

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS'
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SEARS CANADA INC., CORBEIL
ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., AND 3339611
CANADA INC.

APPLICANTS

**MOTION RECORD OF THE APPLICANTS
(Claims Process and Residual Asset Sales Motion,
returnable December 8, 2017)**

December 1, 2017

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TO: SERVICE LIST

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TAB 1

Court File No. CV-17-11846-00CL

**ONTARIO
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IN THE MATTER OF THE *COMPANIES' CREDITORS
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CANADA INC.

Applicants

**NOTICE OF MOTION
(Claims Process and Residual Asset Sales Motion)**

The Applicants will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on December 8, 2017 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order (the "**Claims Procedure Order**") substantially in the form attached to the Motion Record, *inter alia*:
 - (a) if necessary, abridging the time for service of this Notice of Motion and the Motion Record and dispensing with service on any person other than those served;

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- (b) establishing a procedure for the identification and quantification of certain claims against the Applicants and SearsConnect (collectively, the “**Sears Canada Entities**”) and the current and former directors and officers of the Sears Canada Entities (the “**Claims Process**”);
 - (c) expanding the mandate of Koskie Minsky LLP in its capacity as representative counsel for active employees and retirees with respect to pension and other post-employment benefit matters as previously set out in the Pension Representative Counsel Order dated July 13, 2017 (the “**Pension Representative Counsel**”); and
 - (d) expanding the mandate of Ursel Phillips Fellows Hopkinson LLP in its capacity as representative counsel for current and former non-unionized employees as previously set out in the Employee Representative Counsel Order dated July 13, 2017 (“**Employee Representative Counsel**”, and collectively with the Pension Representative Counsel, “**Representative Counsel**”).
2. An Order (the “**Omnibus Approval and Vesting Order**”) substantially in the form attached to the Motion Record, *inter alia*:
- (a) if necessary, abridging the time for service of this Notice of Motion and the Motion Record and dispensing with service on any person other than those served;
 - (b) increasing the authorized quantum of asset sales permitted without further Court approval as is currently set out in paragraph 10(a) of the Initial Order (defined below); and
 - (c) providing for omnibus vesting of any residual assets subject to a sale transaction going forward.
3. Such further and other relief as this Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. The Sears Canada Entities were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) dated June 22, 2017, as amended and restated (the "**Initial Order**");
2. FTI Consulting Canada Inc. was appointed to act as the Monitor (the "**Monitor**") in the CCAA proceeding;
3. On July 13, 2017, the Court approved a process (the "**SISP**") by which BMO Nesbitt Burns Inc. (the "**Sale Advisor**") on behalf of the Applicants, and under the supervision of both the Special Committee of the Board of Directors of Sears Canada Inc. ("**Sears Canada**") and the Monitor, solicited bids and proposals for a broad range of transaction alternatives with respect to the business, assets and/or leases of the Applicants;
4. The Applicants and the Sale Advisor engaged in significant efforts to implement the SISP, which resulted in a number of transactions that have been approved by the Court and all of which have closed or will be closing next week;
5. On July 18, 2017, the Court granted an Order (the "**Phase I Liquidation Order**") approving a process for the liquidation of inventory and furniture, fixtures and other store equipment ("**FF&E**") at 45 locations scheduled for closure at that time, pursuant to the First Agency Agreement and the Consulting Agreement (each as defined in the Phase I Liquidation Order);
6. On October 13, 2017, the Court granted an Order (the "**Phase II Liquidation Order**") approving the Amended and Restated Agency Agreement and the Sale Guidelines (each as defined in the Phase II Liquidation Order), and providing for the liquidation of Sears Canada's remaining locations, including 74 Full-Line stores and 8 Home Stores, which were not the subject of the Phase I Liquidation Order;

Proposed Claims Process

7. The Applicants are seeking to proceed with the Claims Process at this stage, in tandem with the asset realization process and the orderly wind down and liquidation, in order to facilitate the determination of claims against the Sears Canada Entities in a fair, consultative and expeditious manner, and to allow for a distribution to creditors as quickly as reasonably practicable;

8. The Applicants and the Monitor have consulted with a number of significant stakeholders when developing the Claims Process, including Representative Counsel, their financial advisors, the Ontario Superintendent of Financial Services as administrator of the Pension Benefits Guarantee Fund (the “**Superintendent**”), and Morneau Shepell in its capacity as the Administrator of the Sears Registered Retirement Plan (the “**Pension Plan Administrator**”);

9. The Monitor has indicated that it supports the proposed Claims Process;

10. The proposed Claims Process is a fair and reasonable process for the determination of claims against the Sears Canada Entities and their current and former directors and officers;

Expansion of Representative Counsel’s Mandates

11. Employee Claims and Pensioner Claims (both as defined in the draft Claims Procedure Order) are excluded claims under the Claims Process;

12. The Applicants intend to return to Court to seek approval of a claims process for Employee Claims and Pensioner Claims that will be developed in consultation with Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator, the Superintendent and the Monitor;

13. The Claims Procedure Order provides for an expansion of the respective mandates of Representative Counsel to permit them to assist in the establishment and implementation of the claims processes for Employee Claims and Pensioner Claims;

Omnibus Approval and Vesting Order

14. The Applicants have developed a sale protocol (the “**Residual Assets Sale Protocol**”) for the liquidation of their remaining assets, tangible and intangible, with the exception of owned and leased real property and the assets (including inventory) that are subject to the Amended and Restated Agency Agreement (the “**Residual Assets**”);

15. The Omnibus Approval and Vesting Order amends paragraph 10(a) of the Initial Order to provide that the Applicants may dispose of redundant or non-material assets not exceeding \$5 million in any one transaction or a series of related transactions without obtaining Court approval;

16. The Omnibus Approval and Vesting Order will permit the Applicants to efficiently enter into and close transactions for the Residual Assets, prevent unnecessary court hearings, and therefore reduce the costs associated with these transactions for the benefit of all stakeholders;

17. The Monitor will be involved in the process for marketing the Residual Assets, selecting any preferred bidders and negotiating definitive agreements with preferred bidders, and its consent will be required before the Applicants can enter into any definitive agreement;

18. The process contemplated in the Residual Assets Sale Protocol and the Omnibus Approval and Vesting Order is fair and reasonable, and in the best interest of all stakeholders;

Other Grounds

19. It is just and convenient and in the interests of the Applicants and their respective stakeholders that the requested Orders be granted;

20. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

21. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 106 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C-43 as amended; and

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22. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

1. The Affidavit of Billy Wong sworn December 1, 2017;
2. The Eighth Report of the Monitor to be filed; and
3. Such further and other evidence as counsel may advise and this Court may permit.

December 1, 2017

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TO: SERVICE LIST

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., AND 3339611 CANADA INC.

Applicants

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION

(Claims Process and Residual Asset Sales Motion)

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TAB 2

Court File No. CV-17-11846-00CL

Ontario
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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 OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H.
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 AND 3339611 CANADA INC.

APPLICANTS

AFFIDAVIT OF BILLY WONG
Sworn December 1, 2017

(Claims Process and Residual Asset Sales Motion)

I, BILLY WONG, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Executive Vice-President and Chief Financial Officer of the Applicant Sears Canada Inc. ("**Sears Canada**"). I am also a director of each of the other Applicants. As such, I have personal knowledge of the matters deposed to in this Affidavit. Where I have relied on other sources for information, I have specifically referred to such sources and believe them to be true. In preparing this Affidavit, I have consulted with legal, financial and other advisors to Sears Canada and other members of the senior management team of Sears Canada.
2. This affidavit is sworn in support of a motion by the Applicants seeking:

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- (a) an Order (the “**Claims Procedure Order**”), substantially in the form attached to the Motion Record: (i) establishing a procedure for the identification and quantification of certain claims against the Applicants and SearsConnect (collectively, the “**Sears Canada Entities**”) and the current and former directors and officers of the Sears Canada Entities (the “**Claims Process**”); (ii) expanding the mandate of Koskie Minsky LLP in its capacity as representative counsel for active employees and retirees with respect to pension and other post-employment benefit matters as previously set out in the Pension Representative Counsel Order dated July 13, 2017 (the “**Pension Representative Counsel**”); and (iii) expanding the mandate of Ursel Phillips Fellows Hopkinson LLP in its capacity as representative counsel for current and former non-unionized employees as previously set out in the Employee Representative Counsel Order dated July 13, 2017 (“**Employee Representative Counsel**”, and collectively with the Pension Representative Counsel, the “**Representative Counsel**”); and
- (b) an Order (the “**Omnibus Approval and Vesting Order**”) (i) increasing the authorized quantum of asset sales permitted without further Court approval as is currently set out in paragraph 10(a) of the Initial Order; and (ii) providing for omnibus vesting of any residual assets subject to a sale transaction going forward.
3. Capitalized terms used in this Affidavit but not defined herein have the meaning given to them in the draft Claims Procedure Order or my affidavit in support of the Initial Order sworn June 22, 2017.

Background

4. On June 22, 2017, the Sears Canada Entities were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to an initial order of the Ontario Superior Court of Justice (Commercial List) (the "**Initial Order**"). The Initial Order, among other things, appointed FTI Consulting Canada Inc. to act as monitor in these CCAA proceedings (the "**Monitor**").

5. The Initial Order provided the Applicants the right to, among other things, pursue all avenues of refinancing, restructuring, selling and reorganizing the Business or Property (as defined in the Initial Order), in whole or in part, subject to prior approval of the Court. On July 13, 2017, the Applicants obtained Court approval for a sale and investment solicitation process (the "**SISP**") that sought bids and proposals for a broad range of transaction alternatives with respect to the Business, Property, Assets and/or Leases of the Applicants (each as defined in the SISP). The Applicants and BMO Nesbitt Burns Inc. engaged in significant efforts, under the supervision of the Special Committee and the Monitor, to implement the SISP, as described in the Affidavit of Mark Caiger, sworn September 28, 2017.

6. The SISP resulted in a number of transactions, which are described in the various affidavits filed in support of motions seeking Court approval for such transactions. Since receiving Court approval, the Applicants have closed the sale of the Corbeil business, the sale of the Home Services business, two real property sales, 12 lease surrender transactions and one lease transfer transaction. The sale of SLH – the only approved transaction that has not yet closed – is scheduled to close next week.

7. On July 18, 2017, the Court granted an Order (the "**Phase I Liquidation Order**") approving a process for the liquidation of inventory and furniture, fixtures and other store

equipment (“FF&E”) at 45 locations scheduled for closure at that time, pursuant to the First Agency Agreement and the Consulting Agreement (each as defined in the Phase I Liquidation Order).

8. On October 13, 2017, the Court granted an Order (the “**Phase II Liquidation Order**”) approving the Amended and Restated Agency Agreement and the Sale Guidelines (each as defined in the Phase II Liquidation Order). The Amended and Restated Agency Agreement provided for the liquidation of Sears Canada’s remaining locations, including 74 Full-Line stores and 8 Home Stores, which stores were not the subject of the Phase I Liquidation Order. The phase II liquidation commenced on October 19, 2017, and has a projected termination date of January 21, 2018, with the sale of FF&E to be concluded by February 5, 2018.

9. The Applicants, in consultation with the Monitor, are in the process of considering options for the sale of their remaining owned real estate. The Applicants also continue to deal with their remaining store lease portfolio in accordance with the endorsement of the Court issued on October 27, 2017. Further, the Applicants have developed a sale process by which the Applicants intend to maximize the value of their remaining assets, as described in further detail below.

10. As of October 19, 2017, all obligations under the DIP Revolving Credit Agreement were repaid or, in the case of outstanding letters of credit, cash collateralized through proceeds of the initial guarantee payment under the Amended and Restated Agency Agreement. Following the completion of the sale of the Corbeil business, on November 27, 2017, all amounts still owing under the DIP Term Loan Credit Agreement were repaid.

Proposed Claims Process

11. The Applicants are seeking to proceed with the Claims Process at this stage, in tandem with the asset realization process and the orderly wind down and liquidation, in order to facilitate

the determination of Claims against the Sears Canada Entities in a fair, consultative and expeditious manner and to allow for a distribution to creditors as quickly as reasonably practicable.

12. The Applicants and the Monitor have engaged in consultations with and sought the feedback of a number of significant stakeholders when developing the proposed Claims Process, including Representative Counsel, their financial advisors, the Ontario Superintendent of Financial Services as administrator of the Pension Benefits Guarantee Fund (the “**Superintendent**”), and Morneau Shepell in its capacity as the Administrator of the Sears Registered Retirement Plan (the “**Pension Plan Administrator**”). The Monitor has indicated that it supports the proposed Claims Process.

13. By commencing the Claims Process at this time, the Applicants will be in a better position to engage quickly with their stakeholders and to potentially develop a plan of compromise and arrangement once the universe of claims is known. The Applicants intend to continue to engage with their stakeholders with regards to the next steps in these CCAA proceedings.

A. Affected and Unaffected Claims

14. The Claims Process is intended to solicit and quantify the following types of Claims:

- (a) *Pre-Filing Claims*: any right or claim of any Person against any of the Sears Canada Entities, whether or not asserted, including in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Sears Canada Entity to such Person, that was in existence on the Filing Date;
- (b) *Post-Filing Claims*: any right or claim of any Person against any of the Sears Canada Entities in connection with any non-payment by any such Sears Canada

Entity to such Person for goods or services supplied to such Sears Canada Entity on or after the Filing Date;

- (c) *Restructuring Period Claims*: any right or claim of any Person against any of the Sears Canada Entities, including in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Sears Canada Entity to such Person, arising on or after the Filing Date, including rights or claims arising with respect to the restructuring, disclaimer, resiliation, termination or breach by such Sears Canada Entity on or after the Filing Date of any contract, lease or other agreement whether written or oral, but excluding any Post-Filing Claims;
- (d) *D&O Claims*: any right or claim that may be asserted by any Person against one or more of the Directors and/or Officers, however arising, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer; and
- (e) *Intercompany Claims*: any Claim that may be asserted against any of the Sears Canada Entities by or on behalf of any of the Sears Canada Entities or any of their affiliated companies, partnerships, or other corporate entities (excluding, for greater certainty, any Claim asserted by Sears Holdings Corporation or its affiliated companies, partnerships, or other corporate entities that are not Sears Canada Entities).

15. Specific categories of Pre-Filing Claims and Restructuring Period Claims include Construction Claims and Warranty Claims, which are discussed in further detail below.

16. The Claims Process does not apply to the following Excluded Claims:

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- (a) Any Claim asserted by any beneficiary of the Administration Charge, the FA Charge, the KERP Priority Charge, the Directors' Priority Charge, the KERP Subordinated Charge and the Directors' Subordinated Charge and any other charges granted by the Court in the CCAA Proceedings with respect to such charges;
- (b) Employee Claims (including D&O Claims to be asserted by or on behalf of Employees); and
- (c) Pensioner Claims (including D&O Claims to be asserted by or on behalf of Pensioners).

17. As described in greater detail below, the Applicants intend to return to Court to seek approval of two subsequent claims processes that will specifically deal with Employee Claims (the "**Employee Claims Process**") and Pensioner Claims (the "**Pensioner Claims Process**"), which shall be developed in consultation with Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator, the Superintendent and the Monitor, as appropriate.

B. Timeline of Key Steps in Proposed Claims Process

18. The following chart sets out the key steps and dates in the proposed Claims Process:

Date	Event
December 8, 2017	Hearing of motion seeking Claims Procedure Order
December 13, 2017	<p>The Monitor to post the Notice to General Creditor Claimants, the Employee Letter, the Other Employee Letter, the Pensioner Letter and the General Creditor Claims Package to the Monitor's Website.</p> <p>The Monitor intends to commence the publication of the Notice to General Creditor Claimants in certain designated newspapers in Canada.</p>

Date	Event
December 20, 2017	The Monitor to: <ul style="list-style-type: none"> • send General Creditor Claims Packages to parties specified in Claims Procedure Order; • send a Construction Claims Package to all Construction Contractors; • send the Other Employee Letter to Employees not represented by the Employee Representative Counsel or, where the Employees are subject to union representation, to unions representing the unionized Employees; and • send the Employee Letter, in consultation with Employee Representative Counsel, to all Employees represented by Employee Representative Counsel.
December 20, 2017	Pension Representative Counsel to send Pensioner Letter to all Pensioners and post Pensioner Letter on Pension Representative Counsel's Website
December 20, 2017	Pension Plan Administrator to post Pensioner Letter to Pension Plan Administrator Website
December 20, 2017	Employee Representative Counsel to post Employee Letter on Employee Representative Counsel's Website
December 20, 2017	Applicants to post the Employee Letter, the Other Employee Letter and the Pensioner Letter to the my.sears.ca portal
February 15, 2018	Deadline for Construction Contractors to submit Notices of Dispute of Construction Claim
March 2, 2018	General Creditor Claims Bar Date
	Monitor to serve Monitor's Intercompany Claims Report
March 2, 2018 or Rolling	General Creditor Restructuring Period Claims Bar Date
April 2, 2018	General Creditor Post-Filing Claims Bar Date
In Monitor's discretion	Monitor to send Notices of Revision or Disallowance to General Creditor Claimants
30 days after Monitor sends Notice of Revision or Disallowance	Deadline for General Creditor Claimants to submit Notices of Dispute of Revision or Disallowance

C. Notice

19. The Claims Procedure Order provides that the Monitor shall post the Notice to General Creditor Claimants, the Employee Letter, the Other Employee Letter, the Pensioner Letter and the General Creditor Claims Package to the Monitor's Website by no later than 5:00 p.m. on December 13, 2017.

20. The Claims Procedure Order also provides that by no later than 5:00 p.m. on December 20, 2017, the Monitor will send a General Creditor Claims Package to the following parties:

- (a) each party that appears on the Service List or has requested a General Creditor Claims Package; and
- (b) any Person known to the Sears Canada Entities as potentially asserting a General Creditor Claim against any of the Sears Canada Entities (excluding any potential General Creditor Claimant with a potential General Creditor Claim below \$1,000), as evidenced by and to the respective last known address recorded in the books and records of the Sears Canada Entities.

21. The Applicants believe that it is appropriate to not send General Creditor Claims Packages to holders of Claims below \$1,000 because they have been advised by the Monitor that it would be prohibitively expensive to send packages to all such Claimants. The Applicants are now engaged in an orderly wind down and liquidation and the costs of providing notices would result in a reduction of recoveries for all creditors. Instead, the Applicants' proposed Notice to General Creditor Claimants will specifically alert such Claimants that they will not be provided with a General Creditor Claims Package and should obtain a copy from the Monitor's Website or request a copy from the Monitor should they wish to file a Claim. Moreover, the Monitor will cause the Notice to General Creditor Claimants to be published at least three (3) times in The Globe and Mail (National Edition) and La Presse, and in such international publications with such frequency as is determined by the Monitor, in consultation with the Sears Canada Entities.

22. In light of the widely publicized nature of these CCAA proceedings in Canada and the extended publication of the Notice to General Creditor Claimants in a number of relevant

publications, the Applicants believe it is appropriate to send General Creditor Claims Packages only to creditors with Claims valued at more than \$1,000.

