Compelling Reasons for Supporting the Proposed Transaction

Presentation to Hudson's Bay Company Minority Shareholders

December 2019

Forward-Looking Statements and Additional Information

Forward-Looking Statements

Certain statements made in this presentation are forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements with respect to: the transaction to take HBC private; the belief that HBC's stock price would fall to previous levels if the transaction is not completed; the expected timing for completion of the transaction; HBC's forward-looking outlook and capital requirements; the risk and challenges facing HBC; and other statements that are not historical facts. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology.

Although the Continuing Shareholders believe that the forward-looking statements in this presentation are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from their expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond the Continuing Shareholders' control and the effects of which can be difficult to predict: (a) the failure to obtain or satisfy, in a timely manner or otherwise, required shareholder and regulatory approvals and other conditions of closing necessary to complete the proposed transaction; and (b) the risks and challenges facing HBC, including those set forth in the "Risk Factors" section of HBC's Annual Information Form dated May 3, 2019, those set forth in the "Risk Factors" section of the Management Information Circular dated November 14, 2019 as well as HBC's other public filings, available at www.sedar.com and at www.hbc.com; and (c) other risks and/or factors beyond its control which could have a material adverse effect on HBC or the ability to consummate the transaction.

The forward-looking statements contained in this presentation describe expectations at the date of this presentation and, accordingly, are subject to change after such date. Except as may be required by applicable Canadian securities laws, the Continuing Shareholders do not undertake any obligation to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements.

For further information on the transaction to take HBC private, please refer to HBC's Management Information Circular dated November 14, 2019 and related proxy materials. A copy of the Management Information Circular and related proxy materials may be found under HBC's profile on SEDAR at www.sedar.com and on HBC's website at http://investor.hbc.com/investor-relations.

Appraisals

The conclusions reached in CBRE, Inc.'s ("CBRE") and Cushman & Wakefield, Inc.'s ("Cushman") appraisals of owned and leased properties of HBC, RioCan- HBC Limited Partnership and HBS Global referred to in this presentation are subject to certain assumptions and limiting conditions set forth therein, including, without limitation, that if any of the appraised premises are vacated or a tenant otherwise stops paying rent, there would be a material negative impact on the as- is value. The CBRE and Cushman appraisals are addressed solely to the Special Committee and may not be relied upon by any person, other than the Special Committee, TD Securities, J.P. Morgan and Centerview Partners, to establish an estimated value of the real estate portfolio of the Company or for any other purpose. The CBRE and Cushman appraisals do not constitute a recommendation to any person to sell or purchase securities of the Company.

Valuation and Fairness Opinion

The full text of the TD Valuation and Fairness Opinion sets out the assumptions made, matters considered and limitation and qualifications on the review undertaken in connection with the TD Securities Valuation and Fairness Opinion.

The TD Valuation and Fairness Opinion was provided for the exclusive use of the Special Committee and the Board of Directors of HBC (other than the Conflicted Directors) in considering the Arrangement and to comply with the formal valuation requirements of MI 61-101. The TD Valuation and Fairness Opinion expressed no view as to, and its opinion did not address, the relative merits of the Arrangement as compared to any other transactions or business strategies that may be available to the Company as alternatives to the Arrangement or the decision of the Special Committee or the Board of Directors to proceed with the Arrangement. The TD Securities Valuation and Fairness Opinion was not intended to be, and did not, constitute, a recommendation to the Special Committee or the Board of Directors, or a recommendation to any shareholder of HBC as to how to act or vote on any matter relating to the Arrangement.

Figures in Canadian dollars unless otherwise indicated.

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The Continuing Shareholders

The Continuing Shareholders are a group of HBC shareholders comprised of individuals and entities related to, or affiliated with:

- **Richard A. Baker**,
  Governor and Executive Chairman of HBC
- **Rhône Capital L.L.C.**
- **WeWork Property Advisors**
- **Hanover Investments (Luxembourg) S.A.** and
- **Abrams Capital Management, L.P.**

Collectively, the Continuing Shareholders own approximately 57% of the outstanding common shares of HBC on an as-converted basis

Minority Shareholders Have a Clear Choice to Make

HBC's Minority Shareholders can choose between two futures:

- Elect to receive $10.30 per share in cash, delivered with certainty in the near-term; or
- Choose to remain minority shareholders in a public company with considerable risk, uncertainty, low liquidity and high volatility.

The Continuing Shareholders are Committed to This Investment Either Way

The Continuing Shareholders are not sellers and are committed to a long-term strategy. They are prepared to be patient during a long industry recovery period that may require significant additional investment and capital to be successful.

