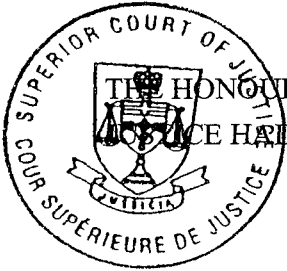


ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST



THE HONOURABLE MR. JUSTICE HARNEY

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THURSDAY, THE 22<sup>nd</sup>  
DAY OF FEBRUARY, 2018

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., 9370-2751 QUÉBEC INC., 191020 CANADA INC., THE CUT INC., SEARS CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES INC., INITIUM COMMERCE LABS INC., INITIUM TRADING AND SOURCING CORP., SEARS FLOOR COVERING CENTRES INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC., 168886 CANADA INC., AND 3339611 CANADA INC.

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

**EMPLOYEE AND RETIREE 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 Employee Claims and Retiree Claims (each as defined below) 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 Becky Penrice sworn on February 16, 2018 including the exhibits thereto (the "Penrice Affidavit"), the

Thirteenth 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 Affidavits of Service of Francesca Del Rizzo and Justine Erickson sworn February 20 and 21, 2018,

### **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.

### **SCOPE**

2. THIS COURT ORDERS that except as otherwise specifically set out herein, this Order shall apply only to Claims as defined in this Order.

### **DEFINITIONS AND INTERPRETATION**

3. 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**”).

4. 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) “**Agent**” means the contractual joint venture comprised of Gordon Brothers Canada ULC, Merchant Retail Solutions ULC, Tiger Capital Group, LLC and GA Retail Canada ULC;
- (c) “**Agency Agreements**” means: (i) the Amended and Restated Agency Agreement between Sears Canada Inc. and the Agent dated July 12, 2017 and amended and restated on July 14, 2017, and (ii) the Amended and Restated Agency Agreement between Sears Canada Inc. and the Agent dated October 10, 2017;
- (d) “**Bar Date**” means the Proof of Claim Bar Date, the Request for Correction Bar Date or the Notice of Proposed Revision Bar Date, as applicable;
- (e) “**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (f) “**CCAA Proceedings**” means the CCAA proceedings commenced by the Applicants in the Court under Court File No. CV-17-11846-00CL;
- (g) “**Claim**” means any Employee Claim or Retiree Claim, including, for greater certainty, any D&O Claim, provided however that in any case “**Claim**” shall not include an Excluded Claim;
- (h) “**Claims Website**” means, collectively, the online employee claims portal and the online retiree claims portal, each to be maintained by the Monitor for the purposes of this Employee and Retiree Claims Process;

- (i) “**Claimant**” means any Person with an entitlement to an Employee Claim or a Retiree Claim that has been asserted by or on behalf of such Person;
- (j) “**Claims Officer**” means the individuals designated by the Court pursuant to paragraph 70 of this Order;
- (k) “**Claims Package**” means an ERC Employee Package, Non-ERC Employee Package, PRC Retiree Package, Non-PRC Retiree Package or Proof of Claim Package, as applicable, each to be sent by the Monitor in accordance with the terms of this Order;
- (l) “**Claims Procedure Order**” means the Claims Procedure Order issued by the Court on December 8, 2017, as may be amended from time to time;
- (m) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (n) “**CPO Claim**” means any General Creditor Claim, Construction Claim or Intercompany Claim (each as defined in the Claims Procedure Order);
- (o) “**D&O Claim**” means any Sears Pension Claim, Supplemental Plan Claim, Other Employee Claim or Other Retiree Claim against a Director or Officer under this Order (including, for greater certainty, any D&O Claim in respect of termination and severance pay, damages for loss of employment-related perquisites and benefits, and/or damages for loss of OPEB Entitlements);
- (p) “**D&O Proof of Claim**” means the proof of claim form to be filed by Claimants in respect of any D&O Claim, substantially in the form attached as Schedule “S”

hereto, which shall include all available supporting documentation in respect of such D&O Claim;

- (q) **“D&O Proof of Claim Instruction Letter”** means the letter containing instructions for completing the D&O Proof of Claim form, substantially in the form attached as Schedule “R” hereto;
- (r) **“DB Only Retiree”** means: (i) any Retiree who has any entitlements under the defined benefit component of the Sears Pension Plan (including, for greater certainty, any active Employee with such entitlements), and (ii) any Retiree who has any entitlements under the Supplemental Plan (including, for greater certainty, any active Employee with such entitlements), but in either case, who does not have any OPEB Entitlements, based on the books and records of the Sears Canada Entities;
- (s) **“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;
- (t) **“Duplicate Claim”** means a Claim that is asserted against a Sears Canada Entity or a Director or Officer that duplicates in whole or in part another Claim or CPO Claim, and includes a Claim or any portion thereof that is based on an obligation or legal right asserted in another Claim or CPO Claim;
- (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 or who resigned or otherwise ceased employment on or after the Filing Date; and (ii) former employee of any one of the Sears Canada Entities, including without limitation any former employee who was terminated for cause at any time, any former employee who received notice, on or after the Filing Date, of the cessation of his or her termination or severance payments, and any former employee who has an outstanding active action, claim or complaint as of the Filing Date;

(v) “**Employee Claim**” means each of the following:

- (i) Termination Claims;
- (ii) Warranty Claims; and
- (iii) Other Employee Claims;

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

(w) “**Employee and Retiree Claims Process**” means the procedures outlined in this Order in connection with the solicitation and assertion of Employee Claims and Retiree Claims against the Sears Canada Entities and/or the Directors and Officers;

(x) “**Employee Representative Counsel**” means Ursel Phillips Fellows Hopkinson LLP;

- (y) **“Employee Representative Counsel Order”** means the Employee Representative Counsel Order issued by the Court dated July 13, 2017, as may be amended from time to time;
- (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 the Court from time to time;
- (bb) **“Employee Request for Correction”** means the request form, substantially in the form attached as Schedule “J” hereto, or in an electronic form acceptable to the Monitor, to be submitted by an Employee to the Monitor requesting a correction to the Personal Information set out in the Termination Claim Statement or Monitor Corrected Claim Statement, if applicable, provided to such Employee;
- (cc) **“ERC Employee”** means any Employee represented by Employee Representative Counsel;
- (dd) **“ERC Employee Letter”** means the letter to ERC Employees, substantially in the form attached as Schedule “D” hereto, which shall, among other things, provide a link to access the Claims Website (where an Employee may submit an Employee Request for Correction and which will include a link to the Proof of Claim Package);

(ee) “**ERC Employee Package**” means a document package, which shall include: (i) the ERC Employee Letter; (ii) an individualized Termination Claim Statement, and (iii) such other materials as the Monitor, in consultation with the Sears Canada Entities and Employee Representative Counsel, may consider appropriate or desirable;

(ff) “**Excluded Claim**” means any:

(i) CPO Claim;

(ii) Claim that may be 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;

(iii) Claim by the Agent under the Agency Agreements;

(iv) Monitor Claim; and

(v) Claim that may be asserted by any of the Sears Canada Entities against any Directors and/or Officers;

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

(gg) “**Filing Date**” means June 22, 2017;



- (hh) “**Grievance Claim**” means any grievance (or part of such grievance) by an Employee against any Sears Canada Entity, where that grievance (or part of such grievance) is (i) pursuant to a collective agreement with such Sears Canada Entity, (ii) for monetary compensation, and (iii) is not covered in a Termination Claim Statement or Monitor Corrected Claim Statement, if applicable, and the Termination Claims Methodology. Where part of a grievance is for monetary compensation, and part of the same grievance is for other relief, only that part of the grievance that is for monetary compensation shall be a Grievance Claim for the purposes of this Order;
- (ii) “**Indemnification Claim**” means any claim of any Employee against one or more of the Sears Canada Entities for indemnification and/or contribution arising from such Employee’s service to any Sears Canada Entity;
- (jj) “**Lifetime Discount**” means the lifetime associate discount awarded as a post-employment benefit to certain current and former employees of the Sears Canada Entities who qualified for such discount by virtue of satisfying applicable age and service eligibility criteria (and, for greater certainty, such current and former employees shall be included in the definition of “Retiree” for the purposes of this Order);
- (kk) “**Lifetime Discount Claim**” means any claim against the Sears Canada Entities with respect to a Lifetime Discount, which, for greater certainty, will be calculated for the purposes of this Employee and Retiree Claims Process in accordance with the Lifetime Discount Claims Methodology;

- (ll) “**Lifetime Discount Claims Methodology**” means the methodology and assumptions for the calculation of Lifetime Discount Claims, as described in paragraphs 56 to 60 of the Penrice Affidavit;
- (mm) “**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;
- (nn) “**Monitor Claim**” means a Claim (as defined in the Claims Procedure Order), including a D&O Claim (as defined in the Claims Procedure Order) and any claim pursued in accordance with section 36.1 of the CCAA, that may be asserted by the Monitor;
- (oo) “**Monitor Corrected Claim Statement**” means a revised Termination Claim Statement or Retiree Benefit Claim Statement, as applicable, to be sent by the Monitor to a Claimant if any errors are independently discovered by or made known to the Monitor in the Personal Information that affect the amount of the Termination Claim or Retiree Benefit Claim, as applicable, of such Claimant;
- (pp) “**Monitor’s Website**” means <http://cfcanada.fticonsulting.com/searscanada/>;
- (qq) “**Non-ERC Employee**” means any of the following Employees: (i) Unionized Employees; (ii) any Employee who is currently or was previously a member of senior management of any of the Sears Canada Entities and who was not eligible for representation by Employee Representative Counsel; and (iii) any Employee who was eligible for representation by Employee Representative Counsel and who opted out of such representation in accordance with the requirements contained in the Employee Representative Counsel Order;

- (rr) **“Non-ERC Employee Letter”** means the letter to Non-ERC Employees, substantially in the form attached as Schedule “E” hereto, which shall, among other things: (i) provide a link to access the Claims Website (where an Employee may submit an Employee Request for Correction and which will include a link to the Proof of Claim Package), and (ii) instruct such Non-ERC Employees to contact the Monitor to obtain a Notice of Proposed Revision;
- (ss) **“Non-ERC Employee Package”** means a document package, which shall include: (i) the Non-ERC Employee Letter; (ii) an individualized Termination Claim Statement, and (iii) such other materials as the Monitor, in consultation with the Sears Canada Entities, may consider appropriate or desirable;
- (tt) **“Non-PRC Retiree”** means any Retiree with OPEB Entitlements who is not represented by Pension Representative Counsel, including without limitation: (i) any unionized Retiree who notifies Pension Representative Counsel in writing that such Retiree wishes to opt out of representation by Pension Representative Counsel; (ii) any Retiree who is currently or was previously a member of senior management of any of the Sears Canada Entities and who was not eligible for representation by Pension Representative Counsel, and (iii) any Retiree who was eligible for representation by Pension Representative Counsel and who opted out of such representation in accordance with the requirements contained in the Pension Representative Counsel Order;
- (uu) **“Non-PRC Retiree Letter”** means the letter to Non-PRC Retirees, substantially in the form attached as Schedule “G” hereto, which shall, among other things, provide

a link to access the Claims Website (where a Retiree may submit a Retiree Request for Correction and which will include a link to the Proof of Claim Package);