23. The Claims Procedure Order also provides that the Monitor, the Applicants, Representative Counsel and the Pension Plan Administrator will take the following steps by 5:00 p.m. on December 20, 2017 to provide relevant information with respect to the Claims Process:

- (a) the Monitor shall cause a Construction Claims Package to be sent to all Construction Contractors;
- (b) the Monitor, in consultation with the Sears Canada Entities and Employee Representative Counsel, shall cause the Employee Letter to be sent to all Employees represented by Employee Representative Counsel, advising, among other things, that their Employee Claims will be dealt with through a separate Employee Claims Process;
- (c) the Monitor shall cause the Other Employee Letter to be sent to all Employees not represented by Employee Representative Counsel (provided that where such Employees are subject to union representation, the Monitor shall only send such letter to the unions representing the unionized Employees), advising that their Employee Claims will be dealt with through a separate Employee Claims Process;
- (d) Employee Representative Counsel will cause the Employee Letter to be posted to Employee Representative Counsel's Website;
- (e) Pension Representative Counsel will (i) cause the Pensioner Letter to be sent to all Pensioners, advising, among other things, that their Pensioner Claims will be dealt

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with through a separate Pensioner Claims Process, and (ii) cause the Pensioner Letter to be posted to the Pension Representative Counsel's Website;

- (f) the Pension Plan Administrator will cause the Pensioner Letter to be posted to the Pension Plan Administrator Website; and
- (g) the Applicants will post the Employee Letter, the Other Employee Letter and the Pensioner Letter to the my.sears.ca portal maintained for current and former employees.

24. Finally, the Claims Procedure Order provides that upon becoming aware of a potential Post-Filing Claim or a circumstance giving rise to a Restructuring Period Claim, the Monitor shall send a General Creditor Claims Package to the General Creditor Claimant in respect of such Post-Filing Claim or Restructuring Period Claim in the manner provided for in the Claims Procedure Order or may direct such potential Claimant to the documents posted on the Monitor's Website.

D. Claims Bar Dates and Procedure for filing Proofs of Claim and D&O Proofs of Claim

25. Any General Creditor Claimant asserting a Pre-Filing Claim or D&O Claim, each relating to the Pre-Filing Period, must file the applicable Proof of Claim form with the Monitor by 5:00 p.m. on March 2, 2018 (the "**General Creditor Claims Bar Date**"). The Applicants believe that a General Creditor Claims Bar Date of March 2, 2018 is reasonable in that it provides sufficient time from the date of this motion for potential Claimants to evaluate and submit any such Claim they may have against the Sears Canada Entities or the Directors and Officers.

26. Any General Creditor Claimant that does not file a Proof of Claim or D&O Proof of Claim, as applicable, on or before the General Creditor Claims Bar Date is forever barred, estopped and enjoined from asserting or enforcing any such Pre-Filing Claim against any of the Sears Canada

Entities or any such D&O Claim relating to the Pre-Filing Period against the Directors and Officers. All such Pre-Filing Claims or D&O Claims shall be forever extinguished. In addition, such General Creditor Claimants:

- (a) will not be permitted to vote at any Meeting on account of such Pre-Filing Claim(s) or D&O Claim(s) relating to the Pre-Filing Period;
- (b) will not be entitled to receive further notice with respect to the Claims Process; and
- (c) will not be permitted to participate in any distribution under any Plan on account of such Pre-Filing Claim(s) or D&O Claim(s).

27. Any General Creditor Claimant asserting a Post-Filing Claim must file a Proof of Claim form with the Monitor by 5:00 p.m. on April 2, 2018 (the “**General Creditor Post-Filing Claims Bar Date**”). The Applicants believe that a General Creditor Post-Filing Claims Bar Date of April 2, 2018 is reasonable in that it should provide sufficient time (approximately two months) from the conclusion of the sale of FF&E following the shutdown of retail operations for potential Claimants to evaluate and submit any Claim they may have against the Sears Canada Entities.

28. Any General Creditor Claimant that does not file a Proof of Claim on or before the General Creditor Post-Filing Claims Bar Date is forever barred, estopped and enjoined from asserting or enforcing any such Post-Filing Claim against any of the Sears Canada Entities. All such Post-Filing Claims shall be forever extinguished. In addition, such General Creditor Claimants:

- (a) will not be permitted to vote at any Meeting on account of such Post-Filing Claim(s);
- (b) will not be entitled to receive further notice with respect to the Claims Process; and

- (c) will not be permitted to participate in any distribution under any Plan on account of such Post-Filing Claim(s).

29. Any General Creditor Claimant asserting a Restructuring Period Claim or a D&O Claim related to the Restructuring Period must file the applicable Proof of Claim form by the later of (i) 5:00 p.m. on the date that is 45 days after the date on which the Monitor sends a General Creditor Claims Package with respect to that Restructuring Period Claim; and (ii) the General Creditor Claims Bar Date (the “**General Creditor Restructuring Period Claims Bar Date**”). The Applicants believe that a 45 day period is reasonable in that it provides sufficient time from the date a Claims Package is sent to a Claimant to evaluate and submit any Claim they may have against the Sears Canada Entities or the Directors and Officers in respect of the Restructuring Period.

30. Any General Creditor Claimant that does not file a Proof of Claim or D&O Proof of Claim, as applicable, on or before the General Creditor Restructuring Period Claims Bar Date is forever barred, estopped and enjoined from asserting or enforcing any such Restructuring Period Claim against any of the Sears Canada Entities or any such D&O Claim relating to the Restructuring Period. All such Restructuring Period Claims or D&O Claims shall be forever extinguished. In addition, such General Creditor Claimants:

- (a) will not be permitted to vote at any Meeting on account of such Restructuring Period Claim(s) or D&O Claim(s) relating to the Restructuring Period;
- (b) will not be entitled to receive further notice with respect to the Claims Process; and
- (c) will not be permitted to participate in any distribution under any Plan on account of such Restructuring Period Claim(s) or D&O Claim(s).

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31. In accordance with the endorsement of the Court issued on October 27, 2017, any remaining real property store leases will be disclaimed before the General Creditor Claims Bar Date, as all such disclaimers will be served with effective dates no later than February 6, 2018.

32. Any holder of a Warranty shall not be required to file a Proof of Claim with respect to any Claim relating to their Warranty. The Notice to General Creditor Claimants will specifically state that there is no need to submit a Proof of Claim with respect to potential Warranty Claims since all Proofs of Claim with respect to potential Warranty Claims will be deemed to be properly submitted, based on the Sears Canada Entities' books and records, on behalf of each Warranty holder. Holders of Warranties who may have potential Warranty Claims do not need to take any action at this time. The Notice to General Creditor Claimants will also inform holders of gift cards and Sears Loyalty Points that that all gift cards and Sears Loyalty Points will no longer be accepted by the Sears Canada Entities after January 21, 2018.

33. Any General Creditor Claimant may file a Proof of Claim or D&O Proof of Claim through the online portal on the Monitor's Website. Such Proof of Claim or D&O Proof of Claim shall be deemed to have been received by the Monitor as of the time it is submitted on the Monitor's Website.

E. Procedure for Determining and Adjudicating Disputes Regarding General Creditor Claimants

34. The Claims Procedure Order contemplates that the Monitor, in consultation with the Sears Canada Entities, will review each Proof of Claim submitted in accordance with the Claims Procedure Order and received on or before the General Creditor Claims Bar Date, the General Creditor Restructuring Period Claims Bar Date, or the General Creditor Post-Filing Claims Bar Date, as applicable, and shall accept, revise or reject each Claim. In addition, with respect to a D&O Claim set out in a D&O Proof of Claim, the Monitor will, in consultation with the Sears

Canada Entities, the applicable Directors and Officers named in any D&O Proof of Claim, and any counsel for such Directors and Officers, accept, revise or reject such D&O Claim submitted in accordance with the Claims Procedure Order and received on or before the General Creditor Claims Bar Date or the General Creditor Restructuring Period Claims Bar Date, as applicable. No D&O Claim shall be accepted or revised without the consent of the applicable Director or Officer or further order of the Court.

35. If the Monitor intends to revise or reject a Claim, the Monitor will notify the General Creditor Claimant in writing by sending a Notice of Revision or Disallowance, and set out the reasons for why the Claim has been revised or disallowed. The Claims Procedure Order does not impose any deadline for the Monitor to provide a Notice of Revision or Disallowance to a General Creditor, in order to provide the Monitor with greater flexibility and control over when to trigger the dispute resolution process contemplated in the Claims Procedure Order. The Applicants believe that this will streamline the process for quantifying the Claims of General Creditor Claimants and will maximize the possibility of consensual resolutions for any disputes regarding such Claims.

36. Any General Creditor Claimant that intends to dispute a Notice of Revision or Disallowance must send written notice to the Monitor by completing a Notice of Dispute of Revision or Disallowance (which can be submitted on the Monitor's Website). The Notice of Dispute of Revision or Disallowance must be received by the Monitor within 30 days after the date on which the General Creditor Claimant is deemed to receive the Notice of Revision or Disallowance, or by such other date as may be agreed by the Monitor. Any General Creditor Claimant that receives a Notice of Revision or Disallowance and does not file a completed Notice of Dispute of Revision or Disallowance within the time period established will be deemed to have

accepted the amount and determination as set out in the Notice of Revision or Disallowance, and such General Creditor Claimant will have no further right to dispute the same.

37. The Claims Procedure Order provides for the use of Claims Officers to adjudicate disputes regarding the validity and amount of disputed Claims. In the event that a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a time period or in a manner satisfactory to the Monitor in consultation with the Sears Canada Entities and the applicable Directors and Officers in respect of any D&O Claim, the Monitor shall refer the dispute raised in the Notice of Dispute of Revision or Disallowance to a Claims Officer or the Court for adjudication at its election.

F. **Procedure for Determining and Adjudicating Disputes Regarding Construction Claims**

38. Potential Construction Claimants include both Construction Contractors, who have a direct contractual relationship with the Sears Canada Entities, and Construction Sub-Contractors, who do not, but who supplied services, materials or work to an improvement to any real property that has been or is owned or leased by any of the Sears Canada Entities under an agreement (written or oral) or engagement with a Construction Contractor or under an agreement or engagement with another sub-contractor of any level.

39. A number of potential Construction Claimants have registered claims for lien pursuant to the *Construction Lien Act*, R.S.O. 1990, c. C-30 (and similar legislation in other provinces), against title to properties that are owned by the Applicants or subject to leases under which an Applicant is the tenant. I am advised by Michael Shakra, of Osler, Hoskin and Harcourt LLP, and believe that the registered claims for lien for properties with multiple liens are often duplicative as between the Construction Contractor and the respective Construction Sub-Contractors.

40. In some cases, the claims for lien remain registered on title. However, in certain other cases, the liens have been vacated pursuant to Approval & Vesting Orders granted by this Court. In those cases, the Orders provided that the Monitor would hold in relation to each property a “**Construction Lien Claim Reserve**” in an amount equal to the total amount of the claims for lien registered against said property and that the recourse of those potential Construction Claimants would be against their respective Construction Lien Claim Reserve only.

41. In addition, Sears Canada obtained Orders pursuant to s. 44 of the *Construction Lien Act* allowing it to post security with the Accountant of the Ontario Superior Court of Justice and vacating the registration of claims for lien registered against title for properties owned by certain affiliates of CF/Realty Holdings Inc., Ontrea Inc., Fairmall Leaseholds Inc. and Fairview Pointe-Claire Leaseholds Inc. as required under Lease Surrender Agreements entered into with those entities. Sears Canada also entered into agreements with certain lien claimants, pursuant to which such lien claimants agreed to voluntarily discharge certain claims for lien in exchange for the Monitor agreeing to hold an amount equal to the claims for lien and additional amounts for costs in escrow.

42. Additionally, Construction Claimants can potentially assert Claims under the trust provisions of applicable Provincial Lien Legislation. Certain potential Construction Claimants have indicated that they wish to pursue such trust claims as against the applicable Sears Canada Entities and their Officers and Directors.

43. To facilitate the timely quantification of Construction Claims, the Claims Procedure Order provides that the Monitor will send Notices of Construction Claim to all known Construction Claimants who are Construction Contractors, advising each Construction Contractor of the quantum and validity of its Construction Claim as valued by the Sears Canada Entities with the

assistance of the Monitor based on the books and records of the Sears Canada Entities. Construction Contractors will then have until February 15, 2018 (the “**Construction Claims Bar Date**”), to dispute the amounts set out in the Notice of Construction Claim by delivering to the Monitor a Notice of Dispute of Construction Claim. Any trust claims asserted under the trust provisions of applicable Provincial Lien Legislation must be asserted through a Notice of Dispute of Construction Claim, and will not be accepted through a general Proof of Claim or D&O Proof of Claim.

44. Each Construction Contractor will also be sent a Construction Contractor Instruction Letter which will, among other things, direct each Construction Contractor to send a copy of the Construction Sub-Contractor Instruction Letter and the Notice of Construction Claim forthwith to all Construction Sub-Contractors with which it has a direct contractual relationship in connection with the relevant improvement of any real property that has been or is owned or leased by any of the Sears Canada Entities. The Construction Sub-Contractor Instruction Letter will notify Construction Sub-Contractors that all Construction Claims in respect of their services as Construction Sub-Contractors shall be included in the Claim of the relevant Construction Contractor for the purposes of the Claims Process and direct such Construction Sub-Contractors to contact their Construction Contractor directly to determine and negotiate with their Construction Contractor any rights they may have with respect to their Construction Contractor’s Construction Claims. It will also direct such Construction Sub-Contractors to send a copy of the Construction Sub-Contractor Instruction Letter and the Notice of Construction Claim to all Construction Sub-Contractors with which such Construction Sub-Contractor has a direct contractual relationship in connection with the relevant improvement.

45. The Claims Procedure Order provides that no Construction Sub-Contractor shall have any right to submit a separate Proof of Claim or Notice of Dispute of Claim in respect of its Construction Claim. Each Construction Sub-Contractor's Construction Claims will be included in the Construction Claims of the Construction Contractor to whom they provided (directly or indirectly) materials, services and/or work. The Notice of Construction Claim sent to each Construction Contractor shall be deemed to include the Construction Claims of all Construction Sub-Contractors who provided materials and/or services under an agreement with the Construction Contractor or another Construction Sub-Contractor of any level. Any dispute regarding a Construction Claim of a Construction Sub-Contractor must be submitted through the Construction Contractor's Notice of Dispute of Claim.

46. If a Construction Contractor does not deliver to the Monitor a completed Notice of Dispute of Construction Claim by the Construction Claims Bar Date, then all Construction Claimants, including any Construction Sub-Contractor, associated with the Construction Contractor's Notice of Construction Claim shall be deemed to have accepted the Construction Contractor's Claim as set out in the Notice of Construction Claim.

47. This approach to the management of the Construction Sub-Contractor's Construction Claims is proposed because the liens filed by Construction Contractors should include any claims of Construction Sub-Contractors and any Proof of Claim filed by a Construction Sub-Contractor would be duplicative. Furthermore, unlike the Sears Canada Entities, the Construction Contractors have a direct contractual relationship with the Construction Sub-Contractors and are in the best position to determine the appropriate amount of their Claims.

48. In the event that a dispute raised in a Notice of Dispute of Construction Claim is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Sears

Canada Entities and the applicable Directors and Officers in respect of any D&O Claim included in a Notice of Dispute of Construction Claim, the Monitor shall refer the dispute raised in the Notice of Dispute of Construction Claim to a Claims Officer or the Court for adjudication.

49. The Claims Procedure Order also provides that the Monitor, in consultation with the Sears Canada Entities and any applicable Directors and Officers in respect of any D&O Claim relating to a Construction Claim, may seek the Court's referral of a disputed Construction Claim to a Construction Lien Master, who shall be appointed in accordance with applicable Provincial Lien Legislation, and shall be considered a Claims Officer in this Claims Process.

50. The Claims Procedure Order provides that to the extent any Construction Claimant requests documents or information relating to the Claims Process prior to the Construction Claims Bar Date, or if the Sears Canada Entities or the Monitor become aware of any further Construction Claims, the Monitor shall respond to the request for documents or information as the Monitor, in consultation with the Sears Canada Entities, may consider appropriate in the circumstances, and/or, if appropriate, shall send such Claimant a Construction Claims Package.

G. Intercompany Claims

51. It is proposed that the Monitor will prepare a report detailing its review of all Intercompany Claims and assessing the validity and quantum of such Claims (the "**Monitor's Intercompany Claims Report**"), subject to further review and adjustments in respect of claims that may be pursued by the Monitor in accordance with section 36.1 of the CCAA.

52. Each Intercompany Claim identified in the Monitor's Intercompany Claims Report shall be deemed to have been properly submitted through a Proof of Claim in respect of such Intercompany Claim by the Intercompany Claimant.

53. The Monitor's Intercompany Claims Report shall be served on the Service List on or before the General Creditor Claims Bar Date, unless otherwise ordered by the Court on application by the Monitor, and shall contain a recommendation with respect to the next steps to be taken, if any, with respect to the determination and adjudication of Intercompany Claims.

Employee Claims Process and Pensioner Claims Process

54. Employee Claimants and Pensioner Claimants are not required to submit Proofs of Claim to the Monitor as part of this Claims Process.

55. Instead, the Claims Procedure Order provides that the Applicants shall return to Court to seek approval of an Employee Claims Process and a Pensioner Claims Process, which will specifically deal with Employee Claims and Pensioner Claims and which shall be developed in consultation with Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator, the Superintendent and the Monitor, as appropriate.

56. The Applicants are currently in the process of considering a process for efficiently determining the quantum of Employee Claims and Pensioner Claims. The Sears Canada Entities and the Monitor, in consultation with Representative Counsel, the Pension Plan Administrator and the Superintendent, are currently considering the development of formulae that will be used to determine the quantum of Claims held by (i) Pensioners; and (ii) Employees represented by Employee Representative Counsel. In addition, the Sears Canada Entities and the Monitor intend to develop a formula that will be used to determine the quantum of Claims held by unionized Employees who are not represented by Employee Representative Counsel, as well as other Employees not represented by Employee Representative Counsel.

57. The Applicants anticipate seeking Court approval for the formulae in the near future as part of a further motion seeking approval of the Employee Claims Process and the Pensioner Claims

Process. Once the formulae are approved by the Court, the Applicants expect that Employees and Pensioners would not be entitled to dispute the formulae after the Court approves them. However, Employees and Pensioners who disagree with the quantum of their Claims would be able to dispute the inputs used when calculating their Claims pursuant to the applicable formula if those inputs are incorrect.

58. The Applicants anticipate that Employees and Pensioners would be entitled to assert any other potential Claims they may have against any of the Sears Canada Entities or the Directors and Officers as part of the Employee Claims Process and the Pensioner Claims Process.

A. Expansion of Representative Counsel's Mandates

59. The Claims Procedure Order provides for an expansion of the respective mandates of Representative Counsel to permit them to assist in the establishment and implementation of an Employee Claims Process and a Pensioner Claims Process. In particular, the Claims Procedure Order provides that each Representative Counsel will be directed and empowered to (i) assist in the determination of the quantum and validity of Employee Claims for Employees represented by Employee Representative Counsel or Pensioner Claims, as applicable; and (ii) take such other actions and fulfill such other roles as are authorized by the Claims Procedure Order or incidental thereto.

60. Additionally, the Claims Procedure Order expands the mandate of Employee Representative Counsel such that it will represent all Employees hired by the Applicants during the Restructuring Period, unless such Employees specifically notify Employee Representative Counsel that such Employees wish to opt-out of representation by the Employee Representatives and Employee Representative Counsel.

Sale of Residual Assets

61. As noted in the Monitor's Seventh Report, the Applicants have been working on developing a protocol for the solicitation of offers for their remaining sundry assets that are not subject to the Phase II Liquidation Order. The Applicants have now developed a sale protocol (the "**Residual Assets Sale Protocol**") for the liquidation of their remaining assets, tangible and intangible, with the exception of owned and leased real property and the assets (including inventory) that are subject to the Amended and Restated Agency Agreement (the "**Residual Assets**"). The Residual Assets include office furniture, merchandising/food service/photo studio equipment, similar items located at the Applicants' head office and at other locations across the country, as well as customer databases, trade-marks, intellectual property and other miscellaneous items.