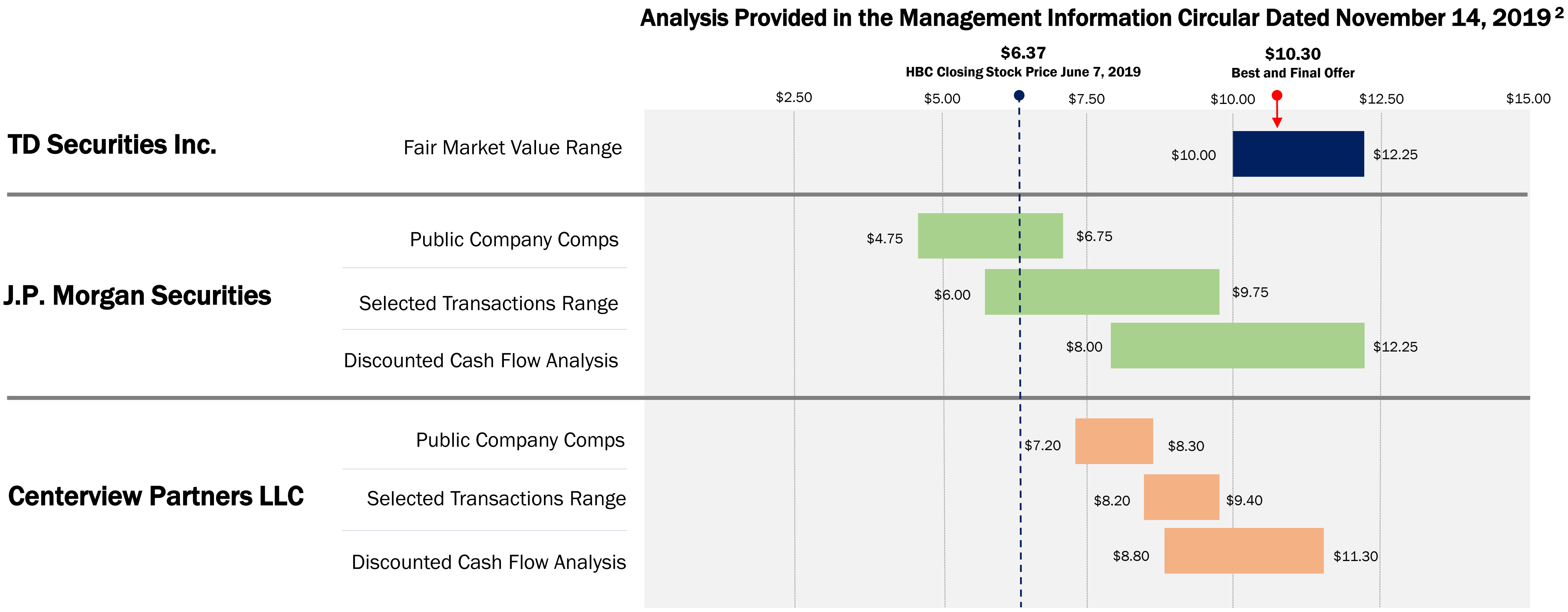
Background to the Offer

- The rapidly evolving retail landscape, driven primarily by online competitors such as Amazon, has posed significant challenges to department stores in North America.
  - For example, Macy's stock has declined from approximately US$70 per share to approximately US$15 per share over the last five years; Nordstrom's stock has declined from approximately US$76 per share to approximately US$36 per share over the same period.
- HBC, like other large scale North American retailers, has been impacted by these macro trends, and this has negatively affected the Company's financial and operating results, the value of its real estate assets, as well as its share price.
- HBC shareholders have been subjected to the substantial risk of this retail environment while owning shares in a company without significant public market liquidity.
- As a result, the Continuing Shareholders determined that offering HBC's Minority Shareholders fair value for their shares (and a significant premium to public market trading levels), followed by a significant investment of capital and resources into the business as a private entity, would create the best value opportunity for all parties.

Transaction Highlights

Offer Price	Premium	Approvals	Expected Timing
\$10.30 per share in cash	**62% premium** to HBC's closing share price on June 7, 2019	**Unanimously recommended** by the HBC Board of Directors; Shareholders vote at a Special Meeting on **December 17, 2019** • Requires the approval of a majority of the Minority Shareholders (excludes the Continuing Shareholders) • Requires the approval of 75% of the shares voted (includes the Continuing Shareholders)	Expected to close in **late 2019**

$10.30 per Share Provides a Compelling Value Proposition and is Within the Fair Value Range Determined by the Special Committee's Independent Valuation [1]



[1]HBC's Management Information Circular (Circular) dated November 14, 2019 contains the full text of the Valuation and Fairness Opinions (as defined therein) as well as summaries thereof and additional information regarding the transaction to take HBC private. Shareholders are encouraged to read the Circular, including the full text of the Valuation and Fairness Opinions and summaries thereof, in its entirety, and to consider the information presented above, and considered in the preparation of the Valuation and Fairness Opinions, in conjunction with the full text of the Circular.

[2]Refer to page 30 for full disclaimers.

Compelling Reasons for Supporting the Take Private Transaction

The Continuing Shareholders urge HBC minority shareholders to consider the following:

1	The all-cash offer at $10.30 per share delivers immediate value to HBC minority shareholders at a **62% premium**[1] and is the only offer available to shareholders
2	The all-cash offer at $10.30 per share represents the Continuing Shareholders' **best and final offer**
3	The **retail environment, especially for department stores, is deteriorating and uncertain**
4	Despite HBC's best efforts to adapt, **HBC's stock price and valuation continue to reflect ongoing risk and uncertainty**
5	Execution of HBC's strategic **plan requires significant additional time, capital and patience** to be successful
6	HBC's **real estate has been valued at $8.75 per share** by two highly respected and independent real estate appraisal firms
7	The transaction **transfers the liabilities and risks** facing HBC's business to the Continuing Shareholders, including $825 million of "Dead Rent" [2] expenses
8	**The Continuing Shareholders are buyers**, not sellers, of HBC
9	**None of the Continuing Shareholders are receiving cash** proceeds from the transaction
10	The Special Committee **did not identify any viable alternative** that was more attractive than the proposed transaction
11	Catalyst is attempting to coerce the Continuing Shareholders into raising their offer, but **the Continuing Shareholders have made their best and final offer**

The HBC Board has recommended that Minority Shareholders vote FOR the transaction at the Special Meeting of shareholders on December 17, 2019.