- (vv) **“Non-PRC Retiree Package”** means a document package, which shall include: (i) the Non-PRC Retiree Letter; (ii) an individualized Retiree Benefit Claim Statement; (iii) a Retiree Request for Correction form; (iv) a Notice of Proposed Revision form, and (v) such other materials as the Monitor, in consultation with the Sears Canada Entities, may consider appropriate or desirable;
- (ww) **“Notice of Acceptance”** means a notice, substantially in the form attached as Schedule “M” hereto, or in an electronic form acceptable to the Monitor, advising a Claimant that the Monitor has accepted a change to such Claimant’s Personal Information and that such Claimant’s Termination Claim or Retiree Benefit Claim amount, as applicable, shall be revised as outlined therein (or that no changes to such Claim amount shall be made as a result of the change to such Claimant’s Personal Information);
- (xx) **“Notice of Disallowance”** means a Notice of Disallowance (Personal Information) or Notice of Disallowance (Proof of Claim), as the case may be;
- (yy) **“Notice of Disallowance (Personal Information)”** means a notice, substantially in the form attached as Schedule “N” hereto, advising a Claimant that the Monitor has disallowed all or part of the changes that have been requested by such Claimant in a Request for Correction;
- (zz) **“Notice of Disallowance (Proof of Claim)”** means a notice, substantially in the form attached as Schedule “T” hereto, advising a Claimant that the Monitor has

disallowed all or part of such Claimant's Claim as set out in a Proof of Claim or D&O Proof of Claim filed by or on behalf of such Claimant;

- (aaa) **“Notice of Dispute”** means a Notice of Dispute (Personal Information) or a Notice of Dispute (Proof of Claim), as the case may be;
- (bbb) **“Notice of Dispute (Personal Information)”** means a notice, substantially in the form attached as Schedule “O” hereto, delivered to the Monitor by a Claimant who has received a Notice of Disallowance (Personal Information), notifying the Monitor of his/her intention to dispute such Notice of Disallowance (Personal Information), with reasons for such dispute;
- (ccc) **“Notice of Dispute (Proof of Claim)”** means a notice, substantially in the form attached as Schedule “U” hereto, delivered to the Monitor by a Claimant who has received a Notice of Disallowance (Proof of Claim) in respect of such Claimant's Proof of Claim or D&O Proof of Claim, as applicable, notifying the Monitor of his/her intention to dispute such Notice of Disallowance (Proof of Claim), with reasons for such dispute;
- (ddd) **“Notice of Proposed Revision”** means a notice, substantially in the form attached as Schedule “L” hereto, delivered to the Monitor by a Non-ERC Employee (or, where such Non-ERC Employee is a Unionized Employee, by the Union Representative on behalf of such Unionized Employee) or Non-PRC Retiree, who has received a Termination Claim Statement, Retiree Benefit Claim Statement or Monitor Corrected Claim Statement, notifying the Monitor of such Claimant's intention to revise the methodology used to calculate the Claim contained in such Termination Claim Statement, Retiree Benefit Claim Statement or Monitor

Corrected Claim Statement, with a description of the proposed revisions to the calculation of such Claimant's Termination Claim or Retiree Benefit Claim, as applicable, and the reasons for such proposed revisions;

- (eee) **"Notice of Proposed Revision Bar Date"** means 5:00 p.m. on May 7, 2018;
- (fff) **"Notice to Claimants"** means the notice to Claimants, substantially in the form attached as Schedule "C" hereto, to be published by the Monitor and posted on the Monitor's Website, Employee Representative Counsel's Website, and Pension Representative Counsel's Website, each in accordance with the terms of this Order, which shall include, without limitation, a notice to all Retirees with entitlements to a Lifetime Discount or Warranty stating that Proofs of Claim are not required to be filed in connection with any such Lifetime Discount or Warranty because all Proofs of Claim with respect to such Lifetime Discounts and Warranties will be deemed to have been properly submitted by the Sears Canada Entities on behalf of each eligible Retiree, based on the books and records of the Sears Canada Entities;
- (ggg) **"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;
- (hhh) **"OPEB Entitlement"** means any entitlement to health and dental post-employment benefits and/or life insurance benefits, each as provided by any of the Sears Canada Entities as a post-employment benefit;
- (iii) **"Order"** means this Employee and Retiree Claims Procedure Order;

- (jjj) **“Other Employee Claim”** means: (i) any right or claim of any Employee against any of the Sears Canada Entities that is not a Termination Claim or a Warranty Claim, and (ii) any right or claim of any Employee against any Directors and/or Officers, in either case, including any right or claim in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Sears Canada Entity, Director and/or Officer to such Employee, arising before, on or after the Filing Date, including without limitation any Indemnification Claims or Grievance Claims;
- (kkk) **“Other Retiree Claim”** means: (i) any right or claim of any Retiree, the Pension Plan Administrator and/or Superintendent against any of the Sears Canada Entities that is not a Sears Pension Claim, Supplemental Plan Claim, Retiree Benefit Claim, Lifetime Discount Claim or Warranty Claim, and (ii) any right or claim of any Retiree, the Pension Plan Administrator and/or Superintendent against any Directors and/or Officers that is not a Sears Pension Claim or Supplemental Plan Claim, in either case, including any right or claim in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Sears Canada Entity, Director and/or Officer to such Retiree or in respect of the Sears Pension Plan or Supplemental Plan, arising before, on or after the Filing Date;
- (lll) **“Pension Plan Administrator”** means Morneau Shepell Ltd. in its capacity as administrator of the Sears Pension Plan;
- (mmm) **“Pension Plan Administrator’s Website”** means [https://www.pensionwindups.morneaushepell.com/en/plan\\_info/SRRP/plan\\_info.asp](https://www.pensionwindups.morneaushepell.com/en/plan_info/SRRP/plan_info.asp);

- (nnn) “**Pension Representative Counsel**” means Koskie Minsky LLP;
- (ooo) “**Pension Representative Counsel Order**” means the Representative Counsel Order for Pensions and Post-Retirement Benefits issued by the Court dated July 13, 2017, as may be amended from time to time;
- (ppp) “**Pension Representative Counsel’s Website**” means <https://kmlaw.ca/cases/sears-canada/>;
- (qqq) “**Pensioner Representatives**” means Bill Turner, Ken Eady and Larry Moore, or such other representatives as may be duly appointed by the Court from time to time;
- (rrr) “**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;
- (sss) “**Personal Information**” means the personal information relating to a particular Employee or Retiree based on the Sears Canada Entities’ books and records as at the date of this Order and updated from time to time, contained in a Termination Claim Statement or Retiree Benefit Claim Statement, as such Personal Information may be amended as a result of a Request for Correction accepted by the Monitor, as a result of a Monitor Corrected Claim Statement, or as a result of a determination pursuant to the dispute resolution mechanisms set out in this Order;
- (ttt) “**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 with the terms thereof;

- (uuu) “**PRC Retiree**” means any Retiree with OPEB Entitlements who is represented by Pension Representative Counsel;
- (vvv) “**PRC Retiree Package**” means a document package, which shall include: (i) the Retiree Letter; (ii) an individualized Retiree Benefit Claim Statement; (iii) a Retiree Request for Correction form, and (iv) such other materials as the Monitor, in consultation with the Sears Canada Entities and Pension Representative Counsel, may consider appropriate or desirable;
- (www) “**Pre-Filing Period**” means the period prior to the Filing Date;
- (xxx) “**Proof of Claim**” means the proof of claim form, substantially in the form attached as Schedule “Q” hereto, to be filed by Claimants in respect of any Sears Pension Claim, Supplemental Plan Claim, Other Employee Claim or Other Retiree Claim against any of the Sears Canada Entities;
- (yyy) “**Proof of Claim Bar Date**” means 5:00 p.m. on April 9, 2018;
- (zzz) “**Proof of Claim Instruction Letter**” means the letter containing instructions for completing the Proof of Claim form, substantially in the form attached as Schedule “P” hereto;
- (aaaa) “**Proof of Claim Package**” means a document package, which shall include: (i) a Proof of Claim form; (ii) a Proof of Claim Instruction Letter; (iii) a D&O Proof of Claim form; (iv) a D&O Proof of Claim Instruction Letter; and (v) such other

materials as the Monitor, in consultation with the Sears Canada Entities, may consider appropriate or desirable;

(bbbb) “**Request for Correction**” means an Employee Request for Correction or a Retiree Request for Correction, as applicable;

(cccc) “**Request for Correction Bar Date**” means the later of: (i) 5:00 p.m. on May 7, 2018, and (ii) where a Claimant receives a Monitor Corrected Claim Statement, the date that is thirty (30) days after the date on which such Claimant is deemed to receive such Monitor Corrected Claim Statement;

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

(eeee) “**Retiree**” means any Person with any (i) entitlements under the Sears Pension Plan; (ii) entitlements under the Supplemental Plan; (iii) primary coverage entitlements with respect to any OPEB Entitlements; (iv) entitlements to the Lifetime Discount (including, for greater certainty, current and former Employees who qualify for this discount by virtue of satisfying applicable age and service eligibility criteria); or (v) entitlements under any other pension or retirement plan of the Sears Canada Entities;

(ffff) “**Retiree Benefit Claim**” means any right or claim of any Retiree against any of the Sears Canada Entities in respect of any OPEB Entitlements as calculated in accordance with the Retiree Benefit Claims Methodology, which, for greater certainty, shall include any derivative health and dental coverage claim of any eligible spouse and/or dependant of such Retiree, and which will be set out in a Retiree Benefit Claim Statement;

(gggg) “**Retiree Benefit Claim Statement**” means an individual claim statement, substantially in the form attached as Schedule “I” hereto, to be prepared by the Sears Canada Entities, in consultation with the Monitor and with the assistance of Pension Representative Counsel, which shall include the amount of such individual Claimant’s Retiree Benefit Claim, as calculated in accordance with the Retiree Benefit Claims Methodology;

(hhhh) “**Retiree Benefit Claims Methodology**” means the methodology and assumptions for the calculation of Retiree Benefit Claims, as described in paragraphs 48 to 53 of the Penrice Affidavit and illustrated in Schedule “B” hereto;

(iii) “**Retiree Claim**” means each of the following (which, for greater certainty, may be asserted by or on behalf of a Retiree, including by Pension Representative Counsel or the Pension Plan Administrator and/or the Superintendent, as appropriate):

- (i) Sears Pension Claims;
- (ii) Supplemental Plan Claims;
- (iii) Retiree Benefit Claims;
- (iv) Lifetime Discount Claims;
- (v) Warranty Claims; and
- (vi) Other Retiree Claims;

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

(jjjj) “**Retiree Letter**” means the letter to PRC Retirees and DB Only Retirees, substantially in the form attached as Schedule “F” hereto, which shall, among other things, provide a link to access the Claims Website (where a Retiree may submit a Retiree Request for Correction and which will include a link to the Proof of Claim Package);

(kkkk) “**Retiree Request for Correction**” means the request form, substantially in the form attached as Schedule “K” hereto, or in an electronic form acceptable to the Monitor, to be submitted by a Retiree to the Monitor requesting a correction to the Personal Information set out in the Retiree Benefit Claim Statement or Monitor Corrected Claim Statement, if applicable, provided to such Retiree;

