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.

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. The dollar limit for 2018 is $18,500. 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. The limit for catch-up contributions for 2018 is $6,000. 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 60-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 new participants on or following September 1, 2018.

Under the Plan's EACA provisions, **if you do not complete and return an election form when you are first eligible to participate in the Plan**, then 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 may, however, unwind your initial deferrals for a limited 60-day period as described below. If you wish to defer the automatic deferral amount, then you do not need to complete an election form. However, you may choose a different amount (including zero) by submitting an election form to the Plan Administrator in accordance with the deferral procedures of the Plan. In addition, your deemed deferral amount will increase by 1% each Plan Year, unless and until you elect otherwise, until the deferral amount reaches 6% of your compensation.

This means that, unless you affirmatively elect otherwise, you will be automatically enrolled to contribute 3% of each pay check as a deferral to the Plan.

Automatic Deferrals from Prior Plan. If you were a participant in the **Lord & Taylor 401(k) Retirement Savings Plan or the Gilt Groupe, Inc. 401(k) Plan** prior to September 1, 2018, you may have been automatically enrolled prior to your account transfer to this Plan effective September 1, 2018. If you were automatically enrolled under a prior plan, you will continue to contribute at the rate in which you were automatically enrolled. If you wish to defer the same amount, then you do not need to complete an election form. However, you may choose a different amount (including zero) by submitting an election form to the Plan Administrator in accordance with the deferral procedures of the Plan.

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.

Please note that that automatic escalation feature does not apply if your account transferred from the Lord & Taylor 401(k) Retirement Savings Plan or the Gilt Groupe, Inc. 401(k) Plan.

Limited Right to Withdraw Automatic Deferrals. If you are automatically enrolled in the Plan, you may cancel or reduce your enrollment and receive a refund of any contributions within 60 days of the automatic enrollment. You may make this election on the form provided to you by the Plan Administrator.

For a limited time, if the Company automatically enrolled you and you did not want to participate in the Plan, you may 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 on the form provided to you by the Plan Administrator. You must make this election no later than 60 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 penalty 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 by completing a salary reduction agreement.

II. Vesting

You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to your Regular 401(k) deferrals, Roth 401(k) deferrals, and catch-up contributions.

Vesting Schedules. Your "vested percentage" for certain Company contributions is based on vesting years of service. See the Plan’s SPD for a description of how “years of service” are calculated. This means at the time you stop working, your account balance attributable to contributions subject to a vesting schedule is multiplied by your vested percentage. The result, when added to the amounts that are always 100% vested as shown above, is your vested interest in the Plan, which is what you will actually receive from the Plan.

Matching and Nonelective Contributions

Your “vested percentage” in your account attributable to matching or nonelective contributions is determined under the following schedule. You will always, however, be 100% vested in your matching and nonelective contributions if you are employed on or after your Early or Normal Retirement Age or if you terminate employment on account of your death, or if you terminate employment as a result of becoming disabled.

Vesting Schedule
Matching and Nonelective Contributions

Years of Service	Percentage
Less than 3	0%
3	100%

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.

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, a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it, as soon as administratively feasible approximately 90 days following your termination of employment.

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.

You may withdraw money from your rollover account at any time. See the SPD for more details.

If you: (i) are a reservist or National Guardsman; (ii) were/are called to active duty after September 11, 2001; and (iii) were/are called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

IV. Investments

Right to Direct Investments/Default Investment. You have the right to direct the investment of your accounts under the Plan (your "directed accounts") in any of the investment choices explained in the investment information materials provided to you.

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 the 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. You may contact the Committee at:

Contact: HBC Pension and Retirement Committee

Address: 250 Highland Park Boulevard

Wilkes-Barnes, PA 18702

Telephone: 1-888-725-7238

Where to go for Further Investment Information. You can obtain further investment information about the Plan's investment alternatives by contacting the Plan Administrator as listed above.

HBC 401(K) RETIREMENT SAVINGS PLAN

ELECTION TO REFUND AND TO STOP DEFERRALS

As an eligible employee under the HBC 401(k) Retirement Savings Plan, I hereby elect not to have any further deferrals automatically taken from my compensation and I elect to have the Plan distribute to me all of my prior automatic deferrals and allocable investment gains or losses on those deferrals. I understand that this election will not affect my ability to make future deferrals by subsequently electing to defer a percentage of my compensation to the Plan.

I understand that I must make this election within 60 days of the first automatic deferral being taken from my compensation and that this is a one-time election to receive a refund of my previous deferrals. I understand that I will pay income tax on the distributed amount, but I will not be subject to the 10% premature distribution penalty tax, even if I receive the distribution prior to age 59 1/2. The Plan will make the distribution to me as soon as practicable.

I acknowledge that I will forfeit any matching contributions on the distributed amounts.

Date of execution: ____________________________

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Signature of Administrator

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Print Name of Participant

____
Signature of Participant

____
Street Address (include apartment no.)

____
Last 4 digits of Social Security Number

____
City State Zip Code