

EXHIBIT B

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE SEARS HOMETOWN AND
OUTLET STORES, INC.
STOCKHOLDERS LITIGATION

CONSOLIDATED
C.A. No. 2019-0798-JTL

**NOTICE OF PENDENCY OF STOCKHOLDER
CLASS ACTION AND PROPOSED SETTLEMENT,
SETTLEMENT HEARING, AND RIGHT TO APPEAR**

***The Delaware Court of Chancery authorized this Notice.
This is not a solicitation from a lawyer.***

**YOU NEED NOT TAKE ANY ACTION IN RESPONSE TO THIS NOTICE UNLESS
YOU INTEND TO OBJECT TO THE SETTLEMENT**

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights will be affected by the above-captioned stockholder class action (the “Action”) pending in the Court of Chancery of the State of Delaware (the “Court”) if you were a public common stockholder of Sears Hometown and Outlet Stores, Inc. (“SHOS,” or the “Company”) on October 23, 2019, or an heir, assign, transferee, or successors-in-interest of such a stockholder.

NOTICE OF SETTLEMENT: Please also be advised that lead plaintiffs Whitebark Value Partners LP and Keith Edquist (“Lead Plaintiffs”), on behalf of themselves and the Class (defined in Paragraphs 68-69 below) and defendants Edward S. Lampert, ESL Investments, Inc., ESL Partners, LP, RBS Partners, LP, Transform Holdco LLC, and Hometown Midco LLC (the “Defendants”) have reached a proposed settlement for \$10,000,000 in cash (the “Settlement”).¹ The proposed Settlement, if approved, will resolve all claims in the Action.

¹ Lead Plaintiffs and the Defendants are collectively referred to as the “Parties.”

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. This Notice explains how Class Members will be affected by the Settlement. The following table provides a brief summary of the rights you have as a Class Member and the relevant deadlines, which are described in more detail later in this Notice.²

CLASS MEMBERS' LEGAL RIGHTS IN THE SETTLEMENT:	
RECEIVE A PAYMENT FROM THE SETTLEMENT. CLASS MEMBERS <u>DO NOT</u> NEED TO SUBMIT A CLAIM FORM.	If you are a member of the Class (defined in Paragraphs 68-69 below) (a " <u>Class Member</u> "), you may be eligible to receive a proportional distribution from the Settlement proceeds. Eligible Class Members (defined in Paragraph 81 below) do not need to submit a claim form in order to receive a distribution from the Settlement, if approved by the Court. Your distribution from the Settlement will be paid to you directly. See Paragraphs 77-83 below for further discussion.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <u>RECEIVED</u> NO LATER THAN _____, 202_.	If you are a Class Member and would like to object to the proposed Settlement, the proposed Plan of Allocation, or Class Counsel's request for an award of attorneys' costs and expenses, you may write to the Court and explain the reasons for your objection.
ATTEND A HEARING ON _____, 202_ AT ____:__.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <u>RECEIVED</u> NO LATER THAN _____, 202_.	Filing a written objection and notice of intention to appear that is received by _____, 202_, allows you to speak in Court, at the Court's discretion, about your objection. In the Court's discretion, the _____, 202_ hearing may be conducted by video or telephone conference (<i>see</i> Paragraph 91 below). If you submit a written objection, you may (but you do not have to) attend the hearing and, at the Court's discretion, speak to the Court about your objection.

² Any capitalized terms used in this Notice that are not otherwise defined in this Notice shall have the meanings given to them in the Stipulation and Agreement of Compromise, Settlement, and Release, dated November 21, 2024 (the "Stipulation"). A copy of the Stipulation is available at www.searsstockholderssettlement.com.

Questions? Call A.B. Data, Ltd. toll free at 1-877-388-1772, email info@searsstockholderssettlement.com, or visit www.searsstockholderssettlement.com.

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WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to notify Class Members of the existence of the Action and the terms of the proposed Settlement with the Defendants. The Notice is also being sent to inform Class Members of a hearing that the Court has scheduled to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation for the Settlement proceeds, the application by Class Counsel for a Fee and Expense Award (defined in Paragraph 87 below), and the application by Lead Plaintiffs for an Incentive Fee Award (defined in Paragraph 88 below) in connection with the Settlement (the "Settlement Hearing"). See Paragraphs 90-93 below for details about the Settlement Hearing, including the location, date, and time of the hearing.

2. The Court directed that this Notice be mailed to you because you may be a Class Member. The Court has directed us to send you this Notice because Class Members have a right to know about their options before the Court rules on the proposed Settlement. Additionally, Class Members have the right to understand how the Action and the proposed Settlement generally affects their legal rights. **Please Note:** The Court may approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Class.

3. The issuance of this Notice is not an expression by the Court of any findings of fact or any opinion concerning the merits of any claim in the Action (or eventual appeal), and the

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Court has not yet decided whether to approve the Settlement. If the Court approves the Settlement, then payments to Eligible Class Members will be made after any appeals related to the Settlement are resolved.

PLEASE NOTE: Receipt of this Notice does not mean that you are an Eligible Class Member or that you will be entitled to receive a payment from the Settlement.

WHAT IS THIS CASE ABOUT?

THE FOLLOWING DESCRIPTION OF THE ACTION AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES.

4. On November 9, 2016, the board of directors (the “Board”)³ of Sears Hometown and Outlet Stores, Inc. (“SHOS,” or the “Company”)⁴ formed a special committee to, among other things, evaluate and approve transactions between SHOS and Sears Holdings Corporation (“Sears Holdings”). David B. Robbins (“Robbins”) and Kevin Longino (“Longino”) were the initial members of this special committee (the “Special Committee”).

5. On October 15, 2018, Sears Holdings filed for bankruptcy. On October 17, 2018, the Board met to discuss that bankruptcy’s effects on the Company.

6. On October 22, 2018, the Board added William K. Phelan (“Phelan”) to the Special Committee and put all matters related to the Sears Holdings bankruptcy within the Special Committee’s authority. The Special Committee retained Shearman & Sterling LLP (“Shearman”) as its legal advisor and PJ Solomon Securities LLC (“PJ Solomon”) as its financial advisor.