(llll) “**Sears Pension Claim**” means any right or claim against the Sears Canada Entities or any Directors and/or Officers with respect to the Wind-Up Deficiency, including, for greater certainty, any claim based on statutory deemed trust obligations with respect to the Wind-Up Deficiency (and, for greater certainty, no individual Retiree with entitlements with respect to the defined benefit component of the Sears Pension Plan shall be permitted to submit a Proof of Claim or D&O Proof of Claim with respect to such entitlements or with respect to the Wind-Up Deficiency);

(mmmm) “**Sears Pension Claim Methodology**” means the methodology and assumptions for the calculation of any Sears Pension Claim, as described in paragraphs 61 to 63 of the Penrice Affidavit;

- (nnnn) “**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;
- (oooo) “**Superintendent**” means the Ontario Superintendent of Financial Services as administrator of the Pension Benefits Guarantee Fund;
- (pppp) “**Supplemental Plan**” means the Sears Canada Inc. Supplementary Retirement Plan, a non-registered supplemental pension plan maintained to provide enhanced pension benefits to eligible members of the defined benefit component of the Sears Pension Plan that are not provided under the Sears Pension Plan;
- (qqqq) “**Supplemental Plan Claim**” means any right or claim against the Sears Canada Entities or any Directors and/or Officers with respect to entitlements of a Retiree under the Supplemental Plan (and, for greater certainty, no Retiree who is represented by Pension Representative Counsel shall be permitted to submit a Proof of Claim or D&O Proof of Claim with respect to such entitlements);
- (rrrr) “**Termination Claim**” means any right or claim of any Employee against any of the Sears Canada Entities in respect of the termination of such Employee’s employment, whether under contract, common law, statute or otherwise, including for termination and severance pay and for damages for loss of employment-related perquisites and benefits (including employee discounts) during his/her period of entitlement to working notice, which, for greater certainty, will be calculated for the purposes of this Employee and Retiree Claims Process in accordance with the Termination Claims Methodology and set out in a Termination Claim Statement;

- (ssss) “**Termination Claim Statement**” means an individual claim statement, substantially in the form attached as Schedule “H” hereto, or in an electronic form acceptable to the Monitor, to be prepared by the Sears Canada Entities, in consultation with the Monitor and with the assistance of Employee Representative Counsel, which shall include the amount of such individual Claimant’s Termination Claim, as calculated in accordance with the Termination Claims Methodology;
- (tttt) “**Termination Claims Methodology**” means the methodology and assumptions for the calculation of Termination Claims, as described in paragraphs 28 to 47 of the Penrice Affidavit and illustrated in Schedule “A” hereto;
- (uuuu) “**Union Representative**” means a representative of the bargaining agent representing Unionized Employees;
- (vvvv) “**Unionized Employee**” means any Employee represented by a union pursuant to a collective agreement in connection with such Employee’s employment with any of the Sears Canada Entities;
- (wwww) “**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;
- (xxxx) “**Warranty Claim**” means any claim of a Claimant in this Employee and Retiree Claims Process against the Sears Canada Entities with respect to a Warranty; and
- (yyyy) “**Wind-Up Deficiency**” means the wind-up deficit with respect to the defined benefit component of the Sears Pension Plan.

5. 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.

6. 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**

7. 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.

8. 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 Claims Packages and the Retiree Letter, 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, quantum and priority of his/her Claims or his/her standing in the CCAA Proceedings or any other proceedings, except as specifically set out in this Order (provided that this exception shall not apply in respect of paragraphs 19 to 21 of this Order or to the Sears Pension Claim Methodology).

9. 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/or based on estimates and assumptions which may be subject to change, and therefore will not contain particulars of such Claims that are not yet known as at the time they are filed.

#### **TERMINATION CLAIMS METHODOLOGY**

10. THIS COURT ORDERS that the Termination Claims Methodology is hereby approved.

11. THIS COURT ORDERS that the Termination Claims of ERC Employees and Non-ERC Employees shall be calculated by the Sears Canada Entities in consultation with the Monitor and with the assistance of Employee Representative Counsel and its Advisors as well as Union Representatives, where appropriate, in accordance with the Termination Claims Methodology based on the Personal Information relating to such Employee.

12. THIS COURT ORDERS AND DECLARES that:

- (a) the Termination Claims Methodology shall be final and binding on all ERC Employees;
- (b) the Termination Claims Methodology shall be final and binding on any Non-ERC Employees who do not submit a Notice of Proposed Revision (or, in the case of a Unionized Employee, do not have a Union Representative submit a Notice of



Proposed Revision on such Unionized Employee's behalf) by the Notice of Proposed Revision Bar Date;

- (c) no: (i) ERC Employee, or (ii) Non-ERC Employee who did not submit a Notice of Proposed Revision (or, in the case of a Unionized Employee, did not have a Union Representative submit a Notice of Proposed Revision on such Unionized Employee's behalf) by the Notice of Proposed Revision Bar Date, shall directly or indirectly assert, advance, re-assert or re-file any Termination Claim that is not calculated in accordance with the Termination Claims Methodology; and
- (d) any Termination Claim that is directly or indirectly asserted, advanced, re-asserted or re-filed by an ERC Employee or by a Non-ERC Employee who did not submit a Notice of Proposed Revision (or, in the case of a Unionized Employee, did not have a Union Representative submit a Notice of Proposed Revision on such Unionized Employee's behalf) by the Notice of Proposed Revision Bar Date that is not calculated in accordance with the Termination Claims Methodology shall be disallowed.

### **RETIREE BENEFIT CLAIMS METHODOLOGY**

13. THIS COURT ORDERS that the Retiree Benefit Claims Methodology is hereby approved.

14. THIS COURT ORDERS that any Retiree Benefit Claim of a Retiree shall be calculated by the Sears Canada Entities in consultation with the Monitor and with the assistance of Pension Representative Counsel and its Advisors, where appropriate, in accordance with the Retiree Benefit Claims Methodology based on the Personal Information relating to such Retiree.

15. THIS COURT ORDERS AND DECLARES that:

- (a) the Retiree Benefit Claims Methodology shall be final and binding on all PRC Retirees;
- (b) the Retiree Benefit Claims Methodology shall be final and binding on all Non-PRC Retirees who do not submit a Notice of Proposed Revision by the Notice of Proposed Revision Bar Date;
- (c) no: (i) PRC Retiree, or (ii) Non-PRC Retiree who did not file a Notice of Proposed Revision by the Notice of Proposed Revision Bar Date, shall directly or indirectly assert, advance, re-assert or re-file any Retiree Benefit Claim that is not calculated in accordance with the Retiree Benefit Claims Methodology; and
- (d) any Retiree Benefit Claim that is directly or indirectly asserted, advanced, re-asserted or re-filed by a PRC Retiree or by a Non-PRC Retiree who did not file a Notice of Proposed Revision by the Notice of Proposed Revision Bar Date that is not calculated in accordance with the Retiree Benefit Claims Methodology shall be disallowed.

**LIFETIME DISCOUNT CLAIMS METHODOLOGY**

16. THIS COURT ORDERS that the Lifetime Discount Claims Methodology is hereby approved.

17. THIS COURT ORDERS AND DECLARES that:

- (a) the Lifetime Discount Claims Methodology shall be final and binding on all Retirees eligible to submit a Lifetime Discount Claim;

- (b) the Sears Canada Entities shall be deemed to have submitted Lifetime Discount Claims calculated in accordance with the Lifetime Discount Claims Methodology on behalf of each known Retiree eligible to submit a Lifetime Discount Claim, based on the books and records of the Sears Canada Entities;
- (c) no Retiree shall directly or indirectly assert, advance, re-assert or re-file any Lifetime Discount Claim; and
- (d) any Lifetime Discount Claim that is directly or indirectly asserted, advanced, re-asserted or re-filed by any Retiree shall be disallowed.

#### **SEARS PENSION CLAIM METHODOLOGY**

18. THIS COURT ORDERS that the Sears Pension Claim Methodology is hereby approved.

19. THIS COURT ORDERS that only Pension Representative Counsel, the Pension Plan Administrator and the Superintendent may submit a Proof of Claim and/or D&O Proof of Claim with respect to any Sears Pension Claim. The Monitor shall deal with any such Proofs of Claim and/or D&O Proofs of Claim in accordance with paragraphs 65 and 69 below. For greater certainty, no individual Retiree with entitlements with respect to the defined benefit component of the Sears Pension Plan shall be permitted to submit a Proof of Claim or D&O Proof of Claim with respect to any such entitlements or with respect to the Wind-Up Deficiency.

20. THIS COURT ORDERS that any Sears Pension Claim shall be calculated pursuant to the Sears Pension Claim Methodology. For the purposes of the preparation and submission of any Proof of Claim or D&O Proof of Claim relating to a Sears Pension Claim only, the Pension Plan Administrator, Pension Representative Counsel and/or the Superintendent shall be entitled, without independent investigation, to rely on the books and records of the Sears Canada Entities

and any information provided by the Sears Canada Entities, and shall not be liable for any claims or damages resulting from any errors or omissions in the Sears Canada Entities' books, records or information.

21. THIS COURT ORDERS AND DECLARES that:

- (a) the Sears Pension Claim Methodology shall be final and binding on the Pension Plan Administrator, Pension Representative Counsel, the Superintendent and on all Retirees with entitlements under the defined benefit component of the Sears Pension Plan;
- (b) Sears Pension Claims: (i) may only be submitted by the Pension Plan Administrator, Pension Representative Counsel, and/or the Superintendent, each in accordance with the Sears Pension Claim Methodology and the requirements under this Order (which, for greater certainty, may be adjusted in accordance with the Sears Pension Claim Methodology after the Proof of Claim Bar Date), and (ii) shall not, directly or indirectly, be asserted, advanced, re-asserted or re-filed by any other Person that is not the Pension Plan Administrator, Pension Representative Counsel or the Superintendent;
- (c) any Sears Pension Claim that is directly or indirectly asserted, advanced, re-asserted or re-filed by any Person other than the Pension Plan Administrator, Pension Representative Counsel or the Superintendent, or any Sears Pension Claim that is not calculated in accordance with the Sears Pension Claim Methodology, shall be disallowed;

- (d) the Monitor shall provide a copy of any Sears Pension Claim received to the Pension Plan Administrator, Pension Representative Counsel and the Superintendent, as appropriate;
- (e) each of the Pension Plan Administrator, Pension Representative Counsel and the Superintendent shall be given written notice by the Monitor of any determination by the Monitor, including as to quantum and/or priority, of any Sears Pension Claim submitted in accordance with this Order; and
- (f) the Pension Plan Administrator, Pension Representative Counsel and the Superintendent shall be given written notice by the Monitor of, and are entitled to participate in (i) any hearing before a Claims Officer concerning a Sears Pension Claim, and (ii) any hearing before the Court concerning a Sears Pension Claim, and any appeals therefrom.

#### **SUPPLEMENTAL PLAN CLAIMS**

22. THIS COURT ORDERS that Pension Representative Counsel shall, on behalf of all Retirees with entitlements under the Supplemental Plan, submit a Proof of Claim and/or D&O Proof of Claim with respect to any Supplemental Plan Claims of such Retirees. No Retiree represented by Pension Representative Counsel shall be permitted to submit a Proof of Claim or D&O Proof of Claim with respect to any Supplemental Plan Claim of such Retiree. For greater certainty, any Retiree not represented by Pension Representative Counsel who has entitlements under the Supplemental Plan may submit a separate Proof of Claim or D&O Proof of Claim with respect to such entitlements, and the Monitor shall deal with any such Proofs of Claim and/or D&O Proofs of Claim in accordance with paragraph 69 below.

