

SCHEDULE C

NOTICE TO SEARS CANADA EMPLOYEE AND RETIREE CLAIMANTS

RE: NOTICE OF CLAIMS PROCESS AND CLAIMS BAR DATE IN COMPANIES' CREDITORS ARRANGEMENT ACT PROCEEDINGS OF SEARS CANADA INC., 9370-2751 QUÉBEC INC., 191020 CANADA INC., THE CUT INC., SEARS CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES INC., INITIUM COMMERCE LABS INC., INITIUM TRADING AND SOURCING CORP., SEARS FLOOR COVERING CENTRES INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC., 168886 CANADA INC., 3339611 CANADA INC. and SEARSCONNECT (COLLECTIVELY, THE "SEARS CANADA ENTITIES")

PLEASE TAKE NOTICE that on [February 22], 2018, the Ontario Superior Court of Justice (Commercial List) issued an order (the "**Employee and Retiree Claims Procedure Order**") in the *Companies' Creditors Arrangement Act* proceedings of the Sears Canada Entities, commencing an employee and retiree claims process (the "**Employee and Retiree Claims Process**") for the purpose of identifying and determining all Claims of Employees and Retirees against the Sears Canada Entities and their respective Directors and Officers (including former directors and officers). Capitalized terms used but not defined herein have the meanings ascribed to them in the Employee and Retiree Claims Procedure Order. Please review the Employee and Retiree Claims Procedure Order for the complete definitions of "**Employee**", "**Retiree**", "**Claim**", "**Termination Claim**", "**Retiree Benefit Claim**", "**Sears Pension Claim**", "**Supplemental Plan Claim**", "**Lifetime Discount Claim**", "**Warranty Claim**", "**Other Employee Claim**", "**Other Retiree Claim**" and "**D&O Claim**".

The Employee and Retiree Claims Procedure Order approves the methodologies by which the Sears Canada Entities, in consultation with FTI Consulting Canada Inc. in its capacity as Court-appointed Monitor of the Sears Canada Entities (the "**Monitor**"), will calculate the Termination Claims and Retiree Benefit Claims of Employees and Retirees. The Termination Claim or Retiree Benefit Claim of each Employee or Retiree, as applicable, will be based on certain Personal Information relating to such Employee or Retiree. Employees and Retirees may request a correction to any Personal Information used to calculate their Termination Claim or Retiree Benefit Claim, which may affect the value of their Claim. Employees and Retirees MUST submit any Request for Correction with the Monitor on or before 5:00 p.m. (Toronto time) on May 7, 2018.

Employees represented by Ursel Phillips Fellows Hopkinson LLP ("**Employee Representative Counsel**") and Retirees represented by Koskie Minsky LLP ("**Pension Representative Counsel**") will not be able to dispute the calculation of their Termination Claims or Retiree Benefit Claims, and will be bound by the calculation provided to them (subject to any changes to their Personal Information). However, certain Claimants are eligible to dispute the methodology used to calculate such Claims, specifically: (a) unionized employees of any of the Sears Canada Entities (who may dispute through their union representatives); (b) senior management of any of the Sears Canada Entities, who were not eligible for representation by Employee Representative Counsel or Pension Representative Counsel; (c) Employees who opted-out of representation by Employee Representative Counsel, and (d) Retirees who opted-out (or unionized Retirees who opt-out) of representation by Pension Representative Counsel. You will be notified if you are

Draft

eligible to submit a Notice of Proposed Revision to challenge the calculation of your Termination Claim or Retiree Benefit Claim. If an eligible Claimant does not dispute the calculation before the Notice of Proposed Revision Bar Date, their Termination Claim or Retiree Benefit Claim, as applicable, will be the amount calculated by the Sears Canada Entities, in consultation with the Monitor (subject to any changes to Personal Information submitted through a Request for Correction).

The Employee and Retiree Claims Procedure Order also approves the methodology by which Claims will be submitted in respect of entitlements under the wind-up deficiency with respect to the defined benefit component of the Sears Canada Inc. Registered Retirement Plan (the “**Sears Pension Plan**”, and such claims, “**Sears Pension Claims**”). Only Morneau Shepell Ltd., in its capacity as administrator of the Sears Pension Plan, the Ontario Superintendent of Financial Services, and Pension Representative Counsel will be eligible to submit Sears Pension Claims. Retirees who have a defined benefit pension entitlement under the Sears Pension Plan do not have to take any action with respect to their Sears Pension Plan entitlements at this time.

Pension Representative Counsel will submit claims with respect to entitlements under the Sears Canada Inc. Supplementary Retirement Plan (the “**Supplemental Plan**”, and such claims, “**Supplemental Plan Claims**”). Retirees who have entitlements under the Supplemental Plan do not have to take any action with respect to their Supplemental Plan entitlements at this time.

The Employee and Retiree Claims Procedure Order provides that certain claims will be deemed to be submitted by the Sears Canada Entities on behalf of eligible Employees and Retirees: (a) Claims relating to the lifetime associate discount, which will be deemed to be submitted on behalf of each eligible Retiree (including each Employee who qualified for the lifetime discount by virtue of satisfying applicable age and service eligibility criteria) in the amount of \$840 per Retiree (a “**Lifetime Discount Claim**”); and (b) Claims relating to any customer warranty provided by a Sears Canada Entity to an Employee or Retiree, which will be deemed to be submitted on behalf of such Employee or Retiree (a “**Warranty Claim**”).

All Employees and Retirees who wish to assert an Other Employee Claim or Other Retiree Claim (i.e., any claim not already covered by a Termination Claim, Retiree Benefit Claim, Sears Pension Claim, Supplemental Plan Claim, Lifetime Discount Claim or Warranty Claim) against the Sears Canada Entities, whether unliquidated, contingent or otherwise, and all Employees and Retirees who wish to assert a Claim against any of the Directors and/or Officers of the Sears Canada Entities, MUST file a Proof of Claim or D&O Proof of Claim, as applicable, with the Monitor on or before 5:00 p.m. (Toronto time) on April 9, 2018.

The **Request for Correction Bar Date** (regarding any changes to the Personal Information used to calculate any Termination Claim or Retiree Benefit Claim) is 5:00 p.m. (Toronto time) on May 7, 2018. Requests for Correction must be completed and submitted to the Monitor on or before the Request for Correction Bar Date.

The **Notice of Proposed Revision Bar Date** (regarding any proposed disputes by any eligible Claimant to the calculation of their Termination Claim or Retiree Benefit Claim) is 5:00 p.m. (Toronto time) on May 7, 2018. Notices of Proposed Revision must be completed and filed with the Monitor on or before the Notice of Proposed Revision Bar Date.

Draft

The **Proof of Claim Bar Date** is 5:00 p.m. (Toronto time) on April 9, 2018. Proofs of Claim in respect of any Other Employee Claims or Other Retiree Claims against one or more of the Sears Canada Entities, and D&O Proofs of Claim against any of the Directors and/or Officers of the Sears Canada Entities, must be completed and filed with the Monitor on or before the Proof of Claim Bar Date. Failure to file a Proof of Claim or D&O Proof of Claim so it is received by the Proof of Claim Bar Date will result in your Other Employee Claims or Other Retiree Claims being barred and extinguished forever.

Pursuant to the Employee and Retiree Claims Procedure Order, applicable Claims Packages will be sent by the Monitor to all known Claimants with Termination Claims or Retiree Benefit Claims. A Proof of Claim Package will also be sent to certain Claimants who have outstanding active actions, claims or complaints against the Sears Canada Entities. A copy of the Employee and Retiree Claims Procedure Order and the Claims Packages (including copies of the Proof of Claim and D&O Proof of Claim forms), and other public information concerning these CCAA Proceedings, may be found at the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/>.

Proofs of Claim, D&O Proofs of Claim, Requests for Correction or Notices of Proposed Revision, as applicable, must be actually received by the Monitor on or before the relevant Bar Date to be considered filed on time. Claimants can also, and are in fact strongly encouraged to, submit any Requests for Correction with respect to changes to any Personal Information on the Monitor's Claims Websites at *[insert links]*.

Claimants requiring further information or claim documentation, or who wish to submit a Proof of Claim, D&O Proof of Claim, Request for Correction or Notice of Proposed Revision to the Monitor, may contact the Monitor at the following address:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

DATED this _____ day of _____, 2018.

FTI Consulting Canada Inc.,
in its capacity as Court-appointed Monitor
of the Sears Canada Entities

Draft

SCHEDULE D

FORM OF ERC EMPLOYEE LETTER

To: The Active and Former Employees of the Sears Canada Entities represented by Employee Representative Counsel

Re: Court Approved Employee Claims Procedure

1. Why am I receiving this letter?

The purpose of this letter is to inform you that on **[February 22nd]**, 2018, the Ontario Superior Court of Justice (the “**Court**”) approved the Employee and Retiree Claims Procedure Order. This Court Order approved a process for calculating and submitting claims of Employees and Retirees against the Sears Canada Entities and/or their Directors or Officers.

The Sears Canada Entities, in consultation with the Monitor, worked closely with Ursel Phillips Fellows Hopkinson LLP, your Court-appointed Employee Representative Counsel to develop and agree upon an acceptable methodology for the calculation of claims that you and other former employees may have against the Sears Canada Entities in relation to the termination of your employment (a “**Termination Claim**”, and the methodology used to calculate the claim, the “**Termination Claims Methodology**”) as well as a streamlined process for dealing with all employment-related claims. Your Termination Claim has been calculated using the Termination Claims Methodology, and is included in the accompanying Termination Claim Statement.

Please note that any amount distributed to you in respect of your Termination Claim will be significantly less than the amount set out in your Termination Claim Statement, as funds available for distribution are expected to be significantly less than the amount the Sears Canada Entities owe to their creditors, including former employees. Please refer to question 9 below for further information.

2. Do all former employees have a claim relating to the termination of their employment?

Employees who were terminated without cause will have a claim calculated in accordance with the Termination Claims Methodology, which is explained below. Other employees may have claims that are valued by the Sears Canada Entities at “nil” (or \$0), including, for example, employees who were terminated for cause or who resigned their employment.¹ As explained below, all employees will have the ability to review and correct the Personal Information used to calculate their Termination Claim, as well as to file a separate claim against the Sears Canada Entities and/or their Director and Officers, if they believe they have additional claims.

¹ As explained in question 8 below, employees terminated for cause and employees who resigned will be able to dispute their Termination Claim by, for example, challenging the assertion of cause.

3. I was terminated without cause. What is included in my Employee Termination Claim?

Based on the Court-approved Termination Claims Methodology, your Termination Claim includes all claims you may have relating to the termination of your employment. This includes all claims for termination and severance pay and for damages for loss of employment-related perquisites and benefits (including health and dental benefits, life insurance coverage, defined contribution pension plan contributions, associate discount and associate assistance plan) that you may have participated in during your notice period. If you were enrolled in the defined benefit pension plan and/or supplemental plan, or have any other post-employment benefits, a separate package will be sent to you with further information.

If you did not receive benefits and did not participate in the defined contribution pension plan, your Termination Claim will be based on your Average Hourly Rate or your base salary for the Severance Pay Period, plus \$175 for the loss of associate discount and associate assistance plan.

4. How was my Termination Claim calculated? What Personal Information was used?

Your Termination Claim has been calculated using the Termination Claims Methodology approved by the Court and is included in the Termination Claim Statement.

For employees terminated without cause, the Termination Claim is based on the *greatest* of your entitlements under (i) applicable employment standards legislation, (ii) Sears Canada severance policies and (iii) an agreed upon formula based on common law principles.

The following Personal Information was used when calculating your Termination Claim:

- Your employment status (e.g. part-time or full-time);
- Your level (e.g. associate, supervisor, etc.);
- Your length of service;
- Your age;
- Your average hourly wage rate or salary;
- The province or other jurisdiction in which you worked at the time of your termination.

Generally speaking, your Termination Claim is calculated by first determining the notice period during which you would have been eligible for notice and severance pay (the “**Severance Pay Period**”) and applying your applicable wage or salary to arrive at the amount that would have been payable during the Severance Pay Period. This amount is increased, where applicable, for lost health, dental, life insurance, defined contribution pension plan, employee discount and/or assistance plan benefits specific to your circumstances. This Termination Claim Methodology is presented in the formula below:

$$\text{Termination Claim} = \text{Severance Pay Period (multiplied by) average hourly wage rate/salary (plus) Severance Pay Period (multiplied by) average hourly wage rate/salary (multiplied by) Additional Percentage for Lost Benefits/DC Plan, if applicable (plus) \$175 for Associate Discount and Associate Assistance Plan}$$

Draft

For more information about the Termination Claims Methodology, please review Schedule “A” to the Employee and Retiree Claims Procedure Order, which can be found on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

5. I have an employment contract. How will my Termination Claim be calculated?

Your Termination Claim will be the greater of (i) your entitlement under your employment contract, and (ii) your entitlement using the formula described in question 4 above.

6. Will I be entitled to a Termination Claim if I received working notice?

If your period of working notice met or exceeded your entitlement as calculated under the Termination Claims Methodology, you will not have any further Termination Claim.

If your period of working notice was less than your entitlement as calculated under the Termination Claims Methodology, you will have a claim based on the difference between the period you worked and the entitlement under the Termination Claims Methodology.

7. I was receiving severance payments that ceased on or after June 22, 2017. Will I be entitled to a Termination Claim?

Yes, your Termination Claim will be the amount of severance payments that remained to be paid to you by the Sears Canada Entities.

8. If my Termination Claim has been valued at \$0 due to the fact that I was terminated for cause or I resigned, do I have the ability to dispute this?