7. On December 12, 2018, the Board discussed strategic alternatives for the Company, including (i) a sale of the Company to ESL Investments, Inc. or its investment affiliates (together, “ESL”) or (ii) liquidating the Company’s Hometown segment (the “Hometown Segment”) and operating the Company’s Outlet segment (the “Outlet Segment”) and Buddy’s Home Furnishing Stores (“Buddy’s Stores”) businesses as an independent company (the “Hometown Liquidation”).

8. On January 4, 2019, the Company executed an engagement letter with a third-party consultant, AlixPartners LLP to review the Company’s contingency planning in connection with a potential Hometown Liquidation.

³ Lampert was not a director.

⁴ SHOS is now known as Sears Hometown Stores, Inc.

9. In late January, 2019, Transform Holdco LLC bid successfully to acquire substantially all of Sears Holdings' assets. The sale closed in early February.

10. On or around March 12, 2019, amidst further deteriorating SHOS financial performance, SHOS' Chief Executive Officer, William Powell ("Powell") asked the Special Committee to authorize Powell and Robbins to contact Lampert to gauge interest in pursuing a transaction involving the Hometown Segment or SHOS as a whole. Shearman contacted Lampert's counsel at Cleary Gottlieb Steen & Hamilton LLP ("Cleary") to invite a bid.

11. On March 20, 2019, Robbins, Lampert, and Powell discussed the Company's consideration of a Hometown Liquidation and a potential acquisition of the Hometown Segment by Transform Holdco LLC and its affiliates (together, "Transform").

12. Between March 20, 2019 and March 27, 2019, the Special Committee, Lampert, and their respective counsel discussed various structures concerning a potential sale of the Company.

13. On March 27, 2019, the Board and Special Committee both held meetings and reviewed strategic alternatives. Among other things, the Special Committee set a deadline of April 15, 2019 for the conclusion of any negotiations with Lampert and, if not concluded, then the Company would start the Hometown Liquidation. Shearman communicated the deadline to Cleary.

14. On March 29, 2019, the Company executed a non-disclosure agreement with Lampert.

15. On April 1, 2019, Powell, Bird, and PJ Solomon met with Lampert and the president of ESL, Kunal Kamlani, to discuss, among other things, "the current health of the Hometown segment, the expected proceeds from a liquidation of the segment and the proforma of a stand-alone Outlet/rent to own business." The parties disagreed as to the future prospects of the Company. Lampert stated that he believed the Hometown Liquidation would destroy value, and questioned whether the Outlet Segment could succeed on its own.

16. On April 2, 2019, Powell, PJ Solomon, and SHOS' former-Chief Financial Officer, E.J. Bird ("Bird"), discussed a potential Hometown Liquidation with Bank of America Corporation and the Gordon Brothers Finance Company, administrative agent and collateral agent to the Company's term loan credit facility.

17. On April 5, 2019, Transform submitted a non-binding offer to acquire the Company for \$2.25 per share (the "April 5 Offer"). The April 5 Offer was conditioned on a favorable recommendation from the Committee. Transform sent the April 5 Offer letter with a presentation that, among other things, critiqued the Hometown Liquidation plan and questioned whether the Outlet Segment could survive as a standalone business.

18. On April 6, 2019, the Special Committee met to consider the April 5 offer. The Special Committee rejected the April 5 Offer because it believed “the bid significantly missed the mark and did not appear to have taken into account any of the guidance or information provided since the NDA was signed.” Because the Special Committee believed “the proposed price is ‘so far out of the range,’ they d[id]n’t have a specific counter-proposal.”

19. On April 8, 2019, ESL publicly disclosed the terms of the April 5 Offer and the Company’s response.

20. Over the next several days negotiations continued between Lampert and the Special Committee, but failed to result in an agreement. On April 12, 2019, Lampert met with the Special Committee and made two proposals. Later that day, the Special Committee rejected Lampert’s offers and directed PJ Solomon “to contact Mr. Lampert and again describe the valuation range that the Committee viewed as appropriate for a potential take private transaction and to note for Mr. Lampert that he could consider the high end of that range (approximately \$9.50 per share) as the Committee’s specific counterproposal.” PJ Solomon conveyed the Special Committee’s proposal and confirmed that unless a deal was reached, the Company would proceed with the Hometown Liquidation on April 15, 2019.

21. On April 15, 2019, Lampert and ESL Partners, L.P., as holders of a majority of the outstanding SHOS common stock, executed a written consent that: (i) removed Special Committee members Robbins and Phelan from the Board; (ii) appointed Alberto Franco (“Franco”) and John E. Tober (“Tober”) as SHOS directors; and (iii) amended the Company’s bylaws to require that any proposed liquidation of significant assets or a significant business line receive the votes of at least 90% of the Board members in two meetings at least 30 business days apart (the “Controller Intervention”).

22. On April 17, 2019, Longino agreed to continue serving on the Special Committee.

23. On April 18, 2019, the Board executed a unanimous written consent reaffirming the exclusive power and authority of the Special Committee and designating Longino as its sole member.

24. On April 26, 2019, the Special Committee discussed with Shearman and PJ Solomon a potential transaction with Lampert involving a “go shop” of the Outlet Segment. The Special Committee directed PJ Solomon to continue discussions with Lampert regarding a potential deal.

25. Between May 3, 2019 and May 31, 2019, Lampert, through Transform, and the Special Committee discussed various potential transaction structures, including a potential Hometown segment-only transaction, a potential transaction involving the sale of the Company’s outlet segment to a third party, and a potential take-private transaction. The Special Committee

suggested a whole-Company sale including a go-shop for the Outlet Segment, and the parties negotiated under that framework.

26. On May 27, 2019, PJ Solomon reviewed with the Special Committee a financial analysis of the proposed transaction based on the assumption that the Controller Intervention prevented a Hometown Liquidation. Later that day, the Special Committee's advisors presented the same information to the Board.

