

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

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

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

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

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

SECTION 1 – DEBTOR(S)

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

SECTION 2(A) – ORIGINAL CLAIMANT

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

¹ The "Sears Canada Entities" are Sears Canada Inc., 9370-2751 Quebec Inc. (formerly Corbeil 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, 2017.² If your Claim includes accrued interest, please provide copies of source documents supporting the rate and the date from which interest has accrued.
2. If the D&O Claim arose in respect of the period on or after June 22, 2017, then indicate the amount the Director(s) and/or Officer(s) is/are indebted to the Claimant in the space reserved for D&O Claims in respect of the Restructuring Period in the “Amount of Claim” column.
3. If there are insufficient lines to record each D&O Claim amount, attach a separate schedule indicating the required information.

Currency

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

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

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

SECTION 4 – DOCUMENTATION

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

SECTION 5 – CERTIFICATION

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

SECTION 6 – FILING OF CLAIM AND APPLICABLE DEADLINE

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

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

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

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.