Yes. If you were terminated for cause or resigned prior to your termination date, your Termination Claim may be valued at \$0. However, if you wish to dispute your Termination Claim, then you may do so by submitting a Request for Correction form to the Monitor by no later than 5:00 p.m. (Toronto time) on May 7, 2018. Please see the instructions in question 10 below for more detail regarding how to submit this form.

9. Will I receive the full amount of my claim?

No. Any amount distributed to you in respect of your Termination Claim will be significantly less than the amount set out in your Termination Claim Statement, as funds available for distribution are expected to be significantly less than the amount the Sears Canada Entities owe to their creditors, including former employees. As a result, creditors, including employees, with proven claims against the Sears Canada Entities will receive only a percentage of their claim. According to the Monitor’s Thirteenth Report dated February 18, 2018, the Monitor anticipates that the potential claim recoveries for employees and other similarly-situated creditors will be in the range of 0% - 10% (depending on the priority treatment of certain claims). For example, if an employee has a Termination Claim of \$1,000 and the recovery percentage is 5%, the employee would receive a cash distribution of \$50.

10. I disagree with the Personal Information contained in my Termination Claim Statement. How do I correct it?

If you do not agree with the Personal Information contained in your Termination Claim Statement you must submit a Request for Correction to the Monitor before 5:00 p.m. (Toronto time) on May 7, 2018.

You may submit a Request for Correction by correcting your Personal Information directly on the Monitor's Claims Website (*[insert link]*) after logging in using the username and password provided to you in an email or letter from the Monitor. If you have not received an email or letter from the Monitor with this information, please contact the Monitor by email at the following address: SearsEmployeeClaimSite@fticonsulting.com.

If you are unable to access the Monitor's Claim Website, you may request a hard copy of the Request for Correction form from the Monitor, complete it and mail or email your form to the Monitor at the following address:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Email: SearsEmployeeClaimSite@fticonsulting.com
Fax: 416-649-8101

Please ensure you follow the instructions contained in the Request for Correction form.

11. Can I change the methodology used to calculate my claim?

No. The Sears Canada Entities, in consultation with the Monitor, worked closely with Employee Representative Counsel to develop and agree upon the Termination Claims Methodology that was approved by the Court.

As an employee represented by Employee Representative Counsel, you are bound by the Termination Claims Methodology and will not be able to submit any other claim against the Sears Canada Entities with respect to the termination of your employment.

12. Are there any special government programs that I can participate in?

The Federal Government has a program called the Wage Earner Protection Program (“WEPP”).

The WEPP provides for the payment of outstanding eligible wages, which includes termination and severance pay, to individuals whose employer is bankrupt or subject to receivership up to an amount equal to four times the maximum insurable earnings under the *Employment Insurance Act* (\$3,976.92 for 2018) minus the amounts prescribed by the Wage Earner Protection Program Regulations.

Draft

Depending on your individual circumstances, there is the possibility that any payment to you under the WEPP will be higher than the amount that you are eligible to receive as a distribution in respect of your Termination Claim.

You will be notified separately regarding your participation in the WEPP. When you do receive additional information regarding the WEPP, it is very important that you review the information and respond promptly. However, there is nothing you need to do at this time.

13. Will applicable taxes and deductions be taken from my Claim? What other amounts will be deducted?

Yes, all applicable taxes and deductions required by law, as well as any previous Employee Hardship Payments, will be deducted from the payment to you.

In addition, any payments made to you under the WEPP will reduce the amount of your distribution payment in respect of your Termination Claim.

14. What if I was eligible for a lifetime associate discount?

If you were eligible for a lifetime associate discount based on satisfying applicable age and service eligibility criteria, a claim in the amount of \$840 has been submitted on your behalf. There is nothing for you to do at this time.

15. What if I have other claims against the Sears Canada Entities or their directors and officers?

If you believe you have any claim for amounts owing to you by the Sears Canada Entities (other than claims covered in your Termination Claim or claims relating to any warranty, lifetime discount, defined benefit pension plan, supplemental plan or other post-employment benefits), or if you believe you have any claim against the Sears Canada Entities' Directors and/or Officers, you must submit a Proof of Claim or D&O Proof of Claim form to the Monitor by 5:00 p.m. (Toronto time) on April 9, 2018.

If you have any questions as to whether an amount that you believe is owing to you constitutes a director and officer liability, please contact Employee Representative Counsel (see contact information below).

You can find the Proof of Claim form, D&O Proof of Claim form, and instruction letters for submitting these forms, on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order". If you are unable to access the Monitor's website, you may also email the Monitor at SearsEmployeeClaimSite@fticonsulting.com to request copies of these forms.

16. When can I expect to receive payment?

The determination and timing of any payments cannot be determined at this time. This determination may take several months to complete. Please continue to refer to Employee

Representative Counsel's and the Monitor's websites for updates on any anticipated claim payment schedules.

17. Who can I contact if I have other questions?

If you have any further questions about the above or the process generally, please contact Ursel Fellows Phillips Hopkinson LLP, your Court-appointed Employee Representative Counsel via email at SearsCanadaEmployees@upfhlaw.ca or by telephone at 1-844-855-8352.

You may also wish to visit Employee Representative Counsel's website at <http://www.upfhlaw.ca/areas-of-practice/sears-canada-employees-and-former-employees> for additional updates regarding the CCAA proceedings.

To view court documents, orders and other publicly available information with respect to the CCAA proceedings, please visit the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada>.

Questions can also be directed to the Monitor by email at SearsEmployeeClaimSite@fticonsulting.com.

SCHEDULE E

FORM OF NON-ERC EMPLOYEE LETTER

To: The Active and Former Employees of the Sears Canada Entities

Re: Court Approved Employee Claims Procedure

1. Why am I receiving this letter?

The purpose of this letter is to inform you that on **[February 22nd]**, 2018, the Ontario Superior Court of Justice (the “**Court**”) approved the Employee and Retiree Claims Procedure Order. This Court Order approved a process for calculating and submitting claims of Employees and Retirees against the Sears Canada Entities and/or their Directors or Officers.

The Sears Canada Entities, in consultation with the Monitor, worked closely with Ursel Phillips Fellows Hopkinson LLP, the Court-appointed Employee Representative Counsel to develop and agree upon an acceptable methodology for the calculation of claims that you and other former employees may have against the Sears Canada Entities in relation to the termination of your employment (a “**Termination Claim**”, and the methodology used to calculate the claim, the “**Termination Claims Methodology**”) as well as a streamlined process for dealing with all employment-related claims. Your Termination Claim has been calculated using the Termination Claims Methodology, and is included in the accompanying Termination Claim Statement.

Please note that any amount distributed to you in respect of your Termination Claim will be significantly less than the amount set out in your Termination Claim Statement, as funds available for distribution are expected to be significantly less than the amount the Sears Canada Entities owe to their creditors, including former employees. Please refer to question 9 below for further information.

2. Do all former employees have a claim relating to the termination of their employment?

Employees who were terminated without cause will have a claim calculated in accordance with the Termination Claims Methodology, which is explained below. Other employees may have claims that are valued by the Sears Canada Entities at “nil” (or \$0), including, for example, employees who were terminated for cause or who resigned their employment.¹ As explained below, all employees will have the ability to review and correct the Personal Information used to calculate their Termination Claim, as well as to file a separate claim against the Sears Canada Entities and/or their Director and Officers, if they believe they have additional claims.

¹ As explained in question 8 below, employees terminated for cause and employees who resigned will be able to dispute their Termination Claim by, for example, challenging the assertion of cause.

3. I was terminated without cause. What is included in my Employee Termination Claim?

Based on the Court-approved Termination Claims Methodology, your Termination Claim includes all claims you may have relating to the termination of your employment. This includes all claims for termination and severance pay and for damages for loss of employment-related perquisites and benefits that you may have participated in during your notice period. Please see question 5 below for more detail regarding the benefits accounted for in your Termination Claim. If you were enrolled in the defined benefit pension plan and/or supplemental plan, or have any other post-employment benefits, these are not included in your Termination Claim and a separate package will be sent to you with further information.

4. How was my Termination Claim calculated? What Personal Information was used?

Your Termination Claim has been calculated using the Termination Claims Methodology approved by the Court, and is included in the Termination Claim Statement.

[For Unionized Employees terminated without cause:]

As a unionized employee terminated without cause, you are entitled to a Termination Claim that is the greater of (i) your entitlement under your collective agreement, and (ii) your entitlement under applicable minimum standards legislation.

The following Personal Information was used when calculating your Termination Claim:

- Your collective bargaining unit;
- Your employment status (e.g. part-time or full-time);
- Your length of service;
- Your average hourly wage rate;
- The province or other jurisdiction in which you worked at the time of your termination.

[For Non-ERC Employees with contractual entitlements terminated without cause:]

According to the Sears Canada Entities' records, you have termination entitlements as part of your written employment contract. As an employee terminated without cause, your Termination Claim under the Termination Claims Methodology will be the greater of (i) your entitlement under your employment contract, and (ii) your entitlement using the following formula:

$$\text{Termination Claim} = \frac{\text{Severance Pay Period}}{(\text{multiplied by}) \text{ average hourly wage rate/salary}} (\text{plus}) \frac{\text{Severance Pay Period} (\text{multiplied by}) \text{ average hourly wage rate/salary}}{(\text{multiplied by}) (\text{Benefits Gross-Up } \%)} (\text{plus}) \text{ DC Gross-Up } \% \quad \$175 \text{ for Associate Discount and Associate Assistance Plan}$$

To the extent that the Termination Claim formula above applies, your Severance Pay Period is calculated based on the **greatest** of your entitlements under (i) applicable employment standards legislation, (ii) Sears Canada severance policies and (iii) an agreed upon formula based on common law principles.

To the extent that the Termination Claim formula above applies, the following Personal Information will be used when calculating your Termination Claim:

- Your employment status (e.g. part-time or full-time);
- Your level (e.g. associate, supervisor, etc.);
- Your length of service;
- Your age;
- Your average hourly wage rate or salary;
- The province or other jurisdiction in which you worked at the time of your termination.

[For Opt-Out Employees:]

As an employee who opted-out of the representation of Employee Representative Counsel and was terminated without cause on or after June 22, 2017, your Termination Claim is calculated based on the following formula, which is part of the Termination Claims Methodology approved by the Court:

$$\text{Termination Claim} = \frac{\text{Severance Pay Period}}{(\text{multiplied by}) \text{ average hourly wage rate/salary}} (\text{plus}) \frac{\text{Severance Pay Period} (\text{multiplied by}) \text{ average hourly wage rate/salary}}{(\text{multiplied by}) (\text{Benefits Gross-Up } \%)} (\text{plus}) \frac{\$175 \text{ for Associate Discount and Associate Assistance Plan}}{(\text{plus}) \text{ DC Gross-Up } \%}$$

Your Severance Pay Period is calculated based on the ***greatest*** of your entitlements under (i) applicable employment standards legislation, (ii) Sears Canada severance policies and (iii) an agreed upon formula based on common law principles.

The following Personal Information was used when calculating your Termination Claim:

- Your employment status (e.g. part-time or full-time);
- Your level (e.g. associate, supervisor, etc.);
- Your length of service;
- Your age;
- Your average hourly wage rate or salary;
- The province or other jurisdiction in which you worked at the time of your termination.

[To be included in all letters:]

For more information about the Termination Claims Methodology, please review Schedule “A” to the Employee and Retiree Claims Procedure Order, which can be found on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

5. **I was terminated without cause. Are my lost benefits and pension plan contributions included in my Termination Claim?**

[For Unionized Employees terminated without cause:]

If your collective agreement or applicable employment standards legislation requires benefit continuation during your notice period and you participated in the benefit plans (including health, dental or other welfare benefits or participation in the defined contribution pension plan), an amount will be included in your Termination Claim based on your entitlement under the collective agreement or applicable employment standards legislation.

[For Non-ERC Employees with contractual entitlements terminated without cause:]

If the Termination Claims Methodology applies the terms of your employment contract to calculate your Termination Claim and your employment contract included provisions relating to the loss of your benefits (including any health, dental or other welfare benefits or participation in the defined contribution pension plan), an amount will be included in your Termination Claim based on the entitlement in your employment contract.

If the Termination Claims Methodology applies the Termination Claim formula described in question 4 above and you were actively enrolled in the benefit plans (including health, dental or other welfare benefits or participation in the defined contribution pension plan), your Termination Claim will include an additional amount in respect of the loss of such benefits during your notice period. If the formula applies but you did not receive benefits or participate in the defined contribution pension plan, you will not receive this additional amount. Under the formula, your Termination Claim will include \$175 for the loss of associate discount and associate assistance plan.

[For Opt-Out Employees:]

If you were actively enrolled in the benefit plans (including health, dental or other welfare benefits or participation in the defined contribution pension plan), your Termination Claim will include an additional amount in respect of the loss of such benefits during your notice period. If you did not receive benefits and did not participate in the defined contribution pension plan, you will not receive this additional amount.

Your Termination Claim will include \$175 for the loss of associate discount and associate assistance plan.

6. Will I be entitled to a Termination Claim if I received working notice?

[For Unionized Employees and Opt-Out Employees:]

If your period of working notice met or exceeded your entitlement as calculated under the Termination Claims Methodology, you will not have any further Termination Claim.

If your period of working notice was less than your entitlement as calculated under the Termination Claims Methodology, you will have a claim based on the difference between the period you worked and the entitlement under the Termination Claims Methodology.

[For Non-ERC Employees with contractual entitlements terminated without cause:]

If the Termination Claims Methodology applies the terms of your employment contract to calculate your Termination Claim, any working notice deduction will be applied in accordance with the terms of your employment contract.