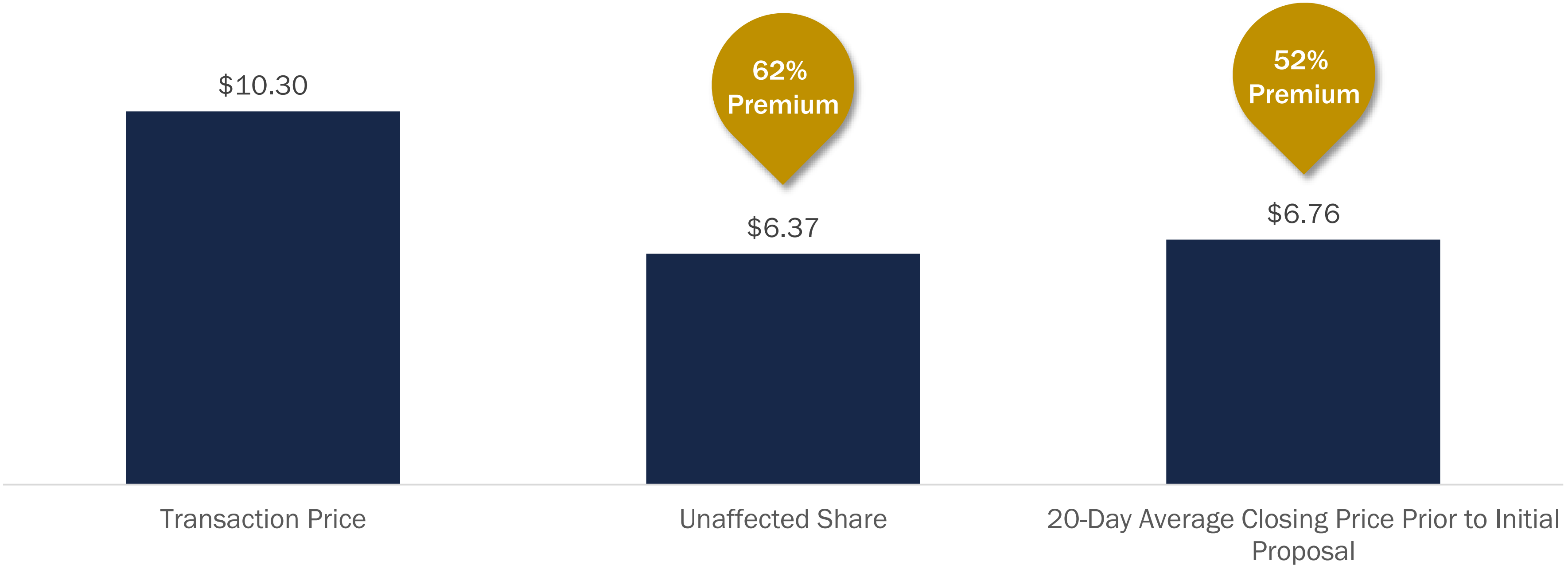
[1]Premium to HBC's unaffected stock price on June 7, 2019
[2]Dead Rent is rent and other unavoidable expenses that are associated with stores that have been closed

Substantial Premium

1	**All-cash $10.30 per share delivers immediate value at a 62% premium**

$10.30 per share represents a **premium of approximately 62%** to HBC's closing share price on the Toronto Stock Exchange of $6.37 per share on June 7, 2019, the last trading day prior to the announcement of the Continuing Shareholders' initial proposal.

62% premium to HBC's closing share price on June 7, 2019



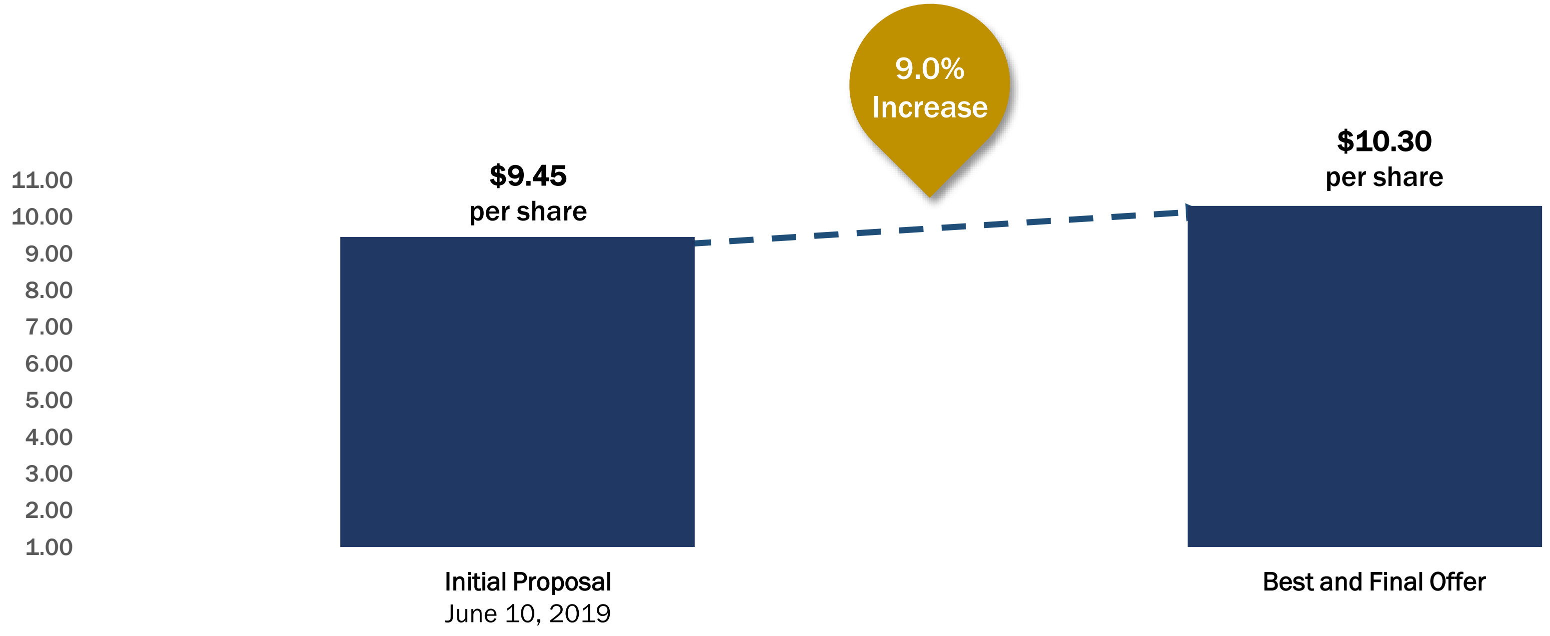
Best and Final Offer

2

The all-cash offer at $10.30 per share represents the Continuing Shareholders' best and final offer

- The Continuing Shareholders engaged in extensive negotiations with the Special Committee and its financial and legal advisors on pricing and other terms of the transaction.
- The offer price of $10.30 per share represents an increase of 9% over the Continuing Shareholders' initial proposal on June 10, 2019 of $9.45 per share.
- The $10.30 per share in cash offer and the terms of the transaction represent the Continuing Shareholders' **best and final offer**.

