

LANDandBUILDINGS

Land & Buildings Issues Letter to Hudson's Bay Shareholders Providing Update from Recent Meeting with Special Committee

- *Agrees with Special Committee that the Offer from Richard Baker and the Management Buyout Group is Woefully Inadequate –*
- *Believes that Baker's Litany of Missteps – Including Recent Choice to Essentially Threaten Minority Shareholders with Share Price Depreciation if Offer is Not Accepted – Demonstrates He Should be Removed from the HBC Board –*
- *If Management Bid is Unsuccessful Land & Buildings Intends on Requisitioning a Special Shareholders' Meeting to Remove Baker and Elect a Respected Former Executive with Deep Knowledge of the Company to Oversee Monetization Strategy –*

Stamford, CT, August 8, 2019 – Land & Buildings Investment Management, LLC (together with its affiliates, "Land & Buildings") today issued the following open letter to the shareholders of Hudson's Bay Company (TSX: HBC) ("Hudson's Bay", "HBC" or the "Company").

The full text of the letter follows:

Dear Fellow Shareholders,

On Wednesday August 7, Craig Melcher (President and Portfolio Manager of Land & Buildings) and I met with David Leith, Chairman of Hudson's Bay Special Committee, as well as the committee's advisor's TD Securities, JP Morgan and Centerview.

The Management Buyout Group's¹ offer has demonstrated that Richard Baker's interests are not aligned with minority shareholders. Baker's attempt to disenfranchise minority shareholders by offering a woefully inadequate price clearly pits him against the minority shareholders, and the Special Committee agrees – as they publicly stated in their August 2 statement – that the offer is inadequate. Furthermore, Baker's press release responding to the Special Committee essentially threatens minority shareholders that the shares could fall precipitously to pre-offer levels if they do not accept Baker's woefully inadequate offer.

All of this unnecessary distraction and cost was for an offer that Baker must have always known was dead on arrival. This process and Baker's approach has decisively demonstrated that he is unqualified and far too conflicted to continue as Governor of the Board of Directors, and for that matter, to continue as a director of HBC at all.

Minority Shareholder Representation on the Board of HBC: As a consequence of Baker's recent actions, it is crucial that there is minority shareholder representation on the Board. In the event that the Management Buyout Group is unsuccessful in their woefully inadequate bid for HBC, we intend on requisitioning a Special Shareholders' Meeting to remove Richard Baker from the Board and to elect a respected former executive with intimate knowledge of the Company and will encourage the Company to immediately undertake a plan to monetize the company's real estate and distribute proceeds to shareholders, which we believe will result in substantially higher proceeds than the Management Buyout Group's woefully inadequate bid.

A Monetization Strategy Good Enough For Baker and Friends Should Be Implemented For the Benefit of All Shareholders: Under a Monetization Plan, the C\$1.5 billion of Europe sale proceeds that is expected to close in the coming months alone equates to over C\$8 of value per common HBC share, almost equal to the C\$9.45 proposal alone without any value being realized from the Company's other vast real estate holdings and retail businesses. If the Management Buyout Group's intention was to

monetize assets after taking the Company private, which we understand they have already been discussing with potential buyers, the Board with the benefit of qualified minority representation should also independently consider this alternative path.

Minority Shareholders Need Full Disclosure and Board Needs to Investigate Material Non Disclosed Information and Insider Trading of Baker and Management Buyout Group Members:

Finally, we demand that HBC immediately disclose any and all information, including any presentations which may have represented a value materially above the offer price, Baker made as Governor and Chairman to institutional investors Rhône, ADIC, and Abrams Capital as well as any agreements amongst the parties made prior to or during their Offer. Additionally, the Board must investigate when and what information was provided by Baker to Management Buyout Group Members to determine if Baker was engaged in any tipping or otherwise the selective dissemination of material non-disclosed information. These requests are unfortunately reasonable given the precipitous and ill-advised journey Baker has taken the shareholders of HBC on over the past several years, but particularly in this latest chapter over the past several months.

We are confident that the removal of Baker from the Board, the addition of a qualified former executive to the Board, a monetization strategy for the benefit of all shareholders and proper disclosures and investigations of Baker's recent activities will result in substantial returns to the shareholders of HBC. We look forward to continuing to work with HBC and other shareholders to achieve these objectives.

Sincerely,

Jonathan Litt

Founder & CIO

Land & Buildings Investment Management, LLC

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¹ Includes 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.