



GRANTED

N THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

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

**[PROPOSED] AMENDED SCHEDULING ORDER
WITH RESPECT TO NOTICE AND SETTLEMENT HEARING**

WHEREAS, on December 29, 2022, defendants Edward S. Lampert, ESL Investments, Inc., ESL Partners, LP, RBS Partners, LP, Transform Holdco LLC, and Hometown Midco LLC (collectively, “Non-Settling Defendants”) filed a Notice of Suggestion of Pendency of Bankruptcy and Automatic Stay of Proceedings relating to Defendant Transform Merger Corporation, which merged into debtor Sears Hometown Stores, Inc. (Dkt. 168);

WHEREAS, on February 10, 2023, lead plaintiffs and Josephine Linden, Alberto Franco, and John Tober (collectively, “Settling Defendants”) filed a Stipulation and Agreement of Compromise, Settlement, and Release Between Lead Plaintiffs and the Settling Defendants (“Settlement Stipulation”) (Dkt. 205). Section 11 of the Settlement Stipulation contemplates the cooperation of the debtor in the bankruptcy to provide lead plaintiffs and the settlement administrator a list of registered holders of Sears Hometown and Outlet Stores, Inc. common stock as set forth on Hometown and Outlet’s stockholder register as of October 23, 2019 (“Merger Records”);

WHEREAS, on March 6, 2023, the Court granted the parties' scheduling order which, among other things, (i) approved the form of notice, and (ii) scheduled a settlement hearing for May 9, 2023 ("Scheduling Order") (Dkt. 223);

WHEREAS, on April 6, 2023, lead plaintiffs filed their Opening Brief in Support of Partial Settlement and an Award of Expenses (Dkt. 229);

WHEREAS, on April 14, 2023, due to complications obtaining the Merger Records, the parties informed the Court that the settlement administrator A.B. Data, Ltd. ("A.B. Data") was unable to complete the full notice process pursuant to the Scheduling Order (Dkt. 234);

WHEREAS, on April 18, 2023, the Court cancelled the settlement hearing pending receipt of the Merger Records and completion of the notice process (Dkt. 235);

WHEREAS, on August 7, 2023, lead plaintiffs received the Merger Records; and

WHEREAS, on August 9, 2023, lead plaintiffs submitted to the Court an amended Notice of Pendency of Stockholder Class Action and Proposed Settlement, Settlement Hearing, and Right to Appear reflecting a rescheduled hearing on the proposed partial settlement and a new objection deadline ("Amended Notice") (Dkt. 259);

IT IS HEREBY ORDERED, this _____ day of _____, 2023 that:

1. The Court approves, in form and substance, the Amended Notice.
2. A.B. Data shall mail the Amended Notice to the record holders who have not yet received written notice.
3. Lead plaintiffs shall post the Amended Notice on the settlement website, available at www.searsstockholdersettlement.com.
4. A hearing will be held on November 3, 2023 at 11:00 a.m. (the “Settlement Hearing”) in Courtroom 12B of 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:
 - a. determine whether the proposed partial settlement on the terms and conditions provided for in the Settlement Stipulation is fair, reasonable, and adequate to the Class, and should be approved by the Court;
 - b. determine whether a Judgment, substantially in the form attached as Exhibit C to the Settlement Stipulation, should be entered, dismissing the Action with prejudice as against the Settling Defendants, releasing the Released Claims against the respective Released Persons, and barring and enjoining prosecution of the Released Claims against the Released Persons;
 - c. 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;

d. determine whether the application by Class Counsel for an award of attorneys' costs and expenses should be approved;

e. hear and rule on any objections to the proposed partial settlement, the proposed Plan of Allocation of the Net Settlement Fund proposed by Class Counsel, or to the application by Class Counsel for an award of attorneys' costs and expenses; and

f. consider any other matters that may properly be brought before the Court in connection with the Settlement.