Extensive negotiations resulted in a revised offer equal to a 9.0% increase over the Continuing Shareholders' initial proposal



Deteriorating and Uncertain Retail Environment

3 | **The retail environment, especially for department stores, is deteriorating and uncertain**

- The retail landscape is experiencing unprecedented change.
- Consumers have shifted a significant portion of their buying to online.
- Brick-and-mortar retailers have had to reduce their physical footprint and adapt their business models.
- The industry has experienced mass store closures and several high-profile bankruptcies in both the U.S. and Canada, which include Target (Canada), Toys "R" Us, Sears, Gymboree, Forever 21 and Barneys New York.

Despite Restructuring Efforts, HBC's Stock Price Has Declined

4

Despite HBC's best efforts to adapt, HBC's stock price and valuation continue to reflect ongoing risk and uncertainty

- HBC has proactively sought to shift its business and strategy by investing heavily to grow its e-commerce business, adjusting marketing and assortments, redeveloping or renovating its stores and selling or closing non-core business units and using proceeds to retire debt.
- Despite these actions, HBC's stock declined more than 40% in the twelve months prior to the Continuing Shareholders' initial proposal.
- The Continuing Shareholders believe the Company's prospects as a public company are highly uncertain.

HBC pursued several strategic initiatives amid a difficult operating environment...

2017

June 2017
Announced "Transformation Plan" for North American operations to save $350 million per annum

October 2017
Agreement to sell Lord + Taylor flagship for US$850 million

2018

June 2018
Divestiture of Gilt with proceeds of $41 million and a promissory note of $2 million

September 2018
Strategic partnership with SIGNA Retail Holdings generating cash proceeds of approximately $616 million

2019

February 2019
Announced closure of Home Outfitters and up to 20 Saks OFF 5TH stores

June 2019
Sale of remaining stake in European Retail and Real Estate joint ventures for consideration of approx. €1.0 billion; HBC retained significant liabilities

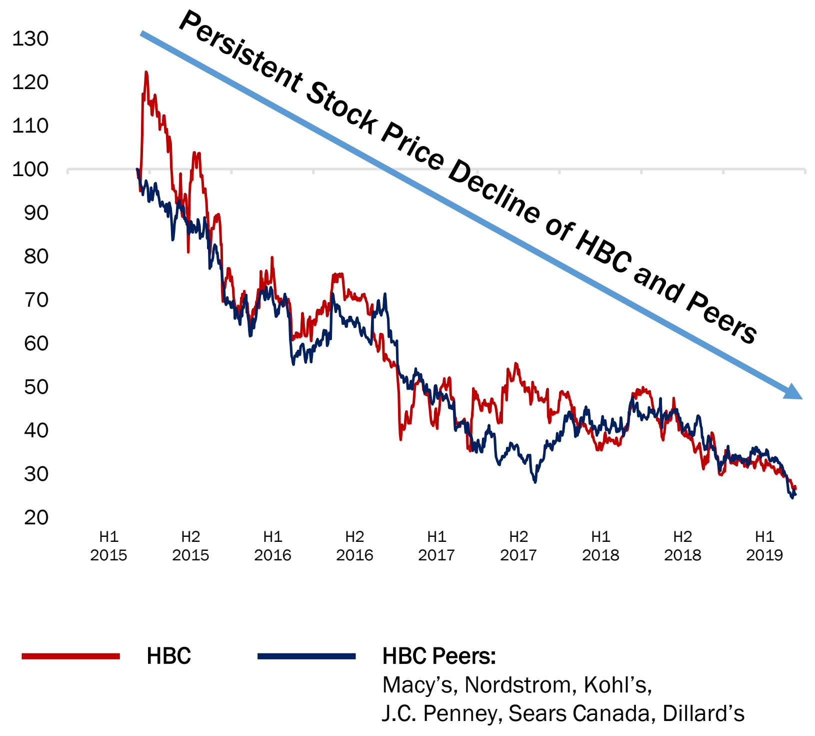
August 2019
Sale of Lord + Taylor to Le Tote following strategic review for US$75 million and a secured promissory note for US$25 million

Despite Restructuring Efforts, HBC's Stock Price Has Declined (Continued)

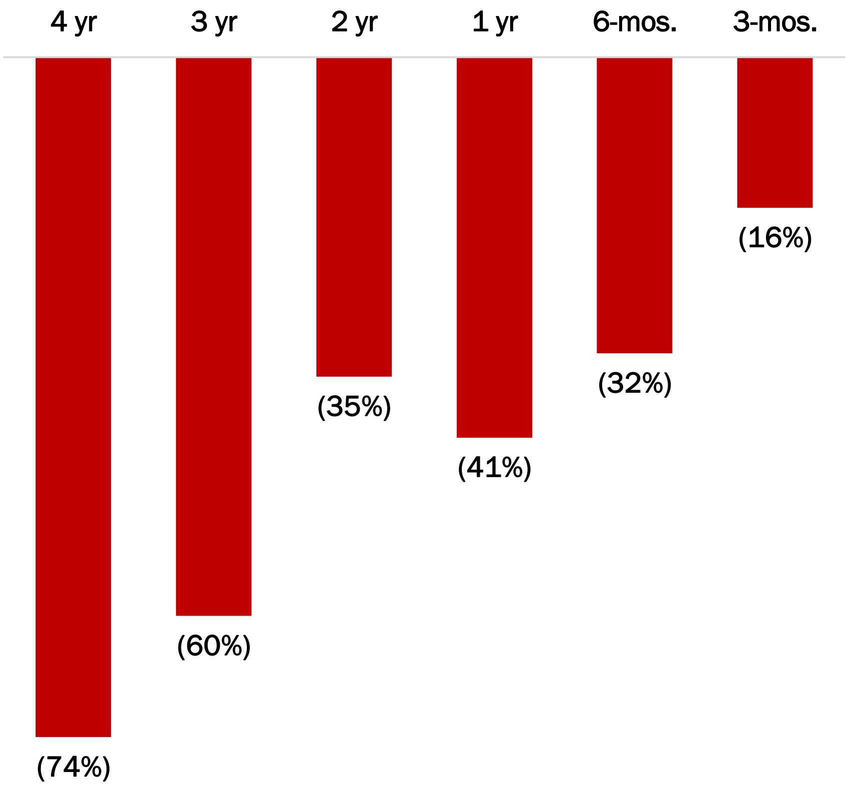
Despite these efforts, HBC's share price continued to decline…