23. THIS COURT ORDERS that any Supplemental Plan Claim submitted by Pension Representative Counsel shall be calculated by Pension Representative Counsel and its Advisors. Pension Representative Counsel and its Advisors shall be entitled, without independent investigation, to rely on the books and records of the Sears Canada Entities and any information provided by the Sears Canada Entities, and shall not be liable for any claims or damages resulting from any errors or omissions in the Sears Canada Entities' books, records or information.

24. THIS COURT ORDERS AND DECLARES that:

- (a) any Supplemental Plan Claims submitted by Pension Representative Counsel shall be final and binding on all Retirees represented by Pension Representative Counsel who have entitlements under the Supplemental Plan;
- (b) any Supplemental Plan Claims submitted by Pension Representative Counsel shall be final and binding on all Retirees not represented by Pension Representative Counsel who do not submit any other Proof of Claim or D&O Proof of Claim in respect of their entitlements under the Supplemental Plan before the Proof of Claim Bar Date;
- (c) no Retiree represented by Pension Representative Counsel shall directly or indirectly assert, advance, re-assert or re-file any Supplemental Plan Claim; and
- (d) any Supplemental Plan Claim that is directly or indirectly asserted, advanced, re-asserted or re-filed by any Retiree represented by Pension Representative Counsel shall be disallowed.

### **MONITOR'S ROLE**

25. 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 Employee and Retiree 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.

26. THIS COURT ORDERS that the Monitor (a) 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; (b) 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; (c) shall be entitled, without independent investigation, to rely on the books and records of the Sears Canada Entities and any information provided by the Sears Canada Entities; and (d) shall not be liable for any claims or damages resulting from any errors or omissions in the Sears Canada Entities' books, records or information.

27. THIS COURT ORDERS that the Sears Canada Entities and their current 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.

### **EMPLOYEE REPRESENTATIVE COUNSEL'S ROLE**

28. THIS COURT ORDERS that, unless otherwise directed by the Court, Employee Representative Counsel may, on behalf of any ERC Employee: (a) engage in discussions with the Monitor and the Sears Canada Entities with respect to Personal Information; (b) assist in filing an

Employee Request for Correction, Proof of Claim, D&O Proof of Claim, or Notice of Dispute on behalf of an Employee where requested to do so by the Employee; (c) file a Proof of Claim or a D&O Proof of Claim on behalf an Employee; (d) participate in the adjudication, resolution or settlement of any Termination Claim; and (e) assist an ERC Employee with an Other Employee Claim that, in the judgment of Employee Representative Counsel, is a *bona fide* claim that has not been dealt with through the Termination Claims Methodology; provided however that nothing in this paragraph 28 shall relieve an ERC Employee of his or her responsibility to review the Claims Package provided to him or her (including the Termination Claim Statement), to review the Personal Information upon which the Claim will be calculated, and to submit an Employee Request for Correction, a Proof of Claim, a D&O Proof of Claim, or a Notice of Dispute where such Employee wishes to do so and is entitled to do so in accordance with the procedures and within the time limits set out in this Order.

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

30. THIS COURT ORDERS that, subject to existing confidentiality agreements, the Employee Representative Counsel Order and applicable law: (a) 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, and (b) Employee Representative Counsel shall cooperate with the Monitor and the Sears Canada Entities in the exercise of their respective powers and discharge of their respective duties and obligations under this Order.

**PENSION REPRESENTATIVE COUNSEL'S ROLE**

31. THIS COURT ORDERS that all unionized Retirees shall be represented by Pension Representative Counsel pursuant to the Pension Representative Counsel Order *nunc pro tunc*, unless any such unionized Retiree specifically notifies Pension Representative Counsel in writing that such Retiree wishes to opt-out of representation by the Pensioner Representatives and Pension Representative Counsel.

32. THIS COURT ORDERS that, unless otherwise directed by the Court, Pension Representative Counsel may, on behalf of any Retiree represented by Pension Representative Counsel: (a) engage in discussions with the Monitor and the Sears Canada Entities with respect to Personal Information; (b) assist in filing a Retiree Request for Correction, Proof of Claim, D&O Proof of Claim, or Notice of Dispute on behalf of a Retiree where requested to do so by the Retiree; (c) file a Proof of Claim or D&O Proof of Claim on behalf of a Retiree; (d) participate in the adjudication, resolution or settlement of any Retiree Benefit Claim; and (e) assist a Retiree with an Other Retiree Claim that, in the judgment of Pension Representative Counsel, is a *bona fide* claim that has not been dealt with through the Retiree Benefit Claims Methodology, the Lifetime Discount Claims Methodology, the Sears Pension Claim Methodology or otherwise; provided however that nothing in this paragraph 31 shall relieve a Retiree of his or her responsibility to review the Claims Package provided to him or her (including the Retiree Benefit Claim Statement), to review the Personal Information upon which the Claim will be calculated, and to submit a Retiree Request for Correction, a Proof of Claim, a D&O Proof of Claim, or a Notice of Dispute

where such Retiree wishes to do so and is entitled to do so in accordance with the procedures and within the time limits set out in this Order.

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

34. THIS COURT ORDERS that, subject to existing confidentiality agreements, the Pension Representative Counsel Order and applicable law: (a) the Sears Canada Entities and the Monitor shall cooperate with Pension Representative Counsel, the Pension Plan Administrator and the Superintendent in the exercise of their respective powers and discharge of their respective duties and obligations under this Order, and (b) Pension Representative Counsel, the Pension Plan Administrator and the Superintendent shall cooperate with the Monitor and the Sears Canada Entities in the exercise of their respective powers and discharge of their respective duties and obligations under this Order.

#### **NOTICE OF EMPLOYEE AND RETIREE CLAIMS PROCESS**

35. THIS COURT ORDERS that the Monitor shall cause the Notice to Claimants to be published at least three (3) times, beginning the week of February 26, 2018, in The Globe and Mail (National Edition) and the electronic edition of La Presse, and in such other publications and with such frequency as is determined by the Monitor in consultation with the Sears Canada Entities.

36. THIS COURT ORDERS that the Monitor shall cause the Notice to Claimants and blank copies of the Claims Packages (excluding any blank Termination Claim Statement or Retiree Benefit Claim Statement) to be posted to the Monitor's Website by no later than 5:00 p.m. on February 27, 2018.

37. THIS COURT ORDERS that the Applicants shall cause the Notice to Claimants to be posted to the my.sears.ca portal, as soon as practicable but no later than 5:00 p.m. on February 27, 2018.

38. THIS COURT ORDERS that Employee Representative Counsel shall cause the Notice to Claimants and a blank copy of the ERC Employee Package (excluding any blank Termination Claim Statement) to be posted to Employee Representative Counsel's Website, as soon as practicable but no later than 5:00 p.m. on February 27, 2018.

39. THIS COURT ORDERS that Pension Representative Counsel shall cause the Notice to Claimants and a blank copy of the PRC Retiree Package (excluding any blank Retiree Benefit Claim Statement) to be posted to Pension Representative Counsel's Website, as soon as practicable but no later than 5:00 p.m. on February 27, 2018.

40. THIS COURT ORDERS that as soon as practicable, but no later than 5:00 p.m. on March 5, 2018, the Monitor shall cause: (a) an ERC Employee Package to be sent to each known ERC Employee; (b) a Non-ERC Employee Package to be sent to each known Non-ERC Employee; (c) a PRC Retiree Package to be sent to each known PRC Retiree; (d) a Non-PRC Retiree Package to be sent to each known Non-PRC Retiree; and (e) a Retiree Letter to be sent to each known DB Only Retiree, each at the last known physical or electronic address recorded in the books and records of the Sears Canada Entities and in accordance with the terms of this Order.

41. THIS COURT ORDERS that as soon as practicable, but no later than 5:00 p.m. on March 5, 2018, the Monitor shall cause a Proof of Claim Package to be sent to each Claimant who the Sears Canada Entities have advised the Monitor may have an outstanding active action, claim or complaint as of the Filing Date but who was not sent a package or a letter in accordance with paragraph 40 above, at the last known physical or electronic address recorded in the books and records of the Sears Canada Entities.

42. THIS COURT ORDERS that to the extent any Claimant requests documents or information relating to the Employee and Retiree Claims Process prior to the Proof of Claim Bar Date, the Monitor shall forthwith send such Claimant a Proof of Claim 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 and, where the Monitor deems appropriate, Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator and/or the Superintendent) may consider appropriate in the circumstances. If the Sears Canada Entities or the Monitor become aware of any further Claims after the mailings contemplated in paragraph 40 and 41 herein, the Monitor shall forthwith send such potential Claimant a Proof of Claim Package or other Claims Package, as the Monitor (in consultation with the Sears Canada Entities and, where the Monitor deems appropriate, Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator and/or the Superintendent) deems appropriate, or may direct such potential Claimant to the documents posted on the Monitor's Website.

43. THIS COURT ORDERS that the Employee and Retiree Claims Process and the forms of Notice to Claimants, Proof of Claim Instruction Letter, D&O Proof of Claim Instruction Letter, Proof of Claim, D&O Proof of Claim, Termination Claim Statement, Retiree Benefit Claim

Statement, Employee Request for Correction, Retiree Request for Correction, Notice of Acceptance, Notice of Disallowance (Personal Information), Notice of Disallowance (Proof of Claim), Notice of Dispute (Personal Information), Notice of Dispute (Proof of Claim), Notice of Proposed Revision, ERC Employee Letter, Non-ERC Employee Letter, Retiree Letter and Non-PRC Retiree Letter are hereby approved, subject to any minor non-substantive changes to the forms as the Monitor and the Sears Canada Entities (in consultation with Employee Representative Counsel and Pension Representative Counsel, as appropriate) may consider necessary or desirable to be made from time to time.

44. THIS COURT ORDERS that the sending of the Claims Packages and the Retiree Letter to the applicable Persons and the publication of the Notice to Claimants, in accordance with this Order, shall constitute good and sufficient service and delivery of notice of this Order and the Bar Dates 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 REQUESTS FOR CORRECTION**

45. THIS COURT ORDERS that if the Monitor independently discovers or is made aware of any errors in the Personal Information that would affect the amount of a Termination Claim or Retiree Benefit Claim of a Claimant, the Monitor has the discretion to correct those errors. If any such errors are discovered and corrections are made by the Monitor, the Monitor shall send a Monitor Corrected Claim Statement together with the applicable Request for Correction to such Claimant, who will have the right to submit such Request for Correction by the Request for Correction Bar Date or such other date as may be agreed to by the Monitor in writing.

46. THIS COURT ORDERS that if: (i) an Employee disputes the Personal Information contained in his/her Termination Claim Statement or Monitor Corrected Claim Statement, as applicable, or (ii) a Retiree disputes the Personal Information contained in his/her Retiree Benefit Claim Statement or Monitor Corrected Claim Statement, as applicable, such Employee or Retiree, as applicable, shall deliver to the Monitor the applicable Request for Correction. All Requests for Correction must be received by the Monitor by no later than the Request for Correction Bar Date.

