AMENDING AGREEMENT

THIS AMENDING AGREEMENT is made as of the Effective Date (as defined herein).

AMONG:

HUDSON'S BAY COMPANY, a corporation incorporated under the laws of Canada (the "**Company**")

- and -

L&T B (CAYMAN) INC., a company governed by the laws of the Cayman Islands ("**L&T B**")

- and -

HANOVER INVESTMENTS (LUXEMBOURG) S.A., a company governed by the laws of Luxembourg ("**Hanover**")

WHEREAS the Company, L&T B, Hanover and Hudson's Bay Company Luxembourg S. à r. l.**,** a Luxembourg private limited liability company (*société à responsabilité limitée*) ("**HBC Luxembourg**"), have entered into a nomination rights agreement (the "**Nomination Rights Agreement**") dated as of November 26, 2012;

AND WHEREAS HBC Luxembourg has since undergone a simplified voluntary dissolution in accordance with the laws of the Grand Duchy of Luxembourg;

AND WHEREAS the parties hereto wish to amend the Nomination Rights Agreement;

NOW THEREFORE THIS AMENDING AGREEMENT WITNESSETH THAT in consideration of the foregoing and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Capitalized terms used herein and not otherwise defined shall have meanings given to them in the Nomination Rights Agreement.

2. The parties hereto hereby agree to amend the Nomination Rights Agreement with effect from the Effective Date of this Amending Agreement by replacing each of Section 2.1(4) and Section 2.1(5) with the following:

   "**[Reserved.]**"

3. The parties hereto hereby agree that as a result of the amendments set out in paragraph 2 of this Amending Agreement, the Nomination Rights Agreement will be in the form attached as Schedule "A" to this Amending Agreement.

4. Except for the foregoing amendment, the parties hereto acknowledge and confirm that the Nomination Rights Agreement shall remain in full force and effect, unamended, and, upon the Effective Date of this Amending Agreement, the Nomination Rights Agreement and this Amending Agreement shall be deemed to constitute the entire agreement with respect to the matters herein and supersede all prior agreements, understandings, negotiations and discussions relating to the subject matter hereof. There are no other covenants, agreements, representations, warranties, conditions, whether direct or collateral, express or implied, that form part of or affect this Amending Agreement except as otherwise provided for in this Amending Agreement. This Amending Agreement shall not be amended, added to or qualified except by written agreement signed by the parties.

5. In the event of any inconsistency between the terms of this Amending Agreement and the terms of the Nomination Rights Agreement, the provisions of this Amending Agreement shall prevail.

6. This Amending Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party hereto irrevocably attorns and submits to the non-exclusive jurisdiction of the Ontario courts situated in the City of Toronto and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

7. Each of the parties hereto agrees to take all actions necessary to give effect to the amendment to the Nomination Rights Agreement contained in paragraph 2 of this Amending Agreement.

8. This Amending Agreement becomes effective on the Effective Date and only when executed by Company, L&T B and Hanover. After that time, it will be binding upon and enure to the benefit of Company, L&T B and Hanover and their respective successors and permitted assigns.

9. Notwithstanding anything to the contrary herein contained, this Amending Agreement and the rights and obligations of the parties set forth herein shall become effective solely upon, and not in any event prior to, the Closing (as defined in the subscription agreement dated October 24, 2017 between the Company and Fabric Luxembourg Holdings S. à r. l., a Luxembourg private limited liability company (société à responsabilité limitée), as such agreement may be amended from time to time) (the "**Effective Date**"). For greater certainty, should the Subscription Agreement be terminated in accordance with its terms, this Amending Agreement shall be null and void and of no further force or effect.

10. This Amending Agreement may be executed in any number of counterparts (including counterparts by facsimile or electronic copy) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The parties hereto shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic

copy of this Amending Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement among the parties hereto.

[*Remainder of page intentionally blank. Signature page follows.*]

IN WITNESS WHEREOF, this Amending Agreement has been executed and delivered as of the Effective Date, by the duly authorized representatives of the parties hereto.