4-Year Stock Price Performance[1]

Hudson's Bay Indexed Against Peers



Share Price Decline[1]



Source: FactSet; [1]Through unaffected date (June 7, 2019)

Significant Additional Capital and Patience Required

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Execution of HBC's strategic plan requires significant additional time, capital and patience to be successful

- The Continuing Shareholders are committed to HBC, its brands, suppliers, customers and outstanding associates.
- Improving HBC's performance will require significant patience and dedicated, long-term-focused investors, and the Continuing Shareholders are prepared to shoulder significant retail market uncertainty, risk and volatility.
- The public markets, where there is greater focus on near-term performance and much less tolerance for risk and volatility, are far less suitable for HBC, given its significant risk outlook and capital requirements.

There will be significant ongoing capital requirements:

Based on assumptions representing an optimistic best case, management has projected the business to generate little or no cash from its operations

HBC's significant historical free cash flow burn (see table below) is expected to continue

C$ millions	FY2016	FY2017	FY2018	YTD FY2019[1]
Free Cash Flow[2]	($345)	($927)	($669)	($561)

[1]YTD through August 3, 2019

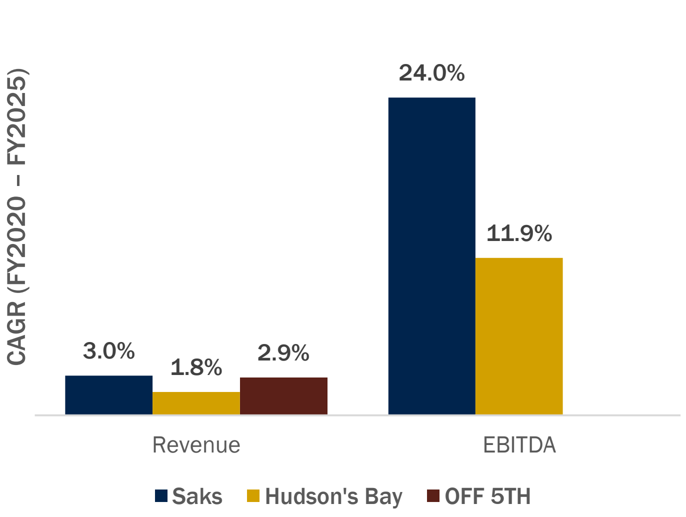
[2]Free cash flow defined as operating cash flow less capital expenditures. Source: HBC publicly filed financial statements.

Management's Retail Plan Has Negative Cash Flow Over Next 5 Years

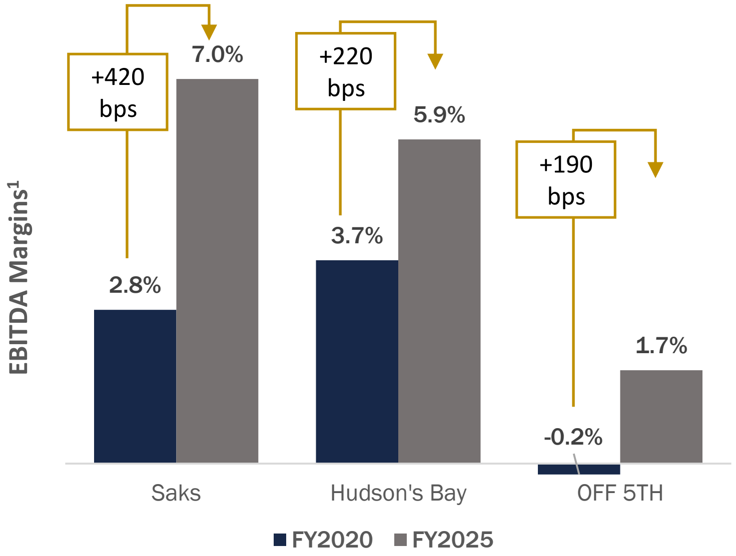
- Management's projections of sales growth, EBITDA growth and EBITDA margin expansion were based on certain variables and assumptions that are inherently uncertain, may be beyond their control and **would exceed existing industry-wide department store trends**
  - ✓ From 2014 – 2019, U.S. department store sector sales CAGR *declined* approximately 4.0%
  - ✓ From 2014 – 2018, department store peers average EBITDA margin *contracted* approximately 190 basis points

Management's Forecasts are Optimistic and Counter Industry Trends

Management's Compounded Annual Growth Projections for Fiscal Years 2020 – 2025[1]



Management's Forecast Banner EBITDA Margin Projections For Fiscal Year 2020 Compared to Fiscal Year 2025[1]



Despite these optimistic growth forecasts and assumptions, management expects HBC's retail operations will burn more than $700 million in cash over the next five years

[1]HBC's Information Circular page C-19; EBITDA CAGR and Margins based on Business Unit EBITDA including corporate expenses

Real Estate Valued at $8.75 Per Share

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HBC's real estate has been valued at $8.75 per share by two world-class real estate appraisal firms

- The Special Committee engaged both CBRE and Cushman & Wakefield to value HBC's real estate assets, producing 79 individual property appraisals, based on current market conditions and taking into consideration potential alternative uses of the real estate.
- These appraisal reports are available for review at http://investor.hbc.com/financial-information.
- The Saks Fifth Avenue flagship store was extensively studied and evaluated in light of deteriorating rents in New York City for premium retail real estate as well as for potential alternative uses of the building, including office and residential use.
- The real estate appraisers determined that the assets owned by HBC are worth $8.75 per share, which is inflated by some above-market rents.
- The $8.75 real estate value also excludes the impact of transaction-related fees and expenses, which would reduce net proceeds to shareholders in the event of a sale of any real estate.