62. Under the Residual Assets Sale Protocol, the Applicants, in consultation with their advisors and the Monitor, will solicit potential bidders for each category of the Residual Assets. Where appropriate, each interested bidder will be asked to execute a non-disclosure agreement, following which they will have a firm period of time to obtain and review information regarding the asset in question. At the end of the diligence period, the bidders will be required to submit letters of intent setting out the material terms of their bids or otherwise indicate their interest. The Applicants (in consultation with their legal counsel and the Monitor) will assess the bids, and, where appropriate, the bids will be presented to certain stakeholders who have executed non-disclosure agreements and the Board of Directors together with recommendations. The Applicants will then negotiate a definitive agreement with the selected bidder(s), with the assistance of their advisors and the Monitor. The Applicants will also obtain the approval of the Monitor and, where appropriate, the Board of Directors for any definitive agreements before entering into them.

63. The Applicants are seeking the Omnibus Approval and Vesting Order to permit them to enter into transactions for the Residual Assets without being required to obtain a separate Order for each transaction. The Omnibus Approval and Vesting Order amends paragraph 10(a) of the Initial Order to provide that the Applicants may dispose of Residual Assets not exceeding \$5 million in any one transaction or a series of related transactions without obtaining Court approval.

64. Rather, after the Applicants have entered into definitive agreements for the sale of any of the Residual Assets and have obtained the approval of the Monitor and, where appropriate, the Board of Directors, the Monitor will send a notice regarding the transaction to the Service List and any other interested parties to such transaction. This notice will be substantially in the form attached to the Omnibus Approval and Vesting Order. If the Monitor does not receive any Notices of Objection (as defined in the Omnibus Approval and Vesting Order) within 7 days of serving the notice, the Monitor will deliver a Monitor's certificate to the Purchaser and the Sears Canada Entities, file the Monitor's certificate with the Court, and post the Monitor's certificate to the Monitor's Website. The Applicants will proceed to close the transaction and the Residual Assets subject to the transaction will vest in the purchaser in accordance with the Omnibus Approval and Vesting Order.

65. The Omnibus Approval and Vesting Order will permit the Applicants to efficiently enter into and close transactions for the Residual Assets, prevent unnecessary court hearings, and therefore reduce the costs associated with these transactions for the benefit of all stakeholders. The Monitor will be involved in the process for marketing the Residual Assets, selecting any preferred bidders and negotiating the definitive agreements, and its consent will be required before the Applicants can enter into any definitive agreement. As a result, the Applicants believe that the

Residual Asset sale process described above and the Omnibus Approval and Vesting Order is fair and reasonable, and in the best interest of all stakeholders.

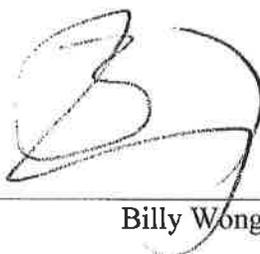
SWORN BEFORE ME at the City of Toronto,

in the Province of Ontario on

December 1, 2017.



Commissioner for Taking Affidavits
Karim Sachew

} 

Billy Wong

IN THE MATTER OF the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEL ÉLECTRIQUE INC., S.L.H.
TRANSPORT 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., AND 3339611
CANADA INC.

Court File No: CV-17-11846-00CL

Applicants

Ontario

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF BILLY WONG

(Claims Process and Residual Asset Sales Motion)

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Lawyers for the Applicants

TAB 3

Court File No. CV-17-11846-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	FRIDAY, THE 8 th
JUSTICE HAINEY)	DAY OF DECEMBER, 2017
)	

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SEARS CANADA INC., CORBEIL
ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., AND 3339611
CANADA INC.

(each, an “**Applicant**”, and collectively, the “**Applicants**”)

CLAIMS PROCEDURE ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the “**CCAA**”) for an order establishing a claims procedure for the identification and quantification of certain claims against (i) the Applicants and SearsConnect (collectively, the “**Sears Canada Entities**”) and (ii) the current and former directors and officers of the Sears Canada Entities, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Billy Wong sworn on December 1, 2017 including the exhibits thereto, the Eighth Report of FTI Consulting Canada

Inc., in its capacity as monitor (the “**Monitor**”), filed, and on hearing the submissions of respective counsel for the Applicants, the Monitor, Pension Representative Counsel (as defined below), Employee Representative Counsel (as defined below), the Pension Plan Administrator (as defined below), the Superintendent (as defined below), and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn ●, 2017,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS AND INTERPRETATION

2. THIS COURT ORDERS that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated June 22, 2017 as amended, restated, supplemented and/or modified from time to time (the “**Initial Order**”).

3. THIS COURT ORDERS that for the purposes of this Order the following terms shall have the following meanings:

(a) “**Advisors**” means, collectively, any actuarial, financial, legal and other advisors and assistants;

(b) “**Assessments**” means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of objection, notice of

reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority;

- (c) “**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (d) “**CCAA Proceedings**” means the CCAA proceedings commenced by the Applicants in the Court under Court File No. CV-17-11846-00CL;
- (e) “**Claim**” means:
 - (i) any right or claim of any Person against any of the Sears Canada Entities, whether or not asserted, including in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Sears Canada Entity to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including rights or claims with respect to any Assessment, Construction Claim, Warranty, or contract, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Sears Canada Entities with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which

indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any claim against any of the Sears Canada Entities for indemnification by any Director or Officer in respect of a D&O Claim (each, a “**Pre-Filing Claim**”, and collectively, the “**Pre-Filing Claims**”);

- (ii) any right or claim of any Person against any of the Sears Canada Entities in connection with any non-payment by any such Sears Canada Entity to such Person for goods or services supplied to such Sears Canada Entity on or after the Filing Date (each, a “**Post-Filing Claim**”, and collectively, the “**Post-Filing Claims**”);
- (iii) any right or claim of any Person against any of the Sears Canada Entities, including in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Sears Canada Entity to such Person, arising on or after the Filing Date, including without limitation rights or claims arising with respect to the restructuring, disclaimer, resiliation, termination or breach by such Sears Canada Entity on or after the Filing Date of any contract, lease or other agreement whether written or oral, but excluding any Post-Filing Claims (each, a “**Restructuring Period Claim**”, and collectively, the “**Restructuring Period Claims**”); and
- (iv) any right or claim of any Person against one or more of the Directors and/or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected,

unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, however arising, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer (each a “**D&O Claim**”, and collectively, the “**D&O Claims**”),

including any Claim arising through subrogation against any Sears Canada Entity or Director or Officer, provided however that in any case “**Claim**” shall not include an Excluded Claim;

- (f) “**Claimant**” means any Person asserting a Claim, including without limitation any Construction Claimant, General Creditor Claimant or Intercompany Claimant;
- (g) “**Claims Officer**” means the individuals designated by the Court pursuant to paragraph 60 of this Order;
- (h) “**Claims Process**” means the procedures outlined in this Order in connection with the solicitation and assertion of Claims against the Sears Canada Entities and/or the Directors and Officers;
- (i) “**Construction Claim**” means: (i) a Claim, including a D&O Claim, asserted under the trust provisions of applicable Provincial Lien Legislation or a Claim asserted against the holdback under applicable Provincial Lien Legislation; or (ii) a Claim

secured in whole or in part by the registration of a builders' or construction lien under applicable Provincial Lien Legislation against any real property that has been or is owned or leased by any of the Sears Canada Entities, or a Claim secured in whole or in part by any security held in connection with a Vacated or Discharged Lien;

- (j) **“Construction Claimant”** means a Person asserting a Construction Claim;
- (k) **“Construction Claims Bar Date”** means 5:00 p.m. on February 15, 2018;
- (l) **“Construction Claims Package”** means the document package consisting of a Notice of Construction Claim, a blank Notice of Dispute of Construction Claim, a Construction Contractor Instruction Letter, a Construction Sub-Contractor Instruction Letter and such other materials as the Monitor, in consultation with the Sears Canada Entities, may consider appropriate or desirable;
- (m) **“Construction Contractor”** means a Construction Claimant contracting directly with the Sears Canada Entities or an agent of the Sears Canada Entities in connection with the improvement of any real property that has been or is owned or leased by any of the Sears Canada Entities;
- (n) **“Construction Contractor Instruction Letter”** means the instruction letter to Construction Contractors, substantially in the form attached as Schedule “M” hereto, regarding the Notice of Construction Claim, completion of a Notice of Dispute of Construction Claim by a Construction Contractor, and the Claims Process described herein, and directing such Construction Contractors to send a copy of the Notice of Construction Claim and the Construction Sub-Contractor

Instruction Letter to all Construction Sub-Contractors with which such Construction Contractor has a direct contractual agreement or engagement in connection with the relevant improvement to any real property that has been or is owned or leased by any of the Sears Canada Entities;

- (o) **“Construction Sub-Contractor”** means a Construction Claimant not contracting directly with or employed directly by the Sears Canada Entities or an agent of the Sears Canada Entities but who supplied services, materials or work to an improvement to any real property that has been or is owned or leased by any of the Sears Canada Entities under an agreement (written or oral) or engagement with a Construction Contractor or under an agreement or engagement with another subcontractor of any level;
- (p) **“Construction Sub-Contractor Instruction Letter”** means the instruction letter to be sent by each Construction Contractor and Construction Sub-Contractor to all Construction Sub-Contractors with which each such Construction Contractor or Construction Sub-Contractor has a direct contractual agreement or engagement in connection with the relevant improvement, substantially in the form attached as Schedule “N” hereto, notifying such Construction Sub-Contractors that all Construction Claims in respect of their services as Construction Sub-Contractors shall be included in the Claim of the relevant Construction Contractor for the purposes of this Claims Process and directing such Construction Sub-Contractors to: (i) send a copy of the Notice of Construction Claim and the Construction Sub-Contractor Instruction Letter to all Construction Sub-Contractors with which such Construction Sub-Contractor has a direct contractual agreement or engagement in

connection with the relevant improvement, and (ii) contact their Construction Contractor directly to determine and negotiate with their Construction Contractor any rights they may have with respect to any such Construction Contractor's Construction Claim;

- (q) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (r) “**D&O Claim Instruction Letter**” means the letter containing instructions for completing the D&O Proof of Claim form, substantially in the form attached as Schedule “D” hereto;
- (s) “**D&O Proof of Claim**” means the proof of claim to be filed by Claimants in connection with any D&O Claim, substantially in the form attached as Schedule “E” hereto, which shall include all supporting documentation in respect of such D&O Claim; and for greater certainty, a “D&O Proof of Claim” shall include a D&O Proof of Claim filed online through the Monitor’s website;
- (t) “**Director**” means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Sears Canada Entities, in such capacity;
- (u) “**Employee**” means any (i) active or inactive union or non-union employee of any one of the Sears Canada Entities on or after the Filing Date, including an employee of any one of the Sears Canada Entities who received notice of termination of employment dated on or after the Filing Date; and (ii) former employee of any one of the Sears Canada Entities who was terminated for cause at any time or who received notice of cessation of severance payments dated on or after the Filing Date;

- (v) **“Employee Claim”** means a Claim, including a D&O Claim, to be asserted by or on behalf of an Employee in the Employee Claims Process;
- (w) **“Employee Claims Process”** means a claims process to be approved pursuant to a further Order of this Court that shall, among other things, set forth the procedure for the solicitation and assertion of Employee Claims against the Sears Canada Entities and/or the Directors and Officers;
- (x) **“Employee Letter”** means the letter from Employee Representative Counsel to be disseminated by the Monitor, in consultation with the Sears Canada Entities and Employee Representative Counsel, to all Employees represented by Employee Representative Counsel advising, among other things, that their Employee Claims will be dealt with through a separate Employee Claims Process, which letter shall be substantially in the form attached hereto as Schedule “I”;
- (y) **“Employee Representative Counsel”** means Ursel Phillips Fellows Hopkinson LLP;
- (z) **“Employee Representative Counsel’s Website”** means <http://www.upfhlaw.ca/areas-of-practice/sears-canada-employees-and-former-employees/>;
- (aa) **“Employee Representatives”** means Paul Webber, Nancy Demeter, Sheena Wrigglesworth, Barb Wilser and Darrin Whitney, or such other representatives as may be duly appointed by Employee Representative Counsel;
- (bb) **“Excluded Claim”** means any:

- (i) Claim asserted by any beneficiary of the Administration Charge, the FA Charge, the KERP Priority Charge, the Directors' Priority Charge, the KERP Subordinated Charge and the Directors' Subordinated Charge and any other charges granted by the Court in the CCAA Proceedings, with respect to such charges;
- (ii) Employee Claim;
- (iii) Sears Pension Claim; and
- (iv) Other Pensioner Claim;

and for greater certainty, shall include any Excluded Claim arising through subrogation;

- (cc) "**Filing Date**" means June 22, 2017;
- (dd) "**General Creditor Claim**" means a Claim, other than a Construction Claim or Intercompany Claim;
- (ee) "**General Creditor Claimant**" means a Person asserting a General Creditor Claim;
- (ff) "**General Creditor Claims Bar Date**" means 5:00 p.m. on March 2, 2018;
- (gg) "**General Creditor Claims Package**" means the document package which shall be disseminated by the Monitor to any potential General Creditor Claimant in accordance with the terms of this Order (including, if practicable, by way of email, where electronic addresses are known), consisting of the Notice to General Creditor Claimants, a blank Proof of Claim, a Proof of Claim Instruction Letter, a blank

D&O Proof of Claim, and a D&O Claim Instruction Letter, and such other materials as the Monitor, in consultation with the Sears Canada Entities, may consider appropriate or desirable;

- (hh) “**General Creditor Post-Filing Claims Bar Date**” means 5:00 p.m. on April 2, 2018;
- (ii) “**General Creditor Restructuring Period Claims Bar Date**” means, in respect of a Restructuring Period Claim, the later of (i) 5:00 p.m. on the date that is 45 days after the date on which the Monitor sends a General Creditor Claims Package with respect to a Restructuring Period Claim and (ii) the General Creditor Claims Bar Date;
- (jj) “**Intercompany Claim**” means any Claim that may be asserted against any of the Sears Canada Entities by or on behalf of any of the Sears Canada Entities or any of their affiliated companies, partnerships, or other corporate entities (and for greater certainty, excluding any Claim that may be asserted against any of the Sears Canada Entities by or on behalf of Sears Holdings Corporation or any of its affiliated companies, partnerships or other corporate entities that are not Sears Canada Entities);
- (kk) “**Intercompany Claimant**” means a Person asserting an Intercompany Claim;
- (ll) “**Meeting**” means any meeting of the creditors of the Sears Canada Entities called for the purpose of considering and voting in respect of a Plan;
- (mm) “**Monitor’s Website**” means <http://cfcanada.fticonsulting.com/searscanada/>;

- (nn) **“Monitor’s Intercompany Claims Report”** shall have the meaning set out in paragraph 58 herein;
- (oo) **“Notice of Construction Claim”** means the notice, substantially in the form attached as Schedule “K” hereto, advising each Construction Contractor of its Construction Claim (which shall, for greater certainty, be deemed to include the Construction Claims of all Construction Sub-Contractors who provided materials and/or services under an agreement with the Construction Contractor or another Construction Sub-Contractor of any level in connection with the improvement) as valued by the Sears Canada Entities with the assistance of the Monitor based on the books and records of the Sears Canada Entities;
- (pp) **“Notice of Dispute of Construction Claim”** means the notice, substantially in the form attached as Schedule “L” hereto, which may be delivered to the Monitor by a Construction Contractor disputing a Notice of Construction Claim, with reasons for its dispute;
- (qq) **“Notice to General Creditor Claimants”** means the notice for publication by the Monitor, substantially in the form attached as Schedule “A” hereto, which shall include, without limitation: (i) a notice to all Claimants with potential General Creditor Claims below \$1,000 that such Claimants will not be provided with a General Creditor Claims Package and should obtain a copy from the Monitor’s website or request a copy from the Monitor; (ii) a notice to holders of Warranties stating that no Proofs of Claim are required to be filed in connection with any potential Warranty Claim because all Proofs of Claim with respect to potential Warranty Claims will be deemed to be properly submitted by the Sears Canada

Entities, based on the Sears Canada Entities' books and records, on behalf of each Warranty holder, and (iii) a notice informing holders of gift cards and Sears Loyalty Points that all gift cards and Sears Loyalty Points will no longer be accepted by the Sears Canada Entities after January 21, 2018;

- (rr) **“Notice of Dispute of Revision or Disallowance”** means the form substantially in the form attached as Schedule “F” hereto;
- (ss) **“Notice of Revision or Disallowance”** means the form substantially in the form attached as Schedule “G” hereto;
- (tt) **“Officer”** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Sears Canada Entities, in such capacity;
- (uu) **“Order”** means this Claims Procedure Order;
- (vv) **“Other Employee Letter”** means the letter from the Monitor to be disseminated by the Monitor, in consultation with the Sears Canada Entities, to Employees not represented by Employee Representative Counsel (provided that where such Employees are subject to union representation, the Monitor shall only be required to send such letter to the unions representing the unionized Employees) advising, among other things, that their Employee Claims will be dealt with through a separate Employee Claims Process, which letter shall be substantially in the form attached hereto as Schedule “H”;
- (ww) **“Other Pensioner”** means any retiree and any current or former employee of the Sears Canada Entities with (i) entitlements under the Supplemental Plan, and any

other pension or retirement plan of the Sears Canada Entities (not including the Sears Pension Plan), and/or (ii) other post-employment benefits entitlements;

(xx) “**Other Pensioner Claim**” means a Claim, including a D&O Claim, to be asserted by or on behalf of an Other Pensioner in the Pensioner Claims Process;

(yy) “**Pensioner**” means any Sears Pensioner or Other Pensioner;

(zz) “**Pensioner Claim**” means any Sears Pension Claim or Other Pensioner Claim;

(aaa) “**Pensioner Claims Process**” means a claims process to be approved pursuant to a further Order of this Court that shall, among other things, set forth the procedure for the solicitation and assertion of Pensioner Claims against the Sears Canada Entities and/or the Directors and Officers;

(bbb) “**Pensioner Letter**” means the letter from Pension Representative Counsel to be disseminated by Pension Representative Counsel, in consultation with the Sears Canada Entities, the Pension Plan Administrator (in respect of the Sears Pension Plan) and the Monitor, to all Pensioners advising, among other things, that their Pensioner Claims will be dealt with through a separate Pensioner Claims Process, which letter shall be substantially in the form attached hereto as Schedule “J”;

(ccc) “**Pension Plan Administrator**” means Morneau Shepell Ltd. in its capacity as administrator of the Sears Pension Plan;

(ddd) “**Pension Plan Administrator Website**” means https://www.pensionwindups.morneaushepell.com/_private/select_plan.asp?DURL=/en/plan_info/srrp/plan_info.asp;

- (eee) **“Pension Representative Counsel”** means Koskie Minsky LLP;
- (fff) **“Pension Representative Counsel’s Website”** means <https://kmlaw.ca/cases/sears-canada/>;
- (ggg) **“Pensioner Representatives”** means Bill Turner, Ken Eady and Larry Moore;
- (hhh) **“Person”** means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;
- (iii) **“Plan”** means, as further defined in the Initial Order, any proposed plan of compromise or arrangement that may be filed in respect of any or all of the Sears Canada Entities pursuant to the CCAA as the same may be amended, supplemented or restated from time to time in accordance the terms thereof;
- (jjj) **“Pre-Filing Period”** means the period prior to the Filing Date;
- (kkk) **“Proof of Claim”** means the proof of claim to be filed by General Creditor Claimants in respect of Pre-Filing Claims, Post-Filing Claims and Restructuring Period Claims, substantially in the form attached as Schedule “C” hereto; and for greater certainty, a “Proof of Claim” shall include a Proof of Claim filed online through the Monitor’s website;
- (lll) **“Proof of Claim Instruction Letter”** means the letter containing instructions for completing the Proof of Claim form, substantially in the form attached as Schedule “B” hereto;

(mmm) “**Provincial Lien Legislation**” means the *Construction Lien Act*, R.S.O., 1990, c. C.30, the *Builders’ Lien Act*, R.S.A. 2000, c. B-7, the *Builders’ Lien Act*, R.S.N.S. 1989, c. 277, the *Mechanics’ Lien Act*, R.S.N.B. 1973, c. M-6, *The Builders’ Liens Act*, C.C.S.M. c. B91, the *Builders Lien Act*, S.B.C. 1997, c. 45, and any other similar provincial mechanics, builders or construction lien legislation in Canada;

(nnn) “**Restructuring Period**” means the period on or after the Filing Date;

(ooo) “**Sears Loyalty Points**” means any points issued and outstanding under the Sears Club Reward Program;

(ppp) “**Sears Pension Claim**” means a Claim, including a D&O Claim, to be asserted by or on behalf of a Sears Pensioner in respect of the Sears Pension Plan in the Pensioner Claims Process, and shall include any Sears Pension Claim arising through subrogation;

(qqq) “**Sears Pension Plan**” means the Sears Canada Inc. Registered Retirement Plan (Reg. #0360065), a pension plan registered under the Ontario *Pension Benefits Act*, R.S.O. 1990, c. P.8 and *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) with a defined benefit component and a defined contribution component;

(rrr) “**Sears Pensioner**” means any retiree and any current or former employee of the Sears Canada Entities with entitlements under the Sears Pension Plan;

(sss) “**Superintendent**” means the Ontario Superintendent of Financial Services as administrator of the Pension Benefits Guarantee Fund;

- (ttt) “**Supplemental Plan**” means the Sears Canada Inc. Supplementary Retirement Plan, a non-registered supplemental pension plan maintained to provide benefits to eligible participants in the defined benefit component of the Sears Pension Plan;
- (uuu) “**Vacated or Discharged Liens**” means the builders’ or construction liens previously registered against title to any real property that has been or is owned or leased by any of the Sears Canada Entities under applicable Provincial Lien Legislation and that have been vacated pursuant to previous court orders or discharged pursuant to agreements with applicable Construction Claimants, in each case in accordance with the requirements under applicable Provincial Lien Legislation; and
- (vvv) “**Warranty**” means a customer warranty provided by any one of the Sears Canada Entities, including any Sears Protection Agreement but excluding any manufacturer’s warranty.

