

HBC 401(K) RETIREMENT SAVINGS PLAN
NOTIFICATION TO ELIGIBLE EMPLOYEES OF ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT

This is an annual notice provided by Hudson's Bay Company (HBC) (the "Company") to satisfy certain legal requirements regarding automatic enrollment in the HBC 401(k) Retirement Savings Plan (the "Plan")

This notice covers the following points:

- Whether the Plan's automatic enrollment feature applies to you;
- What amounts will be automatically taken from your pay and contributed to the Plan;
- What other amounts the Company may contribute to the Plan for you; and
- Ownership (vesting) of your Plan account, and when you can receive a distribution of your Plan account.

You can find out more information about the Plan in the Plan's Summary Plan Description (the "SPD"). You can obtain a copy of the SPD from the Plan Administrator. A copy of the SPD can also be downloaded by visiting the HBC 401(k) page on the myhbcbenefits.com benefits website.

I. Employee Deferral Contributions

You are allowed to defer a portion of your compensation to the Plan. These amounts are referred to as "deferrals" and are held in a Plan account on your behalf. When you are permitted to take a distribution from the Plan, you will be entitled to all of your deferrals, as adjusted for any investment gains or losses. The type of compensation that you may defer under the Plan is explained in further detail in the SPD.

Your total deferrals in any taxable year to all tax-qualified retirement plans may not exceed a dollar limit which is set by law. You can view the current limits under the tax laws at go.ml.com/401klimits. The dollar limit may increase each year for cost-of-living adjustments.

If you are at least age 50 or will attain age 50 during a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") to the Plan. These are additional amounts that you may defer, up to an annual limit imposed by law, regardless of any other limits imposed by the Plan. You can view the current limits under the tax laws at go.ml.com/401klimits. The dollar limit may increase each year for cost-of-living adjustments.

You may make either Regular 401(k) deferrals (pre-tax) or Roth 401(k) deferrals (after-tax). Regular 401(k) deferrals and Roth 401(k) deferrals are generally subject to the same contribution limitations described above. Your election regarding the amount and type of deferrals is irrevocable with respect to any deferrals already withheld from your compensation, other than certain deferrals, which may be unwound for a limited 90-day period as described below. If you make Regular 401(k) deferrals, your deferrals are not subject to income tax until distributed from the Plan. If you make Roth 401(k) deferrals, your deferrals are subject to income tax at the time of deferral. The Roth 401(k) deferrals; however, generally are not taxed when you receive a distribution from the Plan. Please see the SPD for additional details on requirements for Roth distributions.

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. Your election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it. You may revoke or make modifications to your salary deferral election in accordance with procedures that the Plan Administrator provides.

Automatic Deferrals. The Plan includes an automatic enrollment feature known as an Eligible Automatic Contribution Arrangement ("EACA") for Participants who enter the Plan as new participants on or after September 1, 2018

The automatic deferral provisions of the Plan under its EACA feature are effective as of September 1, 2018 and will only apply to you if you enter the Plan as a new participant on or following September 1, 2018.

Under the Plan's EACA provisions, the Company will automatically withhold 3% of your eligible compensation from your pay each payroll period and contribute that amount to the Plan as an elective deferral. You will be notified of your automatic enrollment effective date 30-days prior to any contributions being withheld from your paycheck. If you do not want to be automatically enrolled into the Plan prior to your auto-enrollment date, you should contact the Retirement & Benefits Contact Center at 1-888-335-8218 and opt out with a representative directly. If you are automatically enrolled in the Plan, you may unwind your initial deferrals for a limited 90-day period as described in the **Limited Right to Withdraw Automatic Deferrals** section below.

Please note, the Plan will automatically enroll you at a 3% contribution rate, but you may choose a different amount (including zero) at any time by creating an account online at www.benefits.ml.com or by calling the Retirement & Benefits Contact Center at 1-888-335-8218 and speaking to a representative.

This document is being provided exclusively by your employer, which retains responsibility for the content.

Automatic Escalation. If you are a new participant who is automatically enrolled on or after September 1, 2018 at 3% and you do not make an affirmative election to change the percentage, the percentage you contribute to the Plan as a deferral will automatically increase by 1% each year until you are contributing 6% of your compensation as a deferral to the Plan. Your deferral election percentage will increase 12 months from the later of: (1) the date you enter the plan or (2) the date on which you file an alternative deferral election without opting out of the automatic increase. This automatic increase will apply annually unless you make an affirmative deferral election to opt out of the automatic increase.

