



## Hudson's Bay Company Announces Filing of Management Information Circular for Shareholders Meeting to Approve Privatization Transaction

November 15, 2019

### *Board Unanimously Recommends Shareholders Vote in Favor of the Arrangement Resolution*

TORONTO & NEW YORK--(BUSINESS WIRE)--Nov. 15, 2019-- Hudson's Bay Company (TSX: HBC) ("HBC" or the "Company") today announced it has filed the Management Information Circular (the "Circular") and related proxy materials with Canadian securities regulatory authorities in connection with the special meeting of shareholders (the "Special Meeting") to be held at The Arcadian Loft, 8th Floor, 401 Bay Street, Toronto, Ontario, on December 17, 2019 at 10:00 a.m.

The purpose of the Special Meeting is to obtain shareholder approval of a transaction in which Hudson's Bay Company will become a private company, owned by certain continuing shareholders (the "Continuing Shareholders"), and the Company's other shareholders (the "Minority Shareholders") will receive \$10.30 in cash per share.

This transaction is being recommended by a Special Committee of independent directors (the "Special Committee"). The Special Committee conducted, with the assistance of its financial and legal advisors, an extensive review of the Company's operations and real estate assets, and of alternatives available to the Company, and obtained an independent valuation of the Company's common shares. The Special Committee also had extensive negotiations with the Continuing Shareholders regarding the purchase price of the common shares and other terms of the transaction. Following this comprehensive process, and after careful deliberation, the Special Committee unanimously determined that the transaction is in the best interests of HBC and is fair to the Minority Shareholders.

The Board, excluding conflicted directors (who did not participate in deliberations), acting on the unanimous recommendation of the Special Committee, unanimously determined that the transaction is in the best interests of HBC and is fair to Minority Shareholders and recommends that Minority Shareholders vote **FOR** the transaction for the following reasons, among others:

- The Consideration provides a compelling value proposition for Minority Shareholders and is within the fair value range determined by TD Securities Inc.
- The retail environment is deteriorating
- The value of HBC's real estate portfolio has declined
- There are challenges in realizing the Company's real estate value
- Any potential redevelopment of HBC's real estate portfolio will require significant capital, as well as an extended multi-year time horizon
- The Company has significant obligations that constrain its ability to return capital to shareholders
- There are limited alternatives for a sale to third parties
- The transaction is the result of a process that included robust negotiations and procedural safeguards
- There are a limited number of closing conditions related to the completion of the transaction

A copy of the Circular and related proxy materials may be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on HBC's website at <http://investor.hbc.com/investor-relations>. The Company intends to mail the Circular to its shareholders in the upcoming days.

### **About HBC**

HBC is a diversified retailer focused on driving the performance of high-quality stores and their omni-channel platforms and unlocking the value of real estate holdings. Founded in 1670, HBC is the oldest company in North America. HBC's portfolio today includes formats ranging from luxury to premium department stores to off price fashion shopping destinations, with nearly 250 stores and approximately 30,000 employees around the world. HBC's leading businesses across North America include Saks Fifth Avenue, Hudson's Bay, and Saks OFF 5TH. HBC also has significant investments in real estate joint ventures. It has partnered with Simon Property Group Inc. in the HBS Joint Venture, which owns properties in the United States. In Canada, it has partnered with RioCan Real Estate Investment Trust in the RioCan-HBC Joint Venture.

### **Forward-Looking Statements**

Certain statements made in this news release are forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements with respect to the rationale of the Special Committee and the Board of Directors for entering into the Arrangement Agreement, the terms and conditions of the Arrangement Agreement, the timing of various steps to be completed in connection with the transaction, and other statements that are not material 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 HBC believes that the forward-looking statements in this news release 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 management's expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond HBC's control and the effects of which can be difficult to predict: (a) the possibility that the transaction will not be completed on the

terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a 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 transaction or for other reasons; (b) risks related to tax matters; (c) the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the transaction; (d) risks relating to HBC's ability to retain and attract key personnel during the interim period; (e) the possibility of litigation relating to the transaction; (g) credit, market, currency, operational, real estate, liquidity and funding risks generally and relating specifically to the transaction, including changes in economic conditions, interest rates or tax rates; (h) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business; and (i) other risks inherent to the Company's business and/or factors beyond its control which could have a material adverse effect on the Company or the ability to consummate the transaction.

HBC cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect its results. For more information on the risks, uncertainties and assumptions that could cause HBC's actual results to differ from current expectations, please refer to the "Risk Factors" section of HBC's Annual Information Form dated May 3, 2019 as well as HBC's other public filings, available at [www.sedar.com](http://www.sedar.com) and at [www.hbc.com](http://www.hbc.com).

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

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