HUDSON'S BAY COMPANY

By: *(signed) "David J. Schwartz"*

Name: David J. Schwartz

Title: Executive Vice President, General Counsel and Corporate Secretary

L&T B (CAYMAN) INC.

By: *(signed) "Richard Baker"*

Name: Richard Baker

Title: Authorized Signatory

HANOVER INVESTMENTS (LUXEMBOURG) S.A.

By: *(signed) "Mohamed Ali Dhaheri"*

Name: Mohamed Ali Dhaheri

Title: Director A

By: *(signed) "Robert Jan Schol"*

Name: Robert Jan Schol

Title: Director B

Schedule "A"

See attached.

HUDSON'S BAY COMPANY

and

L&T B (CAYMAN) INC.

and

HANOVER INVESTMENTS (LUXEMBOURG) S.A.

and

HUDSON'S BAY COMPANY LUXEMBOURG S. À R. L.

NOMINATING RIGHTS AGREEMENT

November 26, 2012

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NOMINATING RIGHTS AGREEMENT

Nominating Rights Agreement (the "**Agreement**") made as of the 26th day of November, 2012 among Hudson's Bay Company, a corporation governed by the federal laws of Canada (the "**Corporation**"), L&T B (Cayman) Inc., a company governed by the laws of the Cayman Islands ("**L&T B**"), Hanover Investments (Luxembourg) S.A., a company governed by the laws of Luxembourg ("**Hanover**") and Hudson's Bay Company Luxembourg S. à r. l., a Luxembourg private limited liability company (*société à responsabilité limitée*) with registered office at 165, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 140.409 and having a share capital amounting to CAD 2,299,514 ("**HBC Luxembourg**").

RECITALS:

(a) As of the date hereof, HBC Luxembourg is the registered and beneficial owner of 98,025,000 Common Shares (as defined herein), representing a 81.7% Equity and Voting Interest (as defined herein).

(b) As of the date hereof, HBTC (as defined herein) is the sole shareholder of HBC Luxembourg.

(c) As of the date hereof, L&T B has an indirect 50.0001% limited partnership interest in HBTC.

(d) As of the date hereof, Hanover has a direct 49.9999% limited partnership interest in HBTC.

(e) The Corporation, L&T B and Hanover have entered into this Agreement to grant certain rights and obligations with respect to the ownership of the Common Shares.

NOW THEREFORE, in consideration of the mutual covenants in this Agreement and for other consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In this Agreement:

"**affiliate**" of any Person means another Person that would be considered to be an affiliate of such first mentioned Person for the purposes of National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**Agreement**", "**this Agreement**", "**the Agreement**", "**hereof**", "**herein**", "**hereto**", "**hereby**", "**hereunder**" and similar expressions mean this Agreement, including all of its schedules and all instruments supplementing, amending or confirming this Agreement. All references to "**Articles**" or "**Sections**" refer to the specified Article or Section of this Agreement;

"**Board**" means the board of directors of the Corporation;

"**Business Day**" means any day which is not a Saturday, a Sunday or a day on which the principal commercial banks located in the City of Toronto, Ontario, New York or Abu Dhabi are not open for business during normal banking hours;

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

"**Common Shares**" means the common shares of the Corporation;

"**Competitor**" means a Person that is, or who has an affiliate that is, engaged, other than as a passive investor having less than a fifty percent (50%) direct or indirect ownership stake in, and not having control of, the applicable Person, in any retail department or mass merchandise store business with assets in Canada or the United States or with revenues from sales in, from or into Canada or the United States;

"**Conditions**" has the meaning ascribed thereto in Section 2.3(1);

"**Corporation**" means Hudson's Bay Company;

"**Directors Election Meeting**" means a meeting of shareholders of the Corporation following the Corporation's initial public offering at which directors of the Corporation are to be elected;

"**Equity and Voting Interest**" means, in respect of a shareholder of the Corporation at a particular time, the quotient that is obtained by dividing (i) the equivalent number of Common Shares owned beneficially by such shareholder at the relevant time by (ii) the aggregate number of Common Shares issued and outstanding at the relevant time, on a non-diluted basis;