If the Termination Claims Methodology applies the formula outlined in question 4 above, the Severance Pay Period will reflect any working notice received.

7. I was receiving severance payments that ceased on or after June 22, 2017. Will I be entitled to a Termination Claim?

Yes, your Termination Claim will be the amount of severance payments that remained to be paid to you by the Sears Canada Entities.

8. If my Termination Claim has been valued at \$0 due to the fact that I was terminated for cause or I resigned, do I have the ability to dispute this?

Yes. If you were terminated for cause or resigned prior to your termination date, your Termination Claim may be valued at \$0. However, if you wish to dispute your Termination Claim, then you may do so by submitting a Request for Correction form to the Monitor by no later than 5:00 p.m. (Toronto time) on May 7, 2018. Please see the instructions in question 10 below for more detail regarding how to submit this form.

9. Will I receive the full amount of my claims?

No. Any amount distributed to you in respect of your Termination Claim will be significantly less than the amount set out in your Termination Claim Statement, as funds available for distribution are expected to be significantly less than the amount the Sears Canada Entities owe to their creditors, including former employees. As a result, creditors, including employees, with proven claims against the Sears Canada Entities will receive only a percentage of their claim. According to the Monitor's Thirteenth Report dated February 18, 2018, the Monitor anticipates that the potential claim recoveries for employees and other similarly-situated creditors will be in the range of 0% - 10% (depending on the priority treatment of certain claims). For example, if an employee has a Termination Claim of \$1,000 and the recovery percentage is 5%, the employee would receive a cash distribution of \$50.

10. I disagree with the Personal Information contained in my Termination Claim Statement. How do I correct it?

If you do not agree with the Personal Information contained in your Termination Claim Statement you must submit a Request for Correction to the Monitor before 5:00 p.m. (Toronto time) on May 7, 2018.

You may submit a Request for Correction by correcting your Personal Information directly on the Monitor's Claims Website (*[insert link]*) after logging in using the username and password provided to you in an email or letter from the Monitor. If you have not received an email or letter from the Monitor with this information, please contact the Monitor by email at the following address: SearsEmployeeClaimSite@fticonsulting.com.

Draft

If you are unable to access the Monitor's Claims Website, you may request a hard copy of the Request for Correction form from the Monitor, complete it and mail or email your form to the Monitor at the following address:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Email: SearsEmployeeClaimSite@fticonsulting.com
Fax: 416-649-8101

Please ensure you follow the instructions contained in the Request for Correction form.

11. What if I disagree with the methodology used to calculate my claim?

The Sears Canada Entities, in consultation with the Monitor, worked closely with Employee Representative Counsel to develop and agree upon a methodology that all parties considered to be fair and reasonable in the circumstances, and this methodology was approved by the Court.

However, as you are an employee who is not represented by Employee Representative Counsel, you will have the opportunity to dispute the application of the Termination Claims Methodology to your Termination Claim.

If you wish to calculate your Termination Claim for the purpose of this Claims Process in a different manner, please contact the Monitor at SearsEmployeeClaimSite@fticonsulting.com to obtain a Notice of Proposed Revision form that will allow you to describe your proposed methodology and recalculate your Termination Claim amount.

[For employees with enhanced contractual entitlements and opt-out employees:] [If you wish to submit this form, you must do so by 5:00 p.m. (Toronto time) on May 7, 2018. You may submit a Notice of Proposed Revision form to the Monitor by mail or email at the address listed in question 10 above.]

[For unionized employees:] [If you wish to submit a Notice of Proposed Revision, you should speak to your Union Representative. Your Union Representative must submit your Notice of Proposed Revision on your behalf before 5:00 p.m. (Toronto time) on May 7, 2018. You cannot submit a Notice of Proposed Revision directly to the Monitor.]

12. Are there any special government programs that I can participate in?

The Federal Government has a program called the Wage Earner Protection Program (“WEPP”).

The WEPP provides for the payment of outstanding eligible wages, which includes termination and severance pay, to individuals whose employer is bankrupt or subject to receivership up to an

amount equal to four times the maximum insurable earnings under the *Employment Insurance Act* (\$3,976.92 for 2018) minus the amounts prescribed by the Wage Earner Protection Program Regulations.

Depending on your individual circumstances, there is the possibility that any payment to you under the WEPP will be higher than the amount that you are eligible to receive as a distribution in respect of your Termination Claim.

You will be notified separately regarding your participation in the WEPP. When you do receive additional information regarding the WEPP, it is very important that you review the information and respond promptly. However, there is nothing you need to do at this time.

13. Will applicable taxes and deductions be taken from my Claim? What other amounts will be deducted?

Yes, all applicable taxes and deductions required by law, as well as any previous Employee Hardship Payments, will be deducted from the payment to you.

In addition, any payments made to you under the WEPP will reduce the amount of your distribution payment in respect of your Termination Claim.

14. What if I was eligible for a lifetime associate discount?

If you were eligible for a lifetime associate discount based on satisfying applicable age and service eligibility criteria, a claim in the amount of \$840 has been submitted on your behalf. There is nothing for you to do at this time.

15. What if I have other claims against the Sears Canada Entities or their directors and officers?

If you believe you have any claim for amounts owing to you by the Sears Canada Entities (other than claims covered in your Termination Claim or claims relating to any warranty, lifetime discount, defined benefit pension plan, supplemental plan or other post-employment benefits), or if you believe you have any claim against the Sears Canada Entities' Directors and/or Officers, you must submit a Proof of Claim or D&O Proof of Claim form to the Monitor by 5:00 p.m. (Toronto time) on April 9, 2018.

[For unionized employees:] [If you have any questions as to whether an amount that you believe is owing to you constitutes a director and officer liability, please contact your Union Representative.]

You can find the Proof of Claim form, D&O Proof of Claim form, and instruction letters for submitting these forms, on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order". If you are unable to access the Monitor's website, you may also email the Monitor at SearsEmployeeClaimSite@fticonsulting.com to request copies of these forms.

16. When can I expect to receive payment?

Draft

The determination and timing of any payments cannot be determined at this time. This determination may take several months to complete. Please continue to refer to the Monitor's website for updates on any anticipated claim payment schedules.

17. Who can I contact if I have other questions?

If you have any further questions about the above or the process generally, please contact the Monitor by email at SearsEmployeeClaimSite@fticonsulting.com.

To view court documents, orders and other publicly available information with respect to the CCAA proceedings, please visit the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada>.

SCHEDULE F

FORM OF RETIREE LETTER

To: The Retirees and Former Employees of the Sears Canada Entities with certain pension and/or other retiree benefit entitlements

Re: Court Approved Retiree Claims Procedure

1. Why am I receiving this letter?

The purpose of this letter is to inform you that on **[February 22nd]**, 2018, the Ontario Superior Court of Justice (the “**Court**”) approved the Employee and Retiree Claims Procedure Order. This Court Order approved a process for calculating and submitting claims of Employees and Retirees against the Sears Canada Entities and/or their Directors or Officers.

The Sears Canada Entities, in consultation with the Monitor, worked closely with Koskie Minsky LLP, the Court-appointed Pension Representative Counsel (who acted in consultation with the Pensioner Representatives) to develop and agree upon appropriate methodologies for the calculation of claims that you and other retirees or applicable surviving spouses of retirees may have against the Sears Canada Entities in relation to any applicable Sears pension and other retiree benefit entitlements that you might have as well as a streamlined process for dealing with such claims. Morneau Shepell Ltd. (who is now the administrator of the Sears Canada Inc. Registered Retirement Plan (the “**Sears Pension Plan**”)) and the Ontario Superintendent of Financial Services (the Ontario pension regulator) were part of this consultation process as well, in respect of the methodology for calculating the funding shortfall in the Sears Pension Plan.

[FOR INCLUSION IN LETTER TO RETIREES WITH DB BENEFITS]

Defined Benefit Pension Plan

According to the records of the Sears Canada Entities, you have an entitlement to a “defined benefit” pension under the Sears Pension Plan. The Employee and Retiree Claims Procedure Order provides that claims against the Sears Canada Entities in respect of the funding shortfall in relation to the Sears Pension Plan will be dealt with separately on behalf of all participants with defined benefit entitlements under the Sears Pension Plan. A claim will be filed on your behalf with respect to your defined benefit entitlements under the Sears Pension Plan. There is nothing for you to do at this time to advance any claim you may have in respect of your defined benefit entitlements under the Sears Pension Plan.

[FOR INCLUSION IN LETTER TO RETIREES WITH SUPPLEMENTAL PLAN ENTITLEMENTS OTHER THAN MEMBERS OF SENIOR MANAGEMENT]

Supplementary Retirement Plan

According to the records of the Sears Canada Entities, you have an entitlement under the Sears Canada Inc. Supplementary Retirement Plan. The Employee and Retiree Claims Procedure Order provides that Pension Representative Counsel will, for each person with benefit entitlements under the Supplementary Retirement Plan, make a claim on their behalf in relation to their

Draft

entitlements under the Supplementary Retirement Plan. Accordingly, you do not need to file any claim or do anything in relation to your Supplementary Retirement Plan entitlements at this time.

[FOR INCLUSION IN LETTER TO RETIREES WITH OPEB ENTITLEMENTS]

Retiree Health, Dental and Life Insurance Coverage

According to the records of the Sears Canada Entities, you previously had an entitlement to retiree health and/or dental benefit coverage and/or retiree life insurance, which are no longer being offered by the Sears Canada Entities. Therefore, you have a claim against the Sears Canada Entities for the loss of these benefits. The Employee and Retiree Claims Procedure Order approved a methodology for calculating your claim relating to these benefits (your “**Retiree Benefit Claim**”, with the methodology used to calculate the claim being the “**Retiree Benefit Claims Methodology**”). The amount of your Retiree Benefit Claim is included in the enclosed Retiree Benefit Claim Statement.

The Sears Canada Entities, in consultation with the Monitor, worked closely with Pension Representative Counsel to develop and agree upon the Retiree Benefit Claims Methodology that was approved by the Court. As a retiree represented by Pension Representative Counsel, you are bound by the Retiree Benefit Claims Methodology and will not be able to submit any other claim with respect to the loss of your retiree health and dental benefits or life insurance.

Please note that you may correct the Personal Information that the Sears Canada Entities and the Monitor used to calculate your Retiree Benefit Claim, which may affect the value of your claim. See the answer to questions 3 and 9 below for more details on how to do so.

2. **[NTD: for inclusion in letter to retirees with OPEB entitlements] What is included in the Retiree Benefit Claim?**

Retiree Benefit Claims are claims that you and other retirees or their surviving spouses may have against the Sears Canada Entities in respect of the termination of your health and dental and life insurance benefits.

3. **[NTD: for inclusion in letter to retirees with OPEB entitlements] How is the Retiree Benefit Claim calculated? What Personal Information was used?**

Your Retiree Benefit Claim has been calculated using the Retiree Benefit Claims Methodology approved by the Court and is included in the Retiree Benefit Claim Statement.

Under the Retiree Benefit Claims Methodology, your Retiree Benefit Claim is calculated based on some general data and certain Personal Information that is specific to you. The following Personal Information was used when calculating your Retiree Benefit Claim:

- Your Date of Birth
- Your Gender
- Your age as of October 1, 2017
- The province or other jurisdiction in which you reside
- Your benefit coverage - Single or Couple

- If you had Couple coverage:
 - Your Spouse's Date of Birth
 - Your Spouse's Gender
 - Your Spouse's Age as of October 1, 2017

For more information about the Retiree Benefit Claims Methodology, please review Schedule "B" to the Employee and Retiree Claims Procedure Order, which can be found on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/>.

4. What if I have a customer warranty issued by a Sears Canada Entity?

Any claims with respect to customer warranties provided to you by a Sears Canada Entity will be deemed to be submitted on your behalf. There is nothing for you to do at this time.

5. What if I was eligible for a lifetime associate discount?

If you were previously eligible for a lifetime associate discount, a claim in the amount of \$840 has been submitted on your behalf. There is nothing for you to do at this time.

6. What if I have other claims against the Sears Canada Entities or their directors and officers?

If you believe you have any claim for amounts owing to you by the Sears Canada Entities or their directors and/or officers other than (i) claims relating to retiree health and/or dental benefit coverage and/or retiree life insurance, (ii) claims relating to the defined benefit component of the Sears Pension Plan or relating to the Sears Canada Inc. Supplementary Retirement Plan, (iii) claims relating to the lifetime associate discount, or (iv) claims relating to any warranty you may have with the Sears Canada Entities, you must submit a Proof of Claim or D&O Proof of Claim form to the Monitor **by 5:00 p.m. (Toronto time) on April 9, 2018.**

[NTD: for inclusion in letter to PRC Retirees] [If you have any questions as to whether an amount that you believe is owing to you constitutes a director and officer liability, please contact Pension Representative Counsel (see contact information below).]

You can find the Proof of Claim form, D&O Proof of Claim form, and instruction letters for submitting these forms, on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order". If you are unable to access the Monitor's website, you may also email the Monitor at SearsRetireeClaimSite@fticonsulting.com to request copies of these forms.

7. Will I receive the full amount of my claims?

[NTD: for inclusion in letter to retirees with OPEB entitlements]

No. Any amount distributed to you in respect of your Retiree Benefit Claim or other claims will be significantly less than the amount set out in your Retiree Benefit Claims Statement, as funds available for distribution are expected to be significantly less than the amount owing to creditors. As a result, creditors, including retirees of the Sears Canada Entities and their surviving spouses

with proven claims against the Sears Canada Entities will receive only a percentage of their claim. According to the Monitor's Thirteenth Report dated February 18, 2018, the Monitor anticipates that the potential claim recoveries for retirees and other similarly-situated creditors will be in the range of 0% - 10% (depending on the priority treatment of certain claims). For example, if a retiree has a Retiree Benefit Claim of \$1,000 and the recovery percentage is 5%, the retiree would receive a cash distribution of \$50.

