(a) It is (i) a Qualified Institutional Buyer; (ii) aware that the sale of the Common Shares to it is being made in reliance on Rule 144A; and (iii) acquiring the Common Shares for its own account or for the account of one or more Qualified Institutional Buyer(s) with respect to which it exercises sole investment discretion and not with a view to any resale, distribution or other disposition of the Common Shares in violation of United States federal or state securities laws;

(b) It understands that the Common Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be re-offered, resold, pledged or otherwise transferred except as set forth below;

(c) It acknowledges that it has not purchased the Common Shares as a result of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the U.S. Securities Act;

(d) It consents to the Company making a notation on its records or giving instructions to the Transfer Agent in order to implement the restrictions on transfer set forth and described herein;

(e) It will not resell or otherwise transfer any of the Common Shares, except: (i) to the Company or a subsidiary of the Company; or (ii) outside the United States in accordance with Regulation S;

(f) It acknowledges that neither the Company, the Selling Shareholders nor the Underwriter nor any person representing the Company, the Selling Shareholders or the Underwriter has made any representation to it with respect to the Company or the offering or sale of the Common Shares, other than the information contained or incorporated by reference in the U.S. Memorandum, which has been delivered to it and upon which it is relying in making its investment decision with respect to the Common Shares. Accordingly, it acknowledges that the Underwriter has not made any representation or warranty as to the accuracy or completeness of such materials. It agrees that it has had access to such financial and other information concerning the Company and the Common Shares as it has deemed necessary in connection with its decision to purchase the Common Shares, including an opportunity to ask questions of, and request information from, the Company and the Underwriter;

(g) It acknowledges that the Company, the Underwriter and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. It agrees that if any of the acknowledgments, representations or agreements it has made in connection with its purchase of the Common Shares is no longer accurate, it will promptly notify the Company and the Underwriter. If it is purchasing any of the Common Shares as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgments, representations and agreements on behalf of each account;

(h) It acknowledges that the Common Shares will be "restricted securities" within the meaning of Rule 144 that will not be represented by certificates that bear a U.S. restricted legend or identified by a restricted CUSIP number in reliance on the acknowledgments, representations and agreements of the undersigned contained herein, including the transfer restrictions contained in paragraph (e) above;

(i) It acknowledges that the Common Shares may only be held in an account at CDS Clearing and Depository Services Inc., or a successor depository in Canada, and shall not be held in an account at the Depository Trust Company, or a successor depository within the United States;

(j) It has implemented, or shall immediately implement, appropriate internal controls and procedures to ensure that the Common Shares shall be properly identified in its records as "restricted securities" that are subject to the transfer restrictions set forth herein notwithstanding the absence of a U.S. restrictive legend;

(k) It understands and acknowledges that the Company (i) is not obligated to remain a "foreign issuer" within the meaning of Regulation S, (ii) may not, at the time the Common Shares are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions that could cause the Company not to be a foreign issuer; and

(l) It understands and acknowledges that the Company is not obligated to file, and has no present intention of filing with the SEC or with any state securities regulatory authority any registration statement in respect of resales of the Common Shares.

EXHIBIT 1 to SCHEDULE B

UNDERWRITERS' CERTIFICATE

TO: HUDSON'S BAY COMPANY
AND TO: HUDSON'S BAY COMPANY (LUXEMBOURG) S.À R. L.
AND TO : TRUE NORTH RETAIL INVESTMENTS I, INC.

