



## Special Committee of the Board of Hudson's Bay Company Responds to Proposal from Catalyst Capital Group

Dec 02, 2019

TORONTO & NEW YORK--(BUSINESS WIRE)--Dec. 2, 2019-- The Special Committee of the Board of Directors of Hudson's Bay Company (TSX:HBC) ("HBC" or the "Company") today announced that it has concluded that the unsolicited proposal from The Catalyst Capital Group Inc. ("Catalyst") to acquire HBC is not reasonably capable of being consummated. As a result, the Catalyst proposal cannot be a Superior Proposal for the purposes of the Arrangement Agreement between HBC and Rupert Acquisition LLC dated October 20, 2019 (the "Arrangement Agreement").

The Special Committee gave careful consideration to the Catalyst proposal and the opportunity to pursue it. Following its receipt of the Catalyst proposal, the Special Committee requested and received from Catalyst additional information regarding the proposal, including with respect to the intended financing of the proposed transaction, the due diligence required to be completed by Catalyst, and other matters. In order to have more time to consider the proposal, the Special Committee also sought, and was granted, an extension from Catalyst to the November 29, 2019 deadline that Catalyst had originally established for receiving a response to its proposal.

The Continuing Shareholders (as defined in the Arrangement Agreement) confirmed to the Special Committee today that they, in their capacity as shareholders, are not interested in any transaction that would result in a sale of their interests in HBC. As the Continuing Shareholders collectively own approximately 57% of the common shares of HBC on an as-converted basis, and the transaction proposed by Catalyst would require approval by at least three-quarters of the votes cast at a meeting of shareholders held to approve the transaction, the opposition of the Continuing Shareholders to the transaction proposed by Catalyst means the transaction is incapable of being completed.

The Special Committee continues to recommend that minority shareholders vote for the special resolution approving the Arrangement at the meeting of HBC shareholders to be held on December 17, 2019.

### 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. 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, proposed, 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; (f) 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; (g) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business; and (h) 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" sections of HBC's Annual Information Form dated May 3, 2019 and Management Information Circular dated November 14, 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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