[NTD: for inclusion in letter to DB Only Retirees]

No. Any amount distributed to you in respect of any claims you may have will be significantly less than the amount set out in any Proof of Claim that is ultimately proven, as funds available for distribution are expected to be significantly less than the amount owing to creditors. As a result, creditors, including retirees of the Sears Canada Entities and their surviving spouses with proven claims against the Sears Canada Entities will receive only a percentage of their claim. According to the Monitor's Thirteenth Report dated February 18, 2018, the Monitor anticipates that the potential claim recoveries for retirees and other similarly-situated creditors will be in the range of 0% - 10% (depending on the priority treatment of certain claims). For example, if a retiree has an accepted claim of \$1,000 and the recovery percentage is 5%, the retiree would receive a cash distribution of \$50.

8. When can I expect to receive payment?

The determination of any payments has not yet been made. This determination may take several months to complete. Please continue to refer to Pension Representative Counsel's and the Monitor's websites for updates on any anticipated claim payment schedules.

9. [NTD: for inclusion in letter to retirees with OPEB entitlements] I disagree with the Personal Information contained in my Retiree Benefit Claim Statement. How do I do this?

If you do not agree with the Personal Information contained in your Retiree Benefit Claim Statement you must submit a Request for Correction to the Monitor **before 5:00 p.m. (Toronto time) on May 7, 2018.**

You may submit a Request for Correction by correcting your Personal Information directly on the Monitor's Claims Website (*[insert link]*) after logging in using the username and password provided to you in a letter from the Monitor. If you have not received a letter from the Monitor with this information, please contact the Monitor by email at the following address: SearsRetireeClaimSite@fticonsulting.com.

If you are unable to access the Monitor's Claims Website, you may also submit your request by completing the enclosed Request for Correction form and returning it to the Monitor by email or mail at the following address:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Draft

Attention: Sears Canada Employee and Retiree Claims Process
Email: SearsRetireeClaimSite@fticonsulting.com

Please ensure you follow the instructions contained in the Request for Correction form.

10. Who can I contact if I have other questions?

[NTD: for inclusion in letter to PRC Retirees] [If you have any further questions about the above or the process generally, please contact Koskie Minsky LLP, your Court-appointed Pension Representative Counsel via email at searsrepcounsel@kmlaw.ca or by telephone at 1-800-244-7120.

You may also wish to visit Pension Representative Counsel's website at www.kmlaw.ca/searsrepcounsel.ca for additional updates regarding the CCAA proceedings.]

To view court documents, orders and other publicly available information with respect to the CCAA proceedings, please visit the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada>.

Questions can also be directed to the Monitor by email at SearsRetireeClaimSite@fticonsulting.com.

Draft

SCHEDULE G

FORM OF NON-PRC RETIREE LETTER

To: The Retirees and Former Employees of the Sears Canada Entities with certain pension and/or other retiree benefit entitlements

Re: Court Approved Retiree Claims Procedure

1. Why am I receiving this letter?

The purpose of this letter is to inform you that on **[February 22nd]**, 2018, the Ontario Superior Court of Justice (the “**Court**”) approved the Employee and Retiree Claims Procedure Order. This Court Order approved a process for calculating and submitting claims of Employees and Retirees against the Sears Canada Entities and/or their Directors or Officers.

The Sears Canada Entities, in consultation with the Monitor, worked closely with Koskie Minsky LLP, the Court-appointed Pension Representative Counsel to develop and agree upon appropriate methodologies for the calculation of claims that you and other retirees or applicable surviving spouses of retirees may have against the Sears Canada Entities in relation to any applicable Sears pension and other retiree benefit entitlements that you might have as well as a streamlined process for dealing with such claims. Morneau Shepell Ltd. (who is now the administrator of the Sears Canada Inc. Registered Retirement Plan (the “**Sears Pension Plan**”)) and the Ontario Superintendent of Financial Services (the Ontario pension regulator) were part of this consultation process as well, in respect of the methodology for calculating the funding shortfall in the Sears Pension Plan.

[FOR INCLUSION IN LETTER TO RETIREES WITH DB BENEFITS]

Defined Benefit Pension Plan

According to the records of the Sears Canada Entities, you have an entitlement to a “defined benefit” pension under the Sears Pension Plan. The Employee and Retiree Claims Procedure Order provides that claims against the Sears Canada Entities in respect of the funding shortfall in relation to the Sears Pension Plan will be dealt with separately on behalf of all participants with defined benefit entitlements under the Sears Pension Plan. A claim will be filed on your behalf with respect to your defined benefit entitlements under the Sears Pension Plan. There is nothing for you to do at this time to advance any claim you may have in respect of your defined benefit entitlements under the Sears Pension Plan.

[FOR INCLUSION IN LETTER TO MEMBERS OF SENIOR MANAGEMENT WITH SUPPLEMENTAL PLAN ENTITLEMENTS]

Supplementary Retirement Plan

According to the records of the Sears Canada Entities, you have an entitlement under the Sears Canada Inc. Supplementary Retirement Plan. The Employee and Retiree Claims Procedure Order approved a process whereby Pension Representative Counsel will file a claim on behalf of all participants of the Supplementary Retirement Plan, including retirees, like you, who are not

Draft

represented by Pension Representative Counsel. As a retiree who is not represented by Pension Representative Counsel, you can either file your own claim in respect of your Supplementary Retirement Plan entitlements (see question 6 below for information on how to do so), or you can do nothing, and by default, your claim will be included in the claim filed by Pension Representative Counsel.

[FOR INCLUSION IN LETTER TO RETIREES WITH OPEB ENTITLEMENTS]

Retiree Health, Dental and Life Insurance Coverage

According to the records of the Sears Canada Entities, you previously had an entitlement to retiree health and/or dental benefit coverage and/or retiree life insurance, which are no longer being offered by the Sears Canada Entities. Therefore, you have a claim against the Sears Canada Entities for the loss of these benefits. The Employee and Retiree Claims Procedure Order approved a methodology for calculating your claim relating to these benefits (your “**Retiree Benefit Claim**,” with the methodology used to calculate the claim being the “**Retiree Benefit Claims Methodology**”). The amount of your Retiree Benefit Claim is included in the enclosed Retiree Benefit Claim Statement.

The Sears Canada Entities, in consultation with the Monitor, worked closely with Pension Representative Counsel to develop and agree upon the Retiree Benefit Claims Methodology that was approved by the Court. Although you are not represented by Pension Representative Counsel, the Sears Canada Entities believe the Retiree Benefit Claims Methodology represents a fair and reasonable approach to valuing the claims of all retirees with respect to the loss of their benefits. If however, you disagree with the Court-approved methodology, you will have the opportunity to propose an alternative approach to valuing your claim. Please see question 9 below for further information.

Please note that you may correct the Personal Information that the Sears Canada Entities and the Monitor used to calculate your Retiree Benefit Claim, which may affect the value of your claim. See the answer to questions 3 and 9 below for more details on how to do so.

2. What is included in the Retiree Benefit Claim?

Retiree Benefit Claims are claims that you and other retirees or their surviving spouses may have against the Sears Canada Entities in respect of the termination of your health and dental and life insurance benefits.

3. How is the Retiree Benefit Claim calculated? What Personal Information was used?

Your Retiree Benefit Claim has been calculated using the Retiree Benefit Claims Methodology approved by the Court and is included in the Retiree Benefit Claim Statement.

Under the Retiree Benefit Claims Methodology, your Retiree Benefit Claim is calculated based on some general data and certain Personal Information that is specific to you. The following Personal Information was used when calculating your Retiree Benefit Claim:

- Your Date of Birth
- Your Gender

- Your age as of October 1, 2017
- The province in which you reside
- Your benefit coverage - Single or Couple
- If you had Couple coverage:
 - Your Spouse's Date of Birth
 - Your Spouse's Gender
 - Your Spouse's Age as of October 1, 2017

For more information about the Retiree Benefit Claims Methodology, please review Schedule "B" to the Employee and Retiree Claims Procedure Order, which can be found on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/>.

4. What if I have a customer warranty issued by a Sears Canada Entity?

Any claims with respect to customer warranties provided to you by a Sears Canada Entity will be deemed to be submitted on your behalf. There is nothing for you to do at this time.

5. What if I was eligible for a lifetime associate discount?

If you were previously eligible for a lifetime associate discount, a claim in the amount of \$840 has been submitted on your behalf. There is nothing for you to do at this time.

6. What if I have other claims against the Sears Canada Entities or their directors and officers?

If you believe you have any claim for amounts owing to you by the Sears Canada Entities or their directors and/or officers other than (i) claims relating to retiree health and/or dental benefit coverage and/or retiree life insurance, (ii) claims relating to the defined benefit component of the Sears Pension Plan or relating to the Sears Canada Inc. Supplementary Retirement Plan, (iii) claims relating to the lifetime associate discount, or (iv) claims relating to any warranty you may have with the Sears Canada Entities, you must submit a Proof of Claim or D&O Proof of Claim form to the Monitor **by 5:00 p.m. (Toronto time) on April 9, 2018. [NTD: for inclusion in letter to members of Senior Management with Supplemental Plan entitlements]** [A Proof of Claim or D&O Proof of Claim may also be filed if you wish to file your own claim in respect of your entitlement under the Supplementary Retirement Plan.]

You can find the Proof of Claim form, D&O Proof of Claim form, and instruction letters for submitting these forms, on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order". If you are unable to access the Monitor's website, you may also email the Monitor at SearsRetireeClaimSite@fticonsulting.com to request copies of these forms.

7. Will I receive the full amount of my claims?

No. Any amount distributed to you in respect of your Retiree Benefit Claim or other claims will be significantly less than the amount set out in your Retiree Benefit Claims Statement, as funds available for distribution are expected to be significantly less than the amount owing to creditors.

As a result, creditors, including retirees of the Sears Canada Entities and their surviving spouses with proven claims against the Sears Canada Entities will receive only a percentage of their claim. According to the Monitor's Thirteenth Report dated February 18, 2018, the Monitor anticipates that the potential claim recoveries for retirees and other similarly-situated creditors will be in the range of 0% - 10% (depending on the priority treatment of certain claims). For example, if a retiree has a Retiree Benefit Claim of \$1,000 and the recovery percentage is 5%, the retiree would receive a cash distribution of \$50.

8. When can I expect to receive payment?

The determination of any payments has not yet been made. This determination may take several months to complete. Please continue to refer to the Monitor's website for updates on any anticipated claim payment schedules.

9. I disagree with the Personal Information contained in my Retiree Benefit Claim Statement or want to submit a Notice of Proposed Revision. How do I do this?

Requests for Correction

If you do not agree with the Personal Information contained in your Retiree Benefit Claim Statement you must submit a Request for Correction to the Monitor **before 5:00 p.m. (Toronto time) on May 7, 2018.**

You may submit a Request for Correction by correcting your Personal Information directly on the Monitor's Claims Website (*[insert link]*) after logging in using the username and password provided to you in a letter from the Monitor. If you have not received a letter from the Monitor with this information, please contact the Monitor by email at the following address: SearsRetireeClaimSite@fticonsulting.com.

If you are unable to access the Monitor's Claims Website, you may also submit your request by completing the enclosed Request for Correction form and returning it to the Monitor by email or mail at the following address:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Email: SearsRetireeClaimSite@fticonsulting.com

Please ensure you follow the instructions contained in the Request for Correction form.

Notices of Proposed Revision

If you do not wish for your Retiree Benefit Claim to be calculated using the Retiree Benefit Claims Methodology, you must submit a Notice of Proposed Revision with a description of your

Draft

proposed methodology and a calculation of your revised Retiree Benefit Claim amount to the Monitor **before 5:00 p.m. (Toronto time) on May 7, 2018.**

You may mail or email your completed Notice of Proposed Revision form to the Monitor at the address noted immediately above.

Please ensure you follow the instructions contained in the Notice of Proposed Revision form.

10. Who can I contact if I have other questions?

To view court documents, orders and other publicly available information with respect to the CCAA proceedings, please visit the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada>.

Questions can also be directed to the Monitor by email at SearsRetireeClaimSite@fticonsulting.com.

SCHEDULE H
FORM OF TERMINATION CLAIM STATEMENT¹

TO: [INSERT NAME AND ADDRESS OF CLAIMANT] (the “**Claimant**”)

FROM: FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the “**Monitor**”)

RE: Employee Number: _____

The Sears Canada Entities and the Monitor have used the following Personal Information to calculate your Termination Claim:

Full Legal Name	
Date of Birth (MM/DD/YYYY)	
Employment Status (e.g. part-time or full-time)	
Job Level (e.g. associate, supervisor, etc.)	
Employment Start Date (MM/DD/YYYY)	
Employment End Date (MM/DD/YYYY)	
Average Hourly Rate/Salary	
Province or Other Jurisdiction of Employment	
Duration of Working Notice	
Termination Status	[Without cause]/[For cause]/[Resigned]

¹ Capitalized terms used but not defined in this Termination Claim Statement shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated [February 22], 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

Draft

Your Termination Claim

Your Termination Claim has been determined to be as follows:

<u>Severance Pay Period</u>	<u>Average hourly wage rate/Salary</u>	<u>Benefits Gross-Up %</u>	<u>Defined Contribution Gross-Up %</u>	<u>Associate Discount</u>
● Weeks	\$●/week	●%	●%	\$175
Claim value:	\$●	\$●	\$●	\$175

Termination Claim = $\frac{\text{Severance Pay Period}}{(\text{multiplied by}) \text{ average hourly wage rate/salary}} (\text{plus}) \frac{\text{Severance Pay Period} (\text{multiplied by}) \text{ average hourly wage rate/salary}}{(\text{multiplied by}) (\text{Benefits Gross-Up \%}) (\text{plus}) \text{ DC Gross-Up \%}} (\text{plus}) \$175 \text{ for Associate Discount and Associate Assistance Plan}$

The value of your Termination Claim is: \$●

This Claim has been calculated using the Termination Claims Methodology approved by the Court on [February 22], 2018 and your Personal Information as listed above.