CERTIFICATE

In connection with the private placement of the common shares of Hudson's Bay Company (the "Company") to certain Qualified Institutional Buyers (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act")) pursuant to an applicable exemption from the registration requirement under the U.S. Securities Act and to the underwriting agreement dated May 16, 2014 (the "Underwriting Agreement") between the Company, Hudson's Bay Company (Luxembourg) S.à r. l. ("LuxCo"), True North Retail Investments I, Inc. ("TNRI", and together with LuxCo, the "Selling Shareholders") and the underwriters named therein (each an "Underwriter"), the undersigned, together with its United States broker-dealer affiliates (each a "U.S. Affiliate"), hereby certify that:

1. each undersigned U.S. Affiliate of the undersigned Underwriter who offered or sold common shares in the United States is duly registered as a broker or dealer under the U.S. Securities Exchange Act of 1934 and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale made in the United States;

2. all offers and sales of common shares in the United States were made only through a U.S. Affiliate and have been effected in accordance with all applicable U.S. broker-dealer requirements;

3. each offeree in the United States was provided with a copy of the Preliminary Offering Memorandum, including the Preliminary Prospectus, and each purchaser of common shares in the United States or that is a Qualified Institutional Buyer was provided with a copy of the Final Offering Memorandum, including the Prospectus, and no other written material was used in connection with the offer and sale of the common shares in the United States;

4. immediately prior to transmitting the Preliminary Offering Memorandum and the Final Offering Memorandum, we had reasonable grounds to believe and did believe that each offeree and purchaser was a Qualified Institutional Buyer as defined in Rule 144A of the U.S. Securities Act and, on the date hereof, we continue to believe that each such person that is purchasing common shares from us is a Qualified Institutional Buyer;

5. it, and its affiliates, has not used and will not use any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or internet, or any seminar or meeting whose attendees had been invited by General Solicitation or General Advertising, in connection with the offer or sale of the common shares in the United States; and; and

6. the offering of the common shares in the United States has been conducted by us and through our U.S. Affiliate(s) in accordance with the terms of the Underwriting Agreement.

7. it has received from each Qualified Institutional Buyer purchasing common shares from it a signed letter in the form of the letter attached as Exhibit A to the Preliminary Offering memorandum and the Final Offering Memorandum.

Words and terms with the initial letter or letters thereof capitalized in this certificate and not defined herein but defined in the Underwriting Agreement shall have the meanings given to such capitalized words and terms in the Underwriting Agreement unless otherwise defined herein.

Dated this ● day of ●, 2014.

[UNDERWRITER]
By:

[U.S. AFFILIATE]
By:

SCHEDULE C

SIGNATORIES TO LOCK-UP AGREEMENTS

1. Richard A. Baker
2. Robert C. Baker
3. William L. Mack
4. Lee Neibart
5. L&T B (Cayman) Inc.

SCHEDULE D

FORM OF LOCK-UP AGREEMENT

____________________, 2014

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.

(collectively, the "**Underwriters**")

Re: Proposed Secondary Offering of Common Shares of Hudson's Bay Company (the "**Company**")

Ladies and Gentlemen:

The undersigned is or may become the registered or beneficial owner of certain securities of the Company or securities convertible into or exchangeable or exercisable therefor. Hudson's Bay Company (Luxembourg) S.à r.l. and True North Retail Investments I, Inc. (collectively, the "**Selling Shareholders**") proposes to carry out a secondary offering of common shares of the Company as more fully described in its (final) short form prospectus dated May ●, 2014 (the "**Offering**").

For purposes of this agreement, "**Subject Securities**" shall mean (i) common shares of the Company; and (ii) any security of the Company, including any preferred share, right, warrant, option or other instrument, including instruments convertible into or exercisable or exchangeable for any security of the Company.