Limited Right to Withdraw Automatic Deferrals. If you are automatically enrolled in the Plan, you may cancel or reduce your enrollment and elect to have the Plan distribute to you all of your prior automatic deferrals (adjusted for any earning or losses). You may make this election by contacting Merrill at 1-888-335-8218. You must make this election no later than 90 days after the first automatic deferral is taken from your compensation. If you elect to withdraw your automatic deferrals, then the entire amount will be subject to income taxes, but you will not be subject to the 10% premature distribution additional tax, even if you receive the distribution prior to age 59 1/2. Also, if you withdraw your prior automatic deferrals, then you will forfeit any matching contributions related to those deferrals. If you take out automatic deferrals, then the Company will treat you as having chosen to make no further contributions. However you can choose to continue or restart making contributions at any time.

II. Vesting / Employer Matching Contributions

You are always 100% vested in your own contributions to the Plan: Pre-Tax 401(k) deferrals, Roth 401(k) deferrals, and catch-up contributions.

Your "vested percentage" for employer matching contributions is based on credited years of service. Vested amounts are adjusted for earnings/losses. See the Plan's Summary Plan Description (SPD) for further information on vesting and company match contributions.

III. Plan Distribution Provisions

The Plan and applicable law impose restrictions on when you may receive a distribution from the Plan. Below is general information on when distributions may be made under the Plan. See the SPD for more details, including details on how benefits are paid. Also, at the time you are entitled to receive a distribution, the Plan Administrator will provide you with a notice explaining the rules regarding the taxation of the distribution.

You generally may not withdraw your deferral contributions except when one of the following events occurs: termination from employment with the Company, death, or attainment of age 59 1/2. You may also withdraw money from the Plan from certain accounts while you are still working if you have reached age 59 1/2 or if you have an immediate and heavy financial need. However, there are various rules and requirements that you must meet before any withdrawal is permitted. You may also be eligible to take a loan from the Plan. See the SPD for more details.

Please consider the advantages and disadvantages of taking a loan before initiating one.

If your vested account balance exceeds \$5,000, you may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment.

If your vested account balance does not exceed \$5,000, you must elect to distribute your account within 90 days following your termination of employment; otherwise, your vested account balance will be forced out as either a cash payment (under \$1,000) or sent directly to an IRA designated by the Plan Administrator.

You may also withdraw money from the Plan from certain accounts if you have reached age 59-1/2 or if you have an immediate and heavy financial need. However, there are various rules and requirements that you must meet before any withdrawal is permitted. See the SPD for more details on all in-service distribution options and special tax rules.

IV. Investments

Right to Direct Investments/Default Investment. You have the right to direct the investment of your accounts under the Plan at any time. To obtain information about your Plan investment options, or to make changes to your current investment elections log onto Benefits Online at www.benefits.ml.com or call the Retirement and Benefits Service Center at 888-335-8218. Representatives are available Monday through Friday from 8:00 a.m. to 11:00 p.m. Eastern Time.

We encourage you to make an investment election to ensure that amounts in the Plan are invested in accordance with your long-term investment and retirement plans. However, if you do not make an investment election, then the amounts that you could have elected to invest will be invested in a default investment that Plan officials have selected.

V. Company's Right to Modify or Terminate Plan

There may be changes to the Plan in the future. The Company reserves the right to amend, modify or terminate the Plan, in whole or in part, at any time, for any reason. Termination of the Plan will result in the discontinuance of all contributions to the Plan with respect to any compensation you receive after the effective date of the termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

VI. Additional Information

This notice is not a substitute for the SPD. The provisions of the Plan are very complex and you should always look at the SPD if you have any questions about the Plan. If, after reading the SPD, you still have questions, contact the Plan Administrator. This notice is provided for informational purposes only. It is general in nature and is not intended as a recommendation or advice with respect to your Plan contributions. It should be considered along with any other relevant information available to you. You should consult your own attorney, accountant, consultant, financial, or other advisor for specific guidance.

This communication is intended to provide general information about the Plan. Plan benefits are paid only if provided for in the legal plan documents. Every effort has been made to ensure the accuracy of this information. However, if there is any inconsistency between this communication and the Plan documents, the terms of the Plan documents will control. The Company, its affiliates, and the Plan fiduciaries (and their representatives) do not guarantee, and do not have any responsibility for, the tax, legal, or other implications of participation in the Plan.

The Plan Administrator is the HBC Pension and Retirement Committee as named by HBC US Holding LLC. You may contact the Committee at:

Contact: HBC Pension and Retirement Committee

Address: 250 Highland Park Boulevard
Wilkes-Barre, PA 18702

Telephone: 646-802-2275

Where to go for Further Investment Information. You can obtain further investment information about the Plan's investment alternatives by contacting the Plan Administrator or by accessing the information on Merrill's website at www.benefits.ml.com.