Following an Extensive Real Estate Analysis, Which Included "As-Is" Value and "Alternative Use" Value, the Special Committee and its Advisors Concluded:

- Redevelopment of HBC's real estate would require significant capital expenditure and an extended multi-year timeline, involve material execution risk and require various governmental approvals for the majority of the company's properties;
- Redevelopment potential of Saks Fifth Avenue flagship building is limited by designation as a historical landmark and the absence of air rights to the building; and
- "Alternative Use" values were generally lower than the "As-Is" values because of the substantial investment required to re-purpose and re-tenant the properties and the associated loss of above-market in-place rents.

Real Estate Valued at $8.75 Per Share (Continued)

HBC's Real Estate Was Appraised at $8.75 Per Share[1]

$Cmm, except per share data	# of properties	Real estate value	Net debt	Equity value	HBC interest (%)	Equity value attributable to HBC
Saks Fifth Avenue Flagship	1	$2,080	($1,651)	$429	100%	$429
RioCan-HBC JV	12	1,660	(769)	891	87%	779
HBS U.S. JV	41	1,860	(1,047)	812	62%	507
Other Wholly-Owned	25	307	—	307	100%	307
Lord + Taylor Flagship Preferred Equity[2]	—	163	—	163	100%	163
Total	79	$6,070	(3,467)	2,603		$2,185
Fully diluted shares outstanding						249
Total per share						$8.75

Real Estate Appraisals Conducted By:

Cushman & Wakefield Inc. and CBRE, Inc.

Represents value at above-market rents and no transaction expenses or friction

Source: CBRE and Cushman & Wakefield appraisals

Note: Appraised values assume CAD:USD of 1.30; Net debt numbers per company filings; Fully diluted share count includes dilution from Rhone preferred shares

[1] Represents "As-Is" value from real estate appraisal reports prepared by CBRE and Cushman and Wakefield plus the Lord + Taylor Flagship Preferred Equity valued at face value

[2] Represents US$125mm (C$163mm) preferred equity interest in Lord + Taylor flagship received as part of the WeWork Property Investors transaction at face value

Real Estate Valued at $8.75 Per Share (Continued)

Recent Media Articles Featuring the Decline of Fifth Avenue Retail Real Estate Values

"At the moment there is no market on Fifth Avenue, because there is no demand for Fifth Avenue… Retailers have been approaching deals with caution because they believe that rents have not bottomed out yet."

— WWD

"Average annual asking rents for ground floor locations for the Fifth Avenue strip between 49th and 60th Street was $2,779 per square feet in the first quarter of 2019, down 11% from its peak of the first quarter of 2017, says commercial real estate broker Cushman & Wakefield. But many analysts believe they haven't fallen far enough."

— Fortune

"Fifth Avenue is in a liquidation mode of sorts — at least when it comes to mega retailers."

"Meanwhile, the availability rate — a measure of space that's available now or will be in the next 12 months — is climbing to historically high levels, and rents are falling."

— TheRealDeal

"Stores Take Flight From Fifth Avenue in Manhattan"

— New York Times

"…we have not seen anywhere near the contraction in rents that you've seen on Fifth Avenue"
"The exodus on Fifth Avenue appears set to continue."

"The smart landlords are renegotiating to keep their places lit."

— The Wall Street Journal

"Fifth Avenue Takes Another Hit: Tommy Hilfiger is Leaving its Flagship"

"The move comes after other fashion giants have closed on Fifth Avenue, including Polo Ralph Lauren, the Gap, and Lord + Taylor."

— TheRealDeal

Real Estate Valued at $8.75 Per Share (Continued)

Saks Fifth Avenue Flagship Valuation Summary

- CBRE was retained by the Special Committee to perform an appraisal on the Saks Fifth Avenue Flagship store at 611 Fifth Avenue in New York.
- The detailed 212-page CBRE appraisal report considered three possible uses of the property:
  - Existing use with Saks as a single tenant at a fair market lease rate;
  - Building improvements and leased to another single tenant at a fair market rate; and
  - Converted into mixed-use of retail, office and residential spaces.
- Due to a variety of factors, including the property's designation as a historical landmark as well as the estimated cost of conversion and the amount of time needed to create a mixed-use property, CBRE determined that the property's highest value use is in its current format, housing Saks as a single tenant.
- In concluding that the building's current use is the highest value use, CBRE used two methods to determine the property's value: comparable transactions analysis and income capitalization analysis.
- CBRE concluded that the appraised value of the property is worth $1.58 billion to $1.6 billion (equivalent to C$2.08 billion[1]), using the comparable transaction method and income capitalization method, respectively.
  - The Saks Fifth Avenue Flagship store currently has US$1.25 billion of debt against the property.
  - Redevelopment potential of Saks Fifth Avenue Flagship building is impacted by designation as a historical landmark and the absence of air rights to the building.

[1]Assume CAD:USD of 1.30

Transaction Transfers Liabilities and Risks to Continuing Shareholders

7

The transaction transfers the liabilities and risks facing HBC's business to the Continuing Shareholders, including $825 million of "Dead Rent" expense[1]

- Through the all-cash offer at $10.30 per share, the Minority Shareholders receive immediate, compelling and certain value for their shares.
- The Continuing Shareholders assume the Company's liabilities and risks (and potential for upside) of future business performance in an uncertain retail environment.