4. THIS COURT ORDERS that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein, and any reference to an event occurring on a day that is not a Business Day shall mean the next following day that is a Business Day.

5. THIS COURT ORDERS that all references to the word “including” shall mean “including without limitation”, all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

GENERAL PROVISIONS

6. THIS COURT ORDERS that any Claim denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada exchange rate in effect at the Filing Date. For reference, the exchange rate that will be applied to Claims denominated in U.S. dollars is 1.3241 CAD/USD.

7. THIS COURT ORDERS that notwithstanding any other provisions of this Order, the solicitation by the Monitor of Proofs of Claim and D&O Proofs of Claim, the delivery by the Monitor of Construction Notices of Claim, and the filing by any Claimant of any Proof of Claim or D&O Proof of Claim shall not, for that reason only, grant any Person any rights, including without limitation, in respect of the nature and priority of its Claims or its standing in the CCAA Proceedings, except as specifically set out in this Order.

8. THIS COURT ORDERS that the Monitor, in consultation with the Sears Canada Entities and the applicable Directors and Officers in respect of any D&O Claim, is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms delivered hereunder are completed and executed and the time in which they are submitted, and may, where the Monitor, in consultation with the Sears Canada Entities and the applicable Directors and Officers in respect of any D&O Claim, is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order, including in respect of the completion, execution and time of delivery of such forms; provided that it is recognized and understood that certain Claims will be contingent in nature and therefore will not contain particulars of such Claims that are not yet known as at the time they are filed.

9. THIS COURT ORDERS that amounts claimed in Assessments shall be subject to this Order and there shall be no presumption of validity or deeming of the amount due in respect of the Claim set out in any Assessment.

10. THIS COURT ORDERS that the Applicants shall return to Court to seek approval of an Employee Claims Process and a Pensioner Claims Process, which shall be developed in consultation with Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator, the Superintendent, and the Monitor, as appropriate. For greater certainty, all Employee Claims and Pensioner Claims will be addressed as part of the Employee Claims Process and Pensioner Claims Process, respectively.

MONITOR'S ROLE

11. THIS COURT ORDERS that, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other orders of the Court in the CCAA Proceedings, the Monitor is hereby directed and empowered to implement the Claims Process set out herein and to take such other actions and fulfill such other roles as are authorized by this Order or incidental thereto.

12. THIS COURT ORDERS that the Monitor (i) shall have all of the protections given to it by the CCAA, the Initial Order, any other orders of the Court in the CCAA Proceedings, and this Order, or as an officer of the Court, including the stay of proceedings in its favour; (ii) shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, including in respect of its exercise of discretion as to the completion, execution or time of delivery of any documents to be delivered hereunder, other than in respect of its gross negligence or wilful misconduct; (iii) shall be entitled to rely on the books and records of the Sears Canada Entities and any information provided by the Sears Canada Entities, all without independent investigation,

provided that Intercompany Claims are subject to independent investigation by the Monitor as provided in paragraph 58 herein; and (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

13. THIS COURT ORDERS that: (i) the Sears Canada Entities, Officers, Directors, Employees, agents and representatives shall fully cooperate with the Monitor in the exercise of its powers and discharge of its duties and obligations under this Order, and (ii) any credit insurers and factors that have offered services to vendors of the Sears Canada Entities or have acquired payables of the Sears Canada Entities to such vendors shall fully cooperate with the Monitor and the Sears Canada Entities by providing information to assist in the assessment of the quantum and validity of Claims.

EMPLOYEE REPRESENTATIVE COUNSEL'S ROLE

14. THIS COURT ORDERS that all Employees hired by the Applicants during the Restructuring Period shall be represented by Employee Representative Counsel pursuant to the Employee Representative Counsel Order dated July 13, 2017 *nunc pro tunc*, unless such Employees specifically notify Employee Representative Counsel that such Employees wish to opt-out of representation by the Employee Representatives and Employee Representative Counsel.

15. THIS COURT ORDERS that Darrin Whitney shall replace Sara Sawyer as an Employee Representative in these CCAA Proceedings, and that Employee Representative Counsel shall hereby be authorized to appoint any additional Employee Representatives as it deems necessary or desirable from time to time.

16. THIS COURT ORDERS that, in addition to the rights, duties, responsibilities and obligations granted to it under the Employee Representative Counsel Order dated July 13, 2017 and any other orders of the Court in the CCAA Proceedings, Employee Representative Counsel is

hereby directed and empowered to assist in the establishment and implementation of an Employee Claims Process and the determination of the quantum and validity of Employee Claims for Employees represented by Employee Representative Counsel, in conjunction with the Sears Canada Entities and the Monitor, and to take such other actions and fulfill such other roles as are authorized by this Order or incidental thereto.

17. THIS COURT ORDERS that Employee Representative Counsel, the Employee Representatives and any Advisors retained by Employee Representative Counsel (i) shall have no personal liability or obligations as a result of the performance of its duties in carrying out the provisions of this Order, save and except for liability arising out of gross negligence or wilful misconduct; (ii) shall be entitled to rely on the books and records of the Sears Canada Entities and any information provided by the Sears Canada Entities, all without independent investigation; and (iii) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

18. THIS COURT ORDERS that the Sears Canada Entities and the Monitor shall cooperate with Employee Representative Counsel in the exercise of its powers and discharge of its duties and obligations under this Order.

PENSION REPRESENTATIVE COUNSEL'S ROLE

19. THIS COURT ORDERS that, in addition to the rights, duties, responsibilities and obligations granted to it under the Pension Representative Counsel Order dated July 13, 2017 and any other orders of the Court in the CCAA Proceedings, Pension Representative Counsel is hereby directed and empowered to assist in the establishment and implementation of a Pensioner Claims Process and the determination of the quantum and validity of Pensioner Claims in conjunction with the Sears Canada Entities, the Monitor, the Pension Plan Administrator and the

Superintendent, and to take such other actions and fulfill such other roles as are authorized by this Order or incidental thereto.

20. THIS COURT ORDERS that Pension Representative Counsel, the Pensioner Representatives and any Advisors retained by Pension Representative Counsel (i) shall have no personal liability or obligations as a result of the performance of its duties in carrying out the provisions of this Order, save and except for liability arising out of gross negligence or wilful misconduct; (ii) shall be entitled to rely on the books and records of the Sears Canada Entities and any information provided by the Sears Canada Entities, all without independent investigation; and (iii) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

21. THIS COURT ORDERS that the Sears Canada Entities and the Monitor shall cooperate with Pension Representative Counsel in the exercise of its powers and discharge of its duties and obligations under this Order and with the Pension Plan Administrator and Superintendent in carrying out its duties and obligations.

NOTICE OF CLAIMS AND CLAIMS PROCESS

22. THIS COURT ORDERS that as soon as practicable, but no later than 5:00 p.m. on December 20, 2017, the Monitor shall cause a Construction Claims Package to be sent to all known Construction Claimants who are Construction Contractors, as evidenced by the books and records of the Sears Canada Entities and at the respective last known addresses as recorded in the Sears Canada Entities' books and records or in the construction lien documentation registered on title to any real property that has been or is owned or leased by any of the Sears Canada Entities, as deemed appropriate by the Monitor with the assistance of the Sears Canada Entities. The Monitor and the Sears Canada Entities shall specify in the Notice of Construction Claim included in the

Construction Claims Package the Construction Contractor's Construction Claim as valued by the Sears Canada Entities, in consultation with the Monitor, based on the books and records of the Sears Canada Entities.

23. THIS COURT ORDERS that the Notice of Construction Claim provided to each Construction Contractor shall be deemed to include the Construction Claims of all Construction Sub-Contractors under an agreement (written or oral) with the Construction Contractor or another Construction Sub-Contractor of any level in connection with the improvement to any real property that has been or is owned or leased by any of the Sears Canada Entities. Each Construction Contractor and Construction Sub-Contractor is hereby directed to forward forthwith a copy of the appropriate Notice of Construction Claim and the Construction Sub-Contractor Instruction Letter to each Construction Sub-Contractor with which it has a direct contractual agreement or engagement in connection with the relevant improvement. Any dispute regarding a Construction Claim of a Construction Sub-Contractor must be submitted through the Construction Contractor's Notice of Dispute of Claim. For greater certainty, no Construction Sub-Contractor shall have any right to submit a separate Proof of Claim or Notice of Dispute of Claim in respect of its Construction Claim. The Construction Sub-Contractor Instruction Letter shall direct all Construction Sub-Contractors to contact their Construction Contractor directly to review and submit any disputes with respect to their Construction Claims.

24. THIS COURT ORDERS that as soon as practicable, but no later than 5:00 p.m. on December 20, 2017, the Monitor shall cause a General Creditor Claims Package to be sent to:

- (a) each party that appears on the Service List or has requested a General Creditor Claims Package; and

- (b) any Person known to the Sears Canada Entities as potentially asserting a General Creditor Claim against any of the Sears Canada Entities (excluding any potential General Creditor Claimant with a potential General Creditor Claim below \$1,000), as evidenced by and to the respective last known address recorded in the books and records of the Sears Canada Entities.

25. THIS COURT ORDERS that the Monitor shall cause the Notice to General Creditor Claimants to be published at least three (3) times in The Globe and Mail (National Edition) and La Presse, and in such other international publications and with such frequency as is determined by the Monitor in consultation with the Sears Canada Entities.

26. THIS COURT ORDERS that the Monitor shall cause the Notice to General Creditor Claimants, the Employee Letter, the Other Employee Letter, the Pensioner Letter and the General Creditor Claims Package to be posted to the Monitor's Website by no later than 5:00 p.m. on December 13, 2017.

27. THIS COURT ORDERS that the Monitor shall: (i) cause the Employee Letter to be sent to all Employees represented by Employee Representative Counsel, and (ii) cause the Other Employee Letter to be sent to Employees not represented by Employee Representative Counsel (provided that where such Employees are subject to union representation, the Monitor shall only send such letter to the unions representing the unionized Employees), as soon as practicable but no later than 5:00 p.m. on December 20, 2017.

28. THIS COURT ORDERS that the Applicants shall cause the Employee Letter, the Other Employee Letter and the Pensioner Letter to be posted to the my.sears.ca portal, as soon as practicable but no later than 5:00 p.m. on December 20, 2017.

29. THIS COURT ORDERS that Employee Representative Counsel shall cause the Employee Letter to be posted to Employee Representative Counsel's Website, as soon as practicable but no later than 5:00 p.m. on December 20, 2017.

30. THIS COURT ORDERS that Pension Representative Counsel shall (i) cause the Pensioner Letter to be sent to all Pensioners, and (ii) cause the Pensioner Letter to be posted to Pension Representative Counsel's Website, as soon as practicable but no later than 5:00 p.m. on December 20, 2017.

31. THIS COURT ORDERS that the Pension Plan Administrator shall cause the Pensioner Letter to be posted to the Pension Plan Administrator Website, as soon as practicable but no later than 5:00 p.m. on December 20, 2017.

32. THIS COURT ORDERS that to the extent any Claimant requests documents or information relating to the Claims Process prior to the General Creditor Claims Bar Date, or, if applicable, the General Creditor Post-Filing Claims Bar Date or, if applicable, the General Creditor Restructuring Period Claims Bar Date, the Monitor shall forthwith send such Claimant a General Creditor Claims Package, and shall direct such Claimant to the documents posted on the Monitor's Website or otherwise respond to the request for documents or information as the Monitor, in consultation with the Sears Canada Entities, may consider appropriate in the circumstances. If the Sears Canada Entities or the Monitor become aware of any further General Creditor Claims after the mailing contemplated in paragraph 24, the Monitor shall forthwith send such potential General Creditor Claimant a General Creditor Claims Package (except where such potential General Creditor Claimant has a potential General Creditor Claim below \$1,000, as evidenced by the books and records of the Sears Canada Entities), or may direct such potential Claimant to the documents posted on the Monitor's Website.

33. THIS COURT ORDERS that to the extent any Construction Claimant requests documents or information relating to the Claims Process prior to the Construction Claims Bar Date, or if the Sears Canada Entities or the Monitor become aware of any further Construction Claims, the Monitor shall respond to the request for documents or information as the Monitor, in consultation with the Sears Canada Entities, may consider appropriate in the circumstances, and/or, if appropriate, shall send such Claimant a Construction Claims Package.

34. THIS COURT ORDERS that any notices of disclaimer or resiliation delivered after the date of this Order to potential General Creditor Claimants in connection with any action taken by the Sears Canada Entities to restructure, disclaim, resiliate, terminate or breach any contract, lease or other agreement, whether written or oral, pursuant to the terms of the Initial Order, shall be accompanied by a General Creditor Claims Package.

35. THIS COURT ORDERS that the Claims Process and the forms of Notice to General Creditor Claimants, Proof of Claim Instruction Letter, D&O Claim Instruction Letter, Employee Letter, Other Employee Letter, Pensioner Letter, Proof of Claim, D&O Proof of Claim, Notice of Revision or Disallowance, Notice of Dispute of Revision or Disallowance, Notice of Construction Claim, Notice of Dispute of Construction Claim, Construction Contractor Instruction Letter, and Construction Sub-Contractor Instruction Letter are hereby approved, subject to any minor non-substantive changes to the forms as the Monitor and the Sears Canada Entities may consider necessary or desirable to be made from time to time.

36. THIS COURT ORDERS that the sending of the Construction Claims Package, the Construction Sub-Contractor Instruction Letter, the Employee Letter, the Other Employee Letter, the Pensioner Letter, and the General Creditor Claims Package to the applicable Persons as described above, and the publication of the Notice to General Creditor Claimants, in accordance

with this Order, shall constitute good and sufficient service and delivery of notice of this Order, the Construction Claims Bar Date, the General Creditor Claims Bar Date, the General Creditor Post-Filing Claims Bar Date and the General Creditor Restructuring Period Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert a Claim, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

FILING OF PROOFS OF CLAIM

(A) Pre-Filing Claims

37. THIS COURT ORDERS that any General Creditor Claimant that intends to assert a Pre-Filing Claim or D&O Claim relating to the Pre-Filing Period shall file a Proof of Claim or D&O Proof of Claim, as applicable, with the Monitor on or before the General Creditor Claims Bar Date. Any General Creditor Claimant may file a Proof of Claim or D&O Proof of Claim through the online portal on the Monitor's website, and such Proof of Claim or D&O Proof of Claim shall be deemed to have been received by the Monitor as of the time it is submitted on the Monitor's website. For the avoidance of doubt, a Proof of Claim or D&O Proof of Claim, as applicable, must be filed by every General Creditor Claimant in respect of every Pre-Filing Claim or D&O Claim relating to the Pre-Filing Period, regardless of whether or not a legal proceeding in respect of such Pre-Filing Claim or D&O Claim has been previously commenced.

38. THIS COURT ORDERS that any General Creditor Claimant that does not file a Proof of Claim or D&O Proof of Claim, as applicable, so that such Proof of Claim or D&O Proof of Claim is received by the Monitor on or before the General Creditor Claims Bar Date, or such later date as the Monitor may agree in writing or the Court may otherwise direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Pre-Filing Claim or any such D&O Claim relating to the Pre-Filing Period and all such Pre-Filing Claims or D&O Claims shall be forever extinguished;
- (b) will not be permitted to vote at any Meeting on account of such Pre-Filing Claim(s) or D&O Claim(s) relating to the Pre-Filing Period;
- (c) will not be entitled to receive further notice with respect to the Claims Process or these proceedings unless the Monitor and/or the Sears Canada Entities become aware that such General Creditor Claimant has any other Claim; and
- (d) will not be permitted to participate in any distribution under any Plan on account of such Pre-Filing Claim(s) or D&O Claim(s).

(B) Post-Filing Claims

39. THIS COURT ORDERS that after the date of this Order, upon becoming aware of a potential Post-Filing Claim, the Monitor shall send a General Creditor Claims Package to the General Creditor Claimant in respect of such Post-Filing Claim in the manner provided for herein or may direct such potential Claimant to the documents posted on the Monitor's website.

40. THIS COURT ORDERS that any General Creditor Claimant that intends to assert a Post-Filing Claim shall file a Proof of Claim with the Monitor on or before the General Creditor Post-Filing Claims Bar Date. Any General Creditor Claimant may file a Proof of Claim through the online portal on the Monitor's website, and such Proof of Claim shall be deemed to have been received by the Monitor as of the time it is submitted on the Monitor's website.

41. THIS COURT ORDERS that any General Creditor Claimant that does not file a Proof of Claim in respect of a Post-Filing Claim so that such Proof of Claim is received by the Monitor on

or before the General Creditor Post-Filing Claims Bar Date, or such later date as the Monitor may agree in writing or the Court may otherwise direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Post-Filing Claim and all such Post-Filing Claims shall be forever extinguished;
- (b) will not be permitted to vote at any Meeting on account of such Post-Filing Claim(s);
- (c) will not be entitled to receive further notice with respect to the Claims Process or these proceedings unless the Monitor and/or the Sears Canada Entities become aware that such General Creditor Claimant has any other Claim; and
- (d) will not be permitted to participate in any distribution under any Plan on account of such Post-Filing Claim(s).

(C) Restructuring Period Claims

42. THIS COURT ORDERS that after the date of this Order, upon becoming aware of a circumstance giving rise to a potential Restructuring Period Claim, the Monitor shall send a General Creditor Claims Package to the General Creditor Claimant in respect of such Restructuring Period Claim in the manner provided for herein or may direct such potential Claimant to the documents posted on the Monitor's Website.