"**Hanover**" means Hanover Investments (Luxembourg) S.A., including successors and permitted assigns;

"**Hanover Indirect Interest**" means the indirect interest in the Common Shares held by Hanover represented by its direct limited partnership interest in HBTC;

"**Hanover Nomination Letter**" has the meaning ascribed thereto in Section 2.2(5);

"**Hanover Nominee**" means an individual designated by Hanover in a Nomination Letter and who meets the Conditions;

"**HBC Luxembourg**" means Hudson's Bay Company Luxembourg S. à r. l., including successors and permitted assigns;

"**HBTC**" means Hudson's Bay Trading Company, L.P., a Cayman Islands Limited Partnership;

"**Independent Director**" means a director who is independent within the meaning of National Instrument 52-110 – *Audit Committees*;

"**L&T B Indirect Interest**" means the indirect interest in the Common Shares held by L&T B represented by its indirect limited partnership interest in HBTC;

"**L&T B**" means, L&T B (Cayman) Inc., including successors and permitted assigns;

"**L&T B Group**" has the meaning ascribed thereto in Section 6.6;

"**L&T B Nomination Letter**" has the meaning ascribed thereto in Section 2.2(1);

"**L&T B Nominee**" means an individual designated by L&T B in a Nomination Letter and who meets the Conditions;

"**Nominees**" means, collectively, the Hanover Nominees and L&T B Nominees, as the context requires, and "**Nominee**" means any of them;

"**Parties**" means the parties to this Agreement and "**Party**" means any of them;

"**Person**" means an individual, body corporate with or without share capital, partnership, joint venture, entity, unincorporated association, syndicate, firm, sole proprietorship, trust, pension fund, union, board, tribunal, governmental or quasi-governmental authority and the heirs, beneficiaries, executors, legal representatives or administrators of an individual;

"**Shareholders Agreement**" means the shareholders agreement dated as of the date hereof among the Corporation, L&T B and Hanover;

"**Term**" has the meaning ascribed thereto in Section 2.1(1).

Section 1.2 Time of the Essence

Time shall be of the essence of each provision of this Agreement. Any extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

Section 1.3 Calculation of Time

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.

Section 1.4 Business Days

Whenever any action to be taken pursuant to this Agreement would otherwise be required to be taken or made on a day that is not a Business Day, such action shall be taken on the first Business Day following such day.

Section 1.5 Headings

The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.

Section 1.6 Plurals and Gender

Words in the singular include the plural and vice versa and words in one gender include all genders.

Section 1.7 Statutory References

Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder) as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise stated.

Section 1.8 Other References

“Include,” “includes” and “including” shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import.

ARTICLE 2
NOMINATING RIGHTS

Section 2.1 Director Nominees

(1) The size of the Board shall be fixed at eleven directors, or, in accordance with Section 2.1(3)(d)(ii), twelve directors, with nine directors appointed to the Board immediately following the Corporation’s initial public offering. Hanover will have the ability to nominate two directors for appointment to the Board, at least one of whom is an Independent Director, following the Corporation’s initial public offering and prior to the first Directors Election Meeting.

(2) Prior to the execution of this Agreement, L&T B has proposed Richard Baker, Robert Baker, William Mack and Lee Neibart as the initial L&T B Nominees to be appointed to the Board, and the Corporation has received each L&T B Nominee’s consent to serve as a director and has appointed each L&T B Nominee to the Board.