The undersigned recognizes that the Offering will be of benefit to the undersigned and the Company and the Selling Shareholders. The undersigned acknowledges that the Underwriters are and will be relying on the representations and agreements of the undersigned contained herein in carrying out the Offering and in entering into an underwriting agreement with the Company and the Selling Shareholders with respect to the Offering.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that he, she or it will not, whether for his, her or its own account or for the account of another, and, if applicable, will cause any spouse, immediate family member or immediate family member of the spouse or of the undersigned living in the undersigned's household, or any trust of which any of the foregoing individuals are beneficiaries, to not in any manner, without the prior written consent of CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., TD Securities Inc. and Merrill Lynch Canada Inc. (collectively, the "**Joint Bookrunners**") such consent not to be unreasonably withheld, on behalf of the Underwriters, for a period up to and including the date which is 90 days following the date of the closing of the Offering, directly or indirectly, (i) sell, offer, contract or grant any option or right to sell (including without limitation any short sale, put option or call option), pledge, transfer, or otherwise dispose of Subject Securities (except common shares of the Company acquired on the applicable stock exchange on which such common shares are listed), whether currently owned or hereafter acquired, directly or indirectly, either of record or beneficially by the undersigned (or, if applicable, such spouse or family member) or with respect to which the undersigned (or, if applicable, such spouse or family member) has or hereafter acquires the power of disposition, or file or cause the Company to prepare or file any preliminary prospectus or prospectus under Canadian securities laws, any registration statement under the *Securities Act* of 1933, as amended or any offering memorandum or other offering document with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of Subject Securities, whether any such swap or transaction is to be settled by delivery of Subject Securities, in cash or otherwise; (iii) publicly announce an intention to do any of the foregoing; or (iv) act jointly or in concert with any third party with respect to any of the matters set forth hereinabove.

Notwithstanding the restrictions on transfers of Subject Securities described above, the undersigned may undertake any of the following transfers of Subject Securities during the 90-day period: (i) by way of pledge or security interest, in favour of a *bona fide* financial institution as security for a loan of not more than $25,000,000; **[NTD: to be included for Richard Baker "(ii) any sale or sales of up to 100,000 common shares of the Company in the aggregate by the Mr. & Mrs. Robert Baker Family Foundation"] [NTD: to be included for L&T B (Cayman) "(ii) any transfer or distribution of common shares of the Company to the undersigned's direct or indirect shareholders provided further that any person who would, after giving effect to such transfer or distribution, beneficially own or control, directly or indirectly, 1.0% or more of all outstanding common shares of the Company agrees in writing with the Joint Bookrunners to be bound by this agreement"]** or **[(ii)]** any transfer of Subject Securities pursuant to a bona fide third party take-over bid, merger, plan of arrangement or other similar transaction made to all holders of such Subject Securities, involving a change of control of the Company, provided that in the event that the take-over bid, merger, plan of arrangement or other such transaction is not completed, the Subject Securities owned by the undersigned shall remain subject to the restrictions contained in this undertaking.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this lock-up letter agreement and that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof.

This agreement is irrevocable and will be binding on the undersigned and the respective successors, assigns, and, if applicable, heirs and personal representatives, of the undersigned, provided however that the undersigned shall not assign this agreement without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters.

This agreement and the rights and obligations of the undersigned shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All matters relating hereto shall be submitted to the court of appropriate jurisdiction in the Province of Ontario, Canada, for the purpose of this agreement and for all related proceedings.

This agreement will terminate on the earliest of (i) the close of trading on the date 90 days after the date of the closing of the Offering; or (ii) upon written notice provided by the Company to the Underwriters and the undersigned stating that the Offering will not proceed.

This agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document.

____
Printed Name of Holder

By: ____________________________________
Signature

____
If person signing is **not** the Holder, print name of

person signing and indicate capacity of person signing if signing as custodian, trustee, or on behalf of an entity

SCHEDULE E

SELLING SHAREHOLDERS

Selling Shareholder	**Number of Purchased Securities to be Sold**
Hudson's Bay Company (Luxembourg) S.à r.l.	0
True North Retail Investments I, Inc.	7,870,000
TOTAL	7,870,000

The Underwriters expressly acknowledge and agree that the Selling Shareholders may adjust the allocation of Purchased Securities to be sold in the Offering among themselves prior to the Closing Date upon written notice to the Joint Bookrunners, provided that the "Total" remains 7,870,000 Purchased Securities.