43. THIS COURT ORDERS that any General Creditor Claimant that intends to assert a Restructuring Period Claim or D&O Claim relating to the Restructuring Period shall file a Proof of Claim or D&O Proof of Claim, as applicable, with the Monitor on or before the General Creditor Restructuring Period Claims Bar Date. Any General Creditor Claimant may file a Proof of Claim

or D&O Proof of Claim through the online portal on the Monitor's website, and such Proof of Claim or D&O Proof of Claim shall be deemed to have been received by the Monitor as of the time it is submitted on the Monitor's website. For the avoidance of doubt, a Proof of Claim or D&O Proof of Claim must be filed by every General Creditor Claimant in respect of every Restructuring Period Claim or D&O Claim relating to the Restructuring Period, regardless of whether or not a legal proceeding in respect of such Restructuring Period Claim or D&O Claim has been previously commenced.

44. THIS COURT ORDERS that any General Creditor Claimant that does not file a Proof of Claim or D&O Proof of Claim, as applicable, so that such Proof of Claim or D&O Proof of Claim is received by the Monitor on or before the General Creditor Restructuring Period Claims Bar Date, or such later date as the Monitor may agree in writing or the Court may otherwise direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Restructuring Period Claim or any such D&O Claim relating to the Restructuring Period and all such Restructuring Period Claims or D&O Claims shall be forever extinguished;
- (b) will not be permitted to vote at any Meeting on account of such Restructuring Period Claim(s) or D&O Claim(s);
- (c) will not be entitled to receive further notice with respect to the Claims Process or these proceedings unless the Monitor and/or the Sears Canada Entities become aware that such General Creditor Claimant has any other Claim; and
- (d) will not be permitted to participate in any distribution under any Plan on account of such Restructuring Period Claim(s) or D&O Claim(s).

45. THIS COURT ORDERS that the provisions of paragraphs 37, 38, 40, 41, 43 and 44 herein shall not apply to Intercompany Claims or any Claims with respect to Warranties. Proofs of Claim for all Claims with respect to Warranties shall be deemed to have been properly submitted as Pre-Filing Claims or Restructuring Period Claims, as applicable, in accordance with the applicable requirements of this Order.

ADJUDICATION OF CLAIMS OTHER THAN INTERCOMPANY CLAIMS

46. THIS COURT ORDERS that, for greater certainty, the procedures outlined in paragraphs 47 to 57 herein shall not apply to the adjudication of Intercompany Claims.

Construction Claims

47. THIS COURT ORDERS that if a Construction Claimant disputes the amount of the Claim, including any D&O Claim, as set out in the Notice of Construction Claim, such Construction Claimant shall ensure that the Construction Contractor who received such Notice of Construction Claim shall deliver to the Monitor a Notice of Dispute of Construction Claim which must be received by the Monitor by no later than the Construction Claims Bar Date.

48. THIS COURT ORDERS that, in the event that a dispute raised in a Notice of Dispute of Construction Claim is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Sears Canada Entities and the applicable Directors and Officers in respect of any D&O Claim included in a Notice of Dispute of Construction Claim, the Monitor shall refer the dispute raised in the Notice of Dispute of Construction Claim to a Claims Officer or the Court for adjudication at its election.

49. THIS COURT ORDERS that if a Construction Contractor does not deliver to the Monitor a completed Notice of Dispute of Construction Claim by the Construction Claims Bar Date disputing its Claim as valued by the Sears Canada Entities, then all Construction Claimants

associated with the Construction Contractor's Notice of Construction Claim shall be deemed to have accepted the Construction Contractor's Construction Claim and no such Construction Claimant shall have any further right to dispute same.

50. THIS COURT ORDERS that the Monitor shall make reasonable efforts to promptly deliver a copy of any Notice of Dispute of Construction Claim that asserts a Construction Claim against any of the Directors and Officers to such named Directors and Officers.

General Creditor Proofs of Claim

51. THIS COURT ORDERS that the Monitor, in consultation with the Sears Canada Entities, shall review each Proof of Claim submitted in accordance with this Order and received on or before the General Creditor Claims Bar Date, the General Creditor Post-Filing Claims Bar Date, or the General Creditor Restructuring Period Claims Bar Date, as applicable, and shall accept, revise or reject each Claim set forth in each such Proof of Claim.

52. THIS COURT ORDERS that the Monitor shall make reasonable efforts to promptly deliver a copy of any D&O Proofs of Claim, Notices of Revision or Disallowance with respect to any D&O Claim, and Notices of Dispute of Revision or Disallowance with respect to any D&O Claim, to the applicable Directors and Officers named therein.

53. THIS COURT ORDERS that the Monitor, in consultation with the Sears Canada Entities and the applicable Directors and Officers named in any D&O Proof of Claim, and any counsel for such Directors and Officers, shall review each D&O Proof of Claim submitted in accordance with this Order and received on or before the General Creditor Claims Bar Date or the General Creditor Restructuring Period Claims Bar Date, as applicable. The Monitor shall accept, revise or reject each Claim set forth in each such D&O Proof of Claim, provided that the Monitor shall not accept

or revise any portion of a D&O Claim absent consent of the applicable Directors and Officers or further Order of the Court.

54. THIS COURT ORDERS that the Monitor shall notify the General Creditor Claimant who has delivered such Proof of Claim or D&O Proof of Claim, as applicable, that such Claim has been revised or rejected and the reasons therefor, by sending a Notice of Revision or Disallowance.

55. THIS COURT ORDERS that any General Creditor Claimant who intends to dispute a Notice of Revision or Disallowance hereof shall:

- (a) deliver a completed Notice of Dispute of Revision or Disallowance, along with the reasons for the dispute, to the Monitor by no later than thirty (30) days after the date on which the General Creditor Claimant is deemed to receive the Notice of Revision or Disallowance, or such other date as may be agreed to by the Monitor in writing (provided that any General Creditor Claimant may file such Notice of Dispute of Revision or Disallowance through the online portal on the Monitor's website, and such Notice of Dispute of Revision or Disallowance shall be deemed to have been received by the Monitor as of the time it is submitted on the Monitor's website); and
- (b) in the event that a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Sears Canada Entities and the applicable Directors and Officers in respect of any D&O Claim, the Monitor shall refer the dispute raised in the Notice of Dispute of Revision or Disallowance to a Claims Officer or the Court for adjudication at its election.

56. THIS COURT ORDERS that where a General Creditor Claimant that receives a Notice of Revision or Disallowance does not file a completed Notice of Dispute of Revision or Disallowance by the time set out in paragraph 55(a), such General Creditor Claimant's Claim or D&O Claim relating to such Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such General Creditor Claimant shall have no further right to dispute same.

57. THIS COURT ORDERS that the Monitor, in consultation with the Sears Canada Entities and the applicable Directors and Officers in respect of any D&O Claim, may refer any Claim to a Claims Officer or the Court for adjudication at its election by sending written notice to the Claimant (or, where such Claimant is a Construction Claimant, to the relevant Construction Contractor) at any time.

INTERCOMPANY CLAIMS

58. THIS COURT ORDERS that the Monitor shall prepare a report to be served on the Service List and filed with the Court for the Court to consider, detailing its review of all Intercompany Claims and assessing in detail with reasonably sufficient particulars and analysis the validity and quantum of such Claims (the "**Monitor's Intercompany Claims Report**"), subject to further review and adjustments in respect of claims that may be pursued by the Monitor in accordance with section 36.1 of the CCAA. The Monitor's Intercompany Claims Report shall be served on or before the General Creditor Claims Bar Date, unless otherwise ordered by this Court on application by the Monitor and shall contain a recommendation with respect to the next steps to be taken, if any, with respect to the determination and adjudication of Intercompany Claims. For greater certainty, nothing in the Monitor's Intercompany Claims Report shall bind the Court with respect to its determination of the Intercompany Claims as the Court sees fit, including without limitation, the validity, priority or quantum of such Intercompany Claims.

59. THIS COURT ORDERS that each Intercompany Claim identified in the Monitor's Intercompany Claims Report shall be deemed to have been properly submitted through a Proof of Claim in respect of such Intercompany Claim by the Intercompany Claimant as if such Claim was a Pre-Filing Claim or Restructuring Period Claim, as applicable, in accordance with the requirements of this Order.

CLAIMS OFFICER

60. THIS COURT ORDERS that the Hon. ●, and such other Persons as may be appointed by the Court from time to time on application of the Monitor, in consultation with the Sears Canada Entities, be and are hereby appointed as Claims Officers for the Claims Process. The Monitor, in consultation with the Sears Canada Entities, is hereby permitted to seek the Court's referral of a disputed Construction Claim to a Construction Lien Master, who shall be appointed as a Claims Officer hereunder, in accordance with applicable Provincial Lien Legislation.

61. THIS COURT ORDERS that a Claims Officer shall determine the validity and amount of disputed Claims in accordance with this Order and to the extent necessary may determine whether any Claim or part thereof constitutes an Excluded Claim and shall provide written reasons. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced. A Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before a Claims Officer shall be paid.

62. THIS COURT ORDERS that the Monitor, the General Creditor Claimant, the Sears Canada Entities and the applicable Directors and Officers in respect of any D&O Claim may, within ten (10) days of such party receiving notice of a Claims Officer's determination of the value of a General Creditor Claimant's Claim, appeal such determination or any other matter determined

by the Claims Officer in accordance with paragraph 61 or otherwise to the Court by filing a notice of appeal, and the appeal shall be initially returnable for scheduling purposes within ten (10) days of filing such notice of appeal.

63. THIS COURT ORDERS that the Monitor, any Construction Claimant, including a Construction Sub-Contractor, the Sears Canada Entities and the applicable Directors and Officers in respect of any D&O Claim relating to a Construction Claim may, within ten (10) days of such party receiving notice of a Claims Officer's determination of the value of a Construction Contractor's Construction Claim, appeal such determination or any other matter determined by the Claims Officer in accordance with paragraph 61 or otherwise to the Court by filing a notice of appeal, and the appeal shall be initially returnable for scheduling purposes within ten (10) days of filing such notice of appeal.

64. THIS COURT ORDERS that, if no party appeals the determination of value of a Claim by a Claims Officer in accordance with the requirements set out in paragraphs 62 and 63 above, the decision of the Claims Officer in determining the value of the Claim shall be final and binding upon the Sears Canada Entities, the Monitor, the applicable Directors and Officers in respect of a D&O Claim and the Claimant, and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

65. THIS COURT ORDERS that the provisions of paragraphs 60 to 64 herein shall not apply to Intercompany Claims.

NOTICE OF TRANSFEREES

66. THIS COURT ORDERS that, from the date of this Order until seven (7) days prior to the date fixed by the Court for any distribution in the CCAA Proceedings or any other proceeding, including a bankruptcy, leave is hereby granted to permit a Claimant to provide to the Monitor

notice of assignment or transfer of a Claim to any third party, and that no assignment or transfer of a partial Claim shall be permitted.

67. THIS COURT ORDERS that, subject to the terms of any subsequent Order of this Court, if, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Sears Canada Entities shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Monitor in writing and thereafter such transferee or assignee shall, for the purposes hereof, constitute the "Claimant" in respect of the whole of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to receipt and acknowledgement by the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which the Sears Canada Entities and/or the applicable Directors and Officers may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claim assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to the Sears Canada Entities or the applicable Directors and Officers.

SERVICE AND NOTICE

68. THIS COURT ORDERS that the Monitor may, unless otherwise specified by this Order, serve and deliver or cause to be served and delivered the Construction Claims Package, the Employee Letter, the Other Employee Letter and the General Creditor Claims Package, and any letters, notices or other documents, to the appropriate Claimants, Employees, Pensioners, unions,

or other interested Persons by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Sears Canada Entities or, where applicable, as set out in such Claimant's Proof of Claim or D&O Proof of Claim.

69. THIS COURT ORDERS that Pension Representative Counsel may, unless otherwise specified by this Order, serve and deliver or cause to be served and delivered the Pensioner Letter, and any letters, notices or other documents, to the Pensioners by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Sears Canada Entities.

70. THIS COURT ORDERS that such service and delivery of any documents in connection with this Claims Process shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing to an address within Ontario, the fifth Business Day after mailing to an address within Canada (other than within Ontario), and the tenth Business Day after mailing to an address internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

71. THIS COURT ORDERS that any notice or communication required to be provided or delivered by a Claimant to the Monitor under this Order shall, unless otherwise specified in this Order, be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email addressed to:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Sears Canada Claims Process
Email: searscanada@fticonsulting.com
Fax: 416-649-8101

Subject to paragraphs 37, 43 and 55(a) hereto, any such notice or communication delivered by a Claimant shall be deemed received upon actual receipt by the Monitor thereof during normal business hours on a Business Day, or if delivered outside of normal business hours, the next Business Day.

72. THIS COURT ORDERS that if, during any period during which notices or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Order.

MISCELLANEOUS

73. THIS COURT ORDERS that the Sears Canada Entities, the Monitor, Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator and the Superintendent may from time to time apply to this Court to extend the time for any action which the Sears Canada Entities, the Monitor, Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator or the Superintendent is required to take if reasonably required to carry out its duties and obligations pursuant to this Order and for advice and directions

concerning the discharge of its powers and duties under this Order or the interpretation or application of this Order.

74. THIS COURT ORDERS that nothing in this Order shall prejudice the rights and remedies of any Directors or Officers or other Persons under the Directors' Priority Charge, the Directors' Subordinated Charge or any applicable insurance policy or prevent or bar any Person from seeking recourse against or payment from the Sears Canada Entities' insurance or any Director's or Officer's liability insurance policy or policies that exist to protect or indemnify the Directors or Officers or other Persons, whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Director or Officer or any Sears Canada Entity; provided, however, that nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such Claim available to the insurer pursuant to the provisions of any insurance policy or at law; and further provided that any Claim or portion thereof for which the Person receives payment directly from, or confirmation that he or she is covered by, the Sears Canada Entities' insurance or any Director's or Officer's liability insurance or other liability insurance policy or policies that exist to protect or indemnify the Directors or Officers or other Persons shall not be recoverable as against a Sears Canada Entity or Director or Officer as applicable.

75. THIS COURT ORDERS that this Order shall have full force and effect in all provinces and territories in Canada.

76. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Sears Canada Entities, the Monitor and their

respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Sears Canada Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Sears Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE A
NOTICE TO CREDITORS AND OTHERS OF FILING OF CLAIMS AGAINST THE
SEARS CANADA ENTITIES AND/OR THEIR DIRECTORS AND OFFICERS

RE: NOTICE OF CLAIMS PROCESS AND CLAIMS BAR DATE IN COMPANIES' CREDITORS ARRANGEMENT ACT PROCEEDINGS OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., 4201731 CANADA INC., 168886 CANADA INC., 3339611 CANADA INC. and SEARSCONNECT (COLLECTIVELY, THE "SEARS CANADA ENTITIES")

PLEASE TAKE NOTICE that on **[December 8]**, 2017, the Ontario Superior Court of Justice (Commercial List) issued an order (the "**Claims Procedure Order**") in the *Companies' Creditors Arrangement Act* proceedings of the Sears Canada Entities, commencing a claims procedure (the "**Claims Process**") for the purpose of identifying and determining all Claims 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 Claims Procedure Order. Please review the Claims Process Order for the complete definitions of "**Claim**", "**Pre-Filing Claim**", "**Restructuring Period Claim**", "**Post-Filing Claim**", "**Construction Claim**" and "**D&O Claim**" to which the Claims Process applies.

The Claims Procedure Order requires that all Persons who assert or wish to assert a Claim against the Sears Canada Entities, whether unliquidated, contingent or otherwise, and all Persons who assert a Claim against Directors or Officers of the Sears Canada Entities, **MUST** file a Proof of Claim or D&O Proof of Claim, as applicable, with FTI Consulting Canada Inc. in its capacity as Monitor of the Sears Canada Entities (the "**Monitor**") on or before 5:00 p.m. (Toronto time) on March 2, 2018 (or in the case of a Restructuring Period Claim, on or before the applicable Restructuring Period Claims Bar Date, and in the case of a Post-Filing Claim, on or before April 2, 2018).

Certain Claimants are exempted from the requirement to file a Proof of Claim or D&O Proof of Claim, as applicable, at this time including: (a) current or former employees of the Sears Canada Entities, whose Claims (of any type) are to be addressed in a future claims process being developed by the Sears Canada Entities and the Monitor, working in conjunction with Employee Representative Counsel, Pension Representative Counsel, the Pension Administrator and the Superintendent; (b) holders of Construction Claims, as Construction Contractors (as defined in the Claims Procedure Order) will be contacted by the Monitor in respect of such Construction Claims; and (c) holders of any customer warranty provided by a Sears Canada Entity for any Claim in respect of such warranty.

Please also take notice that effective as of January 21, 2018, Sears Loyalty Points and gift cards will no longer be honoured by the Sears Canada Entities.

The General Creditor Claims Bar Date is 5:00 p.m. (Toronto time) on March 2, 2018. Proofs of Claim in respect of Pre-Filing 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

in respect of the Pre-Filing Period (*i.e.*, Claims arising prior to June 22, 2017), must be completed and filed with the Monitor on or before the General Creditor Claims Bar Date.

The General Creditor Restructuring Period Claims Bar Date is 5:00 pm (Toronto time) on the date that is the later of (i) 45 days after the date on which the Monitor sends a General Creditor Claims Package with respect to a Restructuring Period Claim and (ii) the General Creditor Claims Bar Date. Proofs of Claim and D&O Proofs of Claim in respect of Restructuring Period Claims must be completed and filed with the Monitor on or before the General Creditor Restructuring Period Claims Bar Date.

The General Creditor Post-Filing Claims Bar Date is 5:00 p.m. (Toronto time) on April 2, 2018. Proofs of Claim in respect of Post-Filing Claims (*i.e.*, claims for non-payment of goods or services supplied to a Sears Canada Entity on or after June 22, 2017) must be completed and filed with the Monitor on or before the General Creditor Post-Filing Claims Bar Date.

Only Proofs of Claim and D&O Proofs of Claim actually received by the Monitor on or before 5:00 p.m. (Toronto time) on March 2, 2018 (or in the case of: (i) a Restructuring Period Claim, on or before the Restructuring Period Claims Bar Date, and (ii) in the case of a Post-Filing Claim, on or before the General Creditor Post-Filing Claims Bar Date) will be considered filed on time.

FAILURE TO FILE A PROOF OF CLAIM OR D&O PROOF OF CLAIM SO IT IS RECEIVED BY THE APPLICABLE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING BARRED AND EXTINGUISHED FOREVER.

[Pursuant to the Claims Procedure Order, General Creditor Claims Packages, including the form of Proof of Claim and D&O Proof of Claim, will be sent by the Monitor to all known General Creditor Claimants with potential Claims above \$1,000.][This text to be deleted from all forms of Notice included in a General Creditor Claims Package] A copy of the Claims Procedure Order, the General Creditor Claims Package (including copies of the Proof of Claim and D&O Proof of Claim forms), and other public information concerning these CCAA Proceedings may also be found at the Monitor's website at cfcanada.fticonsulting.com/searscanada.

Claimants can also, and are in fact strongly encouraged to, submit their Proofs of Claim or D&O Proofs of Claim, as applicable, at this website.

Claimants requiring further information or claim documentation, or who wish to submit a Proof of Claim or D&O Proof of Claim 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 104
 Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Tel.: 416-649-8113
Toll Free: 1-855-649-8113
Fax No.: 416-649-8101
Email: searscanada@fticonsulting.com

DATED this _____ day of December, 2017.

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

SCHEDULE B
CLAIMANT'S GUIDE TO COMPLETING THE PROOF OF CLAIM FORM FOR
CLAIMS AGAINST THE SEARS CANADA ENTITIES¹

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 cfcanada.fticonsulting.com/searscanada 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 Claims Procedure Order made on **[December 8]**, 2017 (the "**Claims Procedure Order**"), the terms of the Claims Procedure Order will govern. Unless otherwise defined, all capitalized terms used herein have the meanings given to them in the Claims Procedure Order.