(3) The Corporation, L&T B and Hanover agree that:

(a) so long as the Equity and Voting Interest beneficially owned by L&T B, together with the L&T B Indirect Interest, is greater than or equal to 25%, the

Corporation will, subject to the provisions of this Agreement, include four (4) L&T B Nominees among the Corporation's nominees as directors of the Corporation to be nominated at each Directors Election Meeting;

(b) if the Equity and Voting Interest beneficially owned by L&T B, together with the L&T B Indirect Interest, is less than 25% but not less than 10%, the Corporation will, subject to the provisions of this Agreement, include no less than two (2) L&T B Nominees among the Corporation's nominees as directors of the Corporation to be nominated at each Directors Election Meeting;

(c) if the Equity and Voting Interest beneficially owned by L&T B, together with the L&T B Indirect Interest, is less than 10%, the Corporation shall not be obligated to include any L&T B Nominees among the Corporation's nominees as directors of the Corporation to be nominated at any further Directors Election Meeting;

(d) notwithstanding the second sentence of Section 2.1(1), so long as the Equity and Voting Interest beneficially owned by Hanover, together with the Hanover Indirect Interest, is greater than or equal to 35%, the Corporation will, subject to the provisions of this Agreement:

(i) include three (3) Hanover Nominees among the Corporation's nominees as directors of the Corporation to be nominated at each Directors Election Meeting, provided two (2) of such Hanover Nominees will be considered Independent Directors if elected to the Board; or

(ii) at Hanover's option, include four (4) Hanover Nominees among the Corporation's nominees as directors of the Corporation to be nominated at each Directors Election Meeting, provided three (3) of such Hanover Nominees will be considered Independent Directors if elected to the Board. If Hanover elects to exercise its option to include four (4) Hanover Nominees among the Corporation's nominees as directors of the Corporation, the size of the Board shall be fixed at twelve directors (for greater certainty, if the Equity and Voting Interest beneficially owned by Hanover, together with the Hanover Indirect Interest, is less than 35%, the size of the Board shall remain at eleven directors);

(e) if the Equity and Voting Interest beneficially owned by Hanover, together with the Hanover Indirect Interest, is less than 35% but not less than 30%, the Corporation will, subject to the provisions of this Agreement include no less than three (3) Hanover Nominees among the Corporation's nominees as directors of the Corporation to be nominated at each Directors Election Meeting, provided two (2) of such Hanover Nominees will be considered Independent Directors if elected to the Board;

(f) if the Equity and Voting Interest beneficially owned by Hanover, together with the Hanover Indirect Interest, is less than 30% but not less than 20%, the Corporation will, subject to the provisions of this Agreement, include no less than two (2) Hanover Nominees among the Corporation's nominees as directors of the Corporation to be nominated at each Directors Election Meeting, provided one (1) of such Hanover Nominees will be considered an Independent Director if elected to the Board;

(g) if the Equity and Voting Interest beneficially owned by Hanover, together with the Hanover Indirect Interest, is less than 20% but not less than 10%, the Corporation will, subject to the provisions of this Agreement, include no less than one (1) Hanover Nominee among the Corporation's nominees as directors of the Corporation to be nominated at each Directors Election Meeting;

(h) if the Equity and Voting Interest beneficially owned by Hanover, together with the Hanover Indirect Interest, is less than 10%, the Corporation shall not be obligated to include any Hanover Nominees among the Corporation's nominees as directors of the Corporation to be nominated at any further Directors Election Meeting;

(i) subject to applicable law and the rules of any stock exchange on which the Common Shares are then listed, each Nominee shall be entitled to remain on the Board until his or her successor is elected or appointed. In the event that there are a greater number of L&T B Nominees or Hanover Nominees, as the case may be, serving on the Board at any time (for greater certainty, including, if applicable, after a demand registration requested by L&T B or Hanover pursuant to the Shareholders Agreement has been completed, or if the size of the Board is fixed at eleven directors, pursuant to paragraph (d)(ii) above) than is permitted pursuant to paragraphs (a) to (h) above, L&T B or Hanover, as applicable, shall, upon the written request of the Corporation, use reasonable good faith efforts to cause one or more L&T B Nominees or the Hanover Nominees, as the case may be, to forthwith resign.

(4) **[Reserved.]**

(5) **[Reserved.]**

(6) Subject to applicable law and the rules of any stock exchange on which the Common Shares are then listed, if at any time a vacancy on the Board is created as a result of the death, resignation, disqualification, or removal, or interim vacancy of a Nominee, then L&T B or Hanover, as applicable, and the Corporation (acting through the Board) shall work together in good faith to fill such vacancy or replace such Nominee with an individual designated by L&T B or Hanover, as applicable, in its sole discretion who meets the Conditions below, and thereafter such individual shall serve and/or be nominated by the Corporation as one of the "L&T B Nominees" or "Hanover Nominees", as the case may be, under this Agreement.