27. On May 28 and 29, 2019, the Special Committee and the Board held meetings to discuss the status of negotiations.

28. On May 31, 2019, PJ Solomon opined at a Special Committee meeting and then at a Board meeting that \$2.25 per share was fair, from a financial point of view, to SHOS' unaffiliated stockholders, based on the assumption that the Controller Intervention prevented a Hometown Liquidation. At the Board meeting, the Special Committee explained that the proposed merger transaction with Transform was the best, and possibly the only, alternative to realize value for the Company and its stockholders. After the Special Committee's recommendation, the Board adopted the analyses, conclusions, and recommendation of the Special Committee and unanimously approved a merger agreement providing for Transform to purchase SHOS for \$2.25 per share (the "Merger Agreement"). Among other things, the Merger Agreement contemplated a sale process for the Outlet Segment and Buddy's Stores that could result in additional consideration to SHOS' minority stockholders.

29. On June 1, 2019, Lampert and ESL Partners, L.P., as holders of a majority of the outstanding SHOS common stock, approved the Merger Agreement by written consent.

30. On June 3, 2019, the Company publicly announced the Merger Agreement and the start of the Outlet Segment go-shop. Over the next two weeks, PJ Solomon contacted a number of potential purchasers, with seventeen entering into confidentiality agreements.

31. On August 27, 2019, SHOS agreed to sell its Outlet Segment and Buddy's Stores to a third party for \$121 million, which resulted in an additional \$0.96 per share in merger consideration for the Company's minority stockholders (the "Outlet Sale").

32. On October 23, 2019, SHOS merged with Transform (the "Merger") and trading of SHOS common stock ceased following the close of business. Pursuant to the Merger and related transactions, all non-dissenting SHOS minority stockholders (excluding Lampert, ESL Investments Inc., ESL Partners LP, and RBS Partners, LP) received \$3.21 per share in exchange for each share of SHOS common stock (the "Merger Consideration").

33. On October 4, 2019, Wayne Grant and Keith Edquist ("Edquist") filed a complaint alleging breaches of fiduciary duty by Lampert, ESL Investments, Inc., Transform Holdco LLC,

and Transform Merger Corporation in connection with the Merger. James Darr filed a complaint alleging similar claims on November 20, 2019, and Whitebark Value Partners LP (“Whitebark”) filed a complaint alleging similar claims on November 22, 2019.

34. On January 3, 2020, the Court entered an Order appointing: (i) Whitebark and Edquist as Lead Plaintiffs; (ii) Labaton Keller Sucharow LLP, Prickett Jones & Elliott, P.A., and Andrews & Springer LLC as Co-Lead Counsel (“Class Counsel”); and (iii) Levi & Korsinsky, LLP and Wolf Popper LLP as the Executive Committee for the Class (together with Class Counsel, “Plaintiffs’ Counsel”).

35. On January 16, 2020, Plaintiffs filed a Verified Consolidated Stockholder Class Action Complaint (the “Complaint”) asserting claims for: (i) breach of fiduciary duty against Josephine Linden (“Linden”), Franco, Tober, Powell, Bird, and James F. Gooch (“Gooch”); (ii) breach of fiduciary duty against the Defendants as majority stockholders; (iii) unjust enrichment against the Defendants; and (iv) aiding and abetting breaches of fiduciary duties against the Defendants.

36. On March 25, 2020, the Court granted a stipulated order dismissing Powell, Bird, and Gooch (the “Dismissed Parties”) from the Action without prejudice.

37. Between April 14, 2020 and December 16, 2020, Lead Plaintiffs served discovery requests on Defendants, the Dismissed Parties, and non-parties Robbins, Longino, Shearman, Phelan, PJ Solomon, Cyrus Capital Partners, L.P., Franchise Group, Inc., AlixPartners LLP., Bank of America Corporation, and Tiger Capital Group LLC.

38. On April 21, 2020, Defendants filed their Answer to the Complaint, in which they denied the allegations of the Complaint against them, denied any wrongdoing whatsoever, and asserted various affirmative defenses, including defenses under Delaware’s Uniform Contribution Among Joint Tortfeasors Law.

39. On June 26, 2020, the Court entered a stipulated order coordinating the Action with the action captioned *Cannon Square, LLC v. Sears Hometown Stores, Inc. (f/k/a Sears Hometown and Outlet Stores, Inc.)*, C.A. No. 2020-0103-JTL (the “Appraisal Action”), an action in which Cannon Square sought appraisal of the fair value of its SHOS shares.

40. On February 3, 2021, the Court entered a stipulated order granting class certification.

41. On March 9, 2021, the Court entered a stipulated order by which the director defendants and Dismissed Parties agreed to a limited waiver of the attorney-client privilege related to the Merger, the Company’s sale of the Outlet Segment and Buddy’s Stores operated or franchised by SHOS that became effective on October 23, 2019, and events leading up to the Merger and Outlet Sale.

42. Between April 9, 2021 and December 7, 2021, Lead Plaintiffs served additional discovery requests on Defendants, the Dismissed Parties, and non-party Crossroads Capital, LLC.

43. In response to the discovery requests propounded to Defendants and the Dismissed Parties, Lead Plaintiffs received 115,096 documents spanning 459,554 pages, and in response to the subpoenas directed to non-parties, Lead Plaintiffs received 23,239 documents spanning 191,337 pages. In total, Class Counsel received approximately 650,890 pages of documents.

44. Lead Plaintiffs deposed 12 fact witnesses and two expert witnesses.

45. On January 3, 2022, the Court denied Lead Plaintiffs' and Linden's requests for leave to file summary judgment motions. The next day, the Court denied Franco and Tober's request for leave to file a summary judgment motion.

46. On April 14, 2022, the Parties exchanged opening expert reports. On October 11, 2022, the Parties exchanged rebuttal expert reports.