47. THIS COURT ORDERS that: (a) if an Employee's Request for Correction is not received by the Monitor on or before the Request for Correction Bar Date or such Employee's Request for Correction is received and accepted by the Monitor through a Notice of Acceptance, the Personal Information contained in his/her Termination Claim Statement, Monitor Corrected Claim Statement or Notice of Acceptance, as applicable, shall be deemed to be correct and confirmed in all respects, shall be final and binding on such Employee, and such Employee shall be barred from making any Termination Claim inconsistent with such Personal Information; and (b) if a Retiree's Request for Correction is not received by the Monitor on or before the Request for Correction Bar Date or such Retiree's Request for Correction is received and accepted by the Monitor through a Notice of Acceptance, the Personal Information contained in his/her Retiree Benefit Claim Statement, Monitor Corrected Claim Statement or Notice of Acceptance, as applicable, shall be deemed to be correct and confirmed in all respects, shall be final and binding on such Retiree, and such Retiree shall be barred from making any Retiree Benefit Claim inconsistent with such Personal Information.

#### **FILING OF NOTICES OF PROPOSED REVISION**

48. THIS COURT ORDERS that a Notice of Proposed Revision with respect to a Unionized Employee's Termination Claim may only be submitted by a Union Representative on behalf of

such Unionized Employee (and, for greater certainty, no Unionized Employee shall be permitted to submit a Notice of Proposed Revision on his/her own behalf). For greater certainty, any Non-PRC Retiree shall be permitted to submit a Notice of Proposed Revision on his/her own behalf, regardless of whether such Non-PRC Retiree is or was represented by a union at any time in relation to such Non-PRC Retiree's employment with any of the Sears Canada Entities.

49. THIS COURT ORDERS that only Non-ERC Employees (or, where such Non-ERC Employee is a Unionized Employee, the Union Representative on behalf of such Unionized Employee) and Non-PRC Retirees shall be permitted to file a Notice of Proposed Revision with respect to the determination of their Termination Claim or Retiree Benefit Claim, as applicable.

50. THIS COURT ORDERS that: (a) if a Non-ERC Employee (or a Union Representative on behalf of a Unionized Employee) disputes the application of the Termination Claims Methodology to determine such Non-ERC Employee's Termination Claim; or (b) if a Non-PRC Retiree disputes the application of the Retiree Benefit Claims Methodology to determine such Non-PRC Retiree's Retiree Benefit Claim, such Claimant (or in the case of a Unionized Employee, the Union Representative on behalf of such Unionized Employee) shall deliver to the Monitor a Notice of Proposed Revision containing a proposed alternative methodology to be used to determine his/her Termination Claim or Retiree Benefit Claim, as applicable. All Notices of Proposed Revision must be received by the Monitor by no later than the Notice of Proposed Revision Bar Date.

51. THIS COURT ORDERS that if a Notice of Proposed Revision is not submitted by an eligible Claimant and received by the Monitor on or before the Notice of Proposed Revision Bar Date: (a) the Termination Claims Methodology or the Retiree Benefit Claims Methodology, as applicable, shall be deemed to be confirmed in all respects by such Claimant and shall be final and binding on such Claimant, such that the only remaining element of such Claimant's Termination

Claim or Retiree Benefit Claim that may be subject to revision shall be the Personal Information to be applied to such methodology (to the extent that any Request for Correction has been submitted in accordance with paragraphs 45 and 47 above), and (b) the Claimant shall be barred from making any further Termination Claim or Retiree Benefit Claim.

### **FILING OF PROOFS OF CLAIM**

52. THIS COURT ORDERS that any Claimant (or any Union Representative or other Person on behalf of any Claimant, including without limitation the Pension Plan Administrator, Pension Representative Counsel or the Superintendent with respect to any Sears Pension Claim or Other Retiree Claim, Employee Representative Counsel with respect to any Other Employee Claim, or Pension Representative Counsel with respect to any Supplemental Plan Claim) that intends to assert a Sears Pension Claim, Supplemental Plan Claim, Other Employee Claim or Other Retiree Claim, including any D&O Claim relating to any of the foregoing, shall file a Proof of Claim or D&O Proof of Claim, as applicable, with the Monitor on or before the Proof of Claim Bar Date. Any Claimant (or other Person on behalf of such Claimant) who submits a Proof of Claim or D&O Proof of Claim must specify whether such Claim relates to the Pre-Filing Period or to the Restructuring Period. For the avoidance of doubt, a Proof of Claim or D&O Proof of Claim, as applicable, must be filed by every such Claimant (or other Person on behalf of such Claimant) in respect of every such Claim or D&O Claim, regardless of whether or not a legal proceeding in respect of such Claim or D&O Claim has been previously commenced.

53. THIS COURT ORDERS that any Claimant (or other Person on behalf of such Claimant) who is eligible to assert a Sears Pension Claim, Supplemental Plan Claim, Other Employee Claim or Other Retiree Claim, including any D&O Claim relating to any of the foregoing, and who 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 Proof of Claim Bar Date, or such later date as the Monitor (in consultation with the Sears Canada Entities, the applicable Directors and Officers in respect of any D&O Claim and, where the Monitor deems appropriate, Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator and/or the Superintendent) 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 Claim or D&O Claim and all such Claims or D&O Claims shall be forever extinguished;
- (b) will not be permitted to vote at any Meeting on account of such Claim(s) or D&O Claim(s);
- (c) will not be entitled to receive further notice with respect to the Employee and Retiree Claims Process or these proceedings unless the Monitor and/or the Sears Canada Entities become aware that such Claimant has any other Claim; and
- (d) will not be permitted to participate in any distribution under any Plan on account of such Claim(s) or D&O Claim(s).

54. THIS COURT ORDERS that the provisions of paragraphs 52 and 53 herein shall not apply to any Lifetime Discount Claims or to any Warranty Claims. Proofs of Claim with respect to any Lifetime Discount Claim and any Warranty Claim shall each be deemed to have been properly submitted in accordance with the applicable requirements of this Order by the Sears Canada Entities on behalf of each eligible Claimant, based on the books and records of the Sears Canada Entities. For greater certainty, no Claimant shall be entitled to any additional Claim against the Sears Canada Entities with respect to any Lifetime Discount or Warranty.

## **ADJUDICATION OF TERMINATION CLAIMS OR RETIREE BENEFIT CLAIMS**

### ***Requests for Correction***

55. THIS COURT ORDERS that the Monitor shall provide, upon request: (i) summaries of Termination Claims of Unionized Employees or copies of Non-ERC Employee Packages sent to Unionized Employees to the applicable Union Representative; and (ii) copies of any Requests for Correction received by it to the appropriate Representative Counsel or Union Representative.

56. THIS COURT ORDERS that the Monitor, in consultation with the Sears Canada Entities, shall review each Request for Correction submitted in accordance with this Order and received on or before the Request for Correction Bar Date, and shall, no later than July 31, 2018 and with a copy to the appropriate Representative Counsel for such Claimant, if applicable:

- (a) accept all of the corrections requested, in which case the Monitor shall cause to be sent to such Claimant a Notice of Acceptance, which will include the value of the Claimant's Termination Claim or Retiree Benefit Claim, as applicable, after applying the revised Personal Information to the Termination Claims Methodology or the Retiree Benefit Claims Methodology, as appropriate; or
- (b) disallow the corrections requested (in whole or in part), in which case the Monitor shall cause to be sent to such Claimant a Notice of Disallowance (Personal Information).

57. THIS COURT ORDERS that any Claimant who intends to dispute a Notice of Disallowance (Personal Information) hereof shall:

- (a) deliver a completed Notice of Dispute (Personal Information), along with the reasons for the dispute, to the Monitor by no later than thirty (30) days after the

date on which the Claimant is deemed to receive the Notice of Disallowance (Personal Information), or such other date as may be agreed to by the Monitor in writing; and

- (b) in the event that a dispute raised in a Notice of Dispute (Personal Information) is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Sears Canada Entities, the Monitor shall refer the dispute raised in the Notice of Dispute (Personal Information) to a Claims Officer or the Court for adjudication at its election.

58. THIS COURT ORDERS that where a Claimant who receives a Notice of Disallowance (Personal Information) does not submit a completed Notice of Dispute (Personal Information) by the time set out in paragraph 57(a), such Claimant's Personal Information shall be deemed to be as set out in the Notice of Disallowance (Personal Information), and such Claimant shall have no further right to dispute same and shall be barred from making any Claim inconsistent with such Personal Information.

***Notices of Proposed Revision***

59. THIS COURT ORDERS that the Monitor, in consultation with the Sears Canada Entities, shall review each Notice of Proposed Revision submitted in accordance with this Order and received on or before the Notice of Proposed Revision Bar Date, and shall accept, revise or reject the methodology proposed in such Notice of Proposed Revision.

60. THIS COURT ORDERS that, where a Union Representative has submitted a Notice of Proposed Revision on behalf of a Unionized Employee, only the Union Representative shall be entitled to negotiate the methodology proposed in such Notice of Proposed Revision with the Monitor on behalf of such Unionized Employee.

61. THIS COURT ORDERS that, in the event that an alternative methodology proposed in a Notice of Proposed Revision is not agreed to by the Monitor or is not successfully negotiated with the Claimant (or the Union Representative on behalf of a Unionized Employee) within a time period or in a manner satisfactory to the Monitor, in consultation with the Sears Canada Entities, the Monitor shall refer the dispute to a Claims Officer or the Court for adjudication at its election. For greater certainty, any party may file additional evidence, documentation, reports or information on any hearing to determine the methodology to be applied to calculate an applicable Claimant's Termination Claim or Retiree Benefit Claim, as applicable, and no party shall object to the filing of such additional evidence on the basis that such evidence, documentation, report or information was not included in the initial Termination Claim Statement or Retiree Benefit Claim Statement, Notice of Proposed Revision or Request for Correction, if submitted.

#### **ADJUDICATION OF PROOFS OF CLAIM AND D&O PROOFS OF CLAIM**

62. 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 Proof of Claim Bar Date, and shall accept, revise or reject each Claim set forth in each such Proof of Claim.

63. THIS COURT ORDERS that the Monitor shall promptly deliver a copy of any D&O Proofs of Claim, Notices of Disallowance (Proof of Claim) with respect to any D&O Claim, and Notices of Dispute (Proof of Claim) with respect to any D&O Claim, to the applicable Directors and Officers named therein.

64. 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 Proof of Claim Bar Date. 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.

65. THIS COURT ORDERS that the Monitor shall notify the 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 Disallowance (Proof of Claim) by no later than July 31, 2018 or such later date as ordered by the Court on application by the Monitor. However, this July 31, 2018 deadline shall not apply to any Proof of Claim or D&O Proof of Claim filed in respect of any Sears Pension Claim.