A copy of the Claims Procedure Order and additional copies of the Proof of Claim form may be found at the Monitor's website. Claimants can, and are in fact strongly encouraged to, submit their Proof of Claim at the Monitor's website at cfcanada.fticonsulting.com/searscanada.

Note further that certain Claimants are exempted from the requirement to file a Proof of Claim or D&O Proof of Claim, as applicable, at this time including:

- (a) current or former employees of the Sears Canada Entities, whose Claims (of any type) are to be addressed in a future claims process being developed by the Sears Canada Entities and the Monitor, working in conjunction with Employee Representative Counsel, Pension Representative Counsel, the Pension Administrator and the Superintendent;
- (b) holders of Construction Claims, as Construction Contractors (as defined in the Claims Procedure Order) will be contacted by the Monitor in respect of such Construction Claims; and
- (c) holders of any customer warranty provided by a Sears Canada Entity, as the Sears Canada Entities will be deemed to have already filed Proofs of Claim on behalf of each warranty holder for the purposes of this Claims Process.

SECTION 1 – DEBTOR(S)

- 2 The full name of each Sears Canada Entity against which the Claim is asserted must be listed (see footnote 1 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.

¹ The "**Sears Canada Entities**" are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

SECTION 2(a) – CLAIMANT

- 1 A separate Proof of Claim must be filed by each legal entity or person asserting a Claim against the Sears Canada Entities, or any of them.
- 2 The Claimant shall include any and all Claims it asserts against the Sears Canada Entities, or any of them, 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

- 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 a *Pre-Filing* Claim within the meaning of the Claims Procedure Order, then indicate the amount that each appropriate Sears Canada Entity was and still 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.
- 2 If the Claim is a *Restructuring Period* Claim within the meaning of the Claims Procedure Order, then indicate the Claim amount that each appropriate Sears Canada Entity was and still is indebted to the Claimant in the space reserved for Restructuring Period Claims in the “Amount of Claim” column (which is below the space reserved for Pre-Filing Claims).

For reference, a “**Restructuring Period Claim**” means any right or claim of any Person against any of the Sears Canada Entities, including in connection with any indebtedness,

liability, or obligation of any kind whatsoever of any such Sears Canada Entity to such Person arising on or after June 22, 2017, including without limitation rights or claims with respect to the restructuring, disclaimer, resiliation, termination or breach by such Sears Canada Entity on or after June 22, 2017 of any contract, lease or other agreement whether written or oral, but excluding any Post-Filing Claims.

- 3 If the Claim is a *Post-Filing Claim* within the meaning of the Claims Procedure Order, then indicate the Claim amount that each appropriate Sears Canada Entity was and still is indebted to the Claimant in the space reserved for Post-Filing Claims in the "Amount of Claim" column (which is below the space reserved for Restructuring Period Claims).

For reference "**Post-Filing Claim**" means any right or claim of any Person against any of the Sears Canada Entities in connection with any non-payment by any such Sears Canada Entity to such Person for goods or services supplied to such Sears Canada Entity on or after June 22, 2017.

- 4 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 If necessary, currency will be converted in accordance with the Claims Procedure Order.

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 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 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

- 1 If your Claim is a Pre-Filing Claim within the meaning of the Claims Procedure Order, the Proof of Claim MUST be returned to and received by the Monitor on or before 5:00 p.m. (Toronto time) on March 2, 2018 (the “General Creditor Claims Bar Date”).
- 2 If your Claim is a Restructuring Period Claim within the meaning of the Claims Procedure Order (and see item 2 of Section 3 above for an excerpt of the relevant definition), the Proof of Claim MUST be returned to and received by the Monitor by 5:00 p.m. (Toronto time) on the date (the “General Creditor Restructuring Period Claims Bar Date”) that is the later of (i) the date that is 45 days after the date on which the Monitor sends a General Creditor Claims Package with respect to a Restructuring Period Claim and (ii) the General Creditor Claims Bar Date.
- 3 If your Claim is a Post-Filing Claim within the meaning of the Claims Procedure Order (and see item 3 of Section 3 above for an excerpt of the relevant definition), the Proof of Claim MUST be returned to and received by the Monitor on or before 5:00 p.m. (Toronto time) on April 2, 2018 (the “General Creditor Post-Filing Claims Bar Date”).
- 4 Claimants are strongly encouraged to complete and submit their Proof of Claim on the Monitor’s online claims submission portal which can be found at cfcanda.fticonsulting.com/searscanada. If not submitted at the online portal, 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 104
Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Fax No.: 416-649-8101

Email: searscanada@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 General Creditor Claims Bar Date, the General Creditor Restructuring Period Claims Bar Date, or the General Creditor Post-Filing Claims Bar Date, as applicable, 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.

**SCHEDULE C
PROOF OF CLAIM FORM
FOR CLAIMS AGAINST THE SEARS CANADA ENTITIES¹**

Note: Claimants are strongly encouraged to complete and submit their Proof of Claim on the Monitor's online claims submission portal which can be found at cfcanada.fticonsulting.com/searscanada.

1 NAME OF SEARS CANADA ENTITY OR ENTITIES (THE "DEBTOR(S)") THE CLAIM IS BEING MADE AGAINST:

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):

¹ The "Sears Canada Entities" are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

(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:

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 was and still 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.

Currency:	Amount of Restructuring Period 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"/>	_____

Currency:	Amount of Post-Filing 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) Complete 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 DEADLINES

For Pre-Filing Claims, this Proof of Claim must be returned to and received by the Monitor by 5:00 p.m. (Toronto time) on March 2, 2018 (the “**General Creditor Claims Bar Date**”).

For Restructuring Period Claims, this Proof of Claim must be returned to and received by the Monitor by 5:00 p.m. (Toronto time) on the later of (i) the date that is 45 days after the date on which the Monitor sends a General Creditor Claims Package with respect to a Restructuring Period Claim and (ii) the General Creditor Claims Bar Date (the “**General Creditor Restructuring Period Claims Bar Date**”).

For Post-Filing Claims, this Proof of Claim must be returned to and received by the Monitor by 5:00 p.m. (Toronto time) on April 2, 2018 (the “**General Creditor Post-Filing Claims Bar Date**”).

In each case, 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 104
 Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Fax No.: 416-649-8101

Email: searscanada@fticonsulting.com

Alternatively, Claimants can, and in fact are strongly encouraged to, complete and submit their Proof of Claim on the Monitor’s online claims submission portal which can be found at cfcanada.fticonsulting.com/searscanada.

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 General Creditor Claims Bar Date, the General Creditor Restructuring Period Claims Bar Date or the General Creditor Post-Filing Claims Bar Date, as applicable, 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.

SCHEDULE D
CLAIMANT'S GUIDE TO COMPLETING THE D&O PROOF OF CLAIM FORM
FOR 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 cfcanada.fticonsulting.com/searscanada 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 Claims against the Sears Canada Entities", which is available on the Monitor's website at cfcanada.fticonsulting.com/searscanada.

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 Claims Procedure Order made on [December 8], 2017 (the "**Claims Procedure Order**"), the terms of the Claims Procedure Order will govern. Unless otherwise defined, all capitalized terms used herein have the meanings given to them in the Claims Procedure Order.

Additional copies of the D&O Proof of Claim form may be found at the Monitor's website. Claimants can, and are in fact strongly encouraged to, submit their D&O Proofs of Claim at the Monitor's website at cfcanada.fticonsulting.com/searscanada.

SECTION 1 – DEBTOR(S)

- 1 The full name of all the Directors and/or Officers (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 the Sears Canada Entities' Directors or Officers.
- 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.
- 3 The full legal name of the Claimant must be provided.

¹ The **Sears Canada Entities** are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

- 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) was/were and still 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
- 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) was/were and still 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.
- 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 If necessary, currency will be converted in accordance with the Claims Procedure Order.

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

SECTION 4 – DOCUMENTATION

- 1 Attach to the D&O Proof of Claim form all particulars of the Claim and 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 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 DEADLINES

- 1 All D&O Proofs of Claim in respect of D&O Claims arising prior to June 22, 2017 MUST be received by the Monitor on or before 5:00 p.m. (Toronto time) on March 2, 2018 (the "General Creditor Claims Bar Date").
- 2 All D&O Proofs of Claim in respect of D&O Claims arising on or after June 22, 2017 MUST be received by the Monitor by 5:00 p.m. (Toronto time) on the date (the "General Creditor Restructuring Period Claims Bar Date") that is the later of (i) the date that is 45 days after the date on which the Monitor sends a General Creditor Claims Package with respect to a Restructuring Period Claim and (ii) the General Creditor Claims Bar Date.
- 3 Claimants are strongly encouraged to complete and submit their D&O Proof of Claim on the Monitor's online claims submission portal which can be found at cfcanada.fticonsulting.com/searscanada. If not submitted at the online portal, 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 104
 Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process
Fax No.: 416-649-8101
Email: searscanada@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 General Creditor Claims Bar Date or the General Creditor Restructuring Period Claims Bar Date, as applicable, 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.

**SCHEDULE E
D&O PROOF OF CLAIM FORM
FOR CLAIMS AGAINST DIRECTORS 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 Claims against the Sears Canada Entities", which is available on the Monitor's website at cfcanada.fticonsulting.com/searscanada.

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

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):

¹ The **Sears Canada Entities** are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

(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 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) was/were and still 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)	Amount of D&O Claim in respect of the <u>Restructuring Period</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4 DOCUMENTATION

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

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) Complete documentation in support of this Claim is attached.

Signature: _____ Witness: _____
(signature)

Name: _____

Title: _____ (print)

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

6 FILING OF CLAIMS AND APPLICABLE DEADLINES

All D&O Proofs of Claim in respect of D&O Claims arising prior to June 22, 2017 MUST be received by the Monitor on or before 5:00 p.m. (Toronto time) on March 2, 2018 (the "General Creditor Claims Bar Date").

All D&O Proofs of Claim in respect of D&O Claims arising on or after June 22, 2017 MUST be returned to and received by the Monitor by 5:00 p.m. (Toronto time) on the later of (i) the date that is 45 days after the date on which the Monitor sends a General Creditor Claims Package with respect to a Restructuring Period Claim and (ii) the General Creditor Claims Bar Date (the "General Creditor Restructuring Period Claims Bar Date").

In each case, 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 104
Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Fax No.: 416-649-8101

Email: searscanada@fticonsulting.com

Alternatively, Claimants can, and in fact are strongly encouraged to, complete and submit their D&O Proof of Claim on the Monitor's online claims submission portal which can be found at cfcanada.fticonsulting.com/searscanada.

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 General Creditor Claims Bar Date or the General Creditor Restructuring Period Claims Bar Date, as applicable, 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.

SCHEDULE F
NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE REGARDING A CLAIM
AGAINST THE SEARS CANADA ENTITIES OR THEIR DIRECTOR OR OFFICERS¹

Capitalized terms used but not defined in this Notice of Dispute of Revision or Disallowance 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 [December 8], 2017 (the "Claims Procedure Order"). You can obtain a copy of the Claims Procedure Order on the Monitor's website at cfcanada.fticonsulting.com/searscanada.

1 PARTICULARS OF CLAIMANT

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

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):

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: _____

¹ The "Sears Canada Entities" are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

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 Revision or Disallowance dated _____, and asserts a Claim as follows:

Type of Claim	Amount allowed by Monitor as unsecured (Notice of Revision or Disallowance)	Amount allowed by Monitor as secured (Notice of Revision or Disallowance)	Amount claimed by Claimant as unsecured	Amount claimed by Claimant as secured
A. Pre-Filing Claim	\$	\$	\$	\$
B. Restructuring Period Claim	\$	\$	\$	\$
C. Post-Filing Claim	\$	\$	\$	\$
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 Revision or Disallowance, 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 Revision or Disallowance, 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.)

encouraged to, submit their Notices of Dispute of Revision or Disallowance online by such deadline at the Monitor's website at cfcanada.fticonsulting.com/searscanada.

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Fax No.: 416-649-8101

Email: searscanada@fticonsulting.com

In accordance with the Claims Procedure Order, except in the case of forms submitted at the Monitor's online claims portal which are deemed received at the time they are submitted, 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 OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, YOUR CLAIM AS SET OUT IN THE NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

**SCHEDULE G
NOTICE OF REVISION OR DISALLOWANCE**

**Regarding Claims against the Sears Canada Entities¹ or
D&O Claims against the Directors and/or Officers of the Sears Canada Entities**

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: _____

Capitalized terms used but not defined in this Notice of Revision or Disallowance 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 [December 8], 2017 (the "Claims Procedure Order"). You can obtain a copy of the Claims Procedure Order on the Monitor's website at cfcanada.fticonsulting.com/searscanada.

Pursuant to the 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 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		\$	\$	\$	\$
B. Restructuring Period Claim		\$	\$	\$	\$
C. Post-Filing Claim		\$	\$	\$	\$
D. D&O Claim in respect of Pre-Filing Period		\$	\$	\$	\$
E. D&O Claim in respect of Restructuring Period		\$	\$	\$	\$

¹ The "Sears Canada Entities" are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc. 3339611 Canada Inc. and SearsConnect.

F. Total Claim		\$	\$	\$	\$
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Reasons for Revision or Disallowance:

If you intend to dispute this Notice of Revision or Disallowance, you must, by no later than 5:00 p.m. (Toronto time) on the day that is **thirty (30) days after this Notice of Revision or Disallowance is deemed to have been received by you** (in accordance with paragraph [70] of the Claims Procedure Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor (by ordinary prepaid mail, registered mail, courier, personal delivery, facsimile transmission or email) at the address listed below. Claimants can also, and are in fact strongly encouraged to, submit their Notices of Dispute of Revision or Disallowance forms online by such deadline at the Monitor's website at cfcanada.fticonsulting.com/searscanada.

If you do not dispute this Notice of Revision or Disallowance 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 Revision or Disallowance, 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 104
 Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Fax No.: 416-649-8101

Email: searscanada@fticonsulting.com

In accordance with the Claims Procedure Order, except in the case of forms submitted at the Monitor's online claims portal which are deemed received at the time they are submitted, 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 of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at cfcanada.fticonsulting.com/searscanada.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this _____ day of _____, 20__.

FTI Consulting Canada Inc.

**SCHEDULE H
OTHER EMPLOYEE LETTER**

(LETTERHEAD OF THE MONITOR)

●, 2017

TO: All active and former employees of the Sears Canada Entities represented by International Brotherhood of Electrical Workers, Local 213
c/o McMahon, Morrison, Watts
Box 314, 4346 Colonel Talbot Road
London, Ontario N6P 1P9

Attention: J. Craig Morrison

AND TO: All active and former employees of the Sears Canada Entities represented by UNIFOR
c/o UNIFOR
Unifor Legal Department
2015 Placer Court
Toronto Ontario M2H 3H9

Attention: Anthony Dale

AND TO: All active and former employees of the Sears Canada Entities represented by Le Syndicat des Métallos
c/o Le Syndicat des Métallos
565, boulevard Crémazie Est, Bureau 5100
Montréal, Québec H2M 2V8

Attention: ●

AND TO: All members of senior management of the Sears Canada Entities

AND TO: All employees who have opted out of representation by Ursel Phillips Fellows Hopkinson LLP ("Employee Representative Counsel")

AND TO: Former employees who were terminated for cause and who may wish to assert a Claim against any of the Sears Canada Entities or their respective Directors or Officers

To whom it may concern:

Re: Current Claims Process in the CCAA Proceedings of the Sears Canada Entities (Court File No. CV-17-11846-00CL)

Recently, on **[December 8]**, 2017, the Ontario Superior Court of Justice (Commercial List) issued an order (the "**Claims Procedure Order**") in the *Companies' Creditors Arrangement Act* proceedings of Sears Canada Inc. and certain of its subsidiaries and affiliates¹ (collectively, the

¹ The "**Sears Canada Entities**" are Sears Canada Inc., Corbeil Électrique Inc., 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

“**Sears Canada Entities**”), commencing a claims procedure (the “**Claims Process**”) for the purpose of identifying and determining all Claims against the Sears Canada Entities and their respective current and former directors and officers.

Notwithstanding the commencement of the Claims Process, certain classes of persons are currently exempted from the requirement to file any proofs of claim. You are receiving this letter because you fall into one of the categories of such exempted persons, which includes any:

- (i) active or inactive union or non-union employee of any one of the Sears Canada Entities on or after June 22, 2017, including an employee of any one of the Sears Canada Entities who received notice of termination of employment dated on or after June 22, 2017; and
- (ii) former employee of any one of the Sears Canada Entities who was terminated for cause at any time or who received notice of cessation of severance payments dated on or after June 22, 2017.

(collectively, the “**Employee Claimants**”).

Please be advised that the current Claims Process does not include claims of Employee Claimants. Employee claims will be dealt with through a separate Employee Claims Process. That includes any claims you may have against the directors and officers and any claims not related to your compensation.

To be clear, there is NO need at this time for you to take action in connection with this Claims Process, or file any proof of claim in respect of any claim you may have against any of the Sears Canada Entities or their respective current and former directors and officers.

FTI Consulting Canada Inc., as Court-appointed Monitor (the “**Monitor**”) and the Sears Canada Entities are at present working to develop a future claims process (the “**Employee Claims Process**”) to address all claims (of any type) of Employee Claimants. A similar process is also being developed in respect of claims relating to pension entitlements and other post-employment benefits.

In developing this separate Employee Claims Process, the Monitor and the Sears Canada Entities are working with various stakeholders, including: (a) Employee Representative Counsel; (b) Koskie Minsky LLP, who serve as representative counsel to, among others, non-unionized retirees and active and former employees of the Sears Canada Entities with respect to pension entitlements and other post-employment benefits matters; (c) the Ontario Superintendent of Financial Services as administrator of the Pension Benefits Guarantee Fund; and (d) Morneau Shepell Inc., as administrator of the Sears Canada Inc. Registered Retirement Plan.

Additional information will be made available to you as this process continues. For now, the only action you may need to take is to advise the Monitor of a change of address.

Once the Employee Claims Process has been established, the Monitor will provide information regarding the process and any claims forms to be filed thereunder to you. This information will

also be available on the Monitor's website at cfcanada.fticonsulting.com/searscanada/. We would recommend checking the Monitor's website periodically/monthly.

If you have questions with respect to the foregoing, you may contact the Monitor at:

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Tel.: 416-649-8113
Toll Free: 1-855-649-8113
Fax No.: 416-649-8101
Email: searscanada@fticonsulting.com

Yours truly,

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

**SCHEDULE I
EMPLOYEE LETTER**

(LETTERHEAD OF EMPLOYEE REPRESENTATIVE COUNSEL)

December ●, 2017

To the Non-Unionized Active and Former Employees of Sears Canada Entities:

**Re: Current Claims Process in the CCAA proceedings of the Sears Canada Entities
(Court File No. CV-17-11846-00CL)**

As you know, Sears Canada Inc. and certain of its subsidiaries and affiliates (collectively, the "**Sears Canada Entities**") filed for and were granted creditor protection under the *Companies' Creditors Arrangement Act* ("**CCAA**"), pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**").

In connection with the Sears Canada Entities' CCAA proceedings, Ursel Phillips Fellows Hopkinson LLP ("**Employee Representative Counsel**") was appointed to represent the interests of the non-unionized Active Employees and Former Employees of the Sears Canada Entities, other than with respect to the Sears Canada Entities' pension plans and other post-employment benefit entitlements. Information about the proceedings and matters of specific interest to employees may be found at Employee Representative Counsel's website at <http://www.upfhlaw.ca/areas-of-practice/sears-canada-employees-and-former-employees>.