47. On December 29, 2022, Defendants filed a Notice of Suggestion of Pendency of Bankruptcy and Automatic Stay of Proceedings, which disclosed, among other things, that on December 12, 2022, Sears Hometown Stores, Inc., Successor to Defendant Transform Merger Corporation, and its subsidiary Sears Authorized Hometown Stores LLC (collectively, the "Debtors"), filed voluntary petitions for relief under 11 U.S.C. §§101–1532 in the United States Bankruptcy Court for the District of Delaware captioned *In re: Sears Authorized Hometown Stores, LLC*, Case No. 22-11303-BLS (the "Bankruptcy"). As a result of the Bankruptcy, the Action was automatically stayed as against Sears Hometown Stores, Inc. (the successor to Defendant Transform Merger Corporation, which merged with and into SHOS in the Merger). In addition, the Appraisal Action, which Cannon Square brought against Sears Hometown Stores, Inc., was automatically stayed as a result of the Bankruptcy.

48. The Bankruptcy has since been converted from proceeding under chapter 11 to proceedings under chapter 7.

49. On January 17, 2023, the Court granted a stipulated order vacating the coordination between the Action and the Appraisal Action.

50. On January 18, 2023, the Court granted a stipulated order amending the class certification definition so as to not exclude stockholders who had exercised their appraisal rights.

51. On January 18, 2023, Plaintiffs and defendants Josephine Linden, Alberto Franco, and John E. Tober (collectively, the "First Settling Defendants") executed a term sheet which set

forth, among other things, the agreement to settle and release all claims against the First Settling Defendants in return for a cash payment on behalf of the First Settling Defendants of \$3,100,000 for the benefit of the Class (the “Partial Settlement”), subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers.

52. On January 30, 2023, the Court entered an order granting Lead Plaintiffs’ motion to sever their claims against the First Settling Defendants from their claims against the Defendants and to stay Lead Plaintiffs’ claims against the First Settling Defendants pending the Court’s consideration of the Partial Settlement.

53. On February 10, 2023, Lead Plaintiffs and the First Settling Defendants entered into a Stipulation and Agreement of Compromise, Settlement, and Release, representing a final and binding agreement between those parties for the \$3,100,000 Partial Settlement.

54. On March 1, 2023, Defendants filed their Amended Answer and Cross-Claim.

55. Trial was held before The Honorable J. Travis Laster from February 21 to February 24, 2023. The Parties submitted 1,117 exhibits, introduced 101 exhibits at trial, and five witnesses testified at trial.

56. On November 3, 2023, the Court conducted a hearing on the Partial Settlement, and approved the Partial Settlement, dismissing with prejudice all claims against the First Settling Defendants pursuant to a Final Order and Judgment dated November 4, 2023 (the “Partial Settlement Final Order”).

57. The Partial Settlement Final Order provides, among other things, that, pursuant to 10 *Del. C.* § 6304:

the damages recoverable against any other alleged tortfeasor will be reduced by the greater of (i) the amount of the Settlement Amount [*i.e.*, \$3.1 million], and (ii) the pro rata liability shares, if any, of the Settling Defendants, in both instances only to the extent it is established that the Settling Defendants are joint tortfeasors.

58. On January 24, 2024, the Court issued a 120-page Post-Trial Opinion (the “Opinion”) with extensive findings of fact and conclusions of law. The Court found that “[w]hen [Lampert] exercised his stockholder-level voting power, he acted consistently with his fiduciary duties[]” and did not act in bad faith in enacting the Controller Intervention, such that Lampert did not breach his fiduciary duties by engaging with the Controller Intervention. Nevertheless, the Court found that the Merger was not entirely fair, holding that Lampert was

liable for breach of fiduciary duty in his capacity as a controlling stockholder in connection with the Hometown sale, and holding the other Defendants liable for aiding and abetting that breach.

59. On January 31, 2024, Defendants filed a Motion for Reargument.

60. On July 2, 2024, the Court issued its Order Granting Defendants' Motion for Reargument (the "Order"), modifying its conclusion as to the fair price of SHOS, assuming there were 22,702,000 total shares outstanding, to \$4.06 per share, and awarding damages to the Class in the amount of \$0.85 per share (i.e., the difference between \$4.06 and \$3.21), thus reducing the award of damages to the Class (before interest) to \$8,727,469.35, based on an assumed class share count of 10,267,611 shares.

61. Following the Order, the Parties were required to meet-and-confer on a form of final order and judgment or a letter to the Court identifying open issues to be resolved in advance of the issuance of a final judgment.

62. Following the Order, the Parties continued to meet-and-confer on a form of final order and judgment and certain open issues, which included whether Defendants are entitled to a settlement credit pursuant to 10 *Del. C.* § 6304 of the Delaware Uniform Contribution Among Tortfeasors Law in connection with the \$3.1 million Partial Settlement, and if so, in what amount; as well as the correct number of shares entitled to recover damages. In connection with the meet-and-confer discussions (which also included a preview of the parties' arguments on appeal), the Parties also began to discuss a potential resolution of the action that would resolve all open issues between them and eliminate the risks and uncertainties to each side in connection the remaining open issues and any appeals.

63. On July 12, 2024, Cannon Square, the petitioner in the Appraisal Action, filed a Motion to Intervene in the Action.

64. Following extensive, arm's-length negotiations, Lead Plaintiffs and Defendants reached a binding agreement in principle to resolve all open issues between the Parties, and obviate the need for any appeals, for \$10,000,000 (the "Settlement Amount"), subject to Court approval. The settlement was memorialized in a binding term sheet executed on August 2, 2024 (the "Term Sheet").

65. On August 14, 2024, the Court granted Cannon Square's Motion to Intervene for the sole issue of addressing the question of law that Appraisal Petitioner has raised about its alleged entitlement to recover damages in the form of both the base merger consideration and any upside damages award.

66. After additional negotiations regarding the specific terms of their agreement, the Parties entered into the Stipulation on November 21, 2024. The Stipulation reflects the final and

binding agreement between the Parties on the terms and conditions of the Settlement and supersedes and replaces the Term Sheet. The Stipulation can be viewed at www.searsstockholderssettlement.com.

67. On _____, 202_, the Court entered a Scheduling Order directing that notice of the Settlement be provided to potential Class Members, and scheduling the Settlement Hearing to, among other things, consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

68. If you are a Class Member, you are subject to the Settlement. The Class certified by the Court consists of:

all record holders and beneficial owners of SHOS common stock who held such shares as of the date of the Merger (i.e., October 23, 2019) (the “Class Shares”) in their capacities as holders of Class Shares, together with their heirs, assigns, transferees, and successors-in-interest, in each case in their capacity as holders of Class Shares.