66. THIS COURT ORDERS that any Claimant who intends to dispute a Notice of Disallowance (Proof of Claim) in respect of any Proof of Claim or D&O Proof of Claim, as applicable, hereof shall:

- (a) deliver a completed Notice of Dispute (Proof of Claim), along with the reasons for the dispute, to the Monitor by no later than thirty (30) days after the date on which the Claimant is deemed to receive the Notice of Disallowance (Proof of Claim), or such other date as may be agreed to by the Monitor (in consultation with the Sears Canada Entities and any applicable Directors and Officers in respect of any D&O Claim) in writing; and
- (b) in the event that a dispute raised in a Notice of Dispute (Proof of 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), the Monitor shall refer the dispute raised

in the Notice of Dispute (Proof of Claim) to a Claims Officer or the Court for adjudication at its election. Any Claimant who wishes to challenge the method of adjudication elected by the Monitor may apply to the Court to determine the appropriate method of adjudication. For greater certainty, any party may file additional evidence, documentation, reports or information on any hearing to resolve the issues raised in a Notice of Dispute (Proof of Claim) and no party will object to the filing of such additional evidence on the basis that such evidence, documentation, report or information was not included in the initial Proof of Claim, D&O Proof of Claim or Notice of Disallowance (Proof of Claim).

67. THIS COURT ORDERS that where a Claimant who receives a Notice of Disallowance (Proof of Claim) does not submit a completed Notice of Dispute (Proof of Claim) by the time set out in paragraph 66(a), such Claimant's Claim or D&O Claim shall be deemed to be as set out in the Notice of Disallowance (Proof of Claim) and such Claimant shall have no further right to dispute same.

68. 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 applicable parties at any time. Any Claimant who wishes to challenge the method of adjudication elected by the Monitor may apply to the Court to determine the appropriate method of adjudication.

69. THIS COURT ORDERS that the Monitor and the Sears Canada Entities shall attempt to identify all Duplicate Claims and shall attempt to resolve such Duplicate Claims with the Person or Persons who submitted such Duplicate Claims. The Monitor and the Sears Canada Entities may at any time seek direction from the Court with respect to the process and procedures for resolving

Duplicate Claims, on notice to the Person or Persons who have submitted such Duplicate Claims (and to the applicable Directors and Officers in respect of any Duplicate Claim that is a D&O Claim).

### **CLAIMS OFFICER**

70. THIS COURT ORDERS that the Hon. Mr. James Farley, Q.C. and the Hon. Mr. Dennis O'Connor, Q.C., and such other Persons as may be appointed by the Court from time to time on application of the Monitor or the Sears Canada Entities (in consultation with Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator and/or the Superintendent, as applicable), be and are hereby appointed as Claims Officers for the Employee and Retiree Claims Process.

71. THIS COURT ORDERS that a Claims Officer shall determine the validity and amount of disputed Claims, the accuracy of any disputed Personal Information, and the methodology to be applied to any disputed Termination Claim or Retiree Benefit Claim, 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.

72. THIS COURT ORDERS that the Monitor, the Claimant (or any Person on behalf of a Claimant, including any Union Representative, Employee Representative Counsel, Pension Representative Counsel, the Pension Plan Administrator or the Superintendent), 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 Claimant's Claim, the accuracy of a Claimant's Personal Information, or the methodology to be applied to a Claimant's Termination Claim or Retiree Benefit Claim, appeal such determination or any other matter determined by the Claims Officer in accordance with paragraph 70 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.

73. THIS COURT ORDERS that, if no party appeals the determination of value of a Claim, of accuracy of a Claimant's Personal Information or of the methodology to be applied to a Claimant's Termination Claim or Retiree Benefit Claim, by a Claims Officer in accordance with the requirements set out in paragraph 72 above, the decision of the Claims Officer in determining the value of the Claim, the accuracy of the Personal Information or the methodology to be applied to a Claimant's Termination Claim or Retiree Benefit 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.

#### **NOTICE OF TRANSFEREES**

74. 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.

75. 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, NOTICE AND DELIVERY**

76. THIS COURT ORDERS that, notwithstanding anything to the contrary in this Order but subject to paragraph 77 below, the Monitor may send, serve and deliver or cause to be sent, served and delivered, to a Claimant or other interested Person, any notice, communication or other document required by this Order (a) by forwarding a copy thereof by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email to such Claimant or other interested Person 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, D&O Proof of Claim or Request for Correction; or (b) if such Claimant has successfully

logged-in to the Claims Website, by uploading or updating such notice, communication or other document to or on the Claims Website, and sending an email notification to such Claimant.

77. THIS COURT ORDERS that the Monitor may, to satisfy its obligations under paragraph 40 of this Order to ERC Employees and Non-ERC Employees with email addresses listed on the books and records of the Sears Canada Entities, serve and deliver or cause to be served and delivered to each such ERC Employee and Non-ERC Employee an email notice of this Employee and Retiree Claims Process, which shall include a link to the Claims Website and certain information that will allow each such ERC Employee and Non-ERC Employee to log-in the Claims Website to access his/her ERC Employee Package or Non-ERC Employee Package, as applicable; provided however, that in the event that any such ERC Employee or Non-ERC Employee does not successfully log-in to the Claims Website within 14 days of receipt of such email notice (according to the access records to be maintained by the Monitor), the Monitor shall serve and deliver or cause to be served and delivered the applicable ERC Employee Package or Non-ERC Employee Package by prepaid ordinary mail or courier to the physical address of such ERC Employee or Non-ERC Employee as last shown on the books and records of the Sears Canada Entities.

78. THIS COURT ORDERS that, notwithstanding anything to the contrary in this Order, a Claimant may send, serve and deliver or cause to be sent, served and delivered, to the Monitor, any notice, communication or other document required by this Order (a) by forwarding a copy thereof in writing and substantially in the form, if any, provided for in this Order, 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 101  
Toronto, ON M5K 1G8

Attention: Sears Canada Employee and Retiree Claims Process  
Email in respect of Employee Claims: [SearsEmployeeClaimSite@fticonsulting.com](mailto:SearsEmployeeClaimSite@fticonsulting.com)  
Email in respect of Retiree Claims: [SearsRetireeClaimSite@fticonsulting.com](mailto:SearsRetireeClaimSite@fticonsulting.com)  
Fax: 416-649-8101

or (b) if such Claimant has successfully logged-in to the Claims Website, by submitting such notice, communication or other document in accordance with the instructions provided on the Claims Website. Any notice, communication or other document 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.

79. THIS COURT ORDERS that such service and delivery of any documents in connection with this Employee and Retiree Claims Process shall be deemed to have been received: (a) 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; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; or (c) if delivered by facsimile transmission, email or submission on the Claims Website, 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.

80. 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**

81. THIS COURT ORDERS that at any time, the Monitor or the Sears Canada Entities may request additional information from a Claimant with respect to Personal Information, a proposed methodology contained in a Notice of Proposed Revision, a Sears Pension Claim, a Supplemental Plan Claim, or any Other Employee Claim or Other Retiree Claim made by such Claimant, and, where such Claimant has filed a Proof of Claim or D&O Proof of Claim, the Monitor may request that such Claimant file a revised Proof of Claim or D&O Proof of Claim.

82. THIS COURT ORDERS that the Sears Canada Entities, the Monitor, Employee Representative Counsel, Pension Representative Counsel and the Pension Plan Administrator 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 or the Pension Plan Administrator is required to take if such extension is 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.

83. 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.

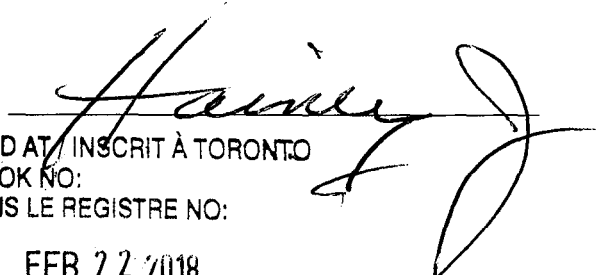
84. THIS COURT ORDERS that this Order shall have full force and effect in all provinces and territories in Canada.

85. 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.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

FEB 22 2018

PER / PAR:



## SCHEDULE A

### SUMMARY OF TERMINATION CLAIMS METHODOLOGY

#### **i. ERC Employees terminated without cause and without enhanced contractual entitlements**

ERC Employees terminated without cause and without enhanced contractual entitlements are entitled to a Termination Claim calculated as follows:

##### **Step 1: Calculate “Severance Pay Period”**

*Determine* the longest notice period out of those provided by:

1. Applicable employment standards legislation;
2. The Pre-2016 Severance Policy (as further described in the Penrice Affidavit);
3. The Post-2016 Severance Policy (as further described in the Penrice Affidavit); and
4. The Common Law Severance Formula.<sup>1</sup>

*Subtract* any working notice given to the Employee from the notice period selected.

##### **Step 2: Calculate “Termination Claim”**

###### **Step 2A: Calculate “Base Wages”**

*Calculate* the wages the Employee would have been paid during the Severance Pay Period (calculated above) based on the Employee’s base salary or hourly rate.

###### **Step 2B: Calculate “Benefits Gross-Up”**

*Gross-up* the Employee’s Base Wages (calculated above) by the percentage prescribed in Schedule B to the Penrice Affidavit.<sup>2</sup>

###### **Step 2C: Add Amount in respect of Damages for Loss of Associate Discount and Associate Assistance Plan**

*Add* \$175 in respect of damages for the loss of associate discount and associate assistance plan.

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<sup>1</sup> This Formula is set out in Schedule A to the Penrice Affidavit. It establishes a notice period based on an Employee’s position, years of service and age. The formula also creates maximum and minimum notice periods for Employees based on their respective positions.

<sup>2</sup> Schedule B provides for a gross-up for Employee benefits based on the Employee’s position and the Employee’s level of participation in certain benefit plans. If an Employee did not participate in any benefit plans, the gross-up does not apply.

**ii. Employees who resigned**

Employees who resigned during the post-filing period (whether or not during the working notice period) are not entitled to any Termination Claim amount. The only exception to this rule is for Employees in Ontario with five or more years of service who resigned during their statutory notice period. These Employees shall be entitled to severance pay in accordance with the Ontario *Employment Standards Act, 2000*, SO 2000, c 41. Employees who resigned are permitted to contest the assertion that they resigned voluntarily by submitting a Request for Correction (as further described in the Penrice Affidavit).

This methodology is not binding on Non-ERC Employees. Such Employees will be provided the opportunity to propose an alternate method of valuing their Termination Claims (except in the case of Unionized Employees, where only Union Representatives will be able to propose an alternate method of valuing the Termination Claims on behalf of the members they represent).

**iii. Employees who were receiving severance payments that ceased on or after the Filing Date**

The Termination Claims of Employees whose severance payments ceased on or after the Filing Date will be valued at the amount of severance payments that remained to be paid by the Sears Canada Entities as of the Filing Date.

This methodology is not binding on Non-ERC Employees. Such Employees will be provided the opportunity to propose an alternate method of valuing their Termination Claims (except in the case of Unionized Employees, where only Union Representatives will be able to propose an alternate method of valuing the Termination Claims on behalf of the members they represent).

**iv. ERC Employees terminated for cause**

ERC Employees who were terminated for cause after the Filing Date are not entitled to any Termination Claim amount. Such Employees are permitted to contest the assertion that they were terminated for cause by submitting a Request for Correction (as further described in the Penrice Affidavit).<sup>3</sup>

**v. ERC Employees terminated without cause and who have enhanced contractual entitlements**

ERC Employees who have negotiated enhanced termination entitlements as part of their written employment agreements are entitled to a Termination Claim calculated as follows:

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<sup>3</sup> Unionized Employees who were terminated for cause will be subject to section vii of this methodology.