(7) The Corporation will, to the extent that the aggregate number of L&T B Nominees and the Hanover Nominees is less than the number fixed for the size of the Board at any Directors Election Meeting, nominate for the slate to be elected at such Directors Election Meeting, such number of nominees as are required to achieve the number of directors fixed for the size of the Board, provided that following such nominations, the Board will have a majority of Independent Directors.

(8) The Corporation will pay for, or reimburse each L&T B Nominee and Hanover Nominee for, out-of-pocket expenses incurred in connection with such L&T B Nominee's or Hanover Nominee's service as a member of the Board or as a member of, or observer to, any committee of the Board and provide such additional compensation as is customary for the directors of the Board.

Section 2.2 Nominating Procedure

(1) At least 90 days and no more than 100 days before each applicable Directors Election Meeting, L&T B will deliver to the Corporation (c/o the Corporate Governance and Nominating Committee) in writing the names of the L&T B Nominees (the number of such L&T B Nominees to be determined in accordance with Section 2.1(3) based on the aggregate Equity and Voting Interest, together with the L&T B Indirect Interest, of L&T B at such time) together with the information regarding such L&T B Nominees (including the number of Common Shares owned or controlled by each such Nominee) that the Corporation is required to include in an information circular of the Corporation to be sent to shareholders of the Corporation in respect of such Directors Election Meeting and such other information, including a biography of such L&T B Nominee, that is consistent with the information the Corporation intends to publish about management nominees as directors of the Corporation in such information circular (the "**L&T B Nomination Letter**").

(2) If there has been no change in L&T B's ownership of its Equity and Voting Interest and the L&T B Indirect Interest since the previous Directors Election Meeting, and L&T B fails to deliver the L&T B Nomination Letter to the Corporation at least 90 days before the applicable Directors Election Meeting, L&T B shall be deemed to have designated all of the same L&T B Nominees to be included in the Corporation's slate of nominees for election as directors at the applicable Directors Election Meeting as the L&T B Nominees designated by L&T B at the prior Directors Election Meeting.

(3) At least 90 days and no more than 100 days before each applicable Directors Election Meeting, Hanover will deliver to the Corporation (c/o the Corporate Governance and Nominating Committee) in writing the names of the Hanover Nominees (the number of Hanover Nominees to be determined in accordance with Section 2.1(3) based on the aggregate Equity and Voting Interest, together with the Hanover Indirect Interest, of Hanover at such time) together with the information regarding such Hanover Nominees (including the number of Common Shares owned or controlled by each such Nominee) that the Corporation is required to include in an information circular of the Corporation to be sent to shareholders of the Corporation

in respect of such Directors Election Meeting and such other information, including a biography of such Hanover Nominee, that is consistent with the information the Corporation intends to publish about management nominees as directors of the Corporation in such information circular (the "**Hanover Nomination Letter**").

(4) If there has been no change in Hanover's ownership of its Equity and Voting Interest and the Hanover Indirect Interest since the previous Directors Election Meeting and Hanover fails to deliver the Hanover Nomination Letter to the Corporation at least 90 days before the applicable Directors Election Meeting, Hanover shall be deemed to have designated all of the same Hanover Nominees to be included in the Corporation's slate of nominees for election as directors at the applicable Directors Election Meeting as the Hanover Nominees designated by Hanover at the prior Directors Election Meeting.

Section 2.3 Conditions

(1) Notwithstanding anything to the contrary in this Agreement, each Nominee shall, at all times while serving on the Board, satisfy the following conditions as reasonably determined by the Board (such conditions referred to as the "**Conditions**"):

(a) meet the qualification requirements to serve as a director under the CBCA, applicable Canadian securities laws and the rules of any stock exchange on which the Common Shares are then listed;

(b) acknowledge and agree to be bound by this Agreement with respect to the obligations of the Nominee; and

(c) meet the qualification requirements of HBC's Corporate Governance and Nominating Committee, acting reasonably, to serve as a director of HBC, taking into account such factors as the Nominee's competencies, skills, business and financial experience, leadership roles, level of commitment required to fulfill the Board's requirements and whether the Nominee has any level of commitment with a Competitor.