** Please note that this amount includes all amounts to which you may claim to be entitled in connection with the termination of your employment, including termination/severance pay, vacation pay and lost benefits (including health, dental, life, disability, associate assistance plan, associate discount) as well as a tax gross-up.*

***Please note that, if you were eligible for the lifetime associate discount from the Sears Canada Entities, the Sears Canada Entities will be deemed to have submitted a Lifetime Discount Claim on your behalf in the amount of \$840. You are not eligible to dispute the value of any Lifetime Discount Claim submitted on your behalf. You do not need to take any further action at this time with respect to any Lifetime Discount Claim you may have.*

****Please note that any amount distributed to you in respect of your Termination Claim will be significantly less than the amount set out in your Termination Claim Statement, as funds available for distribution are expected to be significantly less than the amount the Sears Canada Entities owe to their creditors, including former employees. As a result, creditors, including employees, with proven claims against the Sears Canada Entities will receive only a percentage of their claim. According to the Monitor's Thirteenth Report dated February 18, 2018, the Monitor anticipates that the potential claim recoveries for employees and other similarly-situated creditors will be in the range of 0% - 10% (depending on the priority treatment of certain claims). For example, if an employee has a Termination Claim of \$1,000 and the recovery percentage is 5%, the employee would receive a cash distribution of \$50.*

*****Please note that any distribution payment in respect of your Termination Claim may be reduced by any Wage Earner Protection Program or Employee Hardship Fund payments made to you.*

Draft

If you disagree with the Personal Information listed above, you may request a correction to such Personal Information through the Monitor's Claims Website at *[insert link]*. If you are unable to access the Monitor's Claim Website, you may request a hard copy of the Request for Correction form from the Monitor at SearsEmployeeClaimSite@fticonsulting.com or at the Monitor's address listed in the letter sent to you with this Termination Claim Statement. Any changes to the Personal Information listed above may affect the value of your Termination Claim.

Requests for Correction MUST be submitted to the Monitor by no later than 5:00 p.m. (Toronto time) on May 7, 2018 (the "**Request for Correction Bar Date**").

IF YOU FAIL TO FILE A REQUEST FOR CORRECTION BY THE REQUEST FOR CORRECTION BAR DATE, THE PERSONAL INFORMATION APPLIED BY THE MONITOR TO CALCULATE YOUR TERMINATION CLAIM SHALL BE BINDING ON YOU.

Certain Claimants are eligible to dispute the methodology used to calculate their Termination Claim by submitting a Notice of Proposed Revision form. You will have been notified if you are eligible to submit a Notice of Proposed Revision form in the letter included with this Termination Claim Statement.

If you are eligible to submit a Notice of Proposed Revision, you may request a copy of the form from the Monitor at SearsEmployeeClaimSite@fticonsulting.com. You can also access the form on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/>.

Any Notice of Proposed Revision MUST be submitted to the Monitor by no later than 5:00 p.m. (Toronto time) on May 7, 2018 (the "**Notice of Proposed Revision Bar Date**").

IF YOU FAIL TO FILE A NOTICE OF PROPOSED REVISION BY THE NOTICE OF PROPOSED REVISION BAR DATE, THE METHODOLOGY APPLIED BY THE MONITOR TO CALCULATE YOUR TERMINATION CLAIM SHALL BE BINDING ON YOU.

DATED this _____ day of _____, 2018.

FTI Consulting Canada Inc.

Draft

SCHEDULE I

FORM OF RETIREE BENEFIT CLAIM STATEMENT¹

TO: [INSERT NAME AND ADDRESS OF CLAIMANT] (the “**Claimant**”)

FROM: FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the “**Monitor**”)

RE: Employee Number: _____

The Sears Canada Entities and the Monitor have used the following Personal Information to calculate your Retiree Benefit Claim:

Full Legal Name	
Date of Birth (MM/DD/YYYY)	
Gender	
Province or Other Jurisdiction of Residence	
Benefit Coverage	[Single or Couple]

Where applicable:

Spouse's Full Legal Name	
Spouse's Date of Birth (MM/DD/YYYY)	
Spouse's Gender	
Full Legal Name of each Dependant	
Date of Birth of each Dependant (MM/DD/YYYY)	

¹ Capitalized terms used but not defined in this Retiree Benefit Claim Statement shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated [February 22], 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/>.

Draft

Gender of each Dependant	
--------------------------	--

Your Retiree Benefit Claim

Your Retiree Benefit Claim has been determined to be as follows:

<u>Health and Dental Claim</u>	<u>Life Insurance Claim</u>
\$●	\$●

The value of your Retiree Benefit Claim is: \$●

This Claim has been calculated using the Retiree Benefit Claims Methodology approved by the Court on [February 22], 2018 and your Personal Information as listed above.

**Please note that, if you were eligible for the lifetime associate discount from the Sears Canada Entities, the Sears Canada Entities will be deemed to have submitted a Lifetime Discount Claim on your behalf in the amount of \$840. You are not eligible to dispute the value of any Lifetime Discount Claim submitted on your behalf. You do not need to take any further action at this time with respect to any Lifetime Discount Claim you may have.*

*** Please note that any amount distributed to you in respect of your Retiree Benefit Claim will be significantly less than the amount set out in your Retiree Benefit Claim Statement, as funds available for distribution are expected to be significantly less than the amount the Sears Canada Entities owe to their creditors, including retirees. As a result, creditors, including retirees, with proven claims against the Sears Canada Entities will receive only a percentage of their claim. According to the Monitor's Thirteenth Report dated February 18, 2018, the Monitor anticipates that the potential claim recoveries for retirees and other similarly-situated creditors will be in the range of 0% - 10% (depending on the priority treatment of certain claims). For example, if a retiree has a Retiree Benefit Claim of \$1,000 and the recovery percentage is 5%, the retiree would receive a cash distribution of \$50.*

If you disagree with the Personal Information listed above, you may request a correction to such Personal Information through the enclosed Request for Correction form. Any changes to the Personal Information listed above may affect the value of your Retiree Benefit Claim.

Requests for Correction MUST be submitted to the Monitor by no later than 5:00 p.m. (Toronto time) on May 7, 2018 (the "**Request for Correction Bar Date**"). The form of Request for Correction can also be accessed on the Monitor's Claims Website at [insert link] or on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/>.

IF YOU FAIL TO FILE A REQUEST FOR CORRECTION BY THE REQUEST FOR CORRECTION BAR DATE, THE PERSONAL INFORMATION APPLIED BY THE MONITOR TO CALCULATE YOUR RETIREE BENEFIT CLAIM SHALL BE BINDING ON YOU.

Draft

Certain Claimants are eligible to dispute the methodology used to calculate their Retiree Benefit Claim by submitting a Notice of Proposed Revision form. You will have been notified if you are eligible to submit a Notice of Proposed Revision form in the letter sent to you with this Retiree Benefit Claim Statement.

Any Notice of Proposed Revision MUST be submitted to the Monitor by no later than 5:00 p.m. (Toronto time) on May 7, 2018 (the “**Notice of Proposed Revision Bar Date**”). The form of Notice of Proposed Revision is enclosed and can also be accessed on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

IF YOU FAIL TO FILE A NOTICE OF PROPOSED REVISION BY THE NOTICE OF PROPOSED REVISION BAR DATE, THE METHODOLOGY APPLIED BY THE MONITOR TO CALCULATE YOUR RETIREE BENEFIT CLAIM SHALL BE BINDING ON YOU.

DATED this _____ day of _____, 2018.

FTI Consulting Canada Inc.

Draft

Draft

SCHEDULE J

EMPLOYEE REQUEST FOR CORRECTION FORM¹

TO: FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the “**Monitor**”)

FROM: _____ (the “**Claimant**”)

(Insert full legal name and address of Claimant who is submitting this Request for Correction)

RE: Employee Number: _____
(Insert employee number as outlined on Termination Claim Statement)

In accordance with the Employee and Retiree Claims Process developed by Employee Representative Counsel, Pension Representative Counsel, the Monitor and the Sears Canada Entities and approved by the Court on **[February 22, 2018]**, I, the Claimant, hereby request a change to the following information to facilitate the evaluation of my Termination Claim:

Note: Please only complete the sections that you believe require changes. Any sections listed below that you believe are accurately stated in your Termination Claim Statement may be left blank.

Date of Birth (MM/DD/YYYY)	
Employment Start Date (MM/DD/YYYY)	
Employment End Date (MM/DD/YYYY)	

¹ Capitalized terms used but not defined in this Employee Request for Correction shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated **[February 22]**, 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

If you have any additional changes to the Personal Information provided in your Termination Claim Statement (e.g., changes to employment status, job level, average hourly rate/salary, province or other jurisdiction of employment, duration of working notice or termination status), please provide them below:

Note: Please provide all supporting documentation. The particulars provided must support the accuracy and validity of the Personal Information asserted by you above. Any requested corrections that do not have supporting documentation sufficient to corroborate them may not be accepted by the Monitor.

If you would like to receive future communications relating to this Employee and Retiree Claims Process via e-mail, please provide your e-mail address: _____

DATED this _____ day of _____, 2018.

(Print name of Claimant)

(Signature of Claimant)

This Request for Correction form MUST be submitted to the Monitor at the below address by no later than 5:00 p.m. (Toronto time) on May 7, 2018 (the “**Request for Correction Bar Date**”). Delivery to the Monitor may be made by ordinary prepaid mail, registered mail, courier, personal delivery, facsimile transmission or email to the address below.

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com

Draft

Claimants can also, and are in fact strongly encouraged to, submit any Employee Requests for Correction with respect to changes to any Personal Information on the Monitor's Claims Website at *[insert link]*.

In accordance with the Employee and Retiree Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

If you fail to file an Employee Request for Correction by the Request for Correction Bar Date, your Termination Claim amount shall be deemed to be as set out in your Termination Claim Statement, subject to any Notice of Proposed Revision that may be submitted by you with respect to the methodology to be applied to calculate your Termination Claim, to the extent that you are eligible to submit such a notice. You will have been notified in the original letter sent to you with your Termination Claim Statement if you are eligible to submit a Notice of Proposed Revision.

If you are eligible to submit a Notice of Proposed Revision, you may request a copy of the form from the Monitor at the email address listed above. You can also access the form on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order".

IF YOU FAIL TO FILE A REQUEST FOR CORRECTION BY THE REQUEST FOR CORRECTION BAR DATE, THE PERSONAL INFORMATION APPLIED BY THE MONITOR TO CALCULATE YOUR TERMINATION CLAIM SHALL BE BINDING ON YOU.

Draft

SCHEDULE K
RETIREE REQUEST FOR CORRECTION FORM¹

TO: FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the “**Monitor**”)

FROM: _____ (the “**Claimant**”)

(Insert full legal name and address of the Claimant who is submitting this Request for Correction)

RE: Employee Number: _____
(Insert employee number as outlined on Retiree Benefit Claim Statement)

In accordance with the Employee and Retiree Claims Process developed by Employee Representative Counsel, Pension Representative Counsel, the Monitor and the Sears Canada Entities and approved by the Court on **[February 22, 2018]**, I, the Claimant, hereby request a change to the following information to facilitate the evaluation of my Retiree Benefit Claim:

Note: Please only complete the sections that you believe require changes. Any sections listed below that you believe are accurately stated in your Retiree Benefit Claim Statement may be left blank.

Date of Birth (MM/DD/YYYY)	
Gender	
Province or other Jurisdiction of Residence	
Benefit Coverage	[Single or Couple]

Where applicable:

Spouse's Full Legal Name	
Spouse's Date of Birth	

¹ Capitalized terms used but not defined in this Retiree Request for Correction shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated **[February 22]**, 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/>.

Draft

(MM/DD/YYYY)	
Spouse's Gender	
Full Legal Name of each Dependant	
Date of Birth of each Dependant (MM/DD/YYYY)	
Gender of each Dependant	

Comments:

Note: Please provide all supporting documentation. The particulars provided must support the accuracy and validity of the Personal Information asserted by you above. Any requested corrections that do not have supporting documentation sufficient to corroborate them may not be accepted by the Monitor.

If you would like to receive future communications relating to this Employee and Retiree Claims Process via e-mail, please provide your e-mail address: _____

DATED this _____ day of _____, 2018.

(Print name of Claimant)

(Signature of Claimant)

This Request for Correction form MUST be submitted to the Monitor at the below address by no later than 5:00 p.m. (Toronto time) on May 7, 2018 (the “Request for Correction Bar Date”). Delivery to the Monitor may be made by ordinary prepaid mail, registered mail, courier, personal delivery, facsimile transmission or email to the address below.

Draft

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

Claimants can also, and are in fact strongly encouraged to, submit any Retiree Requests for Correction with respect to changes to any Personal Information on the Monitor's Claims Website at *[insert link]*.

