

NOTICE TO HOLDERS OF VALID SEARS CANADA INC. CUSTOMER PROTECTION AGREEMENTS (WARRANTIES)

RE: CLAIM AND COMPENSATION PROCESS FOR HOLDERS OF VALID CUSTOMER PROTECTION AGREEMENTS (WARRANTIES) PURCHASED FROM SEARS CANADA INC. BEFORE JUNE 22, 2017

PLEASE TAKE NOTICE that if you hold a valid customer warranty from Sears Canada Inc. (**Sears Canada**) purchased before June 22, 2017, and have incurred actual out-of-pocket costs that would otherwise have been covered under that warranty, you may be entitled to compensation for all or a portion of those costs.

Pursuant to a plan of compromise and arrangement (the **Plan**) approved by Sears Canada's creditors on November 16, 2020 and by the Ontario Superior Court of Justice on November 23, 2020, customers holding valid warranties issued by Sears Canada before June 22, 2017 may now be entitled to compensation for any actual out-of-pocket costs that they have incurred for the repair or service of their appliance or other Sears Canada product that would have otherwise been covered by the warranty (a **Warranty Claim**).

Pursuant to the Court-approved Plan:

- Sears Canada has established a warranty claims reserve of \$9 million (the **Warranty Reimbursement Pool**) to settle approved Warranty Claims for warranties purchased before June 22, 2017.
- FTI Consulting Canada Inc., the Court-appointed monitor of Sears Canada Inc. (the **Monitor**), with the assistance of Epiq Class Action Services Inc. (the **Warranty Claims Administrator**), will oversee the process to review and approve Warranty Claims.

To be eligible for compensation out of the Warranty Reimbursement Pool for costs **actually incurred and paid** by you to repair or service the product that would otherwise have been covered under a valid customer Warranty issued by Sears Canada on or before June 22, 2017, all applicants **MUST**:

- Complete and submit proof of their Warranty Claim (a **Warranty Claim Form**) on or before 5:00 p.m. (Toronto time) on **Monday, June 12, 2021 (the Warranty Claims Bar Date)**. Warranty Claim Forms must be completed and submitted at the Warranty Claim Administrator's website at www.searscanadawarrantyclaim.ca (English) or www.reclamationgarantie SearsCanada.ca (Français).
- Establish an entitlement to compensation by reasonably demonstrating in their Warranty Claim Form (a) that they have incurred actual out-of-pocket costs covered under the applicable warranty; and (b) that the warranty was valid at the time such costs were incurred. Details on what information must be included with your Warranty Claim Form can be found on the Warranty Claim Administrator's website.

Please note that this Warranty Claims Protocol does not apply to any manufacturer's warranty.

IF YOU DO NOT SUBMIT A WARRANTY CLAIM FORM BY THE WARRANTY CLAIMS BAR DATE OF JUNE 12, 2021, AT 5:00 P.M. (TORONTO TIME) YOU WILL NOT RECEIVE COMPENSATION AND YOUR WARRANTY CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.

Please note that Persons who hold a Warranty **purchased ON or AFTER June 22, 2017 are exempted** from filing a Warranty Claim Form and shall instead be reimbursed for the remaining unamortized value (as at October 19, 2017, the date at which the company could no longer honour its warranty obligations) of the original purchase price paid for such Warranty.

Payments to reimburse holders of valid Warranties purchased on or after June 22, 2017 will be administered by the Warranty Claims Administrator and are expected to be issued by January 31, 2021. Anyone holding a valid warranty purchased from Sears Canada on or after June 22, 2017 that has not received a reimbursement payment by January 31, 2021 should contact the Monitor at searscanada@fticonsulting.com.

A copy of the Plan, the Warranty Claim application process, and other information concerning Warranty Claims can be found at the Warranty Claim Administrator's website at www.searscanadawarrantyclaim.ca / www.reclamationgarantie Sears Canada.ca.

DATED this 16th day of December, 2020.

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