

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., 9845488 CANADA 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.

CREDITOR PROXY

Before completing this proxy, please read carefully the accompanying “Instructions For Completion of Proxy”.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the joint amended and restated plan of compromise and arrangement of Sears Canada Inc. and certain of its affiliates (collectively, the “**Sears Canada Entities**”)¹ dated October 22, 2020 (as may be further amended, restated, supplemented, or amended and restated from time to time, the “**Plan**”) filed pursuant to the *Companies' Creditors Arrangement Act* with the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) or in the meetings order dated February 15, 2019, as amended and restated on October 27, 2020 (the “**Meetings Order**”).

THIS FORM OF PROXY IS FOR USE BY ALL CREDITORS. In accordance with the Plan and the Meetings Order, this proxy may only be filed by Affected Unsecured Creditors having a Voting Claim or an Unresolved Voting Claim (“**Eligible Voting Creditors**”) in respect of the Sears Canada Entities other than 9370-2571 Québec Inc. (formerly Corbeil Électrique Inc.).

A PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE DELIVERED BY EMAIL OR MAIL TO THE MONITOR SO THAT IT IS RECEIVED BY NO LATER THAN 5:00 P.M. (TORONTO TIME) ON NOVEMBER 12, 2020. (Note: Delivery by email is strongly recommended and preferred to ensure the proxy is received by the Monitor prior to the deadline. Those who send their proxies by mail should take into account potential delays and allow for substantial additional delivery time.)

Due to public meeting restrictions declared under the *Reopening Ontario (A Flexible Response to COVID-19) Act, 2020*, S.O. 2020, c 17, and the regulations made thereunder, as a result of the COVID-19 pandemic, the Meetings will be held on a virtual meeting platform. Only Eligible Voting Creditors who submit a proxy appointing Mr. Paul Bishop of FTI Consulting Canada Inc., in its capacity as Monitor of the Sears Canada Entities, or such other Person as he in his sole discretion may designate, to attend, act and vote for and on behalf of such Eligible Voting Creditor at the applicable Meeting shall be entitled to have their Eligible Voting Claims voted at the applicable Meeting. **No votes on the Plan will be collected at the Meetings.**

If you previously submitted a proxy prior to the applicable deadline for the Meetings that were adjourned on March 25, 2019, appointing Mr. Paul Bishop of FTI Consulting Canada Inc., in its capacity as Monitor, as your proxy and you do not wish to revoke such proxy, **you do not need to re-submit a proxy.**

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given, if any, and nominates, constitutes and appoints Mr. Paul Bishop of FTI Consulting Canada Inc. in its capacity as

¹ The “**Sears Canada Entities**” are Sears Canada Inc., The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., 9845488 Canada Inc. (formerly “Initium Commerce Lab 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., 3339611 Canada Inc., SearsConnect, 191020 Canada Inc., 168886 Canada Inc. and 9370-2571 Québec Inc.

INSTRUCTIONS FOR COMPLETION OF PROXY

1. These instructions for completion of proxy should be read in conjunction with the joint amended and restated plan of compromise and arrangement of Sears Canada Inc. and certain of its affiliates (collectively, the “**Sears Canada Entities**”) dated October 22, 2020 (as may be further amended, restated, supplemented, or amended and restated from time to time, the “**Plan**”) filed pursuant to the *Companies’ Creditors Arrangement Act* with the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) and in connection with the meetings order dated February 15, 2019, as amended and restated on October 27, 2020 (the “**Meetings Order**”). Capitalized terms used herein that are not otherwise defined herein shall have the meanings ascribed to them in the Plan or Meetings Order.
 2. Due to public meeting restrictions declared under the *Reopening Ontario (A Flexible Response to COVID-19) Act, 2020*, S.O. 2020, c 17, and the regulations made thereunder, as a result of the COVID-19 pandemic, the Meetings will be held on a virtual meeting platform on November 16, 2020.
 3. In accordance with the Virtual Meeting Protocol approved pursuant to the Meetings Order, no person other than Mr. Paul Bishop of FTI Consulting Canada Inc., in its capacity as Monitor, or such other Person as he, in his sole discretion may designate, shall be appointed as the Eligible Voting Creditor’s proxy holder.
 4. In that regard, each Eligible Voting Creditor wishing to vote at a Meeting must submit a completed proxy appointing Mr. Paul Bishop, of FTI Consulting Canada Inc., in its capacity as Monitor, to attend, act and vote for and on behalf of such Eligible Voting Creditor at the applicable Meeting. **If you previously submitted a proxy prior to the applicable deadline for the Meetings that were adjourned on March 25, 2019, appointing Mr. Paul Bishop as your proxy and you do not wish to revoke such proxy, you do not need to re-submit a proxy.**
 5. An Eligible Voting Creditor who has given a proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by delivering written notice to the Monitor at the contact details set out below prior to 5:00 p.m. (Toronto time) on November 12, 2020 (the “**Proxy Deadline**”).
 6. If this proxy is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Monitor.
 7. A valid proxy from the same Eligible Voting Creditor bearing or deemed to bear a later date shall revoke this proxy. If more than one valid proxy from the same Eligible Voting Creditor in the same capacity and bearing or deemed to bear the same date are received with conflicting instructions, such proxies shall not be counted for the purposes of the vote.
 8. This proxy confers discretionary authority upon the proxy holder with respect to other matters that may properly come before the applicable Meeting or any adjournment or postponement of the applicable Meeting.
 9. The proxy holder shall vote the Voting Claim or Unresolved Voting Claim of the Eligible Voting Creditor in accordance with the direction of the Eligible Voting Creditor appointing him or her on any ballot that may be called for at the applicable Meeting or any adjournment or postponement of such Meeting.
- IF AN ELIGIBLE VOTING CREDITOR SUBMITS THIS PROXY AND FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE PLAN, THIS PROXY SHALL BE VOTED FOR APPROVAL OF THE PLAN, INCLUDING ANY AMENDMENTS, VARIATIONS OR SUPPLEMENTS THERETO.**
10. If the Eligible Voting Creditor is an individual, this proxy must be signed by the Eligible Voting Creditor or by a person duly authorized (by power of attorney) to sign on the Eligible Voting Creditor’s behalf. If the Eligible Voting Creditor is a corporation, partnership or trust, this proxy must be signed by a duly authorized officer or attorney of the corporation, partnership or trust. You may be required to provide documentation evidencing your power and authority to sign this proxy.
 11. An electronic signature of the applicable signatory or a photo of the dated and signed signature page will be acceptable.
 12. **A PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE DELIVERED BY EMAIL OR MAIL TO THE MONITOR SO THAT IT IS RECEIVED BY NO LATER THAN 5:00 P.M. (TORONTO TIME) ON NOVEMBER 12, 2020.**

(**Note:** Delivery by email is strongly recommended and preferred to ensure the proxy is received by the Monitor prior to the deadline. Those who send their proxies by mail should take into account potential delays and allow for substantial additional delivery time.)

By email: searscanada@fticonsulting.com

By mail: FTI Consulting Canada Inc., as Monitor of the Sears Canada Entities
TD South Tower
79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8
Attention: Hrvoje Muhek

13. The Monitor is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any proxy is completed and executed, and may waive strict compliance with the requirements in connection with the deadlines imposed by the Meetings Order.