No Nominee may be a person who has been convicted of a felony or a crime involving moral turpitude or a person who is not acceptable to any stock exchange on which the Common Shares are then listed or a securities regulatory authority having jurisdiction over the Corporation.

(2) Notwithstanding anything to the contrary in this Agreement, if at any time any Nominee ceases to satisfy any of the Conditions, L&T B or Hanover, as applicable, shall use reasonable good faith efforts to cause such Nominee to tender his or her resignation from the Board, which the Board may accept or reject, and the provisions of Section 2.1(6) shall apply *mutatis mutandis*.

Section 2.4 Status of the Nominees and Committee Participation

(1) Subject to the provisions of Section 2.4(2), the Nominees shall not be restricted from participating on any committees of the Board,

(2) While serving on the Board and any committee thereof, each Nominee shall:

(a) be treated the same as the other members of the Board with respect to representation on the standing and committees of the Board (whether existing on the date hereof or created hereafter) except where such representation would violate applicable director independence or other applicable rules;

(b) be entitled to all the rights and privileges of the other members of the Board and committee members, including, without limitation, access to the Corporation's outside advisors; provided, however, that the Nominees shall not be entitled to participate in or observe, and shall upon the good faith request of the Board or any such committee recuse himself or herself from, any meeting or portion thereof at which the Board or any such committee is evaluating and/or taking action with respect to the exercise of any of the Corporation's rights or enforcement of any of the obligations of L&T B or Hanover, as the case may be, under this Agreement; and

(c) be entitled to be indemnified by the Corporation on the same terms as other members of the Board and shall (i) act in a manner consistent with his or her fiduciary duties under applicable law; (ii) to the extent required of all directors, enter into a non-disclosure or confidentiality agreement consistent with applicable law and (iii) agree to abide by the written policies of the Board and committees thereof and the written policies of the Corporation applicable to members of the Board.

Section 2.5 Covenants of L&T B and Hanover

L&T B and Hanover shall provide to the Corporation as and when requested by the Corporation from time to time, a certificate of one of its officers setting out the aggregate number of Common Shares held or controlled by L&T B or Hanover, as applicable.

Section 2.6 Search Consultant Expenses

The Corporation will reimburse Hanover for any and all reasonable fees, costs and expenses incurred in connection with retaining and engaging third party consultants to conduct a search for Hanover Nominees who will be considered Independent Directors if elected to the Board.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of L&T B

L&T B represents and warrants to the Corporation, Hanover and HBC Luxembourg that:

(a) as of the date hereof, L&T B has an indirect 50.0001% limited partnership interest in HBTC;

(b) L&T B is duly organized, validly existing and in good standing under the laws of the Cayman Islands and has all requisite power and authority to execute and deliver this Agreement;

(c) this Agreement has been duly executed and delivered by L&T B;

(d) this Agreement constitutes the valid and binding agreement of L&T B, enforceable against L&T B in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect; and

(e) each initial L&T B Nominee satisfies the Conditions.

Section 3.2 Representations and Warranties of Hanover

Hanover represents and warrants to the Corporation, L&T B and HBC Luxembourg that:

(a) as of the date hereof, Hanover has a direct 49.9999% limited partnership interest in HBTC;

(b) Hanover is duly organized, validly existing and in good standing under the laws of Luxembourg and has all requisite power and authority to execute and deliver this Agreement;

(c) this Agreement has been duly executed and delivered by Hanover; and

(d) this Agreement constitutes the valid and binding agreement of Hanover, enforceable against Hanover in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect.

