

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

February 5, 2018

Item 3 News Release

A press release was disseminated in Canada through the facilities of Business Wire on February 5, 2018 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

Hudson's Bay Company ("**HBC**" or the "**Company**") announced the appointment of Helena Foulkes as Chief Executive Officer of the Company, effective February 19, 2018.

Item 5 Full Description of Material Change

The Company announced the appointment of Helena Foulkes as the Chief Executive Officer of the Company, effective February 19, 2018. Foulkes will be responsible for HBC's global strategy and operations for all banners, overseeing more than 66,000 associates worldwide across a portfolio of more than 480 stores, related e-commerce platforms, supply chain, logistics and technology. Upon joining HBC, she will also be appointed to HBC's Board of Directors. Richard Baker, who has been acting interim CEO, will continue as Governor and Executive Chairman of HBC.

Prior to joining HBC, Helena Foulkes was Executive Vice President of CVS Health and President of CVS Pharmacy, a position she held since January 2014, where she led the strategic vision as well as the operations for all aspects of the company's retail business, including its nearly 9,700 retail stores, 20 distribution centers and e-commerce sites, as well as merchandising, supply chain, marketing and real estate. She was also a principal architect of the company's move to become a recognized leader in healthcare.

Over the course of her more than 25 years with CVS, Foulkes played an important leadership role in growing the company to the largest pharmacy health care provider in the United States. She also helped lead CVS's decision to discontinue sales of tobacco products and the creation of CVS digital, which is now used by 48 million consumers to fill prescriptions.

Prior to joining CVS in 1992, Foulkes worked at Goldman, Sachs & Co. and Tiffany & Co. She has received numerous professional honors, including Fast Company's Most Creative People in Business list. Foulkes serves on the boards of The Home Depot and the Harvard University Board of Overseers.

Foulkes received her undergraduate degree from Harvard College and an MBA from Harvard Business School.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Further information regarding the matters described in this report may be obtained from David Schwartz, Executive Vice President, General Counsel & Corporate Secretary, who is knowledgeable about the details of the material change and may be contacted at (646) 802-8870.

Item 9 Date of Report

February 9, 2018.