

**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 Retirees¹;
- 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;

¹ 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) ²

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

²The “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
Email for Retiree Claims: 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.