Section 3.3 Representations and Warranties of HBC Luxembourg

HBC Luxembourg represents and warrants to L&T B, the Corporation and Hanover that:

(a) as of the date hereof, HBC Luxembourg is the registered and beneficial owner of 98,025,000 Common Shares, representing a 81.7% Equity and Voting Interest;

(b) HBC Luxembourg is duly organized, validly existing and in good standing under the laws of Luxembourg and has all requisite power and authority to execute and deliver this Agreement;

(c) this Agreement has been duly executed and delivered by HBC Luxembourg; and

(d) this Agreement constitutes the valid and binding agreement of HBC Luxembourg, enforceable against HBC Luxembourg in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect.

Section 3.4 Representations and Warranties of the Corporation

The Corporation represents and warrants to L&T B, Hanover and HBC Luxembourg that:

(a) the Corporation is duly incorporated, validly existing and in good standing under the laws of Canada and has all requisite corporate power and authority to execute and deliver this Agreement;

(b) this Agreement has been duly executed and delivered by the Corporation;

(c) this Agreement constitutes the valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect; and

(d) the actions contemplated by Section 2.1 of this Agreement have been duly and validly authorized by all necessary corporate action and expressly approved by the Board.

ARTICLE 4
AMENDMENTS

Section 4.1 Amendments, Modifications, etc.

This Agreement may not be amended or modified, or any provision hereof waived, except by an agreement in writing executed by all the Parties.

ARTICLE 5
TERMINATION AND ABANDONMENT

Section 5.1 Termination and Effect of Termination

(1) This Agreement may be terminated at any time by mutual written consent of the Parties, and at such time this Agreement shall be of no further force or effect and all rights and obligations of the Parties hereto shall be at an end; provided that the provisions of Section 2.4(2)(c), Section 6.4 and Article 5 shall survive the termination of this Agreement.

(2) This Agreement shall automatically terminate as it applies to:

(a) L&T B after the first continuous 180 day period during which the Equity and Voting Interest held or controlled by L&T B, together with the L&T B Indirect Interest is less than 10% in the aggregate, and at such time this Agreement shall be of no further force or effect as this Agreement applies to L&T B and all rights and obligations of L&T B hereto shall be at an end; and

(b) Hanover after the first continuous 180 day period during which the Equity and Voting Interest held or controlled by Hanover, together with the Hanover Indirect Interest is less than 10% in the aggregate, and at such time this Agreement shall be of no further force or effect as this Agreement applies to Hanover and all rights and obligations of Hanover hereto shall be at an end;

in either case, without affecting the rights and obligations of any other Party hereto.

ARTICLE 6
GENERAL

Section 6.1 Application of this Agreement

The terms of this Agreement shall apply *mutatis mutandis* to any shares or other securities:

(a) resulting from the conversion, reclassification, redesignation, subdivision, consolidation or other change to any of the Common Shares held, directly or indirectly, by L&T B or Hanover; or

(b) of the Corporation or any successor body corporate that may be received by L&T B or Hanover on a merger, amalgamation, arrangement or other reorganization of or including the Corporation; and

(c) prior to any action referred to in (a) or (b) above being taken the Parties shall give due consideration to any changes that may be required to this Agreement in order to give effect to the intent of this Section 6.1.

Section 6.2 Public Filing

The Parties hereby consent to the public filing of this Agreement if any Party is required to do so by law or by applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange.

Section 6.3 Expenses

Each Party to this Agreement shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation or execution of this Agreement and all documents and instruments executed or delivered pursuant to this Agreement.

Section 6.4 Confidentiality

The parties will keep confidential all information in their possession or under their control relating to the Agreement, unless such information is or becomes generally available to the public other than as a result of a disclosure by a party in violation of this Agreement.