The purpose of this letter is to inform you that on [**December 8**], 2017, the Court issued an order (the "**Claims Procedure Order**") commencing a claims procedure (the "**Claims Process**") for the purpose of identifying and determining claims against the Sears Canada Entities and their respective current and former directors and officers.

Notwithstanding the commencement of the Claims Process, certain classes of persons are currently **exempted** from the requirement to file any proofs of claim. As a non-unionized Active Employee or Former Employee of one of the Sears Canada Entities (an "**Employee**"), you fall into one of the categories of such exempted persons.

Please be advised that the current Claims Process **does not include** claims of Employees. Employee claims will be dealt with through a **separate Employee Claims Process** (as described below). That includes any claims you may have against the directors and officers and claims not related to your compensation.

To be clear, there is NO need at this time for you to take action in connection with this Claims Process or file any proof of claim in respect of any claim you may have against the Sears Canada Entities or their respective current and former directors and officers.

Employee Claims Process

Employee Representative Counsel is currently working with the Sears Canada Entities and the Monitor, among others, to develop a separate claims process (the “**Employee Claims Process**”), to address all claims (of any type) of current or former employees of the Sears Canada Entities. A similar process is also being developed in respect of claims relating to pension entitlements and other post-employment benefits. Any claims against the directors and/or officers of the Sears Canada Entities that you may have as an Employee will also be part of the Employee Claims Process. In addition, if you have a claim against the Sears Canada Entities for a matter not related to your compensation, that claim will also be dealt with through the Employee Claims Process.

Additional information will be made available to you as this process continues. For now, the only action you may need to take is to advise the Monitor and/or Employee Representative Counsel of a change of address.

Once the Employee Claims Process has been established, the Monitor will provide information regarding the process and any claims forms to be filed thereunder to you. This information will also be available on the Monitor’s website at cfcanada.fticonsulting.com/searscanada/. At present, it is difficult to estimate when the Employee Claims Process will be established but it should be over the course of the next two to three months. We would also recommend checking the Monitor’s website (cfcanada.fticonsulting.com/searscanada/) periodically/monthly.

If you have any questions with respect to any of the above information, please contact us at our toll-free number at 1-844-855-8352 or our email at SearsCanadaEmployees@upflaw.ca.

Yours truly,

Ursel Phillips Fellows Hopkinson LLP

Susan Ursel

**SCHEDULE J
PENSIONER LETTER**

(Schedule to be provided)

**SCHEDULE K
NOTICE OF CONSTRUCTION CLAIM
FOR CLAIMS AGAINST THE SEARS CANADA ENTITIES AND/OR THEIR
DIRECTORS AND OFFICERS**

TO: [INSERT NAME AND ADDRESS OF CONSTRUCTION CONTRACTOR AND/OR ITS COUNSEL]

RE:

Claim Reference Number:	
General Description of improvement including Project / Store Location:	
If applicable, Preservation and Perfection Dates (with registration nos.):	
If applicable, Amount of Lien(s) registered on title:	

This notice is issued pursuant to the Claims Process for, among other things, identifying and determining all Construction Claims against the Sears Canada Entities¹ and/or their respective Directors and Officers, which was approved by the Order of the Ontario Superior Court of Justice (Commercial List) in the *Companies' Creditors Arrangement Act* proceedings of the Sears Canada Entities on **[December 8]**, 2017 (the "**Claims Procedure Order**"). Capitalized terms not defined herein have the meanings ascribed to them in the Claims Procedure Order. A copy of the Claims Procedure Order can be obtained from the website of FTI Consulting Canada Inc., the Court-appointed Monitor of the Sears Canada Entities (the "**Monitor**"), at cfcanada.fticonsulting.com/searscanada/.

According to the books, records and other relevant information in the possession of the Sears Canada Entities, the Construction Claim of the Construction Contractor, inclusive of Construction Claims of any and all other Construction Claimants at any level in connection with the relevant improvement, is set out in the table below. Note that the term "Construction Claim" also includes any D&O Claim(s) relating thereto.

¹ The "Sears Canada Entities" are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

Specific Debtor	Amount	Type of Construction Claim			
		Against a Canada Entity under provisions applicable Provincial Legislation	Sears Trust of Lien	Against a Director or Officer under trust provisions of applicable Provincial Legislation	Secured by registration of a builders' or construction lien, or by any security held in connection with a Vacated or Discharged Lien
	\$				
	\$				
	\$				
Total:	\$				

* Amount is in Canadian Dollars. All Construction Claims in an original currency other than Canadian Dollars are converted to Canadian Dollars using the Bank of Canada exchange rate on June 22, 2017.

If you, as the Construction Contractor on behalf of yourself and all Connected Sub-Contractors, agree that the foregoing determination accurately reflects the Construction Claim (including any D&O Claim(s) relating thereto), you are not required to respond to this Notice of Construction Claim. If there is *disagreement* with the determination of the Construction Claim as set out herein, **you must complete the enclosed Notice of Dispute of Construction Claim and deliver such executed Notice of Dispute of Construction Claim to the Monitor such that it is received by the Monitor by 5:00 p.m. (Toronto time) on February 15, 2018 (the "Construction Claims Bar Date")**.

Please note that the Construction Claim as set out herein is deemed to include the Construction Claims of you as the Construction Contractor and the Construction Claims of any and all Construction Sub-Contractors under an agreement (written or oral) or otherwise engaged by you as the Construction Contractor or any other Construction Sub-Contractor at any level, in each case in connection with the relevant improvement (each, a "**Connected Sub-Contractor**" and together the "**Connected Sub-Contractors**").

However, only you, as the Construction Contractor (and not any Connected Sub-Contractor), are able to dispute the above Construction Claim by submitting a Notice of Dispute of Construction Claim. For greater certainty, no Connected Sub-Contractor has any right to submit a Notice of Dispute of Construction Claim – rather, any such disagreement by a Connected Sub-Contractor must be included in the Notice of Dispute of Construction Claim submitted by the Construction Contractor.

As a result of the co-ordination that will be required between the Construction Contractor and the Connected Sub-Contractors, the Claims Procedure Order **requires you, as the Construction Contractor,** to send as soon as possible a copy of both your Notice of Construction Claim and the enclosed Construction Sub-Contractor Instruction Letter to all Construction Sub-Contractors in a direct contractual agreement or engagement with you in connection with the relevant improvement and ensure that **every Construction Sub-Contractor** sends as soon as possible a copy of both your Notice of Construction Claim and a Construction Sub-Contractor Instruction Letter to all Construction Sub-Contractors with whom they are in a direct contractual agreement or engagement in connection with the relevant improvement.

If you, as the Construction Contractor, do not deliver to the Monitor by the Construction Claims Bar Date a completed Notice of Dispute of Construction Claim in respect of the Construction Claim set out in the Notice of Construction Claim, then both you and all Connected Sub-Contractors in connection with the relevant improvement shall be deemed to have accepted the Construction Claim set out therein, and no such Construction Claimant shall have any further right to dispute the same as against the Sears Canada Entities and/or their Directors and Officers.

Since only you, as the Construction Contractor, have the ability to file a Notice of Dispute of Construction Claim on behalf of yourself and all Connected Sub-Contractors, **it is your responsibility**, as the Construction Contractor, to give each Connected Sub-Contractor the opportunity to determine and negotiate with you, any rights they may have with respect to the Construction Claim and incorporate it into the Notice of Dispute of Construction Claim.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF CONSTRUCTION CLAIM WITHIN THE PRESCRIBED TIME PERIOD, THE CONSTRUCTION CLAIM AS SET OUT IN THE NOTICE OF CONSTRUCTION CLAIM WILL BE BINDING ON YOU AND ALL CONNECTED SUB-CONTRACTORS.

This Notice of Construction Claim does not affect any Claim other than the Construction Claim referred to herein. If you (or any other Person, including any Connected Sub-Constructor) have any Claim other than in relation to this Construction Claim, then you (or such other Person) must file that Claim separately in accordance with the Claims Procedure Order.

Construction Contractors requiring further information or claim documentation, or who wish to submit a Notice of Dispute of Construction Claim 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 104
 Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Tel.: 416-649-8113
 Toll Free: 1-855-649-8113
 Fax No.: 416-649-8101
 Email: searscanada@fticonsulting.com

DATED at Toronto, this ____ day of December, 2017.

**SCHEDULE L
NOTICE OF DISPUTE OF CONSTRUCTION CLAIM
FOR CONSTRUCTION CLAIMS AGAINST THE SEARS CANADA ENTITIES¹
AND/OR THEIR DIRECTORS AND OFFICERS**

Capitalized terms not defined herein 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 on **[December 8]**, 2017 (the "**Claims Procedure Order**") or the Notice of Construction Claim. A copy of the Claims Procedure Order can be found on the Monitor's website at cfcanada.fticonsulting.com/searscanada/.

1 (A) PARTICULARS OF CONSTRUCTION CONTRACTOR

Full Legal Name of Construction
Contractor:

Full Mailing Address of Construction
Contractor:

Telephone Number of Construction
Contractor:

Facsimile Number of Construction
Contractor:

E-mail Address of Construction
Contractor:

Attention (Contact Person):

(B) PARTICULARS OF CONSTRUCTION SUB-CONTRACTOR, IF APPLICABLE

- (i) Does a Construction Sub-Contractor at any level in connection with the relevant improvement dispute the Construction Claim as set out in the Notice of Construction Claim? Yes No
- (ii) If yes, attach documents evidencing (a) such Construction Sub-Contractor's relationship to the Construction Contractor and/or Construction Sub-Contractor who agreed with or engaged them to provide goods/services/work in

¹ The "Sears Canada Entities" are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

connection with the relevant improvement; and (b) provide full contact particulars in the table below of such Construction Sub-Contractor and each *other* Construction Sub-Contractor in the contractual "chain" between such Construction Sub-Contractor and the Construction Contractor. If there is insufficient space below for such particulars, include them in a separate attached schedule.

Full Legal Name of Construction Sub-Contractor:

Full Mailing Address of Construction Sub-Contractor:

Telephone Number of Construction Sub-Contractor:

Facsimile Number of Construction Sub-Contractor:

E-mail Address of Construction Sub-Contractor:

Attention (Contact Person):

2 DISPUTE OF CLAIM AS SET OUT IN NOTICE OF CONSTRUCTION CLAIM

The Construction Contractor on behalf of itself and all Connected Sub-Contractors hereby disagrees with the value of the Construction Claim as set out in the Notice of Construction Claim dated _____ and asserts the following Construction Claim as set out in the following table:

(Insert particulars of your Claim as per the Notice of Construction Claim, and the value of your Construction Claim(s) as asserted by you)

Type of Construction Claim	Name of Specific Debtor Claimed Against	Amount set out in Notice of Construction Claim	Amount claimed by Construction Contractor on behalf of itself and all Connected Sub-Contractors
A. Against a Sears Canada Entity under trust provisions of applicable Provincial Lien Legislation		\$	\$
B. Against a Director or Officer under trust provisions of applicable Provincial Lien Legislation		\$	\$

DATED this _____ day of _____, 20__

(Print name of Construction Contractor, or, if the Construction Contractor is a corporation, the name of the Construction Contractor and the name of the authorized signing officer of the corporation that is executing this Notice of Dispute of Construction Claim.)

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

This Notice of Dispute of Construction Claim MUST be submitted to the Monitor at the below address by **no later than 5:00 p.m. (Toronto time) on February 15, 2018**. 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 104
 Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Fax No.: 416-649-8101

Email: searscanada@fticonsulting.com

In accordance with the 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 OF CONSTRUCTION CLAIM WITHIN THE PRESCRIBED TIME PERIOD, THE CONSTRUCTION CLAIM AS SET OUT IN THE NOTICE OF CONSTRUCTION CLAIM WILL BE BINDING ON YOU AND ALL CONNECTED SUB-CONTRACTORS.

SCHEDULE M
INSTRUCTION LETTER FOR CONSTRUCTION CONTRACTORS
WITH CONSTRUCTION CLAIMS AGAINST THE SEARS CANADA ENTITIES¹
AND/OR THEIR DIRECTORS AND OFFICERS

CLAIMS PROCEDURE ORDER

On **[December 8]**, 2017, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an order (the "**Claims Procedure Order**") in the *Companies' Creditors Arrangement Act* proceedings of the Sears Canada Entities, commencing a claims procedure (the "**Claims Process**") for the purpose of identifying and determining, among other things, all Construction Claims against the Sears Canada Entities and/or their respective Directors and Officers. Reference should be made to the Claims Procedure Order for the complete definition of "**Construction Claim**", but in general it includes all:

- (a) Claims under the trust provisions of applicable provincial builders' lien or construction lien legislation and Claims asserted against the holdback under such legislation;
- (b) Claims secured in whole or in part by the registration of a builders' lien or construction lien under such legislation against any real property that has been or is owned or leased by any of the Sears Canada Entities; and
- (c) Claims secured by any security held in connection with a Vacated or Discharged Lien.

Capitalized terms not defined herein have the meanings ascribed to them in the Claims Procedure Order, a copy of which can be obtained from the website of FTI Consulting Canada Inc., the Court-appointed Monitor (the "**Monitor**") of the Sears Canada Entities, at cfcanada.fticonsulting.com/searscanada/.

You have received this letter because, as indicated by the enclosed Notice of Construction Claim, you have been identified as a Construction Contractor with a Construction Claim. This letter provides general information about the Claims Process as related to Construction Claims, the obligations of Construction Contractors thereunder, and instructions for completing a Notice of Dispute of Construction Claim form.

CLAIMS PROCESS, OBLIGATIONS, AND INSTRUCTIONS TO CONSTRUCTION CONTRACTORS

If you, as the Construction Contractor on behalf of yourself and all Connected Sub-Contractors, disagree with the assessment of the Construction Claim as stated in a Notice of Construction Claim, you must complete the Notice of Dispute of Construction Claim in accordance with the guidelines herein and deliver the executed Notice of Dispute of

¹ The "Sears Canada Entities" are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

Construction Claim to the Monitor such that it is received by no later than 5:00 p.m. (Toronto time) on February 15, 2018 (the "Construction Claims Bar Date").

Please note that a Construction Contractor's Construction Claim in relation to a given improvement is deemed to include the Construction Claims of the Construction Contractor and all Construction Claims of any and all Construction Sub-Contractors under an agreement (written or oral) or otherwise engaged by the Construction Contractor or any other Construction Sub-Contractor at any level in connection with the relevant improvement (each, a "**Connected Sub-Contractor**" and together the "**Connected Sub-Contractors**").

For greater certainty, no Connected Sub-Contractor has any right to submit a Notice of Dispute of Construction Claim – rather, any such disagreement by a Connected Sub-Contractor must be included in the Notice of Dispute of Construction Claim submitted by the Construction Contractor.

As a result of the co-ordination that will be required between the Construction Contractor and the Connected Sub-Contractors, the Claims Procedure Order **requires you, as the Construction Contractor,** to send as soon as possible a copy of both your Notice of Construction Claim and the enclosed Construction Sub-Contractor Instruction Letter to all Construction Sub-Contractors in a direct contractual agreement or engagement with you in connection with the relevant improvement and ensure that **every Construction Sub-Contractor** sends as soon as possible a copy of both your Notice of Construction Claim and a Construction Sub-Contractor Instruction Letter to all Construction Sub-Contractors with whom they are in a direct contractual agreement or engagement with in connection with the relevant improvement.

If you, as the Construction Contractor, do not deliver to the Monitor by the Construction Claims Bar Date a completed Notice of Dispute of Construction Claim in respect of the Construction Claim set out in the Notice of Construction Claim, then both you and all Connected Sub-Contractors in connection with the relevant improvement shall be deemed to have accepted the Construction Claim set out therein, and no such Construction Claimant shall have any further right to dispute the same as against the Sears Canada Entities and/or their Directors and Officers.

Since only you, as the Construction Contractor, have the ability to file a Notice of Dispute of Construction Claim on behalf of yourself and all Connected Sub-Contractors, **it is your responsibility,** as the Construction Contractor, to give each Connected Sub-Contractor the opportunity to determine and negotiate with you, any rights they may have with respect to the Construction Claim and incorporate it into the Notice of Dispute of Construction Claim.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF CONSTRUCTION CLAIM WITHIN THE PRESCRIBED TIME PERIOD, THE CONSTRUCTION CLAIM AS SET OUT IN THE NOTICE OF CONSTRUCTION CLAIM WILL BE BINDING ON YOU AND ALL CONNECTED SUB-CONTRACTORS.

Construction Claimants requiring further information or claim documentation 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 104
 Toronto, Ontario M5K 1G8

Attention: **Sears Canada Claims Process**

Tel.: 416-649-8113

Toll Free: 1-855-649-8113

Fax No.: 416-649-8101

Email: searscanada@fticonsulting.com

GUIDE TO COMPLETING THE NOTICE OF DISPUTE OF CONSTRUCTION CLAIM FORM

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 Claims Procedure Order made on **[December 8]**, 2017, the terms of the Claims Procedure Order will govern. The guide provides instructions by sections corresponding to the headings of the Notice of Dispute of Construction Claim.

SECTION 1(A) – PARTICULARS OF CONSTRUCTION CONTRACTOR

- 1 Enter the reference number of the Construction Claim as indicated at the top of the Notice of Construction Claim.
- 2 The full legal name of the Construction Contractor and its current particulars must be provided.
- 3 If the Construction Contractor operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.

SECTION 1(B) – PARTICULARS OF CONSTRUCTION SUB-CONTRACTOR, IF APPLICABLE

- 1 If a Construction Sub-Contractor at any level in connection with the relevant improvement disputes the Construction Claim as set out in the Notice of Construction Claim, attach documents evidencing (a) such Construction Sub-Contractor's relationship to the Construction Contractor and/or Construction Sub-Contractor who agreed with or engaged them to provide goods/services/work in connection with the relevant improvement; and (b) provide full contact particulars in the table below of such Construction Sub-Contractor and each *other* Construction Sub-Contractor in the contractual "chain" between such Construction Sub-Contractor and the Construction Contractor. If there is insufficient space on the form for such particulars, include them in a separate attached schedule.
- 2 The full legal name of each relevant Construction Sub-Contractor and its current particulars must be provided.
- 3 If any such Construction Sub-Contractor operates under a different name or names, please indicate this in a separate schedule to be prepared and attached by you.

SECTION 3 – DISPUTE OF CLAIM AS DETERMINED IN NOTICE OF CONSTRUCTION CLAIM

- 1 Indicate both the amount set out in the Notice of Construction Claim and the amount asserted by you, as the Construction Contractor, for each Construction Claim: (i) against a Sears Canada Entity under trust provisions of applicable Provincial Lien Legislation, (ii) against a Director or Officer under trust provisions of applicable Provincial Lien Legislation, (iii) secured by registration of a builders' lien or construction lien, or secured by any security held in connection with a Vacated or Discharged Lien, and (iv) to the extent applicable, any unsecured portion of such Construction Claim.
- 2 Each specific Sears Canada Entity, Director or Officer claimed against must be named in the appropriate column.

- 3 If the amount claimed is in a currency other than Canadian dollars, please indicate this in the table.
- 4 If necessary, currency will be converted in accordance with the Claims Procedure Order.