The greater of:

1. The Employee's entitlement under the applicable employment agreement; and
2. The Employee's entitlement under the methodology described in section i above.

**vi. Non-ERC Employees with enhanced contractual entitlements**

Non-ERC Employees who have negotiated enhanced termination entitlements as part of their employment agreements are entitled to a Termination Claim calculated as follows:

The greater of:

1. The Employee's entitlement under the applicable employment agreement; and
2. The Employee's entitlement under the methodology described in section i above.

However, this methodology is not binding on such Employees and they will be provided the opportunity to propose an alternate method of valuing their Termination Claims.

**vii. Unionized Employees**

Unionized Employees are entitled to a Termination Claim calculated as follows:

The greater of:

1. The Employee's entitlement under the applicable collective agreement; and
2. The Employee's entitlement under the applicable minimum standards legislation.

However, this methodology is not binding on such Employees and Union Representatives will be provided the opportunity to propose an alternate method of valuing the Termination Claims of the members they represent.

**viii. Opt-Out Employees**

Employees who have opted out of representation by Employee Representative Counsel and who were terminated without cause on or after the Filing Date are entitled to a Termination Claim calculated using the methodology described in section i above.

However, this methodology is not binding on such Employees and they will be provided the opportunity to propose an alternate method of valuing their Termination Claims.



## SCHEDULE B

### SUMMARY OF RETIREE BENEFIT CLAIMS METHODOLOGY

#### **i. Health and Dental Claims**

For Retirees who were alive as of October 1, 2017 and whose OPEB Entitlements included health and dental benefits, the claim for the loss of future health and dental coverage is determined for each individual Retiree with Primary Coverage<sup>4</sup> as follows:

*Calculate* the present value<sup>5</sup> of all future Annual Replacement Costs<sup>6</sup> the Retiree is expected to incur until the Retiree's Life Expectancy Date.<sup>7</sup>

*Adjust* the result of the above calculation to reflect the tax impact of the change of health and dental coverage, assuming a marginal tax rate of 10%.<sup>8</sup>

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<sup>4</sup> A Retiree with Primary Coverage is any eligible retired employee of the Sears Canada Entities or, if the eligible retired employee of the Sears Canada Entities with Primary Coverage died and had an eligible spouse at that time, the eligible spouse.

<sup>5</sup> Present value is calculated as at October 1, 2017 using a discount rate of 2.34% and assuming that the Annual Replacement Cost will increase at a rate of 6% per year.

<sup>6</sup> Annual Replacement Cost is calculated by: (i) determining the average of the annual premiums offered to Ontario residents by Sun Life and Manulife to Retirees whose coverage ceased under the Health and Dental Plan as of October 1, 2017; and (ii) adding an additional amount to compensate for the fact that the coverage provided by Sun Life and Manulife on average only provided replacement coverage at approximately 80% of the coverage provided under the Health and Dental Plan.

<sup>7</sup> Life Expectancy Date is calculated by determining the Retiree's life expectancy as at October 1, 2017 (in years and months), based on the age of the Retiree as at October 1, 2017 and the Statistics Canada Life Expectancy Tables, and adding that period of life expectancy to October 1, 2017 to determine the period over which the health and dental coverage is assumed to be provided.

<sup>8</sup> This tax adjustment is intended to recognize that: (i) while Retirees previously received health and dental benefits under the Health and Dental Plan on a non-taxable basis, any payment received with respect to health and dental benefit claims would be a taxable payment to the Retiree, and (ii) the payment would be made as a lump-sum amount that would need to generate income (which would be taxable income) in order to provide for future premiums.

**ii. Life Insurance**

Life insurance claims for Retirees who were alive as of October 31, 2017 whose OPEB Entitlements included life insurance coverage are determined as follows:

*Calculate* the present value<sup>9</sup> of the Retiree Life Insurance Amount<sup>10</sup> applicable to the Retiree assuming that the Retiree Life Insurance Amount is payable when the Retiree reaches his or her Life Expectancy Date.<sup>11</sup>

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<sup>9</sup> Present value is calculated as at October 1, 2017 using a discount rate of 2.29%.

<sup>10</sup> Retiree Life Insurance Amount is the amount of life insurance coverage provided to the Retiree after he or she retired, such amount of coverage being based on the life insurance coverage that the individual had while employed by the applicable Sears Canada Entities.

<sup>11</sup> Life Expectancy Date is calculated by determining the Retiree's life expectancy as at October 1, 2017 (in years and months), based on the age of the Retiree as at October 1, 2017 and the Statistics Canada Life Expectancy Tables, and adding that period of life expectancy to October 1, 2017.

## SCHEDULE C

### NOTICE TO SEARS CANADA EMPLOYEE AND RETIREE CLAIMANTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

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

## SCHEDULE D

### FORM OF ERC EMPLOYEE LETTER

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

Re: Court Approved Employee Claims Procedure

#### 1. Why am I receiving this letter?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**16. When can I expect to receive payment?**

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

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

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

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

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

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

Questions can also be directed to the Monitor by email at [SearsEmployeeClaimSite@fticonsulting.com](mailto:SearsEmployeeClaimSite@fticonsulting.com).

## SCHEDULE E

### FORM OF NON-ERC EMPLOYEE LETTER

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

Re: Court Approved Employee Claims Procedure

#### 1. Why am I receiving this letter?

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

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

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

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

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

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

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

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

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

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

**[For Unionized Employees terminated without cause:]**

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

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

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

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

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

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

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

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

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

**[For Opt-Out Employees:]**

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

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

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

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

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

**[To be included in all letters:]**

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

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

**[For Unionized Employees terminated without cause:]**

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

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

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

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

**[For Opt-Out Employees:]**

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

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

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

**[For Unionized Employees and Opt-Out Employees:]**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**16. When can I expect to receive payment?**

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

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

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

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

## SCHEDULE F

### FORM OF RETIREE LETTER

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

Re: Court Approved Retiree Claims Procedure

#### 1. Why am I receiving this letter?

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

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

#### **[FOR INCLUSION IN LETTER TO RETIREES WITH DB BENEFITS]**

##### Defined Benefit Pension Plan

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

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

##### Supplementary Retirement Plan

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

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

**[FOR INCLUSION IN LETTER TO RETIREES WITH OPEB ENTITLEMENTS]**

Retiree Health, Dental and Life Insurance Coverage

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**8. When can I expect to receive payment?**

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

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

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

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

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

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

Attention: Sears Canada Employee and Retiree Claims Process  
Email: [SearsRetireeClaimSite@fticonsulting.com](mailto:SearsRetireeClaimSite@fticonsulting.com)

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

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

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

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

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

Questions can also be directed to the Monitor by email at [SearsRetireeClaimSite@fticonsulting.com](mailto:SearsRetireeClaimSite@fticonsulting.com).



## SCHEDULE G

### FORM OF NON-PRC RETIREE LETTER

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

Re: Court Approved Retiree Claims Procedure

#### 1. Why am I receiving this letter?

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

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

#### **[FOR INCLUSION IN LETTER TO RETIREES WITH DB BENEFITS]**

##### Defined Benefit Pension Plan

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

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

##### Supplementary Retirement Plan

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

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

**[FOR INCLUSION IN LETTER TO RETIREES WITH OPEB ENTITLEMENTS]**

Retiree Health, Dental and Life Insurance Coverage

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

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

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

**2. What is included in the Retiree Benefit Claim?**

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

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

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

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

- Your Date of Birth
- Your Gender

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

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

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

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

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

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

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

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

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

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

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

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

**8. When can I expect to receive payment?**

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

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

Requests for Correction

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

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

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

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

Attention: Sears Canada Employee and Retiree Claims Process  
Email: [SearsRetireeClaimSite@fticonsulting.com](mailto:SearsRetireeClaimSite@fticonsulting.com)

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

Notices of Proposed Revision

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

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

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

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

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

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

Questions can also be directed to the Monitor by email at [SearsRetireeClaimSite@fticonsulting.com](mailto:SearsRetireeClaimSite@fticonsulting.com).

## SCHEDULE H

### FORM OF TERMINATION CLAIM STATEMENT<sup>1</sup>

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

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

**RE:** Employee Number: \_\_\_\_\_

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

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

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

**Your Termination Claim**

Your Termination Claim has been determined to be as follows:

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

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

The value of your Termination Claim is: \$●

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

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

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

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

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

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

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

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

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

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

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

FTI Consulting Canada Inc.



## SCHEDULE I

### FORM OF RETIREE BENEFIT CLAIM STATEMENT<sup>1</sup>

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

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

**RE:** Employee Number: \_\_\_\_\_

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

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

Where applicable:

|   |  |
|---|--|
| Spouse’s Full Legal Name                        |  |
| Spouse’s Date of Birth<br>(MM/DD/YYYY)          |  |
| Spouse’s Gender                                 |  |
| Full Legal Name of each Dependant               |  |
| Date of Birth of each Dependant<br>(MM/DD/YYYY) |  |

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

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

**Your Retiree Benefit Claim**

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

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

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

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

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

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

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

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

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

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

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

FTI Consulting Canada Inc.

**SCHEDULE J**

**EMPLOYEE REQUEST FOR CORRECTION FORM<sup>1</sup>**

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

**FROM:** \_\_\_\_\_ (the “**Claimant**”)

\_\_\_\_\_  
\_\_\_\_\_

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

**RE:** Employee Number: \_\_\_\_\_  
*(Insert employee number as outlined on Termination Claim Statement)*

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

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

|  |  |
|--|--|
| Date of Birth<br><i>(MM/DD/YYYY)</i>         |  |
| Employment Start Date<br><i>(MM/DD/YYYY)</i> |  |
| Employment End Date<br><i>(MM/DD/YYYY)</i>   |  |

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
*(Print name of Claimant)*

\_\_\_\_\_  
*(Signature of Claimant)*

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

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

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

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

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

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

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

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

**SCHEDULE K**

**RETIREE REQUEST FOR CORRECTION FORM<sup>1</sup>**

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

**FROM:** \_\_\_\_\_ (the “**Claimant**”)

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

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

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

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

|   |                    |
|---|--------------------|
| Date of Birth<br><i>(MM/DD/YYYY)</i>        |                    |
| Gender                                      |                    |
| Province or other Jurisdiction of Residence |                    |
| Benefit Coverage                            | [Single or Couple] |

Where applicable:

|                          |  |
|--------------------------|--|
| Spouse’s Full Legal Name |  |
| Spouse’s Date of Birth   |  |

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

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

Comments:

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
(Print name of Claimant)

\_\_\_\_\_  
(Signature of Claimant)

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



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

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

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

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

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

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

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

## SCHEDULE L

### NOTICE OF PROPOSED REVISION FORM<sup>1</sup> FOR A DISPUTE OF THE METHODOLOGY APPLIED TO CALCULATE A TERMINATION CLAIM OR RETIREE BENEFIT CLAIM AGAINST THE SEARS CANADA ENTITIES<sup>2</sup>

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

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

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

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

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

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

**1 PARTICULARS OF CLAIMANT**

Employee Number:  
*(as indicated in the Termination Claim Statement or Retiree Benefit Claim Statement)* \_\_\_\_\_

Full Legal Name of Claimant: \_\_\_\_\_

Full Mailing Address of Claimant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number of Claimant: \_\_\_\_\_

Facsimile Number of Claimant: \_\_\_\_\_

E-mail Address of Claimant: \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

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

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

- (i) Have you acquired this Claim by Assignment? Yes  No   
*(If yes, attach documents evidencing assignment)*
- (ii) Full legal name of original Claimant: \_\_\_\_\_

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

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

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

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

**[Termination Claim Amount:**

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

**Total Termination Claim: \$●]**

**[Retiree Benefit Claim Amount:**

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

**Total Retiree Benefit Claim: \$●]**

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

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*Calculation of Claim as proposed by Claimant:*

Termination Claim: \$\_\_\_\_\_

Retiree Benefit Claim: \$\_\_\_\_\_



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

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

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

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

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

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

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

**SCHEDULE M**

**NOTICE OF ACCEPTANCE FORM<sup>1</sup>  
REGARDING A REQUEST FOR CORRECTION OF THE PERSONAL  
INFORMATION USED TO CALCULATE A TERMINATION CLAIM OR RETIREE  
BENEFIT CLAIM AGAINST THE SEARS CANADA ENTITIES<sup>2</sup>**

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

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

**RE:** Employee Number: \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

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

**[Termination Claim Amount:**

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

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

**[Retiree Benefit Claim Amount:**

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

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

FTI Consulting Canada Inc.