69. Excluded from the Class are (i) Defendants (previously defined as Edward S. Lampert, ESL Investments Inc., ESL Partners LP, RBS Partners, LP, Transform Holdco LLC, and Transform Merger Corporation), Josephine Linden, Alberto Franco, and John E. Tober (previously defined as the “First Settling Defendants” and each a “First Settling Defendant”), as well as Will Powell, E.J. Bird, James F. Gooch, and William K. Phelan (previously defined as the “Dismissed Parties” and each a “Dismissed Party”) and each of Defendants’, First Settling Defendants’, and the Dismissed Parties’ Immediate Family members, affiliates, investors, partners, limited partners, legal representatives, heirs, estates, successors, or assigns; and (ii) any entity in which any Defendant, First Settling Defendant, or Dismissed Party has a direct or indirect controlling interest (each an “Excluded Person” and, collectively, the “Excluded Persons”).

PLEASE NOTE: The Class is a non-“opt-out” class pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2). Accordingly, Class Members do not have the right to exclude themselves from the Class.

WHAT ARE THE TERMS OF THE SETTLEMENT?

70. As consideration for the Settlement, the Defendants will pay or cause to be paid \$10,000,000 in cash (the “Settlement Amount”) into the Escrow Account. The Settlement Amount will be transferred in three payments.

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a. The first payment of \$500,000 (the “Initial Settlement Payment”) shall be transferred within fourteen (14) calendar days after the entry of the Scheduling Order by the Court. Class Counsel shall provide payment information reasonably requested by the Defendants as soon as reasonably practicable. Class Counsel shall be permitted to use the Initial Settlement Payment to fund administrative costs and expenses of the Settlement, including providing notice of the Settlement to potential Class Members.

b. The second payment shall be in the amount equal to the Court-awarded attorneys’ fees and expenses in connection with this Action (i.e., the Fee and Expense Award, as defined in Paragraph 87 below) and shall be transferred within ten (10) calendar days of entry of the Fee and Expense Award. For the avoidance of doubt, the Fee and Expense Award shall be payable solely from the Settlement Amount and does not increase the Settlement Amount.

c. The third payment shall be the remainder of the Settlement Amount and shall be transferred within thirty (30) business days after entry by the Court of a Final Judgment approving the Settlement.

71. See Paragraphs 77-83 below for details about the distribution of the Settlement proceeds to Eligible Class Members.

72. The Released Defendant Persons shall not be responsible for the payment of any amounts in connection with the Settlement other than the Settlement Amount.

WHAT ARE THE PARTIES’ REASONS FOR THE SETTLEMENT?

73. In light of the benefits of the Settlement, the risks and uncertainty of prosecuting this Consolidated Action through appeals and collecting any damages from Defendants, Lead Plaintiffs have concluded that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Based on Lead Plaintiffs and Plaintiffs’ Counsel’s thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles including a four-day trial, Lead Plaintiffs and Plaintiffs’ Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and confers substantial and immediate benefits upon the Class. Based upon Plaintiffs’ Counsel’s evaluation as well as their own evaluations, Lead Plaintiffs have determined that the Settlement is in the best interests of the Class and have agreed to the terms and conditions set forth herein.

74. Neither the Stipulation, nor any of its terms or provisions, nor entry of the Judgment (defined in the Stipulation), nor any document or exhibit referred to in or attached to the Stipulation, nor any action taken to carry out the Stipulation, is, or may be construed as, or used as, evidence of the invalidity of any claims alleged by Plaintiffs (including in any appeal), or as

an admission by or against Plaintiffs that their claims lacked legal or factual merit or that their arguments in any appeal in this Action would have been unsuccessful.

75. Defendants deny any allegations of wrongdoing, fault, liability, or damages arising out of or related to any of the conduct, statements, acts, or omissions alleged in the Action, and maintain that their conduct was at all times proper, in the best interests of SHOS and its stockholders, and in compliance with applicable law. Defendants further deny any breach of fiduciary duties. Nevertheless, Defendants wish to eliminate the uncertainty, risk, burden, distraction, and expense of further litigation, including appeals. Defendants have therefore determined to enter into this Stipulation solely to put the Released Plaintiff Claims (as defined below) to rest, fully, finally, and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages.

76. Neither the Stipulation, nor any of its terms or provisions, nor entry of the Judgment (defined in the Stipulation), nor any document or exhibit referred to in or attached to the Stipulation, nor any action taken to carry out the Stipulation, is, or may be construed as, or used as, evidence of the validity of any claims alleged against the Defendants (including in any appeal or in connection with Appraisal Petitioner's intervention), or as an admission by or against Defendants of any fault, wrongdoing, or concession of liability whatsoever.

HOW MUCH WILL MY PAYMENT FROM THE SETTLEMENT BE?
HOW WILL I RECEIVE MY PAYMENT?

77. **Please Note:** If you are eligible to receive a payment from the Net Settlement Fund, you do *not* have to submit a claim form in order to receive your payment.

78. As stated above, the Defendants will deposit or cause to be deposited the \$10,000,000 Settlement Amount into an interest-bearing escrow account for the benefit of the Class. If the Settlement is approved by the Court and the Effective Date of the Settlement occurs, the Net Settlement Fund (that is, the Settlement Amount plus any interest earned thereon (the "Settlement Fund") less: (i) any Taxes and Tax Expenses; (ii) any attorneys' fees or expenses awarded by the Court from the Settlement Fund; (iii) any Notice and Administration Costs; and (iv) any other fees, costs, or expenses approved by the Court) will be distributed in accordance with the proposed Plan of Allocation proposed by Class Counsel and set forth below or such other plan of allocation as the Court may approve.

79. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review to the Delaware Supreme Court has expired. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

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email info@searsstockholderssettlement.com,
or visit www.searsstockholderssettlement.com.