In accordance with the Employee and Retiree Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

If you fail to file a Retiree Request for Correction by the Request for Correction Bar Date, your Retiree Benefit Claim amount shall be deemed to be as set out in your Retiree Benefit Claim Statement, subject to any Notice of Proposed Revision that may be submitted by you with respect to the methodology to be applied to calculate your Retiree Benefit Claim, to the extent that you are eligible to submit such a notice. You will have been notified in the original letter sent to you with your Retiree Benefit Claim Statement if you are eligible to submit a Notice of Proposed Revision.

The form of Notice of Proposed Revision is enclosed and can also be accessed on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order".

IF YOU FAIL TO FILE A REQUEST FOR CORRECTION BY THE REQUEST FOR CORRECTION BAR DATE, THE PERSONAL INFORMATION APPLIED BY THE MONITOR TO CALCULATE YOUR RETIREE BENEFIT CLAIM SHALL BE BINDING ON YOU.

Draft

SCHEDULE L

NOTICE OF PROPOSED REVISION FORM¹ FOR A DISPUTE OF THE METHODOLOGY APPLIED TO CALCULATE A TERMINATION CLAIM OR RETIREE BENEFIT CLAIM AGAINST THE SEARS CANADA ENTITIES²

NOTE: You may ONLY submit this Notice of Proposed Revision if you received a Termination Claim Statement or a Retiree Benefit Claim Statement and you are an:

- Employee who is currently or was previously a member of senior management (vice-president or above) of any of the Sears Canada Entities and who was not eligible for representation by Ursel Phillips Fellows Hopkinson LLP, in its capacity as Employee Representative Counsel;
- Union Representative on behalf of a Unionized Employee;
- Employee who was eligible for representation by Employee Representative Counsel and who opted out of such representation in accordance with the requirements contained in the Employee Representative Counsel Order;
- Retiree who was eligible for representation by Koskie Minsky LLP, in its capacity as Pension Representative Counsel, and who opted out of such representation in accordance with the requirements contained in the Pension Representative Counsel Order (or a unionized Retiree who opted out of representation by Pension Representative Counsel in accordance with the requirements contained in the Employee and Retiree Claims Procedure Order); or
- Retiree who is currently or was previously a member of senior management (vice-president or above) of any of the Sears Canada Entities and who was not eligible for representation by Pension Representative Counsel.

You will have been notified if you are eligible to submit this Notice of Proposed Revision form in the original cover letter or email sent to you with your Termination Claim Statement or Retiree Benefit Claim Statement.

¹ Capitalized terms used but not defined in this Notice of Proposed Revision shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated [February 22], 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

² The “**Sears Canada Entities**” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

(A) Employees represented by Employee Representative Counsel; (B) Retirees represented by Pension Representative Counsel; and (C) Unionized Employees who do not submit this form through their Union Representative, are NOT eligible to submit this form. Any form submitted by such individuals will be disallowed.

1 PARTICULARS OF CLAIMANT

Employee Number:

(as indicated in the Termination Claim
Statement or Retiree Benefit Claim Statement)

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

(
N
o
t
e
:

Telephone Number of Claimant:

I
f

Facsimile Number of Claimant:

E-mail Address of Claimant:

y
o
u

Attention (Contact Person):

(If you are a Union Representative filing out this form on behalf of a Unionized Employee or Employees, please provide full particulars of each such Unionized Employee on a separate schedule.)

2 PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE

(i) Have you acquired this Claim by Assignment? Yes ☐ No ☐

(If yes, attach documents evidencing assignment)

(ii) Full legal name of original Claimant: _____

3 DISPUTE OF METHODOLOGY APPLIED TO TERMINATION CLAIM OR RETIREE BENEFIT CLAIM:

The Claimant hereby disagrees with the methodology applied to calculate the Claimant's Termination Claim or Retiree Benefit Claim as outlined in the Termination Claim Statement or

Draft

Retiree Benefit Claim Statement, as applicable, and asserts that the following methodology should instead be applied to calculate such Claimant's Termination Claim or Retiree Benefit Claim, as applicable:

Calculation of Claim as contained in the Termination Claim Statement or Retiree Benefit Claim Statement:

[Termination Claim Amount:

<u>Severance Pay Period</u>	<u>Average hourly wage rate/Salary</u>	<u>Benefits Gross-Up %</u>	<u>Defined Contribution Gross-Up %</u>	<u>Associate Discount</u>
● Weeks	\$●/week	●%	●%	\$175
Claim value:	\$●	\$●	\$●	\$175

Total Termination Claim: \$●]

[Retiree Benefit Claim Amount:

<u>Health and Dental Claim</u>	<u>Life Insurance Claim</u>
\$●	\$●

Total Retiree Benefit Claim: \$●]

Methodology proposed by Claimant to be applied to calculate Claimant's Termination Claim or Retiree Benefit Claim:

Calculation of Claim as proposed by Claimant:

Termination Claim: \$_____

Retiree Benefit Claim: \$_____

(Provide full particulars of why you dispute the methodology applied to calculate your Termination Claim or Retiree Benefit Claim and why you believe that your proposed methodology would more appropriately represent the value of your Termination Claim or Retiree Benefit Claim against the Sears Canada Entities. Please provide all supporting documentation. The particulars provided must support the methodology and value of your Claim as stated by you in item 3, above. If the space provided below is insufficient, please provide all such particulars on a separate schedule.)

[illegible]

If you would like to receive future communications relating to this Employee and Retiree Claims Process via e-mail, please provide your e-mail address: _____

DATED this _____ day of _____, 2018.

(Print name of Claimant, or, if the Claimant is a corporation, the name of the Claimant and the name of the authorized signing officer of the corporation that is executing this Notice of Proposed Revision.)

(Signature of Claimant, or, if the Claimant is a corporation, the signature of the authorized signing officer of the corporation that is executing this Notice of Proposed Revision.)

This Notice of Proposed Revision MUST be submitted to the Monitor at the below address by no later than 5:00 p.m. (Toronto time) on May 7, 2018 (the “**Notice of Proposed Revision Bar Date**”). Delivery to the Monitor may be made by ordinary prepaid mail, registered mail, courier, personal delivery, facsimile transmission or email to the address below.

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

In accordance with the Employee and Retiree Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

If you fail to file a Notice of Proposed Revision by the Notice of Proposed Revision Bar Date, your Termination Claim or Retiree Benefit Claim amount shall be deemed to be as set out in your Termination Claim Statement or Retiree Benefit Claim Statement, as applicable, subject to any Request for Correction that may be submitted by you with respect to the Personal Information to be applied to the Termination Claims Methodology or Retiree Benefit Claims Methodology, as applicable, to calculate your Termination Claim or Retiree Benefit Claim.

The form of Request for Correction can be accessed on the Monitor’s Claims Website at *[insert link]* or on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

IF YOU FAIL TO FILE A NOTICE OF PROPOSED REVISION BY THE NOTICE OF PROPOSED REVISION BAR DATE, THE METHODOLOGY APPLIED BY THE MONITOR TO CALCULATE YOUR TERMINATION CLAIM OR RETIREE BENEFIT CLAIM, AS APPLICABLE, SHALL BE BINDING ON YOU.

Draft

SCHEDULE M

NOTICE OF ACCEPTANCE FORM¹
REGARDING A REQUEST FOR CORRECTION OF THE PERSONAL
INFORMATION USED TO CALCULATE A TERMINATION CLAIM OR RETIREE
BENEFIT CLAIM AGAINST THE SEARS CANADA ENTITIES²

TO: [INSERT NAME AND ADDRESS OF CLAIMANT] (the “**Claimant**”)

FROM: FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the “**Monitor**”)

RE: Employee Number: _____

Pursuant to the Employee and Retiree Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Request for Correction form and has accepted all of the proposed changes to your Personal Information as outlined below:

The Monitor, in connection with the Sears Canada Entities, has calculated the value of your Termination Claim or Retiree Benefit Claim, as applicable, using the revised Personal Information listed above and has determined that **[your revised Termination Claim]/[your revised Retiree Benefit Claim]/[there is no change to the value of your Termination Claim or Retiree Benefit Claim, and the value of such Claim]** is as follows:

¹ Capitalized terms used but not defined in this Notice of Acceptance shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated **[February 22]**, 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

² The “**Sears Canada Entities**” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

[Termination Claim Amount:

<u>Severance Pay Period</u>	<u>Average hourly wage rate/Salary</u>	<u>Benefits Gross-Up %</u>	<u>Defined Contribution Gross-Up %</u>	<u>Associate Discount</u>
● Weeks	\$●/week	●%	●%	\$175
Claim value:	\$●	\$●	\$●	\$175

The value of your Termination Claim is: \$●]

[Retiree Benefit Claim Amount:

<u>Health and Dental Claim</u>	<u>Life Insurance Claim</u>
\$●	\$●

The value of your Retiree Benefit Claim is: \$●]

This Termination Claim amount or Retiree Benefit Claim amount, as applicable, shall be binding on you, subject to any Notice of Proposed Revision that may be submitted by you by the Notice of Proposed Revision Bar Date, to the extent that you are eligible to submit such a notice. You will have been notified in the original letter sent to you with your Termination Claim Statement or Retiree Benefit Claim Statement if you are eligible to submit a Notice of Proposed Revision.

DATED this _____ day of _____, 2018.

FTI Consulting Canada Inc.

Draft

SCHEDULE N

NOTICE OF DISALLOWANCE (PERSONAL INFORMATION) FORM¹ REGARDING THE PERSONAL INFORMATION USED TO CALCULATE A TERMINATION CLAIM OR RETIREE BENEFIT CLAIM AGAINST THE SEARS CANADA ENTITIES²

TO: [INSERT NAME AND ADDRESS OF CLAIMANT] (the “**Claimant**”)

FROM: FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the “**Monitor**”)

RE: Employee Number: _____

Pursuant to the Employee and Retiree Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Request for Correction form and has revised or disallowed all or part of the proposed changes to your Personal Information. Subject to further dispute by you in accordance with the Employee and Retiree Claims Procedure Order, the Monitor disputes the following proposed changes to your Personal Information:

Proposed changes accepted by Monitor:

Proposed changes revised or disallowed by Monitor:

Reasons for Revision or Disallowance:

¹ Capitalized terms used but not defined in this Notice of Disallowance (Personal Information) shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated [February 22], 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

² The “**Sears Canada Entities**” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

The Monitor, in connection with the Sears Canada Entities, has calculated the value of your Termination Claim or Retiree Benefit Claim, as applicable, using the revised Personal Information listed above and has determined that **[your revised Termination Claim]/[your revised Retiree Benefit Claim]/[there is no change to the value of your Termination Claim or Retiree Benefit Claim, and the value of such Claim]** is as follows:

[Termination Claim Amount:

<u>Severance Pay Period</u>	<u>Average hourly wage rate/Salary</u>	<u>Benefits Gross-Up %</u>	<u>Defined Contribution Gross-Up %</u>	<u>Associate Discount</u>
● Weeks	\$●/week	●%	●%	\$175
Claim value:	\$●	\$●	\$●	\$175

The value of your Termination Claim is: \$●]

[Retiree Benefit Claim Amount:

<u>Health and Dental Claim</u>	<u>Life Insurance Claim</u>
\$●	\$●

The value of your Retiree Benefit Claim is: \$●]

If you intend to dispute this Notice of Disallowance (Personal Information), you must, by no later than 5:00 p.m. (Toronto time) on the day that is **thirty (30) days after this Notice of Disallowance (Personal Information) is deemed to have been received by you** (in accordance with paragraph 79 of the Employee and Retiree Claims Procedure Order), deliver a Notice of Dispute (Personal Information) to the Monitor (by ordinary prepaid mail, registered mail, courier, personal delivery, facsimile transmission or email) at the address listed below.

If you do not dispute this Notice of Disallowance (Personal Information) in the prescribed manner and within the aforesaid time period, your Claim shall be deemed to be as set out herein (subject to any Notice of Proposed Revision that may be submitted by you, to the extent that you are eligible to submit such a notice). You will have been notified in the original letter sent to you with your Termination Claim Statement or Retiree Benefit Claim Statement if you are eligible to submit a Notice of Proposed Revision.

If you agree with this Notice of Disallowance (Personal Information), there is no need to file anything further with the Monitor.

Draft

The address of the Monitor is set out below:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

In accordance with the Employee and Retiree Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute (Personal Information) is enclosed and can also be accessed on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order".

IF YOU FAIL TO FILE A NOTICE OF DISPUTE (PERSONAL INFORMATION) WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF DISALLOWANCE (PERSONAL INFORMATION) WILL BE BINDING UPON YOU.

DATED this _____ day of _____, 2018.

FTI Consulting Canada Inc.

Draft

SCHEDULE O

NOTICE OF DISPUTE (PERSONAL INFORMATION) FORM¹ FOR A DISPUTE OF A REVISION OR DISALLOWANCE REGARDING THE PERSONAL INFORMATION USED TO CALCULATE A TERMINATION CLAIM OR RETIREE BENEFIT CLAIM AGAINST THE SEARS CANADA ENTITIES²

1 PARTICULARS OF CLAIMANT

Employee Number:
(as indicated in Notice of Disallowance
(Personal Information))

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number of Claimant:

Facsimile Number of Claimant:

E-mail Address of Claimant:

Attention (Contact Person):

¹ Capitalized terms used but not defined in this Notice of Dispute (Personal Information) shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated [February 22], 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

² The “**Sears Canada Entities**” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

2 PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE

(i) Have you acquired this Claim by Assignment? Yes ☐ No ☐
(If yes, attach documents evidencing assignment)

(ii) Full legal name of original Claimant: _____

3 DISPUTE OF REVISION OR DISALLOWANCE OF PERSONAL INFORMATION:

The Claimant hereby disagrees with the following Personal Information, as set out in the Notice of Disallowance (Personal Information) dated _____, and asserts that the following Personal Information shall be used to calculate such Claimant's Termination Claim or Retiree Benefit Claim, as applicable:

Personal Information as asserted by Monitor in the Notice of Disallowance (Personal Information):

Personal Information as asserted by Claimant:

4 REASONS FOR DISPUTE

(Provide full particulars of why you dispute the Monitor's revision or disallowance of your Personal Information as set out in the Notice of Disallowance (Personal Information), and provide all supporting documentation. The particulars provided must support the accuracy and validity of the Personal Information asserted by you in item 3, above.)