5. The Court may adjourn or reconvene the Settlement Hearing, or any adjournment thereof, including the consideration of the application for attorneys' costs and expenses, without further notice to Class Members other than oral announcement at the Settlement Hearing or any adjournment thereof, or a notation on the docket in the Action, and the Court retains jurisdiction over the Settling Parties and all Class Members to consider all further applications arising out of or connected with the proposed Settlement.

6. The Court may decide to hold the Settlement Hearing remotely by video or teleconference 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.

7. The Court may approve the proposed partial settlement at or after the Settlement Hearing, according to the terms and conditions of the Settlement Stipulation, as it may be modified by the Settling Parties, without further notice to Class Members. The Court may approve the Plan of Allocation proposed by Class Counsel or a modified plan of allocation at or after the Settlement Hearing, without further notice to Class Members. Further, the Court may render its judgment and order the payment of attorneys' costs and expenses at or after the Settlement Hearing, with such modifications as may be consented to by the Settling Parties and without further notice of any kind.

8. No later than October 24, 2023, lead plaintiffs shall file with the Court proof of mailing of the Amended Notice and publication of the Summary Notice.

9. Unless the Court orders otherwise, any Class Member may enter an appearance in the Action, at the Class Member's own expense, individually or through counsel of the Class Member's own choice, by filing with the Register in Chancery and delivering a notice of appearance to Class Counsel and the Settling Defendants' Counsel, at the addresses set forth in Paragraph 10 below, such that it is received no later than October 20, 2023. Any Class Member who does not enter an appearance will be represented by Class Counsel and shall be deemed to have waived and forfeited any rights the Class Member may otherwise have to appear separately at the Settlement Hearing.

10. Any Class Member may file a written objection to the proposed partial settlement, Plan of Allocation, and/or Class Counsel’s application for an award of attorneys’ costs and expenses (“Objector”), if the Class Member has any cause why the proposed partial settlement, Plan of Allocation, and/or application for an award of attorneys’ costs and expenses should not be approved; *provided, however*, that, unless otherwise directed by the Court for good cause shown, no Objector shall be heard or entitled to contest the approval of the terms and conditions of the proposed partial settlement, Plan of Allocation, and/or application for an award of attorneys’ costs and expenses unless that person or entity has filed a written objection with the Register in Chancery, Court of Chancery of the State of Delaware, New Castle County, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, and served (electronically by File & Serve*Xpress*, by hand, by first-class U.S. Mail, or by express service) copies of the objection upon each of the following counsel at the following addresses and email addresses such that they are received electronically and in hard copy no later than October 20, 2023:

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*Counsel for Defendants Edward S.
Lampert, ESL Investments, Inc., ESL
Partners, LP, RBS Partners, LP,
Transform Holdco LLC, Transform
Merger Corporation, and Hometown
Midco LLC*

Counsel for the Settling Parties are directed to promptly furnish each other and Non-Settling Defendants with copies of any objections that come into their possession.

11. Any objections must: (i) identify the case name and civil action number, “*In re Sears Hometown and Outlet Stores, Inc. Stockholder Litigation*, Consolidated 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.

12. Any person 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 proposed partial 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.

13. The Court may, for good cause, extend any of the deadlines set forth in this Order without further notice to the Class.

14. The Court retains exclusive jurisdiction to consider all further applications arising out of or connected with the proposed partial settlement.

Vice Chancellor J. Travis Laster

This document constitutes a ruling of the court and should be treated as such.

Court: DE Court of Chancery Civil Action

Judge: J Travis Laster

File & Serve

Transaction ID: 70619261

Current Date: Aug 17, 2023

Case Number: 2019-0798-JTL

Case Name: CONF ORD/ 2019-0825, 19-0929, 19-0942-JTL - IN RE SEARS HOMETOWN AND
OUTLET STORES, INC. STOCKHOLDERS LITIGATION

Court Authorizer: J Travis Laster

/s/ Judge J Travis Laster