The Continuing Shareholders will assume

~$825mm

of restructuring costs and "Dead Rent" expense[1]

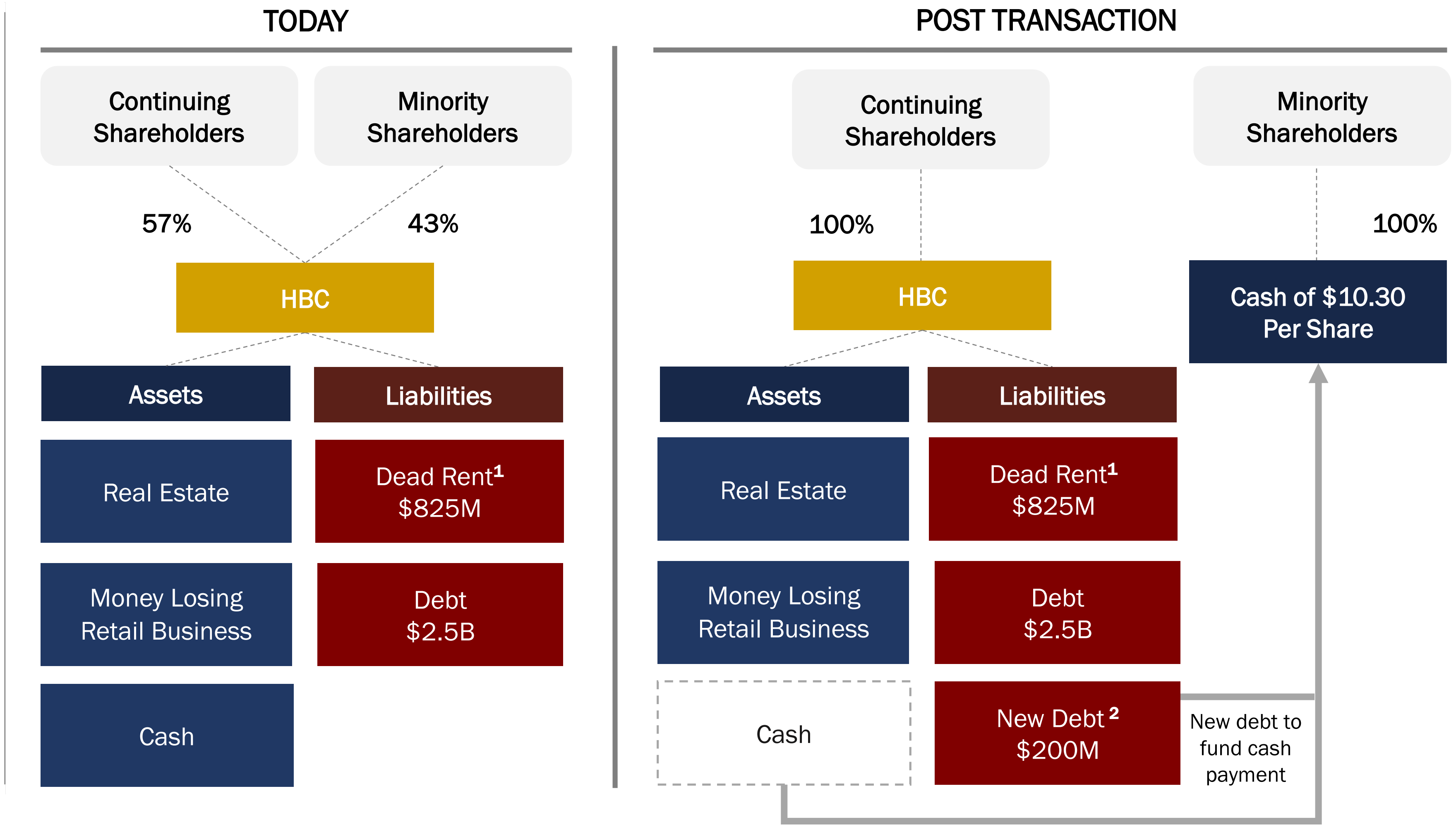
HBC expects to incur **~$825mm** in restructuring and "Dead Rent" expenses[1] over next 3 years

- **~$300mm** associated with **closing the Netherlands operations** related to sale of German operations
- **~$430mm** in ongoing **rent obligations** associated with Lord + Taylor, Home Outfitters, and Saks OFF 5TH
- **~$95mm** in **other restructuring and non-recurring expenses** associated with transaction expenses and other committed initiatives

[1] Dead Rent is rent and other unavoidable expenses that are associated with stores that have been closed; Dead Rent does not include partially offsetting distributions from real estate JVs

Transaction Transfers Liabilities and Risk to Continuing Shareholders (Continued)

The transaction transfers the risks and uncertainties facing HBC's business to the Continuing Shareholders and delivers certain and compelling value in cash to Minority Shareholders.



[1] Dead Rent is rent and other unavoidable expenses that are associated with stores that have been closed; Dead Rent does not include partially offsetting distributions from real estate JVs

[2] $200MM FILO Term Loan fully committed from Bank of America and Royal Bank of Canada

Take Private Transaction Represents Best Alternative for HBC and Minority Shareholders

8	**The Continuing Shareholders are buyers, not sellers, of HBC**	▪ The Continuing Shareholders have said from day one that they are not interested in an alternative transaction that would result in the sale of their interest in HBC or the acquisition by a third party of HBC or any of its material assets.
9	**None of the Continuing Shareholders will receive cash proceeds from the transaction**	▪ Under the agreement, the Continuing Shareholders will contribute 100% of their equity into the transaction and will receive no cash proceeds.
10	**The Special Committee did not identify any viable alternative that was more attractive than the proposed transaction**	▪ The Special Committee of HBC's Board of Directors, with the assistance of its independent financial and legal advisors, conducted a thorough review of other alternatives available to the Company, including the return of capital to shareholders or a different operating strategy. ▪ The Special Committee concluded the take private transaction was the best alternative.