80. The Court may approve the Plan of Allocation as proposed, or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the Settlement website, www.searsstockholderssettlement.com.

PROPOSED PLAN OF ALLOCATION

81. The Net Settlement Fund will be distributed on a *pro rata* basis to “Eligible Class Members.” “Eligible Class Members” will consist of all Class Members who held shares of SHOS common stock as of the close of business on October 23, 2019 (the “Closing”).

82. Eligible Class Members will be eligible to receive a *pro rata* payment from the Net Settlement Fund equal to the product of (i) the number of shares held by the Eligible Class Member at the time such shares were converted into the right to receive the Merger Consideration in connection with the Closing of the Merger and (ii) the “Per-Share Recovery” for the Settlement, which will be determined by dividing the total amount of the Net Settlement Fund by the total number of shares held by all of the Eligible Class Members who held such shares as of the close of business on October 23, 2019—i.e., the date of the Merger (“Eligible Shares”).

83. Subject to Court approval in the Class Distribution Order, Class Counsel will direct the Settlement Administrator to conduct the distribution of the Net Settlement Fund to Eligible Class Members as follows:

a. With respect to shares of SHOS common stock held of record at the Closing by Depository Trust & Clearing Corporation, including its subsidiary the Depository Trust Company (“DTCC”), through its nominee, A.B. Data, Ltd., will cause that portion of the Net Settlement Fund to be allocated to Eligible Class Members who held their shares through a DTCC Participant (“DTCC Participant”). A.B. Data, Ltd. will make payment to the DTCC Participants directly. The DTCC Participants and their respective customers, including any intermediaries, shall then ensure *pro rata* payment to each Eligible Class Member based on the number of Eligible Shares beneficially owned by such Eligible Class Members.

b. With respect to shares of SHOS common stock held of record at the Closing other than by the nominee for DTCC (a “Closing Non-Nominee Record Position”), the payment with respect to each such Closing Non-Nominee Record Position shall be made by A.B. Data, Ltd. from the Net Settlement Fund directly to the record owner of each Closing Non-Nominee Record Position in an amount equal to the Per-Share Recovery times the number of shares of SHOS common stock comprising such Closing Non-Nominee Record Position.

c. A person who purchased shares of SHOS common stock on or before October 23, 2019 but had not settled those shares at the Merger’s Closing (“Non-Settled”).

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Shares”) shall be treated as an Eligible Class Member with respect to those Non-Settled Shares, and a person who sold those Non-Settled Shares on or before October 23, 2019 shall not be treated as an Eligible Class Member with respect to those Non-Settled Shares.

d. In the event that any payment from the Net Settlement Fund is undeliverable or in the event a check is not cashed by the stale date (i.e., more than six months from the check’s issue date), the DTCC Participants or the holder of a Closing Non-Nominee Record Position shall follow their respective policies with respect to further attempted distribution or escheatment.

WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED?
WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

84. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). Pursuant to the Judgment, the Action shall be dismissed with prejudice and the following releases will occur:

a. **Release of Claims by Lead Plaintiffs and the Class:** Upon the Effective Date, Lead Plaintiffs, on behalf of themselves and the Released Plaintiff Persons, shall have fully, finally, and forever released, settled, and discharged the Released Defendant Persons from and with respect to every one of the Released Plaintiff Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any Released Plaintiff Claims against any of the Released Defendant Persons.

“Effective Date” means the first date by which all of the following events have been met or have been waived in writing: (a) the payment of the full Settlement Amount into the Escrow Account in accordance with Paragraph 4.1 of the Stipulation; (b) the Court has entered a Judgment substantially in the form attached to the Stipulation as Exhibit C, including, without limitation, the non-opt-out Class as defined in the Stipulation, the Releases substantially in the form set out in the Stipulation, and the dismissal of the Action with prejudice without the award of any damages, fees, costs, or expenses, except as provided for in the Stipulation; and (c) the Judgment has become Final.

“Final” means the expiration of all time to appeal or seek other review of the Judgment, or if any appeal or other review of the Judgment is filed and not dismissed, after the Judgment is upheld on appeal in all material respects and is no longer subject to further review or reargument to the Delaware Supreme Court. However, any appeal or other review pertaining solely to the Fee and Expense Award, the Incentive Fee Award, or any Plan of Allocation approved by the Court shall not in any way delay or preclude the Judgment from becoming Final.

“Released Plaintiff Claims” means all claims and causes of action, including Unknown Claims, that (a) were alleged, asserted, set forth, or claimed in the Complaint against the Released Defendant Persons or (b) could have been alleged, asserted, set forth, or claimed in the Complaint or in any other court, tribunal, forum, or proceeding by Lead Plaintiffs or any Class Members individually, directly, derivatively, or in any other capacity as SHOS stockholders, against the Released Defendant Persons, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule, arising out of or relating to the allegations, transactions, facts, matters, representations, or omissions involved, set forth, or referred to in the Complaint, including all such claims relating to (i) the Controller Intervention; (ii) the Merger or any element, term, condition, or circumstance of the Merger or the sale process leading up to the Merger; (iii) any actions, deliberations, negotiations, discussions, offers, inquiries, solicitations of interest, indications of interest, bids, due diligence, or any act or omission in connection with the review of strategic alternatives available, including the process of deliberation or negotiation concerning the Merger; (iv) the consideration received by Lead Plaintiffs and the Class in connection with the Merger; and (v) any fiduciary obligations of the Released Defendant Persons relating to the Controller Intervention, the Merger, the process of deliberation or negotiation leading to the Merger, or the disclosures respecting the Merger. Notwithstanding the foregoing, the Released Plaintiff Claims shall not include (x) claims solely to enforce the terms of the Settlement, or (y) claims for statutory appraisal against Sears Hometown Stores, Inc. (and only against Sears Hometown Stores, Inc.) pursuant to Section 262 of the Delaware General Corporation Law, subject to a setoff for any amounts any appraisal petitioner receives in this Settlement (collectively, the “Excluded Plaintiff Claims”).

