

SEARS LETTER RE PENSION PLAN CONTRIBUTIONS

As a member of Sears Defined Benefit Plan you will have received a lengthy letter from Curt Newman, recently appointed Associate Vice-President , Total Rewards, Sears Canada.

This letter in essence says that the Company has experienced a shortfall in funding the plan and is taking advantage of a completely legal loophole in Ontario Government pension legislation which allows it to defer contributions to the Plan in 2011 and resume contributions again in 2012.

While this is unfortunate it is not cause for panic. A large number of major Canadian Corporations are in a similar position because of a turbulent economy. We simply wanted you to be aware of the situation.