DATED this _____ day of _____, 2018.

(Print name of Claimant)

(Signature of Claimant)

This Notice of Dispute (Personal Information) MUST be submitted to the Monitor at the below address by no later than 5:00 p.m. (Toronto time) on the day that is thirty (30) days after the Notice of Disallowance (Personal Information) is deemed to have been received by you (in accordance with paragraph 79 of the Employee and Retiree Claims Procedure Order, a copy of which can be found on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/>). Delivery to the Monitor may be made by ordinary prepaid mail, registered mail, courier, personal delivery, facsimile transmission or email to the address below.

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

In accordance with the Employee and Retiree Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE (PERSONAL INFORMATION) WITHIN THE PRESCRIBED TIME PERIOD, THE PERSONAL INFORMATION CONTAINED IN THE NOTICE OF DISALLOWANCE (PERSONAL INFORMATION) WILL BE BINDING UPON YOU.

Draft

SCHEDULE P

PROOF OF CLAIM INSTRUCTION LETTER FOR CERTAIN EMPLOYEE AND RETIREE CLAIMS AGAINST THE SEARS CANADA ENTITIES

This Guide has been prepared to assist Claimants in filling out the Proof of Claim form for Claims against the Sears Canada Entities. If you have any additional questions regarding completion of the Proof of Claim form, please consult the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order", or contact the Monitor, whose contact information is shown below.

Please note that this is a guide only, and that in the event of any inconsistency between the terms of this guide and the terms of the Employee and Retiree Claims Procedure Order made on [February 22], 2018, the terms of the Employee and Retiree Claims Procedure Order will govern. Unless otherwise defined, all capitalized terms used herein have the meanings given to them in the Employee and Retiree Claims Procedure Order.

A copy of the Employee and Retiree Claims Procedure Order and additional copies of the Proof of Claim form may be found at the Monitor's website.

Note that Proofs of Claim are **ONLY** required to be filed by Employees and Retirees for Claims that are additional to or not covered by the following types of Claims:

- a) Termination Claims, being claims with respect to any right or claim of an Employee against any of the Sears Canada Entities in respect of the termination of such Employee's employment, whether under contract, common law, statute or otherwise, including for termination and severance pay and for damages for loss of employment-related perquisites and benefits (including life insurance, medical and dental benefits) during his/her period of entitlement to working notice, which claims are included in a Termination Claim Statement provided to eligible Employees;
- b) Sears Pension Claims, being claims with respect to the wind-up deficiency relating to the defined benefit component of the Sears Canada Inc. Registered Retirement Plan, which Sears Pension Claims shall be submitted by Morneau Shepell Ltd., in its capacity as administrator of such plan, Koskie Minsky LLP, in its capacity as Pension Representative Counsel, and/or the Ontario Superintendent of Financial Services;
- c) Supplemental Plan Claims, being claims with respect to entitlements under the Sears Canada Inc. Supplementary Retirement Plan, which Supplemental Plan Claims shall be submitted by Pension Representative Counsel on behalf of eligible Retirees¹;
- d) Retiree Benefit Claims, being claims against the Sears Canada Entities with respect to any right or claim of a Retiree relating to the loss of entitlements to life insurance, medical and dental benefits provided under the post-retirement benefit plan, which claims are included in a Retiree Benefit Claim Statement provided to eligible Retirees;

¹ Retirees with entitlements under the Sears Canada Inc. Supplementary Retirement Plan who are not represented by Pension Representative Counsel may submit individual Proofs of Claim with respect to such entitlements.

- e) Lifetime Discount Claims, being claims with respect to entitlements to the lifetime associate discount offered as a post-employment benefit by the Sears Canada Entities, as the Sears Canada Entities will be deemed to have already filed Proofs of Claim on behalf of each eligible Retiree (including each Employee who qualified for the lifetime discount by virtue of satisfying applicable age and service eligibility criteria) for the purposes of this Employee and Retiree Claims Process; and
- f) Warranty Claims, being claims with respect to any customer warranty provided by a Sears Canada Entity to an Employee or Retiree, as the Sears Canada Entities will be deemed to have already filed Proofs of Claim on behalf of such warranty holders for the purposes of this Employee and Retiree Claims Process.

SECTION 1 – DEBTOR(S) ²

1. The full name of each Sears Canada Entity against which the Claim is asserted must be listed (see footnote 2 for complete list of Sears Canada Entities). If there are insufficient lines to record each such name, attach a separate schedule indicating the required information.

SECTION 2(A) – CLAIMANT

1. A separate Proof of Claim must be filed by each legal entity or person asserting a Claim against each Sears Canada Entity named as a “Debtor”.
2. The Claimant shall include any and all Claims it asserts against each Sears Canada Entity named as a “Debtor” in a single Proof of Claim.
3. The full legal name of the Claimant must be provided.
4. If the Claimant operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.
5. If the Claim has been acquired via assignment or other transfer from another party, Section 2(B) must also be completed.
6. Unless the Claim is assigned or transferred, all future correspondence, notices, etc. regarding the Claim will be directed to the Claimant at the address indicated in this section.

SECTION 2(B) – PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE

² The “Sears Canada Entities” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

1. If the Claimant acquired its Claim by assignment or other transfer from an original holder of the Claim, then Section 2(B) must be completed, and all documents evidencing the assignment must be attached.
2. The full legal name of the original holder of the Claim must be provided.
3. If the original holder of the Claim operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.

SECTION 3 – AMOUNT AND TYPE OF CLAIM

Amount

1. If the Claim is in respect of the Pre-Filing Period (i.e., the period prior to June 22, 2017), then indicate the amount that each appropriate Sears Canada Entity is indebted to the Claimant in the space reserved for Pre-Filing Claims in the “Amount of Claim” column, including interest up to and including June 22, 2017. If your Claim includes accrued interest, please provide copies of source documents supporting the rate and the date from which interest has accrued.
2. If the Claim is in respect of the Restructuring Period (i.e., the period on or after June 22, 2017), then indicate the Claim amount that each appropriate Sears Canada Entity is indebted to the Claimant in the space reserved for Restructuring Period Claims in the “Amount of Claim” column.
3. If there are insufficient lines to record each Claim amount, attach a separate schedule indicating the required information.

Currency

1. The amount of the Claim must be provided in the currency in which it arose.
2. Indicate the appropriate currency in the “Currency” column.
3. If the Claim is denominated in multiple currencies, use a separate line to indicate the Claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.
4. Any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada exchange rate in effect at the Filing Date.

Whether Claim is Secured and Value of Security

1. Check the appropriate box if the Claim recorded on that line is a secured claim. If it is, indicate the value which you ascribe to the assets charged by your security in the adjacent column.
2. If the Claim is secured, on a separate schedule provide full particulars of the security, including the date on which the security was given, the value which you ascribe to the

assets charged by your security and the basis for such valuation and attach a copy of the security documents evidencing the security.

SECTION 4 – SUPPORTING DOCUMENTATION

1. Attach to the Proof of Claim form all particulars of the Claim and available supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, any claim assignment/transfer agreement or similar document, if applicable, the name of any guarantor(s) which has guaranteed the Claim, the amount of invoices, particulars of all credits, discounts, etc. claimed, as well as a description of the security, if any, granted by the affected Sears Canada Entity to the Claimant and the estimated value of such security.

SECTION 5 – CERTIFICATION

1. The person signing the Proof of Claim should:
 - a) be the Claimant or authorized representative of the Claimant;
 - b) have knowledge of all the circumstances connected with this Claim;
 - c) assert the Claim against the Debtor(s) as set out in the Proof of Claim and certify all available supporting documentation is attached; and
 - d) have a witness to its certification.
2. By signing and submitting the Proof of Claim, the Claimant is asserting the Claim against each Sears Canada Entity named as a “Debtor” in the Proof of Claim.

SECTION 6 – FILING OF CLAIM AND APPLICABLE DEADLINE

1. All Proofs of Claim (whether in respect of Claims arising prior to, on or after June 22, 2017) MUST be returned to and received by the Monitor on or before 5:00 p.m. (Toronto time) on April 9, 2018 (the “Proof of Claim Bar Date”).
2. Proofs of Claim must be delivered to the Monitor by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email at the following address:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

Draft

Failure to file your Proof of Claim so that it is actually received by the Monitor on or before 5:00 p.m. (Toronto time) on the Proof of Claim Bar Date WILL result in your Claim being forever barred and you will be prevented from making or enforcing your Claim against the Sears Canada Entities. In addition, you shall not be entitled to further notice of and shall not be entitled to participate as a creditor in the Sears Canada Entities' CCAA proceedings.

Draft

SCHEDULE Q**PROOF OF CLAIM FORM
FOR CERTAIN EMPLOYEE AND RETIREE CLAIMS AGAINST THE SEARS
CANADA ENTITIES****1 NAME OF SEARS CANADA ENTITY OR ENTITIES (THE “DEBTOR(S)”) ¹
AGAINST WHICH THE CLAIM IS BEING MADE:**

Debtor(s): _____

2 (A) PARTICULARS OF CLAIMANT

Full Legal Name of Claimant: _____

Full Mailing Address of Claimant: _____

Telephone Number of Claimant: _____

Facsimile Number of Claimant: _____

E-mail Address of Claimant: _____

Attention (Contact Person): _____

**(B) PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU
ACQUIRED CLAIM, IF APPLICABLE**

- (i) Has the Claimant acquired this Claim by assignment? Yes ☐ No ☐
- (ii) If yes, attach documents evidencing assignment and provide full particulars of the original Claimant from whom the Claim was acquired from:

¹ The “Sears Canada Entities” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

Full Legal Name of original Claimant:

Full Mailing Address of original
Claimant:

Telephone Number of original Claimant:

Facsimile Number of original Claimant:

E-mail Address of original Claimant:

Attention (Contact Person):

3 AMOUNT AND TYPE OF CLAIM

The Debtor is indebted to the Claimant as follows:

Currency:	Amount of <u>Pre-Filing</u> Claim (including interest up to and including June 22, 2017) ² :	Whether Claim is Secured:	Value of Security Held, if any ³ :
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	

² Interest accruing from the Filing Date (June 22, 2017) shall not be included in any Claim.

³ If the Claim is secured, provide full particulars of the security, including the date on which the security was given, the value for which you ascribe to the assets charged by your security, the basis for such valuation and attach a copy of the security documents evidencing the security. This information may be provided in a separate schedule, if necessary.

Draft

Currency:	Amount of <u>Restructuring Period</u> Claim:	Whether Claim is Secured:	Value of Security Held, if any:
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	

4 DOCUMENTATION

Provide all particulars of the Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, including any claims assignment/transfer agreement or similar document, if applicable, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the affected Debtor to the Claimant and estimated value of such security.

5 CERTIFICATION

I hereby certify that:

- (a) I am the Claimant or authorized representative of the Claimant.
- (b) I have knowledge of all the circumstances connected with this Claim.
- (c) The Claimant asserts this Claim against the Debtor(s) as set out above.
- (d) All available documentation in support of this Claim is attached.

Signature: _____

Witness: _____
(signature)

Name: _____

(print)

Title: _____

Dated at _____ this ____ day of _____, 20____.

6 FILING OF CLAIM AND APPLICABLE DEADLINE

This Proof of Claim form must be returned to and received by the Monitor by 5:00 p.m. (Toronto time) on April 9, 2018 (the “**Proof of Claim Bar Date**”).

Completed forms must be delivered to the Monitor by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email at the following address:

Draft

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

Failure to file your Proof of Claim so that it is actually received by the Monitor on or before 5:00 p.m. (Toronto time) on the Proof of Claim Bar Date WILL result in your Claim being forever barred and you will be prevented from making or enforcing your Claim against the Sears Canada Entities. In addition, you shall not be entitled to further notice of and shall not be entitled to participate as a creditor in the Sears Canada Entities' CCAA proceedings.

Draft

SCHEDULE R

D&O PROOF OF CLAIM INSTRUCTION LETTER FOR EMPLOYEE AND RETIREE CLAIMS AGAINST DIRECTORS AND/OR OFFICERS OF THE SEARS CANADA ENTITIES¹

This Guide has been prepared to assist Claimants in filling out the D&O Proof of Claim form for Claims against the Directors and/or Officers (present and former) of the Sears Canada Entities. If you have any additional questions regarding completion of the D&O Proof of Claim, please consult the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order", or contact the Monitor, whose contact information is shown below.

The D&O Proof of Claim form is for Claimants asserting a Claim against any Directors and/or Officers of the Sears Canada Entities, and NOT for Claims against the Sears Canada Entities themselves. For Claims against the Sears Canada Entities, please use the form titled "Proof of Claim Form for Certain Employee and Retiree Claims against the Sears Canada Entities", which is available on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order".