“Released Defendant Persons” means the Defendants, Defendants’ affiliates, and each of their respective predecessors, successors, Immediate Family members, partners, insurers, representatives, attorneys (including Defendants’ Counsel), experts, advisors, auditors, and accountants, in their capacities as such.

“Unknown Claims” means (i) any Released Plaintiff Claims that any Lead Plaintiff or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Persons, or (ii) any Released Defendant Claims that any Defendant does not know or suspect to exist in his or her favor at the time of the release of the Released Plaintiff Persons, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any Released Claims, the Parties stipulate and agree that they shall expressly waive, and each of the other Class Members by operation of law shall be deemed to have waived, any provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties acknowledge, and each of the other Class Members by operation of law are deemed to acknowledge, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of the Parties, and by operation of law the other Class Members, to fully, finally, and forever extinguish all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Parties also acknowledge, and each other Class Member by operation of law is deemed to acknowledge, that the inclusion of “Unknown Claims” in the definition of Released Claims is separately bargained for and is a material element of the Settlement and was relied upon by each of the Parties in entering into the Stipulation.

b. **Release of Claims by the Defendants:** Upon the Effective Date, the Defendants shall have fully, finally, and forever released, settled, and discharged the Released Plaintiff Persons from and with respect to every one of the Released Defendant Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any Released Defendant Claims against any of the Released Plaintiff Persons.

“Released Defendant Claims” means all claims and causes of action, including Unknown Claims, arising out of or relating to the Action other than claims relating to the enforcement of the Settlement, including all actions taken by Lead Plaintiffs in connection with the initiation, prosecution, and settlement of the Action. Notwithstanding the foregoing, the Released Defendant Claims do not include any claims: (x) based on conduct after the Effective Date; (y) to enforce the terms of the Settlement; or (z) any claim or defense relating in any way to the Appraisal Action against Appraisal Petitioner or its respective trustees, officers, directors, employees, agents, advisors, experts, and attorneys (including Appraisal Petitioner’s Counsel), in their capacities as such, or Appraisal Petitioner’s claims in intervention, including its contention that it is entitled to damages or any portion of the Settlement Fund in this Action greater than amounts received by other Class Members (collectively, the “Excluded Defendant Claims”).

“Released Plaintiff Persons” means Lead Plaintiffs, all other Class Members, and their respective trustees, officers, directors, employees, agents, advisors, experts, and attorneys (including Plaintiffs’ Counsel), in their capacities as such.

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85. If the Settlement is approved and the Effective Date occurs, no Lead Plaintiff or Class Member will be able to bring another action asserting the Released Plaintiff Claims against any of the Released Defendant Persons individually, directly, derivatively on behalf of SHOS, or in any other capacity as SHOS stockholders.

86. If the Settlement is approved and the Effective Date occurs, no Defendant will be able to bring any action asserting the Released Defendant Claims against any of the Released Plaintiff Persons.

HOW WILL PLAINTIFFS' COUNSEL BE PAID?

87. Plaintiffs' Counsel have not received any payment for their services in pursuing claims in the Action against the Defendants on behalf of the Class, nor have Plaintiffs' Counsel been paid for their litigation costs and expenses incurred in connection with the Action against the Defendants. Concurrent with seeking final approval of the Settlement, Class Counsel intends to petition the Court for an award to Class Counsel of attorneys' fees, costs, and expenses to be paid from the Settlement Fund, approved by the Court and in full satisfaction of any claims for attorneys' fees, costs, or expenses that have been, could be, or could have been, asserted by Plaintiffs' Counsel or any other counsel or any Class Member against the Defendants with respect to Action or the Settlement (the "Fee and Expense Award") to be paid solely from (and out of) the Settlement Fund. Plaintiffs intend to seek a Fee and Expense Award not to exceed 33% plus un-reimbursed expenses. Defendants do not object to or otherwise take any position on Plaintiffs' Counsel's application for a Fee and Expense Award that does not exceed 33% of the Settlement Fund plus expenses.

88. In addition, Plaintiffs also intend to petition the Court for an incentive award of up to \$25,000 to be paid to each of Lead Plaintiffs solely from the Fee and Expense Award (the "Incentive Fee Award"). Defendants do not object to or otherwise take any position on the Incentive Fee Award so long as Lead Plaintiffs seek no greater than \$25,000 each.

89. The Incentive Fee Award will be paid from Plaintiffs' counsel's Fee and Expense Award and will not decrease the Net Settlement Fund.

WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

90. Class Members are not required to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the Settlement Hearing. Class Members can recover from the Settlement without attending the Settlement Hearing.

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email info@searsstockholderssettlement.com,
or visit www.searsstockholderssettlement.com.

91. **Please Note:** Whether due to health concerns or otherwise, the Court may decide to hold the Settlement Hearing by video or telephone conference without further written notice to Class Members. **In order to determine whether the format of the Settlement Hearing has changed, it is important that you monitor the Court's docket and the Settlement website, www.searsstockholderssettlement.com, before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any updates regarding in-person or remote appearances at the hearing, will be posted to the Settlement website. Also, if the Court requires or allows Class Members to participate in the Settlement Hearing remotely by video or telephone conference, the information needed to access the conference will be posted to the Settlement website.**

92. The Settlement Hearing will be held on _____, 202_ at __:__ .m., before The Honorable J. Travis Laster, Vice Chancellor, at the Court of Chancery of the State of Delaware, New Castle County, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, to, among other things: (i) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class, and should be approved by the Court; (ii) determine whether a Judgment, substantially in the form attached as Exhibit C to the Stipulation, should be entered, dismissing the Action on the merits with prejudice, releasing the Released Claims against the respective Released Persons, and barring and enjoining prosecution of the Released Claims against the Released Persons; (iii) determine whether the proposed Plan of Allocation of the Net Settlement Fund proposed by Class Counsel is fair and reasonable, and should therefore be approved; (iv) determine whether and in what amount any Fee and Expense Award should be paid to Plaintiffs' Counsel out of the Settlement Fund and whether and in what amount Plaintiffs' Counsel should be authorized to pay any Incentive Fee Award to Lead Plaintiffs solely from the Fee and Expense Award; (v) hear and rule on any objections to the Settlement, the proposed Plan of Allocation of the Net Settlement Fund proposed by Class Counsel, the application by Class Counsel for an award of attorneys' costs and expenses, and any application by Lead Plaintiffs for an Incentive Fee Award; and (vi) consider any other matters that may properly be brought before the Court in connection with the Settlement.

