

FREQUENTLY ASKED QUESTIONS

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1. What is the Sears Canada Warranty Claims Site?

As a result of Sears Canada's financial difficulties and the closing of its stores, Sears Canada announced that effective October 19, 2017, the Company could no longer honour its warranty obligations.

Pursuant to a plan of compromise and arrangement (the "Plan") that was approved by Sears Canada's creditors on November 16, 2020 and by the Court on **November 23, 2020**, customers holding valid warranties may now be entitled to compensation for any actual out-of-pocket costs that they have paid for the repair or service of their appliance or other Sears Canada product that would have otherwise been covered by the warranty (a "Warranty Claim").

Pursuant to the Court-approved Plan:

- Sears Canada has established a warranty claims reserve of \$9 million (the "Warranty Reimbursement Pool").
- The deadline for filing a claim is **June 12, 2021** (the "Warranty Claims Bar Date").
- FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor of Sears Canada Inc. (the "Monitor"), is authorized to oversee and implement a process to identify and approve eligible Warranty Claims. Epiq Class Action Services Inc., the Warranty Claims Administrator, will assist the Monitor in the warranty claims process.

Warranty Claim Forms must be completed and submitted at the Warranty Claim Administrator's website at www.searscanadawarrantyclaim.ca (English) or www.reclamationgarantie SearsCanada.ca (Français).

2. How will my claim be calculated?

Your claim will be evaluated based on the documentation submitted in support of your claim confirming the amount of actual costs paid by you to repair or service your appliance or other Sears Canada product.

If you have an eligible claim, you will receive a distribution from the Warranty Reimbursement Pool equal to:

- i. If total allowed Warranty Claims submitted through this process do not exceed the Warranty Reimbursement Pool, you will receive **100% of your allowed claim**
- ii. If total allowed Warranty Claims exceed the Warranty Reimbursement Pool, you will receive your **pro rata share** of the Pool (your share will be calculated by dividing your allowed claim by the total of all allowed claims)

3. When will I receive payment?

Following a review of your claim including your supporting documentation, the Warranty Claims Administrator will notify you if your claim has been allowed or disallowed as an eligible claim. The time to review and confirm whether your claim is allowed or disallowed may take up to 6 weeks from when it is submitted.

Payments will only be issued following the claims submission deadline of **June 12, 2021** and **once all claims submitted have been reviewed and finalized**. This may take up to 6 weeks following the deadline.

4. What if my contact details have changed since I purchased my warranty, or from when I submitted my claim on the Sears Canada Warranty Claims website?

If your contact details (home address, phone number etc) have changed from the time you shopped at Sears Canada and purchased your warranty, please provide your updated contact information when submitting your claim.

If your contact details (home address, phone number etc) changes after you submit your claim on the Sears Canada Warranty Claims site, please send an email to info@searscanadawarrantyclaim.ca with your full name, claim ID, and old and new contact details.

5. What if I purchased my warranty on or after June 22, 2017?

If you purchased your warranty **on or after June 22, 2017**, please do **not** submit a claim on this Sears Canada Warranty Claims website.

Instead, and pursuant to the Court-approved Plan, if you purchased your warranty **on or after June 22, 2017**, and your warranty was valid on the date that Sears Canada announced it would no longer honour its warranty obligations (October 19, 2017) , you will receive a refund for the unamortized portion of your warranty.

If you purchased a warranty on or after June 22, 2017 and you have not received a refund cheque by **January 30, 2021**, please contact FTI at searscanada@fticonsulting.com with your contact details and a copy of your warranty receipt or other information supporting your claim.

6. Why can't I claim for my payback coupon?

As Sears Canada is no longer operating, the company is unable to honour coupons associated with the warranty program.

7. Why can't I claim for repairs related to my Furniture or Mattress Protection Plan?

The Sears Furniture and Mattress Protection Plans are **not** part of the Sears Canada Claims procedure as these warranties are insured by a 3rd part company, Guardsman (Valspar) Inc. Customers can continue to make claims as indicated in the customer service contract provided at the time of purchase as service will continue to be honoured by Guardsman (Valspar) Inc. Customers can call **1-888-450-2847** for further information.

8. Why don't all warranty holders have a Warranty claim for the warranty they purchased instead of just those holders that actually incurred and paid amounts to repair or replace their Sears Canada appliance or other product covered by the warranty?

The Warranty Claims procedure for Warranty claims was established with a focus on providing a fair and reasonable compensation to warranty holders that have incurred **actual costs** that would have otherwise been covered by the warranty.

This procedure avoids warranty holders receiving very low distributions, which are not reflective of their out of pocket costs. For example, if all warranty holders were treated as general unsecured creditors with respect to the unused value of the warranty purchased (coverage remaining after October 19, 2017), based on the expected recoveries to creditors, a warranty holder who had an unused warranty value of \$100 would receive between \$8 and \$10.

Therefore, to compensate warranty holders who incurred actual repair or service costs (i.e. as opposed to warranty holders who may never have experienced an incident that would have required Sears Canada to respond to a warranty service request), the Monitor and Sears Canada developed this process which has been approved by a majority of Sears Canada's creditors and the Court.