SECTION 4 – REASONS FOR DISPUTE

- 1 Provide full particulars of why the Construction Contractor on behalf of itself and all Connected Sub-Contractors disputes the determination of the Construction Claim as set out in the Notice of Construction Claim. If there is insufficient space on the form for such particulars, provide it on a separate schedule.
- 2 Attach all supporting documentation, including without limitation amount, description of transaction(s) or agreement(s) giving rise to the Construction Claim(s), name of any guarantor(s) which has guaranteed payment of the Construction Claim(s), and any amount allocated thereto, the date and number of all invoices and supporting documentation, particulars of all credits, discounts, etc. claimed, the full particulars of each person for whom the services or materials were provided to by a given Construction Claimant related to the Construction Claim, a brief description of the services or materials supplied by each Construction Claimant, each contract price or subcontract price, the date of each Construction Claimant's date of last supply, date of substantial performance if applicable, copies of each contract/subcontract at issue including any change orders, amendments, and purchase orders or other related documents.
- 3 The particulars provided must support the value of the Construction Claim as stated by you in Section 3 above.
- 4 The Notice of Dispute of Construction Claim must also be signed by the Construction Contractor. Please note that even though the Construction Sub-Contractor may be disputing the Construction Claim, the Notice of Dispute of Construction Claim is asserted by the Construction Contractor only and no signature of any such Construction Sub-Contractor is required.

FILING OF NOTICE OF DISPUTE OF CONSTRUCTION CLAIM

The Notice of Dispute of Construction Claim MUST be received by the Monitor on or before 5:00 p.m. (Toronto time) on the Construction Claims Bar Date of February 15, 2018 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 104
 Toronto, Ontario M5K 1G8

Attention: **Sears Canada Claims Process**

Fax No.: 416-649-8101
 Email: searscanada@fticonsulting.com

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF CONSTRUCTION CLAIM WITHIN THE PRESCRIBED TIME PERIOD, THE CONSTRUCTION CLAIM AS SET OUT IN THE NOTICE OF CONSTRUCTION CLAIM WILL BE BINDING ON YOU AND ALL CONNECTED SUB-CONTRACTORS.

SCHEDULE N

INSTRUCTION LETTER FOR CONSTRUCTION SUB-CONTRACTORS REGARDING CONSTRUCTION CLAIMS AGAINST THE SEARS CANADA ENTITIES AND/OR THEIR DIRECTORS AND OFFICERS¹

CLAIMS PROCEDURE ORDER

On **[December 8]**, 2017, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Claims Procedure Order**”) in the *Companies’ Creditors Arrangement Act* proceedings of the Sears Canada Entities, commencing a claims procedure (the “**Claims Process**”) for the purpose of identifying and determining, among other things, all Construction Claims against the Sears Canada Entities and their respective Directors and Officers. Reference should be made to the Claims Procedure Order for the complete definition of “Construction Claim”, but in general it includes all:

- (a) Claims under the trust provisions of applicable provincial builders’ lien or construction lien legislation and Claims asserted against the holdback under such legislation;
- (b) Claims secured in whole or in part by the registration of a builders’ lien or construction lien under such legislation against any real property that has been or is owned or leased by any of the Sears Canada Entities; and
- (c) Claims secured by any security held in connection with a Vacated or Discharged Lien.

Capitalized terms not defined herein have the meanings ascribed to them in the Claims Procedure Order, a copy of which can be obtained from the website of FTI Consulting Canada Inc., the Court-appointed Monitor (the “**Monitor**”) of the Sears Canada Entities, at cfcanada.fticonsulting.com/searscanada/.

You have received this letter because you have been identified as a Construction Sub-Contractor who has supplied services or materials or work to an improvement to real property that has been or is owned or leased by a Sears Canada Entity (the “**Improvement**”), AND have done so under an agreement or engagement with either the Construction Contractor (i.e., who has the direct contractual relationship with one of the Sears Canada Entities) OR under an agreement or engagement with another subcontractor of any level.

You therefore may have a Construction Claim against the Sears Canada Entities and/or their Directors and Officers, and this letter has been sent to you to provide general information about the Claims Process as it relates to Construction Claims, your obligations in the Claims Process as a Construction Sub-Contractor, and your responsibility to ensure that any Construction Claims you may have with respect to a given Improvement are accounted for in the

¹ The “Sears Canada Entities” are Sears Canada Inc., Corbeil Électrique Inc., 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., 4201731 Canada Inc., 168886 Canada Inc., 3339611 Canada Inc., and SearsConnect.

Construction Claim of the Construction Contractor (i.e., the party who has the direct contractual relationship with one of the Sears Canada Entities) in relation to that Improvement.

RESPONSIBILITIES OF CONSTRUCTION SUB-CONTRACTORS IN CLAIMS PROCESS

As a part of the Claims Process, the Construction Contractor relevant to the Improvement has received a Notice of Construction Claim indicating the Construction Claim (including any D&O Claim relating thereto) as valued by the Sears Canada Entities, in consultation with the Monitor.

Please note that, under the Claims Procedure Order, any Construction Claims you may have as a Construction Sub-Contractor as well as the Construction Claims of any other Construction Sub-Contractor at any level in relation to the Improvement (each, a “**Connected Sub-Contractor**”) are deemed to be included in that Construction Claim.

If you believe that the Construction Claim as set out in the Notice of Construction Claim that has been sent to the Construction Contractor is incorrect, then the Construction Contractor, on behalf of itself and all Connected Sub-Contractors, including you, is able to dispute such Construction Claim by completing and submitting a Notice of Dispute of Construction Claim to the Monitor such that it must be received by no later than 5:00 p.m. (Toronto time) on February 15, 2018 (the “**Construction Claims Bar Date**”). However, only the Construction Contractor (and not you or any other Connected Sub-Contractor) is able to submit a Notice of Dispute of Construction Claim to dispute the Construction Claim. For greater certainty, neither you nor any other Construction Sub-Contractor has any right to submit a separate Notice of Dispute of Construction Claim in respect of the Construction Claim.

If the Construction Contractor does not file a Notice of Dispute of Construction Claim by the Construction Claims Bar Date, then all Construction Claimants relevant to the Construction Claim (including you and all other Connected Sub-Contractors) shall be deemed to have accepted the Construction Claim set out in the Notice of Construction Claim, and no such Construction Claimant shall have any further right to dispute the same as against the Sears Canada Entities and/or their Directors and Officers.

It is your responsibility as a Construction Sub-Contractor to contact the Construction Contractor directly to:

- (a) **determine and negotiate** with the Construction Contractor any rights you, as the Construction Sub-Contractor, may have with regard to the Construction Contractor’s aggregate Construction Claim; and
- (b) **ensure that any Construction Claim you may have is accounted for** – either in the Construction Claim as assessed in the Notice of Construction Claim sent to the Construction Contractor, or in a Notice of Dispute of Construction Claim to be submitted by the Construction Contractor within the prescribed time period.

Note that the Claims Procedure Order **further requires you, as a Construction Sub-Contractor,** to send as soon as possible a copy of the Notice of Construction Claim and this Construction Sub-Contractor Instruction Letter to all Construction Sub-Contractors in a direct contractual agreement or engagement with you in connection with the Improvement. This is intended to give all Connected Sub-Contractors at every level the opportunity to determine and negotiate with the Construction Contractor any rights they may have with respect to the Construction Claim.

Construction Sub-Contractors requiring further information should contact their Construction Contractor, but may also 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 104
Toronto, Ontario M5K 1G8

Attention: Sears Canada Claims Process

Tel.: 416-649-8113

Toll Free: 1-855-649-8113

Fax No.: 416-649-8101

Email: searscanada@fticonsulting.com

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., AND 3339611 CANADA INC.

Applicants

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**
Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

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TAB 4

Court File No. CV-17-11846-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	FRIDAY, THE 8 TH
)	
JUSTICE HAINEY)	DAY OF DECEMBER, 2017

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., AND 3339611 CANADA INC.

(each, an “**Applicant**”, and collectively, the “**Applicants**”)

OMNIBUS APPROVAL AND VESTING ORDER
(Residual Assets Sales)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the “**CCAA**”) for an order, *inter alia*: (i) approving the Transactions (as defined below) on an omnibus basis between one or more of the Applicants and SearsConnect (collectively, the “**Sears Canada Entities**”, and individually, a “**Sears Canada Entity**”), as vendors, and one or more Purchasers (collectively, the “**Purchasers**”, and individually, a “**Purchaser**”), as purchasers, on the dates to be specified in the Transaction Documents (as defined below), and (ii) vesting in and to the Purchasers all right,

title and interest of the Sears Canada Entities in and to the Purchased Assets (as defined below), and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Billy Wong sworn on December 1, 2017 including the exhibits thereto (the “**Wong Affidavit**”), and the Eighth Report of FTI Consulting Canada Inc., in its capacity as Monitor (the “**Monitor**”), filed, and on hearing the submissions of respective counsel for the Applicants, the Monitor, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn ●, 2017, filed:

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated June 22, 2017 (the “**Initial Order**”).

OMNIBUS APPROVAL OF TRANSACTIONS

3. THIS COURT ORDERS that, notwithstanding paragraph 10(a) of the Initial Order, the Sears Canada Entities shall have the right to dispose of Residual Assets (as defined in the Wong Affidavit) not exceeding \$5 million in any one transaction or a series of related transactions (each one transaction or a series of related transactions, a “**Transaction**”), subject to the requirements set forth herein.

4. THIS COURT ORDERS that upon the entering into of one or more definitive transaction documents (the “**Transaction Documents**”) with respect to a Transaction, the Sears Canada Entities, in consultation with the Monitor, shall forthwith provide notice of the Transaction, substantially in the form attached hereto as Schedule “A” (a “**Transaction Notice**”), which Transaction Notice shall include a copy of the Transaction Documents (which Transaction Documents may contain a redaction of the purchase price and other financial information if the Monitor determines in its discretion that it would be in the best interests of the Applicants’ estate to do so), to the Service List and to any party listed on Schedule “D” to a Transaction Notice.

5. THIS COURT ORDERS that any Person who wishes to object to the Transaction must notify the Sears Canada Entities and the Monitor (by service upon counsel to Sears Canada Inc., the Monitor and counsel to the Monitor at the addresses shown on the Service List) of such objection, in writing, (such notice being a “**Notice of Objection**”) such that the Notice of Objection is received within seven (7) days of the applicable Transaction Notice being sent to such Person.

6. THIS COURT ORDERS AND DIRECTS that the Monitor shall, with respect to each Transaction and subject to the terms of the Transaction Documents and the expiration of the seven (7) day notice period set forth in paragraph 5 hereof without any Notice of Objection having been received in accordance with the requirements contained in paragraph 5 above (or if all such Notices of Objection are subsequently revoked or deemed by the Court to be revoked), deliver a Monitor’s certificate to the Purchaser and the Sears Canada Entities substantially in the form attached as Schedule “B” hereto (the “**Monitor’s Certificate**”). The Monitor shall also hereby be directed to file with the Court a copy of the Monitor’s Certificate forthwith after delivery thereof to the Purchaser and the Sears Canada Entities and to post the Monitor’s

Certificate to the Monitor's website. Upon delivery of the Monitor's Certificate to the Purchaser and the Sears Canada Entities, the entering into of any such Transaction by the applicable Sears Canada Entities is hereby approved and ratified and the execution of the Transaction Documents by the applicable Sears Canada Entities is hereby authorized, approved and ratified with such minor amendments as the applicable Sears Canada Entities (with the consent of the Monitor) and the Purchaser may agree to in writing. The applicable Sears Canada Entities are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the purchased assets set forth in the Transaction Documents and identified in the applicable Transaction Notice (the "**Purchased Assets**") to the Purchaser and the Monitor shall be authorized to take such additional steps in furtherance of its responsibilities under the Transaction Documents and this Order, and shall not incur any liability as a result thereof.

7. THIS COURT ORDERS AND DECLARES that upon the delivery of the Monitor's Certificate with respect to a Transaction to the Purchaser and the Sears Canada Entities, all of the applicable Sears Canada Entities' right, title and interest in and to the Purchased Assets pursuant to the Transaction shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise in respect of those Purchased Assets (collectively, the "**Claims**"), including, without limiting the generality of the foregoing:

- (a) the Administration Charge, the FA Charge, the KERP Priority Charge, the Directors' Priority Charge, the KERP Subordinated Charge and the Directors'

Subordinated Charge and any other charges hereafter granted by this Court in these proceedings (collectively, the “**CCAA Charges**”); and

- (b) all charges, security interests or claims evidenced by registrations pursuant to any personal property registry system, including those listed in Schedule “B” to the applicable Transaction Notice;

(all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances listed on Schedule “C” to the applicable Transaction Notice), and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets pursuant to the Transaction are hereby expunged and discharged as against the Purchased Assets.

8. THIS COURT ORDERS that from and after the delivery of the Monitor's Certificate with respect to a Transaction, all Claims and Encumbrances previously related to the Purchased Assets under the applicable Transaction shall thereafter attach to the net proceeds from that Transaction (the “**Net Proceeds**”), with the same priority as they had with respect to the Purchased Assets immediately prior to the closing of the Transaction, as if the Transaction had not been completed. The Monitor shall be entitled to (i) retain the Net Proceeds (other than applicable transfer Taxes) on behalf of the Applicants to be dealt with by further Order of the Court; and (ii) deliver any applicable transfer Taxes to the Sears Canada Entities to be remitted to the applicable tax authorities by the Sears Canada Entities.

9. THIS COURT ORDERS that subject to the terms of any Transaction Documents nothing herein affects:

- (a) the rights and obligations of Sears Canada Inc. (“**Sears Canada**”) and a contractual joint venture comprised of Gordon Brothers Canada ULC, Merchant Retail Solutions ULC, Tiger Capital Group, LLC and GA Retail Canada ULC (the “**Agent**”) under the Amended and Restated Agency Agreement between Sears Canada and the Agent dated October 10, 2017; and
- (b) the terms of the Liquidation Sale Approval Order granted October 13, 2017 including the Sale Guidelines attached as Schedule “A” thereto.

GENERAL PROVISIONS

10. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Applicants and any bankruptcy order issued pursuant to any such applications; or
- (c) any assignment in bankruptcy made in respect of any of the Applicants;

the vesting of the Purchased Assets in any Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any of the Applicants and shall not be void or voidable by creditors of any of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Sears Canada Entities or the Monitor

are authorized and permitted, where applicable, to disclose and transfer personal information of identifiable individuals in the Sears Canada Entities' records to a Purchaser. Any Purchaser to whom such information is disclosed shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Sears Canada Entities.

12. THIS COURT ORDERS that this Order shall have full force and effect in all provinces and territories in Canada.

13. THIS COURT HEREBY REQUESTS the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "A"

Court File No. CV-17-11846-00CL

ONTARIO**SUPERIOR COURT OF JUSTICE****COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., AND 3339611 CANADA INC.

(each, an "**Applicant**", and collectively, the "**Applicants**")

TRANSACTION NOTICE

NOTICE IS HEREBY GIVEN, pursuant to paragraph 4 of the Order of the Court dated ●, 2017 (the "**Omnibus Approval and Vesting Order**"), by the Applicants and SearsConnect (collectively, the "**Sears Canada Entities**"), that the Sears Canada Entity listed below as "Seller" has executed definitive documents (the "**Transaction Documents**") with the Purchaser listed below in respect of the sale of the assets listed below as "Purchased Assets" (the "**Transaction**"):

SELLER	●
PURCHASER	●
PURCHASED ASSETS	● ● ●

The Transaction Documents with respect to this Transaction are attached as Schedule “A” to this Transaction Notice.

Upon the closing of this Transaction and in accordance with the Transaction Documents and the Omnibus Approval and Vesting Order, all of the Seller’s right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of Claims and Encumbrances (as such terms are defined in the Omnibus Approval and Vesting Order), including those listed in Schedule “B” to this Transaction Notice, but excluding the Permitted Encumbrances listed in Schedule “C” to this Transaction Notice, and such Claims and Encumbrances shall be expunged and discharged as against the Purchased Assets.

Should any person wish to object to this Transaction, such person shall notify the Sears Canada Entities and FTI Consulting Canada Inc. (the “**Monitor**”) (by service upon counsel to Sears Canada Inc., the Monitor and counsel to the Monitor at the addresses shown on the Service List) of such objection, in writing (such notice being a “**Notice of Objection**”), such that the Notice of Objection is received within seven (7) days of this Transaction Notice being sent to such person. Any notice of objection must specify the reasons for such objection.

If no Notice of Objection is received by the applicable parties in accordance with the procedures and the timelines set out above or if all Notices of Objection are subsequently revoked or deemed by the Court to be revoked, the closing of this Transaction will become effective upon delivery by the Monitor of a Monitor’s certificate (the “**Monitor’s Certificate**”) to the Purchaser under the Transaction and the Sears Canada Entities , certifying that, among other things, all conditions to closing have been satisfied or waived. The Monitor’s Certificate filed in respect of the

Transaction shall be made available on the Monitor's website at:
<http://cfcanada.fticonsulting.com/searscanada/>.

Schedule "A" to the Transaction Notice
TRANSACTION DOCUMENTS

Schedule "B" to the Transaction Notice
ENCUMBRANCES TO BE VESTED

Schedule "C" to the Transaction Notice
PERMITTED ENCUMBRANCES

Schedule "D" to the Transaction Notice
PARTIES TO RECEIVE NOTICE OF TRANSACTION

SCHEDULE “B”

Court File No. CV-17-11846-00CL

ONTARIO**SUPERIOR COURT OF JUSTICE****COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., AND 3339611 CANADA INC.

(each, an “**Applicant**”, and collectively, the “**Applicants**”)

MONITOR’S CERTIFICATE**RECITALS**

A. All undefined terms in this Monitor’s Certificate have the meanings ascribed to them in the Order of the Court dated ●, 2017 (the “**Omnibus Approval and Vesting Order**”) approving the entering into of certain Transactions by the Applicants and SearsConnect (collectively, the “**Sears Canada Entities**”).

B. Pursuant to the rights granted to the Sears Canada Entities under paragraph 3 of the Omnibus Approval and Vesting Order, ●, as seller (the “**Seller**”), has entered into definitive transaction documents with ●, as purchaser (the “**Purchaser**”) dated ● (the “**Transaction Documents**”), whereby the Purchaser has agreed to purchase, and the Seller has agreed to sell, the Purchased Assets (as defined below) (the “**Transaction**”).

C. Pursuant to the Omnibus Approval and Vesting Order, the Court approved the Transaction Documents and the vesting in the Purchaser of the Seller's right, title and interest in and to the purchased assets set forth in the Transaction Documents and identified in Schedule "A" to this Monitor's Certificate (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser and the Sears Canada Entities of a certificate confirming (i) all conditions to closing of the Transaction have been satisfied or waived by the Purchaser and the Seller, as applicable; (ii) the Purchase Price and all applicable sales and transfer Taxes payable (each as defined in the Transaction Documents) by the Purchaser to the Seller have been received by the Monitor, and (iii) no Notice of Objection in respect of the Transaction has been received by the Monitor that has not also been, or been deemed by the Court to be, revoked.

THE MONITOR CERTIFIES the following:

1. All conditions to closing of the Transaction have been satisfied or waived by the Purchaser and the Seller, as applicable;
2. The cash portion of the Purchase Price and all applicable sales and transfer Taxes payable by the Purchaser to the Seller have been received by the Monitor; and
3. No Notice of Objection in respect of the Transaction has been received by the Monitor that has not been, or been deemed by the Court to be, revoked.

This Monitor's Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

FTI CONSULTING CANADA INC., in its capacity as Court-appointed Monitor of Sears Canada Inc., et al and not in its personal or corporate capacity

By: _____
Name:
Title:

Schedule "A" to the Monitor's Certificate
PURCHASED ASSETS

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H.
TRANSPORT 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., AND 3339611
CANADA INC.

Court File No: CV-17-11846-00CL

Applicants

Ontario

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**OMNIBUS APPROVAL AND VESTING ORDER
(Residual Assets Sales)**

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Lawyers for the Applicants

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H. TRANSPORT 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., AND 3339611 CANADA INC.

Applicants

Ontario

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD OF THE APPLICANTS
(Claims Process and Residual Asset Sales Motion,
returnable December 8, 2017)**

OSLER, HOSKIN & HARCOURT LLP

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