93. Any Class Member may object to the Settlement, the proposed Plan of Allocation, Class Counsel's application for an award of attorneys' costs and expenses, or Lead Plaintiff's request for an Incentive Fee Award ("Objector"), *provided, however*, that no Objector shall be heard or entitled to object unless, **on or before** _____, 202_, such person (1) files their written objection, together with copies of all other papers and briefs supporting the objection specified in Paragraph 94 below, with the Register in Chancery at the address set forth below; (2) serves such papers (electronically by File & ServeXpress, by hand, by first-class U.S. Mail, or by express service) on Class Counsel and the Defendants' Counsel at the addresses set forth below; and (3) emails a copy of the written objection to nweinberger@labaton.com,

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email info@searsstockholderssettlement.com,
or visit www.searsstockholderssettlement.com.

slclocic@prickett.com, pandrews@andrewsspringer.com, dsborz@andrewsspringer.com, and mpittenger@potteranderson.com.

REGISTER IN CHANCERY

Register in Chancery
Court of Chancery of the State of Delaware
New Castle County
Leonard L. Williams Justice Center
500 North King Street
Wilmington, DE 19801

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ELLIOTT, P.A.
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Wilmington, DE 19801

Peter B. Andrews
David M. Sborz
ANDREWS & SPRINGER LLC
4001 Kennett Pike, Suite 250
Wilmington, DE 19807

DEFENDANTS' COUNSEL

Michael A. Pittenger
POTTER ANDERSON & CORROON LLP
1313 N. Market Street, 6th Floor
Wilmington, DE 19801

94. Any objections must: (i) identify the case name and civil action number, “*In re Sears Hometown and Outlet Stores, Inc. Stockholders Litigation*, Consol. C.A. No. 2019-0798-JTL”; (ii) state the name, address, and telephone number of the Objector and, if represented by counsel, the name, address, and telephone number of the Objector’s counsel; (iii) be signed by the Objector; (iv) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s), including any legal and evidentiary support the Objector wishes to bring to the Court’s attention, and if the Objector has indicated that he, she, or it intends to appear at the Settlement Hearing, the identity of any witnesses the Objector may call to testify and any exhibits the Objector intends to introduce into evidence at the hearing; and (v) include documentation sufficient to prove that the Objector is a member of the Class (i.e., held shares of SHOS common stock on October 23, 2019). Documentation establishing that an Objector is a member of the Class must consist of copies of monthly brokerage account statements or an authorized statement from the Objector’s broker containing the transactional and holding information found in an account statement.

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or visit www.searsstockholderssettlement.com.

95. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

96. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, Class Counsel's application for an award of attorneys' costs and expenses, or Lead Plaintiffs' request for an Incentive Fee Award, assuming you timely file and serve a written objection as described above, you must also file a notice of appearance with the Register in Chancery and serve it on Class Counsel and on the Defendants' Counsel at the mailing and email addresses set forth above in Paragraph 93 above so that the notice is **received on or before** _____, 202_. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

97. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Class Counsel and the Defendants' Counsel at the mailing and email addresses set forth above in Paragraph 93 above so that the notice is **received on or before** _____, 202_.

98. The Court may adjourn or reconvene the Settlement Hearing without further written notice to Class Members other than oral announcement at the Settlement Hearing or a notation on the docket in the Action. The Court may decide to hold the Settlement Hearing remotely by video or telephone conference without further notice to the Class. Any Class Member (or the Class Member's counsel) who wishes to appear at the Settlement Hearing should consult the Court's docket and/or the Settlement website for any change in the format of the hearing.

99. Unless the Court orders otherwise, any Class Member who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this Action or any other action or proceeding or otherwise contesting the Settlement, Plan of Allocation, and application for attorneys' costs and expenses in the Action or any other proceeding and will otherwise be bound by the Judgment to be entered and the releases to be given. Class Members who do not object need not appear at the Settlement Hearing or take any other action to indicate their approval.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

100. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, New Castle County, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801. Additionally, copies of the Stipulation, the Complaint, and any related orders entered by the Court will be posted on the Settlement website, www.searsstockholdersettlement.com, Mailing Address: Sears Stockholder Settlement c/o A.B. Data, Ltd., P.O. Box 173025 Milwaukee, WI 53217, Email: info@searsstockholdersettlement.com, Toll Free Number: 877-388-1772.

WHAT IF I HELD SHARES ON SOMEONE ELSE'S BEHALF?

101. If you are a broker or other nominee that held shares of SHOS common stock on October 23, 2019 for the beneficial interest of persons or entities other than yourself, you are requested to either: (i) within seven (7) calendar days of receipt of this Notice, request from A.B. Data, Ltd. sufficient copies of this Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notices forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, addresses, and, if available, email addresses of all such beneficial owners to:

Sears Stockholder Settlement
c/o A.B. Data, Ltd.
P.O. Box 173025
Milwaukee, WI 53217

If you choose the second option, A.B. Data, Ltd. will send a copy of the Notice to the beneficial owners.

102. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing A.B. Data, Ltd. with proper documentation supporting the expenses for which reimbursement is sought. A copy of this Notice may also be obtained from the Settlement website, www.searsstockholdersettlement.com, by calling A.B. Data, Ltd. toll free at (877) 388-1772, or by emailing A.B. Data, Ltd. at info@searsstockholdersettlement.com.

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF
THE REGISTER IN CHANCERY REGARDING THIS NOTICE.**

Questions? Call A.B. Data, Ltd. toll free at 1-877-388-1772,
email info@searsstockholdersettlement.com,
or visit www.searsstockholdersettlement.com.

Dated: _____, 202_

BY ORDER OF THE COURT OF
CHANCERY OF THE STATE OF
DELAWARE

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or visit www.searsstockholderssettlement.com.