Please note that this is a guide only, and that in the event of any inconsistency between the terms of this guide and the terms of the Employee and Retiree Claims Procedure Order made on [February 22], 2018, the terms of the Employee and Retiree Claims Procedure Order will govern. Unless otherwise defined, all capitalized terms used herein have the meanings given to them in the Employee and Retiree Claims Procedure Order.

Additional copies of the D&O Proof of Claim form may be found at the Monitor's website.

SECTION 1 – DEBTOR(S)

1. The full name of each and every Director and/or Officer (present and former) of the Sears Canada Entities against whom the Claim is asserted must be listed. If there are insufficient lines to record each such name, attach a separate schedule indicating the required information.

SECTION 2(A) – ORIGINAL CLAIMANT

1. A separate D&O Proof of Claim must be filed by each legal entity or person asserting a Claim against each of the Directors or Officers named as a "Debtor".
2. The Claimant shall include any and all D&O Claims it asserts against the Sears Canada Entities' Directors or Officers in a single D&O Proof of Claim.

¹ The "Sears Canada Entities" are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

3. The full legal name of the Claimant must be provided.
4. If the Claimant operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.
5. If the D&O Claim has been acquired from another party, Section 2(B) must also be completed.
6. Unless the D&O Claim is assigned or transferred, all future correspondence, notices, etc. regarding the Claim will be directed to the address and contact indicated in this section.

SECTION 2(B) – PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE

1. If the Claimant acquired its D&O Claim by assignment or other transfer, then Section 2(B) must be completed.
2. The full legal name of the original holder of the D&O Claim must be provided.
3. If the original holder of the D&O Claim operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.

SECTION 3 – AMOUNT AND TYPE OF D&O CLAIM OF CLAIMANT AGAINST DEBTOR(S)

1. If the D&O Claim arose in respect of the period prior to June 22, 2017, then indicate the amount the Director(s) and/or Officer(s) is/are indebted to the Claimant in the space reserved for D&O Claims in respect of the Pre-Filing Period in the “Amount of Claim” column, including interest up to and including June 22, 2017.² If your Claim includes accrued interest, please provide copies of source documents supporting the rate and the date from which interest has accrued.
2. If the D&O Claim arose in respect of the period on or after June 22, 2017, then indicate the amount the Director(s) and/or Officer(s) is/are indebted to the Claimant in the space reserved for D&O Claims in respect of the Restructuring Period in the “Amount of Claim” column.
3. If there are insufficient lines to record each D&O Claim amount, attach a separate schedule indicating the required information.

Currency

1. The amount of the D&O Claim must be provided in the currency in which it arose.
2. Indicate the appropriate currency in the Currency column.

² Interest accruing from the Filing Date (June 22, 2017) shall not be included in any Claim.

3. If the D&O Claim is denominated in multiple currencies, use a separate line to indicate the Claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.
4. Any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada exchange rate in effect at the Filing Date.

SECTION 4 – DOCUMENTATION

1. Attach to the D&O Proof of Claim form all particulars of the Claim and available supporting documentation, including amount and description of transaction(s) or agreement(s), and the legal basis for the D&O Claim against the specific Directors or Officers at issue.

SECTION 5 – CERTIFICATION

1. The person signing the D&O Proof of Claim should:
 - a) be the Claimant or authorized representative of the Claimant;
 - b) have knowledge of all the circumstances connected with this D&O Claim;
 - c) assert the Claim against the Debtor(s) as set out in the D&O Proof of Claim and certify all available supporting documentation is attached; and
 - d) have a witness to its certification.
2. By signing and submitting the D&O Proof of Claim, the Claimant is asserting the Claim against the Debtor(s) named in the D&O Proof of Claim.

SECTION 6 – FILING OF CLAIM AND APPLICABLE DEADLINE

1. All D&O Proofs of Claim (whether in respect of D&O Claims arising prior to, on or after June 22, 2017) MUST be returned to and received by the Monitor on or before 5:00 p.m. (Toronto time) on April 9, 2018 (the “Proof of Claim Bar Date”).
2. D&O Proofs of Claim must be delivered to the Monitor by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email at the following address:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

Draft

Failure to file your D&O Proof of Claim so that it is actually received by the Monitor on or before 5:00 p.m. (Toronto time) on the Proof of Claim Bar Date WILL result in your Claim being barred and you will be prevented from making or enforcing your Claim against the Directors and Officers of the Sears Canada Entities. In addition, you shall not be entitled to further notice of and shall not be entitled to participate as a creditor in the Sears Canada Entities' CCAA proceedings.

Draft

SCHEDULE S**D&O PROOF OF CLAIM FORM
FOR EMPLOYEE AND RETIREE CLAIMS AGAINST DIRECTORS AND/OR
OFFICERS OF THE SEARS CANADA ENTITIES¹**

This form is to be used only by Claimants asserting a Claim against any Directors and/or Officers of the Sears Canada Entities and NOT for Claims against the Sears Canada Entities themselves. For Claims against the Sears Canada Entities, please use the form titled “Proof of Claim Form for Certain Employee and Retiree Claims against the Sears Canada Entities”, which is available on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

1 NAME(S) OF OFFICER(S) AND/OR DIRECTOR(S) (THE “DEBTOR(S)”) AGAINST WHOM THE CLAIM IS BEING MADE:

Debtor(s): _____

2 (A) PARTICULARS OF CLAIMANT

Full Legal Name of Claimant: _____

Full Mailing Address of Claimant: _____

Telephone Number of Claimant: _____

Facsimile Number of Claimant: _____

E-mail Address of Claimant: _____

Attention (Contact Person): _____

(B) PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE

(i) Has the Claimant acquired this Claim by Assignment? Yes ☐ No ☐

¹ The “Sears Canada Entities” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

- (ii) If yes, attach documents evidencing assignment and provide full particulars of the original Claimant from whom you acquired the Claim from:

Full Legal Name of original Claimant:

Full Mailing Address of original Claimant:

Telephone Number of original Claimant:

Facsimile Number of original Claimant:

E-mail Address of original Claimant:

Attention (Contact Person):

3 AMOUNT OF CLAIM

The Debtor(s) is/are indebted to the Claimant as follows:

Name(s) of Director(s) and/or Officers	Currency	Amount of D&O Claim in respect of the <u>Pre-Filing Period</u> (including interest up to and including June 22, 2017) ²	Amount of D&O Claim in respect of the <u>Restructuring Period</u>

4 DOCUMENTATION

Provide all particulars of the D&O Claim and available supporting documentation, including any Claim assignment/transfer agreement or similar documentation, if applicable, and including

² Interest accruing from the Filing Date (June 22, 2017) shall not be included in any Claim.

amount and description of transaction(s) or agreement(s), and the legal basis for the D&O Claim against the specific Directors or Officers at issue.

5 CERTIFICATION

I hereby certify that:

- (a) I am the Claimant or authorized representative of the Claimant.
- (b) I have knowledge of all the circumstances connected with this Claim.
- (c) The Claimant asserts this Claim against the Debtor(s) as set out above.
- (d) All available documentation in support of this Claim is attached.

Signature: _____

Witness: _____
(signature)

Name: _____

(print)

Title: _____

Dated at _____ this ____ day of _____, 20____.

6 FILING OF CLAIMS AND APPLICABLE DEADLINE

This D&O Proof of Claim form must be returned to and received by the Monitor on or before 5:00 p.m. (Toronto time) on April 9, 2018 (the “**Proof of Claim Bar Date**”).

Completed forms must be delivered to the Monitor by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email at the following address:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

Failure to file your D&O Proof of Claim so that it is actually received by the Monitor on or before 5:00 p.m. (Toronto time) on the Proof of Claim Bar Date WILL result in your Claim being barred and you will be prevented from making or enforcing your Claim against the Directors and Officers of the Sears Canada Entities. In addition, you shall not be entitled to further notice of and shall not be entitled to participate as a creditor in the Sears Canada Entities' CCAA proceedings.

Draft

SCHEDULE T

NOTICE OF DISALLOWANCE (PROOF OF CLAIM) FORM¹ REGARDING AN EMPLOYEE OR RETIREE CLAIM AGAINST THE SEARS CANADA ENTITIES² OR THEIR DIRECTORS AND/OR OFFICERS

TO: [INSERT NAME AND ADDRESS OF CLAIMANT] (the “**Claimant**”)

FROM: FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the “**Monitor**”)

RE: Claim Reference Number: _____

Pursuant to the Employee and Retiree Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Employee and Retiree Claims Procedure Order, your Claim will be as follows:

Type of Claim	Amount as submitted		Amount allowed by Monitor	Amount allowed as secured	Amount allowed as unsecured
	Original Currency				
A. Pre-Filing Claim against any of the Sears Canada Entities		\$	\$	\$	\$
B. Restructuring Period Claim against any of the Sears Canada Entities		\$	\$	\$	\$
D. D&O Claim in respect of Pre-Filing Period		\$	\$	\$	\$
E. D&O Claim in respect of Restructuring Period		\$	\$	\$	\$
F. Total Claim		\$	\$	\$	\$

¹ Capitalized terms used but not defined in this Notice of Disallowance (Proof of Claim) shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated [February 22], 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

² The “**Sears Canada Entities**” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

Reasons for Revision or Disallowance:

If you intend to dispute this Notice of Disallowance (Proof of Claim), you must, by no later than 5:00 p.m. (Toronto time) on the day that is **thirty (30) days after this Notice of Disallowance (Proof of Claim) is deemed to have been received by you** (in accordance with paragraph 79 of the Employee and Retiree Claims Procedure Order), deliver a Notice of Dispute (Proof of Claim) to the Monitor (by ordinary prepaid mail, registered mail, courier, personal delivery, facsimile transmission or email) at the address listed below.

If you do not dispute this Notice of Disallowance (Proof of Claim) in the prescribed manner and within the aforesaid time period, your Claim shall be deemed to be as set out herein.

If you agree with this Notice of Disallowance (Proof of Claim), there is no need to file anything further with the Monitor.

The address of the Monitor is set out below:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

In accordance with the Employee and Retiree Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute (Proof of Claim) is enclosed and can also be accessed on the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada/> under the section entitled, "Employee and Retiree Claims Procedure Order".

IF YOU FAIL TO FILE A NOTICE OF DISPUTE (PROOF OF CLAIM) WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF DISALLOWANCE (PROOF OF CLAIM) WILL BE BINDING UPON YOU.

DATED this _____ day of _____, 2018.

FTI Consulting Canada Inc.

Draft

SCHEDULE U

NOTICE OF DISPUTE (PROOF OF CLAIM) FORM¹ FOR A DISPUTE OF A REVISION OR DISALLOWANCE REGARDING A CLAIM AGAINST THE SEARS CANADA ENTITIES OR THEIR DIRECTORS AND/OR OFFICERS²

1 PARTICULARS OF CLAIMANT

Claim Reference Number:
(as indicated in Notice of Disallowance (Proof
of Claim))

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number of Claimant:

Facsimile Number of Claimant:

E-mail Address of Claimant:

Attention (Contact Person):

¹ Capitalized terms used but not defined in this Notice of Dispute (Proof of Claim) shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Sears Canada Entities dated [February 22], 2018 (the “**Employee and Retiree Claims Procedure Order**”). You can obtain a copy of the Employee and Retiree Claims Procedure Order on the Monitor’s website at <http://cfcanada.fticonsulting.com/searscanada/>.

² The “**Sears Canada Entities**” are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil Electrique Inc.), 191020 Canada Inc. (formerly S.L.H. Transport Inc.), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

2 PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE

(i) Have you acquired this Claim by Assignment? Yes ☐ No ☐
(If yes, attach documents evidencing assignment)

(ii) Full legal name of original Claimant: _____

3 DISPUTE OF REVISION OR DISALLOWANCE OF CLAIM:

The Claimant hereby disagrees with the value of its Claim, as set out in the Notice of Disallowance (Proof of Claim) dated _____, and asserts a Claim as follows:

Type of Claim	Amount allowed by Monitor as unsecured in Notice of Disallowance (Proof of Claim)	Amount allowed by Monitor as secured in Notice of Disallowance (Proof of Claim)	Amount claimed by Claimant as unsecured	Amount claimed by Claimant as secured
A. Pre-Filing Claim against any of the Sears Canada Entities	\$	\$	\$	\$
B. Restructuring Period Claim against any of the Sears Canada Entities	\$	\$	\$	\$
D. D&O Claim in respect of Pre-Filing Period	\$	\$	\$	\$
E. D&O Claim in respect of Restructuring Period	\$	\$	\$	\$
F. Total Claim	\$	\$	\$	\$

(Insert particulars of your Claim per the Notice of Disallowance (Proof of Claim), and the value of your Claim as asserted by you).

4 REASONS FOR DISPUTE

(Provide full particulars of why you dispute the Monitor's revision or disallowance of your Claim as set out in the Notice of Disallowance (Proof of Claim), and provide all supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. The particulars provided must support the value of the Claim as stated by you in item 3, above.)

Draft

DATED this _____ day of _____, 2018.

(Signature of Claimant, or, if the Claimant is a corporation, the signature of the authorized signing officer of the corporation that is executing this Notice of Dispute (Proof of Claim).)

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 101
Toronto, Ontario M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process
Fax No.: 416-649-8101
Email for Employee Claims: SearsEmployeeClaimSite@fticonsulting.com
Email for Retiree Claims: SearsRetireeClaimSite@fticonsulting.com

In accordance with the Employee and Retiree Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE (PROOF OF CLAIM) WITHIN THE PRESCRIBED TIME PERIOD, YOUR CLAIM AS SET OUT IN THE NOTICE OF DISALLOWANCE (PROOF OF CLAIM) WILL BE BINDING UPON YOU.

Draft