**SCHEDULE N**

**NOTICE OF DISALLOWANCE (PERSONAL INFORMATION) FORM<sup>1</sup>  
REGARDING THE PERSONAL INFORMATION USED TO CALCULATE A  
TERMINATION CLAIM OR RETIREE BENEFIT CLAIM AGAINST THE SEARS  
CANADA ENTITIES<sup>2</sup>**

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

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

**RE:** Employee Number: \_\_\_\_\_

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

Proposed changes accepted by Monitor:

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Proposed changes revised or disallowed by Monitor:

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Reasons for Revision or Disallowance:

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

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

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

**[Termination Claim Amount:**

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

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

**[Retiree Benefit Claim Amount:**

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

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

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

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

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

The address of the Monitor is set out below:

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

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

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

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

FTI Consulting Canada Inc.

**SCHEDULE O**

**NOTICE OF DISPUTE (PERSONAL INFORMATION) FORM<sup>1</sup>  
FOR A DISPUTE OF A REVISION OR DISALLOWANCE REGARDING THE  
PERSONAL INFORMATION USED TO CALCULATE A TERMINATION CLAIM OR  
RETIREE BENEFIT CLAIM AGAINST THE SEARS CANADA ENTITIES<sup>2</sup>**

**1 PARTICULARS OF CLAIMANT**

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

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number of Claimant:

Facsimile Number of Claimant:

E-mail Address of Claimant:

Attention (Contact Person):

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

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

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

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

(ii) Full legal name of original Claimant: \_\_\_\_\_

**3 DISPUTE OF REVISION OR DISALLOWANCE OF PERSONAL INFORMATION:**

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Personal Information as asserted by Claimant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4 REASONS FOR DISPUTE**

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

\_\_\_\_\_  
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\_\_\_\_\_

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DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
(Print name of Claimant)

\_\_\_\_\_  
(Signature of Claimant)

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

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

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

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

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

## SCHEDULE P

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

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

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

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

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

- a) Termination Claims, being claims with respect to any right or claim of an Employee against any of the Sears Canada Entities in respect of the termination of such Employee's employment, whether under contract, common law, statute or otherwise, including for termination and severance pay and for damages for loss of employment-related perquisites and benefits (including life insurance, medical and dental benefits) during his/her period of entitlement to working notice, which claims are included in a Termination Claim Statement provided to eligible Employees;
- b) Sears Pension Claims, being claims with respect to the wind-up deficiency relating to the defined benefit component of the Sears Canada Inc. Registered Retirement Plan, which Sears Pension Claims shall be submitted by Morneau Shepell Ltd., in its capacity as administrator of such plan, Koskie Minsky LLP, in its capacity as Pension Representative Counsel, and/or the Ontario Superintendent of Financial Services;
- c) Supplemental Plan Claims, being claims with respect to entitlements under the Sears Canada Inc. Supplementary Retirement Plan, which Supplemental Plan Claims shall be submitted by Pension Representative Counsel on behalf of eligible Retirees<sup>1</sup>;
- d) Retiree Benefit Claims, being claims against the Sears Canada Entities with respect to any right or claim of a Retiree relating to the loss of entitlements to life insurance, medical and dental benefits provided under the post-retirement benefit plan, which claims are included in a Retiree Benefit Claim Statement provided to eligible Retirees;

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

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

### **SECTION 1 – DEBTOR(S) <sup>2</sup>**

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

### **SECTION 2(A) – CLAIMANT**

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

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

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



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

### **SECTION 3 – AMOUNT AND TYPE OF CLAIM**

#### ***Amount***

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

#### ***Currency***

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

#### ***Whether Claim is Secured and Value of Security***

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

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

#### **SECTION 4 – SUPPORTING DOCUMENTATION**

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

#### **SECTION 5 – CERTIFICATION**

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

#### **SECTION 6 – FILING OF CLAIM AND APPLICABLE DEADLINE**

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

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

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

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

**SCHEDULE Q**

**PROOF OF CLAIM FORM  
FOR CERTAIN EMPLOYEE AND RETIREE CLAIMS AGAINST THE SEARS  
CANADA ENTITIES**

**1 NAME OF SEARS CANADA ENTITY OR ENTITIES (THE “DEBTOR(S)”) <sup>1</sup>  
AGAINST WHICH THE CLAIM IS BEING MADE:**

Debtor(s): \_\_\_\_\_

**2 (A) PARTICULARS OF CLAIMANT**

Full Legal Name of Claimant: \_\_\_\_\_

Full Mailing Address of Claimant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number of Claimant: \_\_\_\_\_

Facsimile Number of Claimant: \_\_\_\_\_

E-mail Address of Claimant: \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

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

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

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

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

Full Legal Name of original Claimant:

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Full Mailing Address of original Claimant:

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Telephone Number of original Claimant:

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Facsimile Number of original Claimant:

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E-mail Address of original Claimant:

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Attention (Contact Person):

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### 3 AMOUNT AND TYPE OF CLAIM

The Debtor is indebted to the Claimant as follows:

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

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

<sup>3</sup> 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 <u>Restructuring Period</u> Claim: | Whether Claim is Secured:                                | Value of Security Held, if any: |
|-----------|--|--|---------------------------------|
|           |  | Yes <input type="checkbox"/> No <input type="checkbox"/> |                                 |
|           |  | Yes <input type="checkbox"/> No <input type="checkbox"/> |                                 |
|           |  | Yes <input type="checkbox"/> No <input type="checkbox"/> |                                 |

#### 4 DOCUMENTATION

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

#### 5 CERTIFICATION

I hereby certify that:

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

Signature: \_\_\_\_\_

Witness: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

\_\_\_\_\_  
(print)

Title: \_\_\_\_\_

Dated at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

#### 6 FILING OF CLAIM AND APPLICABLE DEADLINE

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

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

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

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

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

## SCHEDULE R

### **D&O PROOF OF CLAIM INSTRUCTION LETTER FOR EMPLOYEE AND RETIREE CLAIMS AGAINST DIRECTORS AND/OR OFFICERS OF THE SEARS CANADA ENTITIES<sup>1</sup>**

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

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

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

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

#### **SECTION 1 – DEBTOR(S)**

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

#### **SECTION 2(A) – ORIGINAL CLAIMANT**

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

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



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

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

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

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

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

***Currency***

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

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

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

#### **SECTION 4 – DOCUMENTATION**

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

#### **SECTION 5 – CERTIFICATION**

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

#### **SECTION 6 – FILING OF CLAIM AND APPLICABLE DEADLINE**

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

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

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

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

**SCHEDULE S**

**D&O PROOF OF CLAIM FORM  
FOR EMPLOYEE AND RETIREE CLAIMS AGAINST DIRECTORS AND/OR  
OFFICERS OF THE SEARS CANADA ENTITIES<sup>1</sup>**

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

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

Debtor(s): \_\_\_\_\_

**2 (A) PARTICULARS OF CLAIMANT**

Full Legal Name of Claimant:

\_\_\_\_\_

Full Mailing Address of Claimant:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number of Claimant:

\_\_\_\_\_

Facsimile Number of Claimant:

\_\_\_\_\_

E-mail Address of Claimant:

\_\_\_\_\_

Attention (Contact Person):

\_\_\_\_\_

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

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

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

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

Full Legal Name of original Claimant:

\_\_\_\_\_

Full Mailing Address of original Claimant:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number of original Claimant:

\_\_\_\_\_

Facsimile Number of original Claimant:

\_\_\_\_\_

E-mail Address of original Claimant:

\_\_\_\_\_

Attention (Contact Person):

\_\_\_\_\_

### 3 AMOUNT OF CLAIM

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

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

### 4 DOCUMENTATION

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

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

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

## 5 CERTIFICATION

I hereby certify that:

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

Signature: \_\_\_\_\_

Witness: \_\_\_\_\_

(signature)

Name: \_\_\_\_\_

(print)

Title: \_\_\_\_\_

Dated at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

## 6 FILING OF CLAIMS AND APPLICABLE DEADLINE

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

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

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

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

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

**SCHEDULE T**

**NOTICE OF DISALLOWANCE (PROOF OF CLAIM) FORM<sup>1</sup>  
REGARDING AN EMPLOYEE OR RETIREE CLAIM AGAINST THE SEARS  
CANADA ENTITIES<sup>2</sup> OR THEIR DIRECTORS AND/OR OFFICERS**

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

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

**RE:** Claim Reference Number: \_\_\_\_\_

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

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

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

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

Reasons for Revision or Disallowance:

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

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

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

The address of the Monitor is set out below:

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

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

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

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

FTI Consulting Canada Inc.



**SCHEDULE U**

**NOTICE OF DISPUTE (PROOF OF CLAIM) FORM<sup>1</sup>  
FOR A DISPUTE OF A REVISION OR DISALLOWANCE REGARDING A CLAIM  
AGAINST THE SEARS CANADA ENTITIES OR THEIR DIRECTORS AND/OR  
OFFICERS<sup>2</sup>**

**1 PARTICULARS OF CLAIMANT**

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

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number of Claimant:

Facsimile Number of Claimant:

E-mail Address of Claimant:

Attention (Contact Person):

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

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

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

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

(ii) Full legal name of original Claimant: \_\_\_\_\_

**3 DISPUTE OF REVISION OR DISALLOWANCE OF CLAIM:**

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

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

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

**4 REASONS FOR DISPUTE**

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

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

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., 9370-2751 QUÉBEC INC., 191020 CANADA INC., THE CUT INC., SEARS CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES INC., INITIUM COMMERCE LABS INC., INITIUM TRADING AND SOURCING CORP., SEARS FLOOR COVERING CENTRES INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC., 168886 CANADA INC., AND 3339611 CANADA INC.

Applicants

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

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**EMPLOYEE AND RETIREE CLAIMS PROCEDURE ORDER**

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**OSLER, HOSKIN & HARCOURT LLP**

P.O. Box 50, 1 First Canadian Place  
Toronto, ON M5X 1B8

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