Catalyst Capital's Public Statements Lack Credibility

11	**Catalyst is attempting to coerce the Continuing Shareholders into raising its offer, but the Continuing Shareholders have made their best and final offer**

- Catalyst claims that there is widespread opposition to the Continuing Shareholders' offer even though Catalyst has not identified the other shareholders opposed to the transaction.
- Catalyst is now claiming that it may have been willing to acquire HBC for $11 per share, however the Continuing Shareholders remain clear that they are not interested in selling their shares. **The $11 per share "proposal" is completely illusory.** Catalyst knew when it made its "proposal" that it would never be expected to pay HBC shareholders $11 per share.
- We believe these efforts by Catalyst are nothing more than a transparent attempt to convince shareholders to vote against the transaction in the hopes that the Continuing Shareholders will increase their offer.

HBC Minority Shareholders have a simple choice:

1

Vote to accept $10.30 per share; **or**

2

Remain minority equity owners of a publicly-traded HBC

Board Recommends a Vote FOR the Transaction

The HBC Board, having received the unanimous recommendation of the Special Committee, determined that the arrangement is in the best interest of HBC and fair to the Minority Shareholders.

It has recommended that Minority Shareholders vote in favor of the arrangement at the Special Meeting of shareholders on December 17, 2019.

- Substantial premium
- Immediate and certain value in an uncertain retail and real estate environment
- Fair value determined by a comprehensive process and fairness valuations
- Operational risk and ~$825mm of restructuring costs and Dead Rent[1] transfers to Continuing Shareholders
- Absent a transaction, there is a significant risk to HBC's share price performance given limited alternatives

[1]Dead Rent is rent and other unavoidable expenses that are associated with stores that have been closed

What Happens If the Transaction Is Voted Down?

If the transaction does not receive support from enough shareholders:

All shareholders will face the risks and volatility posed by the difficult retail and retail real estate environment.

The Company will spend its balance sheet cash on restructuring the business, likely foreclosing any capital return to shareholders.

The Company's **stock price could fall meaningfully**, potentially to levels comparable to the price at which it was trading prior to the announcement of the Continuing Shareholders' initial proposal.

The HBC transformation will have to be executed as a public company, which may lead to **additional volatility and valuation issues** for shareholders.

APPENDIX

The Offer, Negotiations and Comprehensive Evaluation Process

Spring 2017: Richard Baker informed the Board of Directors that he was considering whether to pursue a going private transaction. As a result, the Board established a Special Committee of independent directors consisting of David Leith (Chair), Wayne Pommen, Earl Rotman and Matthew Rubel to evaluate any potential proposals. The committee retained Blake, Cassells & Graydon LLP as independent legal counsel. Mr. Baker did not make any proposal, and in September 2017 the committee was dissolved.

2017 – 2019: The Company took a number of actions to simplify its real estate and retail strategies and to create a financially stronger company. Despite the progress made by the Company on these initiatives and strategic transactions, the Company's performance and outlook remained challenging and its share price continued to decline.

March 2019: The Board established a Special Committee (again consisting of Messrs. Leith, Pommen, Rotman and Rubel and later including Ms. Coyles) to supervise the review and evaluation of the Company's strategies and options with respect to the Company's Lord + Taylor business unit and its European retail and real estate assets.

April 2019: Mr. Baker informed the Board that he was again evaluating the possibility of a privatization transaction. The Special Committee appointed J.P. Morgan as financial advisor to the Special Committee.

The Offer, Negotiations and Comprehensive Evaluation Process (Continued)

June 2019: The Continuing Shareholders submitted to the Special Committee and publicly announced its proposal to privatize the Company at a price of $9.45 per share (the "Initial Proposal").

July 2019: The Special Committee announced the engagement of TD Securities as independent valuator. The Special Committee announced it had engaged real estate appraisal firms and planning consultants to assist the Special Committee in valuing the Company's real estate.

August 2019: The Special Committee concludes that the Initial Proposal is inadequate based on the analysis to date and publicly announces this as part of an update to shareholders.

September 2019: Representative of J.P. Morgan met with representatives of the Continuing Shareholders' financial advisors, BofA Securities and RBC, to discuss why the Initial Proposal made by the Continuing Shareholders was inadequate. Following extensive negotiations, a representative from the Continuing Shareholders informed Mr. Leith that the Continuing Shareholders were prepared to consider increasing the purchase price to $10.30 per share, and that such an increase would represent their best and final offer.

October 2019: The Special Committee unanimously recommended to the Board that the $10.30 per share offer is in the best interest of the Company and is fair to Minority Shareholders.

Financial Advisor Fairness Opinion Disclaimers[1]

TD Securities Inc.

The preparation of a Valuation and Fairness Opinion is a complex process and is not necessarily amenable to partial analysis or summary description. TD Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete view of the process underlying the Valuation and Fairness Opinion. Accordingly, this Valuation and Fairness Opinion should be read in its entirety.

J.P. Morgan Securities

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above were merely utilized to create points of reference for analytical purposes and should not be taken to be the view of J.P. Morgan with respect to the actual value of the Company. The order of analyses described does not represent the relative importance or weight given to those analyses by J.P. Morgan. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion.

Centerview Partners LLC

The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. In arriving at its opinion, Centerview did not draw, in isolation, conclusions from or with regard to any factor or analysis that it considered. Rather, Centerview made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of the analyses.

[1]HBC's Management Information Circular (Circular) dated November 14, 2019 contains the full text of the Valuation and Fairness Opinions (as defined therein) as well as summaries thereof and additional information regarding the transaction to take HBC private. Shareholders are encouraged to read the Circular, including the full text of the Valuation and Fairness Opinions and summaries thereof, in its entirety, and to consider the information presented above, and considered in the preparation of the Valuation and Fairness Opinions, in conjunction with the full text of the Circular.