Section 6.5 Further Assurances

Each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

Section 6.6 Assignment and Enurement

Neither this Agreement nor any benefits or duties accruing under this Agreement shall be assignable by any Party other than by Hanover to an affiliate to whom Common Shares are transferred and by L&T B to the shareholders of L&T B to whom Common Shares are transferred provided, in such case, any rights hereunder are exercised on behalf of such shareholders collectively as a group through a designated representative (such group, the "**L&T B Group**"). Any reference in this Agreement to L&T B shall, following any such transfer of Common Shares to the shareholders of L&T B, include the L&T B Group and all calculations of shareholdings required or made hereunder shall include all holdings, direct or indirect, of the L&T B Group. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Section 6.7 Entire Agreement

This Agreement and, to the extent party thereto, any agreement or document delivered in connection with this Agreement, constitutes the entire agreement between the

Parties with respect to the matters herein and supersedes all prior agreements, understandings, negotiations and discussions relating to the subject matter hereof. There are no other covenants, agreements, representations, warranties, conditions, whether direct or collateral, express or implied, that form part of or affect this Agreement except as otherwise provided for in this Agreement. This Agreement shall not be amended, added to or qualified except by written agreement signed by the Parties.

Section 6.8 Waiver

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement, at any other time.

Section 6.9 Notices

All notices, requests, demands or other communications required or permitted to be given by one Party to another under this Agreement shall be given in writing and delivered by personal delivery or delivery by recognized commercial courier, sent by facsimile or delivered by registered mail or postage prepaid, addressed as follows:

(a) to the Corporation:

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

Attention: Senior Vice President and General Counsel
Facsimile No.: (416) 861-4200

(b) to L&T B:

L&T B (Cayman) Inc.
15 West 38th Street, 11th floor,
New York, NY 10018

Attention: President
Facsimile No.: (914) 272-8088

(c) to Hanover:

Hanover Investments (Luxembourg) S.A.
46A, Avenue J.F. Kennedy L-1855 Luxembourg
Grand-Duché du Luxembourg
R.C.S. Luxembourg B 132723

Attention: Director
Facsimile No.: +352–42 421 961

(d) to HBC Luxembourg:

Hudson's Bay Company Luxembourg S. à r. l.
15 West 38th Street, 11th floor,
New York, NY 10018

Attention: President
Facsimile No.: (914) 272-8088

or at such other address or fax number of which the addressee may from time to time may notify the addressor. Any notice delivered by personal delivery or by courier to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a Business Day, or if the notice is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the next Business Day. Any notice transmitted by facsimile shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a Business Day or if the transmission of the facsimile is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the first Business Day after its transmission.

Section 6.10 Severability

If, in any jurisdiction, any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be restricted, invalid or unenforceable the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth herein. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 6.11 Counterparts; Facsimile and Electronic Signatures

This Agreement may be signed in one or more counterparts, each of which once signed shall be deemed to be an original. All such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution of any counterpart, each counterpart shall be deemed to bear the effective date first written above. This Agreement, any and all agreements and instruments executed and delivered in accordance herewith, along with any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, scanned email or internet transmission copy or other means of electronic transmission, shall be treated in all manner and respects and for all purposes as an original signature, agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

Section 6.12 Governing Law and Jurisdiction for Disputes

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 and shall be treated, in all respects, as an Ontario contract. The Parties irrevocably submit to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 6.13 Third Party Beneficiaries

The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and is not the intention of the Parties to confer any third party beneficiary rights and this Agreement does not confer any such rights, upon any Person.

Section 6.14 Remedies

Each Party agrees that an award of monetary damages would not be an adequate remedy for any loss incurred by reason of any breach of this Agreement and that, in the event of any breach or threatened breach of this Agreement by a Party, the other Parties will be entitled to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach or threatened breach of this Agreement but will be in addition to all other remedies available at law or in equity.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

HUDSON'S BAY COMPANY

By: ______________________________

Name: Richard Baker

Title: Governor & Chief Executive Officer

L&T B (CAYMAN) INC.

By: ______________________________

Name: Richard Baker

Title:

By: ______________________________

Name: Lee Neibart

Title:

HUDSON'S BAY COMPANY LUXEMBOURG S. À R. L.

By: ______________________________

Name: Richard Baker

Title: Class A Manager

HANOVER INVESTMENTS (LUXEMBOURG) S.A.

By: ______________________________

Name:

Title:

By: ______________________________

Name:

Title: