

HYPOTHEC ON MOVABLES

December 23, 2024.

BY: **HUDSON'S BAY COMPANY ULC / COMPAGNIE DE LA
BAIE D'HUDSON SRI**
(hereinafter the "**Grantor**" or the "*Constituant*")

IN FAVOUR OF: **2171948 ONTARIO INC.**
(hereinafter the "**Lender**")

ARTICLE 1 INTERPRETATION

Section 1.1 **Definitions**

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement. As used herein, the following terms have the following meanings unless there is something in the subject matter or context inconsistent therewith:

"**Collateral**" or "*Biens Hypothéqués*" has the meaning given thereto in Section 2.2 hereof.

"**Claims**" means, with respect to the Grantor, the universality consisting of all the right, title and interest of the Grantor from time to time in and to all present and future claims directly or indirectly held or owned by it including, without limitation:

(i) all accounts receivable, book accounts, book debts, loan receivables including principal, interest and accessories, debts, claims, customer accounts, all sums of money, claims arising from or related to deposits made into any savings or other accounts maintained with any bank or other financial institution together with all interest paid or payable thereon, rentals, revenues, income, receivables, sale proceeds, judgments, bills of exchange, bonds, shares, stocks, warrants, debentures, notes, negotiable instruments, certificates of deposit, letters of credit or guarantee, promissory notes, rebates, refunds, amounts owing by or claimable from the Crown or any departments, agents or agencies thereof (but only to the extent that same may be hypothecated pursuant to applicable Laws), and any other amounts or demands of every nature and kind howsoever arising (including, without limitation, those arising under Contracts), whether or not secured, which are now or become hereafter due or owing to the Grantor;

(ii) all movable and immovable security present or future including all legal or conventional hypothecs and other security held from time to time by the Grantor under or in connection with the foregoing; and

(iii) all indemnities and insurance proceeds (other than those paid under insurance contracts covering rents produced by an immovable property) and expropriation proceeds received, which may be received or to which the Grantor is or may become entitled.

“Contracts” means all contracts, undertakings, agreements, options, licenses, permits, or other documents (other than rights evidenced by chattel paper, securities or Instruments) in or under which the Grantor may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Claim.

“Credit Agreement” means that certain amended and restated term loan agreement dated on or about the date hereof among, *inter alios*, the Grantor and the Lender (as may be further amended, supplemented, replaced, restated or otherwise modified from time to time).

“Excluded Property” has the meaning given thereto in the Security Agreement, but excludes Special Property (as defined in Section 2.6 hereof).

“Grantor” means HUDSON’S BAY COMPANY ULC / COMPAGNIE DE LA BAIE D’HUDSON SRI and includes its successors and permitted assigns.

“Guarantee” means that certain Guarantee dated as of June 26, 2023, among, *inter alios*, the Grantor and the Lender, as same may be amended, modified, supplemented, restated, extended, renewed, or superseded from time to time.

“Instrument” means, (a) a bill, note or cheque within the meaning of the *Bills of Exchange Act* (Canada) or any other writing that evidences a right to the payment of money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment, or (b) a letter of credit and an advice of credit if the letter or advice states that it must be surrendered upon claiming payment thereunder, but does not include a writing that constitutes part of chattel paper, a document of title or investment property.

“Intellectual Property” has the meaning given thereto in the Security Agreement.

“Lender” means 2171948 ONTARIO INC. and includes its successors and assigns.

“Obligations” shall mean the Obligations (as defined in the Credit Agreement) and the Guaranteed Obligations (as defined in the Guarantee).

“Patents” has the meaning given thereto in the Security Agreement.

“Proceeds” means the universality consisting of all identifiable or traceable movable property, present or future, in any form derived directly or indirectly from any dealing with all or part of the Collateral or the proceeds therefrom including any payment or right to a payment or insurance representing an indemnity or compensation for loss of or damage to the Collateral or any part thereof or proceeds therefrom.

“Security Agreement” means that certain General Security Agreement dated on or about the date hereof among, *inter alios*, the Grantor and the Lender, as same may be amended, modified, supplemented, restated, extended, renewed, or superseded from time to time.

“**This Agreement**”, “**these presents**” and similar expressions refer to this agreement including all schedules, amendments, supplements, extensions, renewals, replacements or restatements from time to time.

Section 1.2 Severability

If any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, be severable from and shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

Section 1.3 Interpretation and Headings

The Grantor acknowledges that this Agreement is the result of negotiations between the parties and shall not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation or negotiation. The words “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to the whole of this Agreement including, without limitation, these additional provisions, and not to any particular Section or other portion thereof or hereof and extend to and include any and every document supplemental or ancillary hereto or in implementation hereof. Words in the singular include the plural and words in the plural include the singular. Words importing the masculine gender include the feminine and neuter genders where the context so requires. Words importing the neuter gender include the masculine and feminine genders where the context so requires. The headings do not form part of this Agreement and have been inserted for convenience of reference only. Any reference to “including” shall mean “including without limitation” whether or not expressly provided.

Section 1.4 Enurement

This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors (including any successor by reason of amalgamation) and permitted assigns of the parties hereto.

Section 1.5 Currency

All dollar references in this Agreement are expressed in Canadian Dollars.

ARTICLE 2 CHARGE

Section 2.1 Hypothec Amount

The hypothec constituted herein by the Grantor under Section 2.2 is granted for the principal sum of TWO HUNDRED AND EIGHTY MILLION DOLLARS (\$280,000,000), together with interest thereon from the date hereof at the rate of twenty-five percent (25%) per annum, calculated semi-annually and not in advance.

Section 2.2 Collateral

To secure the full and timely payment and performance of the Obligations, whether now existing or hereafter arising, the Grantor hereby hypothecates all of its right, title and interest in and to the following property (the “**Collateral**” or the “***Biens hypothéqués***”) in favour of the Lender:

l’universalité des biens meubles du Constituant, corporels et incorporels, présents et futurs, de quelque nature que ce soit, et où qu’ils se trouvent.

Section 2.3 English Translation

For the benefit and convenience of each party, it is hereby understood and acknowledged that the English translation of the description of the Collateral purported to be hypothecated under Section 2.2 is the following:

the universality of the Grantor’s movable property, corporeal and incorporeal, present and future, of every nature and kind and wherever situated.

Section 2.4 Language Conflict

The parties acknowledge and agree that the hypothec purported to be granted by the Grantor herein in favour of the Lender under Section 2.2 is granted solely on the Collateral described in the French language, the *Biens hypothéqués*, which will be used for purposes of registration at the Register of Personal and Movable Real Rights pursuant to Article 2984 of the *Civil Code of Québec*, and the French description of the Collateral, the *Biens hypothéqués*, shall apply exclusively in all circumstances notwithstanding any conflict or inconsistency between such French description and the English translation set out in Section 2.3 (which translation is provided herein solely for convenience purposes).

Section 2.5 Continuing Security

The hypothecs created herein are continuing security and will subsist notwithstanding any fluctuation or repayment of the Obligations hereby secured. The Grantor shall be deemed to obligate itself again, as provided in Article 2797 of the *Civil Code of Québec*, with respect to any future obligation hereby secured.

Section 2.6 Special Property

The hypothecs created hereby shall be suspended with respect to any permit, lease, license, contract, agreement, franchise, right or instrument (“**Contractual Right**”) in which the Grantor now or hereafter has rights if the granting of a hypothec on such Contractual Right in the manner contemplated by this Agreement under the terms thereof or under applicable Law, is prohibited and would result in the termination or breach thereof or give the other parties thereto the right to terminate, accelerate or otherwise materially and adversely alter the Grantor’s right, title and interest thereunder (including upon giving of notice or the lapse of time or both), in each case, after giving effect to any applicable Law, other than Claims, provided, in each case, that any such limitation on the hypothecs granted hereunder shall only apply to the extent that any

such prohibition could not be rendered unenforceable pursuant to any applicable Law, collectively the “**Special Property**”), in each case, until it is no longer Special Property including, without limitation until (x) such prohibition no longer exists or has been waived or consented to (y) the granting of a hypothec no longer creates a breach or right of termination or acceleration in such Special Property or no longer materially and adversely alters the Grantor’s right, title and interest thereunder, whereupon the suspensive condition shall immediately be lifted with respect to such Special Property and the hypothecs created hereunder shall then have full effect with respect to same without further action on the part of the Grantor or the Lender. “Special Property” shall not include any proceeds, substitutions or replacements of such Special Property, unless they would themselves constitute Special Property.

Section 2.7 Excluded Property

Notwithstanding the grant of the hypothec above over all of the Collateral of the Grantor, the Lender hereby irrevocably renounces to the exercise of any hypothecary or other right or recourse against any Collateral of the Grantor which, at the time of the exercise of any such hypothecary or other right or recourse, constitutes Excluded Property. For greater certainty, the Lender does not renounce to any hypothecary rights or recourses with respect to Excluded Property which ceases to be Excluded Property. Upon request by the Grantor, the Lender shall execute and deliver to the Grantor any document or instrument that the Grantor shall reasonably request to evidence the release and discharge by the Lender of the hypothecs against any of such Excluded Property.

ARTICLE 3

ADDITIONAL PROVISIONS WITH RESPECT TO THE HYPOTHECS ON CLAIMS

Section 3.1 Debt Collection

The Lender hereby authorizes the Grantor to collect all Claims in the ordinary course of business as and when they become due, save and except as otherwise provided for under the terms of the Credit Agreement or the terms hereof.

Section 3.2 Withdrawal of Authorization to Collect

After the occurrence and during the continuation of a Cash Dominion Event, the Lender may, at its discretion, withdraw the authorization granted in Section 3.1 above, by giving notice as prescribed by law, whereupon the Lender shall immediately be entitled to collect all Claims referred to in such notice.

Section 3.3 Accounts and Records

Should the Lender serve a notice withdrawing the authorization granted to the Grantor to collect the Claims as provided for in Section 3.2 above, the Grantor hereby agrees that all accounts and records maintained by the Lender with respect to any such Claims received and their application by the Lender shall be *prima facie* conclusive and binding unless proven to be wrong or incorrect.

Section 3.4 Powers in Connection with Collection of Claims

Without limiting or otherwise restricting the Lender's rights as set forth herein or pursuant to applicable Law, after the occurrence and during the continuance of a Cash Dominion Event, the Lender is irrevocably authorized in connection with the collection of Claims, as the Grantor's agent and mandatary, to:

- (a) grant delays, take or abandon securities;
- (b) grant releases and discharges, whole and partial, with or without consideration;
- (c) endorse all cheques, drafts, notes and other negotiable instruments issued to the order of the Grantor in payment of Claims;
- (d) take conservatory measures and appropriate proceedings to obtain payment of Claims;
- (e) negotiate and settle out of court with the debtors of Claims, their trustee if there is a bankruptcy or insolvency, or any other legal representative, the whole as it deems appropriate; and
- (f) deal with any other matter relating to the Claims, in its discretion, without the intervention or the consent of the Grantor;

the Lender shall not however be liable for any damages or prejudice which may result from its fault, other than resulting from its gross or intentional fault.

Section 3.5 Remedies Relating to Claims

After the occurrence and during the continuation of an Event of Default, the Grantor will promptly upon request of the Lender instruct all account debtors to remit all payments in respect of Claims to a mailing location selected by the Lender. In addition, after the occurrence and during the continuation of an Event of Default, the Lender shall have the right to enforce the Grantor's rights against its customers and account debtors, and the Lender or its designee may notify the Grantor's customers and account debtors of the Lender's hypothec thereon, and may (either in its own name or in the name of the Grantor or both) demand, collect (including by way of a lockbox arrangement), receive, take receipt for, sell, sue for, compound, settle, compromise and give acquittance for any and all amounts due or to become due on any Claim, and, in the Lender's discretion, file any claim or take any other action or proceeding to protect and realize upon the rights of the Lender in the Claims. The Grantor acknowledges and agrees that the Proceeds of its Claims remitted to or on behalf of the Lender in accordance with the provisions hereof shall be held subject to the hypothecs created herein until applied as provided in Section 6.6 hereof and that the Grantor shall not have any right, title or interest in such Claims or in any such other amounts except as expressly provided herein. If, despite the withdrawal of authorization by the Lender in accordance with the terms hereof, any Claims are paid to the Grantor, the Grantor shall be deemed to have received such amounts as agent and mandatary for the account and on behalf of the Lender and shall promptly remit all such amounts to the Lender.

Section 3.6 Waiver

The Grantor hereby waives any obligation the Lender may have to inform the Grantor of any irregularity in the payment of any Claims.

Section 3.7 Further Assurances relating to the Claims

As and when requested by the Lender following the withdrawal of authorization by the Lender in accordance with the terms hereof, the Grantor shall remit to the Lender all documents which are useful or necessary for the purposes set forth in this Article 3, shall sign any useful or necessary documents without delay, and, as the case may be, shall collaborate in the collection by the Lender of the Claims.

Section 3.8 Obligation of the Grantors to Provide Information relating to the Claims

Upon demand of the Lender following the withdrawal of authorization by the Lender in accordance with the terms in this Article 3, the Grantor undertakes to provide the Lender with a list of all its debtors and all its books, accounts, letters, invoices, papers, contracts, negotiable instruments, title documents, liens and other documents attesting to the existence of the whole or any part of the Claims or relating thereto. The Grantor is also bound to assist the Lender and provide it with all information which the Lender may find useful in the collection of the Claims.

Section 3.9 Limitation of Lender's Liability

The Lender shall not be liable or accountable for any failure to collect, realize, dispose of, enforce or otherwise deal with the Claims or any part thereof and shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Lender, the Grantor or any other Person in respect of the Claims and shall not be liable or responsible for any loss or damage whatsoever whether resulting from any act or failure to act by the Lender or any of its officers, servants, solicitors, attorneys, receivers or otherwise other than by way of their own gross or intentional fault.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Section 4.1 Security Agreement Representations and Warranties Incorporated

Each of the representations and warranties of the Grantor contained in the Security Agreement is incorporated in this Agreement by reference, is restated and shall apply, *mutatis mutandis*, to the present Agreement and the Collateral (with all adjustments to the language of such representations and warranties which may be necessary or desirable to conform to the laws of the Province of Québec) and as such, is confirmed as being true and correct as at the date of the Security Agreement.

ARTICLE 5 COVENANTS

Section 5.1 Security Agreement Covenants Incorporated

Each of the covenants of the Grantor contained in the Security Agreement is incorporated herein by reference, is restated and shall apply, *mutatis mutandis*, to the present Agreement and the Collateral with all adjustments to the language of such provisions which may be necessary or desirable to conform to the laws of the Province of Québec and to give full effect to the spirit and intent of this Agreement.

ARTICLE 6 REMEDIES

Section 6.1 Enforcement

After the occurrence and during the continuation of an Event of Default, the hypothecs created under this Agreement shall become enforceable and the Lender shall, in addition to any other rights, recourses and remedies it has under this Agreement and otherwise at law, forthwith be entitled to exercise any and all hypothecary rights prescribed by the *Civil Code of Québec*.

Section 6.2 Agent

The Lender may appoint any one or more agents who shall be entitled to perform the powers vested in the Lender pursuant to this Agreement and at law. Upon the appointment of an agent or agents from time to time, the following provisions shall apply:

- (a) that every such agent shall be the irrevocable agent and mandatary of the Grantor for the exercise of the rights, recourses and remedies available to the Lender and which are performed by such agent;
- (b) that every such agent, in carrying out the duties delegated to it by the Lender, shall be entitled to exercise all of the same rights, powers and discretions available to the Lender hereunder or at law in respect of such matters;
- (c) that the agent shall be entitled to deduct reasonable remuneration out of the receipts from any part of the Collateral;
- (d) that every such agent shall, so far as concerns responsibility for his acts or omissions, be deemed the agent and mandatary of, or employed or engaged by the Grantor and in no event the agent, mandatary or employee of the Lender; and
- (e) that the appointment of every such agent by the Lender shall not incur or create any liability on the part of the Lender to the agent in any respect and such appointment or anything which may be done by any such agent or the removal of any agent or termination of any such appointment or engagement shall not have the effect of creating any liability of any nature whatsoever of any such agent towards the Grantor, except in case of gross or intentional fault.

Section 6.3 Lender's Right to Perform Obligations

If the Grantor shall fail, refuse or neglect to make any payment or perform any act required hereunder, then while any Event of Default exists and is continuing, and without notice to or demand upon the Grantor and without waiving or releasing any other right, remedy or recourse the Lender may have because of such Event of Default, the Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Grantor, and shall have the right to take all such action and undertake such expenditures as it may deem necessary or appropriate. If the Lender shall elect to pay any sum due with reference to the Collateral, the Lender may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created hereunder, the Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, hypothec, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

Section 6.4 Mise en demeure

Except as otherwise expressly herein provided, or in the Loan Documents, no notice or mise en demeure of any kind shall be required to be given to the Grantor by the Lender for the purpose of putting the Grantor in default, the Grantor being in default by the mere lapse of time allowed for the performance of an obligation or by the mere occurrence of an event constituting an Event of Default hereunder.

Section 6.5 Exercise of Recourses

In exercising any of the rights, recourses or remedies available hereunder, the Lender may at its discretion, in respect of all or any part of the Collateral or any other security held by the Lender, exercise such rights, recourses and remedies as are available hereunder or at law, as it elects to exercise, without prejudicing the other rights, recourses and remedies available to the Lender in respect of all or part of the Collateral or any other security held by the Lender. The Lender may exercise any of such rights, recourses and remedies in respect of all or any part of the Collateral (or any other security held by the Lender), simultaneously or successively. It is further understood that the Lender shall be entitled to exercise and enforce all of the rights and remedies available to it, free from any control of the Grantor provided, however, that the Lender shall not be bound to realize any specific security nor exercise any right or remedy as aforesaid and shall not be liable for any loss which may be occasioned by any failure to do so.

Section 6.6 Application of Proceeds

After the occurrence and during the continuation of an Event of Default, subject to the terms of the Intercreditor Agreement, any payments in respect of the Obligations and any proceeds of the Collateral, when received by the Lender in cash or its equivalent, will be applied in reduction of the Obligations in the order set forth in Section 8.03 of the Credit Agreement, and the Grantor irrevocably waives the right to direct the application of such payments and proceeds and acknowledges and agrees that the Lender shall have the continuing and exclusive right to

apply and reapply any and all such payments and proceeds in the Lender's sole discretion, notwithstanding any entry to the contrary upon any of its books and records.

Section 6.7 Surrender

If a prior notice of the Lender's intention to exercise a hypothecary right is given to the Grantor, which can only be given after the occurrence and during the continuation of an Event of Default, the Grantor shall be deemed to have surrendered the Collateral if, within the delays determined by law or by a tribunal to surrender, the Grantor has not notified in writing the Lender of its intention to oppose the exercise of the hypothecary rights set forth in the prior notice, the Grantor shall then cause any other Person in possession of the Collateral subject to such prior notice and then belonging to the Grantor, to immediately surrender same to the Lender and shall execute, and cause to be executed, all deeds and documents required to evidence such surrender to the Lender.

Section 6.8 Extension of Time and Waiver

Neither any extension of time given by the Lender to the Grantor or any Person claiming through the Grantor, nor any amendment to this Agreement or other dealing by the Lender with a subsequent owner of the Collateral will in any way affect or prejudice the rights of the Lender against the Grantor or any other Person or Persons liable for payment of the Obligations. The Lender may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not such subsequent Event of Default is the same as or similar to the Event of Default waived, and no act or omission by the Lender will extend to, or affect, any subsequent Event of Default or the rights of the Lender arising from such Event of Default. Any such waiver must be in writing and signed by the Lender. No failure on the part of the Lender or the Grantor to exercise, and no delay by the Lender or the Grantor in exercising, any right pursuant to this Agreement will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right.

Section 6.9 License

Solely for the purpose of enabling the Lender, during the occurrence of an Event of Default that is continuing, to exercise rights and remedies hereunder, the Grantor hereby grants to the Lender, to the extent it has the right to do so, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense, upon the occurrence and during the continuance of any Event of Default, any and all assets of the Grantor (including, without limitation, all Equipment and Intellectual Property) now owned or hereafter acquired by the Grantor, and to occupy any Real Estate owned or leased by the Grantor, in each case wherever the same may be located and whether or not constituting Collateral, subject to the Grantor's right, title and interest in and to such assets, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The Grantor shall not grant a license or a Lien with respect to the Intellectual Property in favour of any Person unless, in a writing in form and substance reasonably satisfactory to the Lender and duly executed by such Person, such Person acknowledges the Lender's rights set forth in this Section 6.9 and agrees that such Person's rights are subject thereto.

ARTICLE 7
ADDITIONAL RIGHTS OF THE LENDER

The Grantor agrees that after the occurrence and during the continuation of an Event of Default, the following provisions shall apply to supplement the provisions of any applicable Laws and without limiting any other provisions of this Agreement or the other Loan Documents dealing with the same subject matter:

- (a) The Lender shall be the irrevocable mandatary and agent of the Grantor, with power of substitution, in respect of all matters relating to the enforcement of all rights, recourses and remedies of the Lender. The Lender shall, as regards all of the powers, authorities and discretions vested in it hereunder, have the absolute and unfettered discretion as to the exercise thereof whether in relation to the manner or as to the mode or time for their exercise.
- (b) Without limiting the generality of paragraph (a) hereinabove, the Grantor agrees that the Lender may, but is not obliged to, at the expense of the Grantor, for the purposes of protecting or realizing upon the value of the Collateral or its rights:
 - (i) cease or proceed with, in any way the Lender sees fit, any enterprise of the Grantor, and the administration of the Collateral, including, without limitation, the generality of the foregoing:
 - (A) sign any loan agreement, security document, lease, service contract, maintenance contract or any other agreement, contract, deed or other document in the name of and on behalf of the Grantor in connection with the Collateral or any enterprise operated by or on behalf of the Grantor and renew, cancel or amend from time to time any such agreement, contract, deed or other document;
 - (B) maintain, repair, operate, alter, complete, preserve or extend any part of the Collateral in the name of the Grantor;
 - (C) reimburse for and on behalf of the Grantor any third person having a claim against any part of the Collateral;
 - (D) borrow money or lend its own funds for any purposes related to the Collateral or any part thereof; and
 - (E) receive the revenues, rents, fruits, products and profits from the Collateral and endorse any cheque, securities or other instrument;
 - (ii) dispose of any part of the Collateral likely to rapidly depreciate or decrease in value;

- (iii) use the information it has concerning the Grantor or any information obtained during the exercise of its rights;
 - (iv) fulfill any of the undertakings of the Grantor or of any other Person;
 - (v) use, administer and exercise any other right pertaining to the Collateral; and
 - (vi) do all such other things and sign all documents in the name of the Grantor as the Lender may deem necessary or useful for the purposes of exercising its rights, recourses and remedies hereunder, under the other Loan Documents or any of them or at law.
- (c) In the event of the exercise by the Lender of any right, recourse or remedy after the occurrence and during the continuation of an Event of Default:
- (i) the Lender shall only be accountable to the Grantor to the extent of its commercial practice and within the delays normally observed by the Lender and the Lender shall not be obliged to, with respect to the Collateral or any enterprise operated by or on behalf of the Grantor:
 - (A) make inventory, take out insurance or furnish any security;
 - (B) advance any sums of money in order to pay any expenses, not even those expenses that may be necessary or useful; or
 - (C) maintain the use for which the enterprise of the Grantor is normally intended, make it productive or continue its use;and shall not be held liable for any loss whatsoever other than as a result of its gross or intentional fault;
 - (ii) subject to the provisions of Section 6.6 hereof, any and all sums of money remitted to or held by the Lender may be invested at its discretion, without the Lender being bound by any legislative provisions relating to the investment or administration of the property of others; the Lender is not obliged to invest or pay interest on amounts collected even where such amounts exceed the amounts due by the Grantor;
 - (iii) the Lender may itself, directly or indirectly, become the owner of the whole or any part of the Collateral to the extent not prohibited by law;
 - (iv) the Lender may, at the time it exercises its rights, renounce to a right belonging to the Grantor, make settlements and grant discharges and *mainlevées*, even without consideration;
 - (v) in the event the Lender exercises its hypothecary right of taking in payment and the Grantor requires the Lender to sell the whole or any part

of the Collateral, the Grantor acknowledges that the Lender shall not be required to renounce to its hypothecary right of taking in payment unless, prior to the expiration of the time limit to surrender, the Lender (i) shall have received security, which the Lender deems satisfactory, to the effect that the sale will be made at a price sufficient to enable the Lender to be paid its claim in full, (ii) shall have been reimbursed the costs it shall have incurred, and (iii) shall have been advanced all amounts necessary for the sale of the Collateral;

- (vi) in the event that the Lender sells the whole or any part of the Collateral, it will not be required to obtain any prior appraisal from a third party; and
 - (vii) the sale of the Collateral may be made with legal warranty on the part of the Grantor or, at the option of the Lender, with total or partial exclusion of warranty.
- (d) The Lender shall only be bound to exercise reasonable prudence and diligence in the execution of its rights and performance of its obligations under the terms of this Agreement or at law and the Lender shall not be responsible for prejudice that may result from its fault or that of its agents or representatives, except if resulting from gross or intentional fault.
- (e) The Lender shall not be responsible in respect of any obligations undertaken in the exercise of its powers under the terms of this Agreement or at law, or by reason of any delay, omission or any other act made in good faith by the Lender or its representatives with the exception of obligations undertaken or acts made further to gross or intentional fault.

ARTICLE 8 MISCELLANEOUS

Section 8.1 Further Assurances

The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver, all further deeds, instruments and documents, and take all further action that may be necessary or that the Lender may reasonably request, in order to grant, preserve, render opposable and/or protect the hypothecs granted or purported to be granted by the Grantor hereunder or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any Collateral of the Grantor.

Section 8.2 Separate Security

This Agreement and the hypothecs created herein, are and shall be in addition to and not in substitution for, any other security held by the Lender for the fulfilment of the Obligations and shall thus not operate as a novation of any Obligation of the Grantor towards the Lender.

Section 8.3 Release of Collateral

Upon request by the Grantor, the Lender shall promptly deliver to the Grantor (at the Grantor's expense) appropriate release documentation to the extent the release of Collateral is permitted under, and on the terms and conditions set forth in, the Credit Agreement and the other Loan Documents in each case, subject to the Lender's receipt of a certification by the Grantor stating that the release transaction giving rise to such release is permitted under the Credit Agreement and as to such other matters as the Lender may reasonably request; provided that any such partial release, or the substitution of any of the Collateral for other Collateral, will not alter, vary or diminish in any way the hypothec created in this Agreement as to any and all Collateral not expressly released or substituted, and this Agreement shall continue as a first ranking hypothec (subject to Permitted Encumbrances) on any and all Collateral not expressly released or substituted.

Section 8.4 Costs and Expenses

At all times hereafter, whether or not upon the occurrence of an Event of Default, the Grantor agrees to promptly pay upon demand any and all reasonable documented costs and out-of-pocket expenses (including reasonable legal fees and actual disbursements) of the Lender to the extent required under Section 10.04 of the Credit Agreement.

Section 8.5 Notice

Any notice or other communication, including a demand or a direction, required or permitted to be given hereunder shall be in writing and shall be made in accordance with the terms of the Credit Agreement.

Notwithstanding the foregoing, if the *Civil Code of Québec* requires that a notice or other communication be given in a specified manner and such requirement is a rule of public order or is necessary in order to comply with the rules relating to the enforcement of the hypothecs hereunder, then any such notice or communication shall be given in such manner.

Section 8.6 Amendments and Waivers

No amendment, supplement, modification, waiver or termination of any provision hereof shall be effective unless in writing and signed by the party against whom enforcement is sought.

Section 8.7 Waivers

No course of dealing on the part of the Lender, its officers, employees, consultants or agents, nor any failure or delay by the Lender with respect to exercising any right, power or privilege of the Lender under this Agreement and any of the other Loan Documents, shall operate as a waiver thereof.

Section 8.8 Indivisibility

Every divisible obligation in favour of the Lender arising out of this Agreement must be performed in its entirety by each heir or legal representative of any Person who is liable to the same extent as if it were indivisible.

Section 8.9 Delegation of Powers

The Lender may delegate the exercise of its rights or the performance of its obligations hereunder to another Person. In that event, the Lender may furnish that Person with any information it may have concerning the Grantor or the Collateral. The Lender shall not be responsible for damages resulting from such delegation or from any fault committed by such delegate, except for gross or intentional fault.

Section 8.10 Paramountcy

This Agreement is subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern, save and except in respect of the provisions of this Agreement which relate to the creation and enforcement of the hypothec hereby constituted, which provisions shall govern and prevail over the provisions of the Intercreditor Agreement. Any reference to “priority” or words of similar effect in describing any of the hypothec created hereunder shall be understood to refer to such priority as set forth in the Intercreditor Agreement. In the event of a conflict between this Agreement and the terms of the Credit Agreement or the Security Agreement, the terms of the Credit Agreement or the Security Agreement, as the case may be, shall govern save and except in respect of the provisions of this Agreement which relate to the creation and enforcement of the hypothec hereby constituted, which provisions shall govern and prevail over the provisions of the Credit Agreement or the Security Agreement, as the case may be.

Section 8.11 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the applicable laws of Canada and the Grantor and the Lender hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Québec.

Section 8.12 Language

The Grantor hereby confirms that it was represented by legal counsel and that all of the provisions of this Agreement, including the essential stipulations thereof, were negotiated by the parties hereto and were neither pre-determined, imposed nor drawn up by, on behalf of or on instructions of one of the parties hereto. With the exception of Section 2.2, the parties hereto have expressly required that this Agreement and all deeds, documents and notices relating thereto be drafted in the English language. *Le Constituant confirme par la présente qu’il était représenté par des conseillers juridiques et que toutes les dispositions de la présente convention, y compris les stipulations essentielles de celui-ci, ont été librement discutées par les parties et n’ont pas été prédéterminées, imposées ni rédigées par l’une des parties aux présentes. À*

l'exception du paragraphe 2.2, les parties aux présentes ont expressément exigé que la présente convention et tout autre contrat, document et avis qui y sont afférents soient rédigés en langue anglaise.

[signature page follows]

The parties have signed this Hypothec on Movables as of the date first written above.

**HUDSON'S BAY COMPANY ULC /
COMPAGNIE DE LA BAIE D'HUDSON
SRI**

By:



Name: Jennifer Bewley

Title: Chief Financial Officer

2171948 ONTARIO INC.

By:

Name:

Title:

By:

Name:

Title:

The parties have signed this Hypothec on Movable as of the date first written above.

**HUDSON'S BAY COMPANY ULC /
COMPAGNIE DE LA BAIE D'HUDSON
SRI**

By:

Name:

Title:

2171948 ONTARIO INC.

By:

DocuSigned by:

Sal Iacono

B8C0F3577582419...

Name: Sal Iacono

Title: President

By:

Signed by:

Corinne Pruzanski

A6CA7C9C0406406...

Name: Corinne Pruzanski

Title: Vice President and Secretary