



**GRANTED WITH MODIFICATIONS**

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Transaction ID: 00201421  
Case No. 11081-VCL



**EXHIBIT**

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE: SEARS HOLDINGS  
CORPORATION STOCKHOLDER  
AND DERIVATIVE LITIGATION

Consolidated  
C.A. No. 11081-VCL

**SCHEDULING ORDER**

WHEREAS, the Parties to the above-captioned, consolidated derivative action (the “Action”) have entered into a Stipulation and Agreement of Settlement, Compromise and Release, dated February 8, 2017 (the “Stipulation”), which provides for the settlement and dismissal with prejudice of the Action upon the terms and conditions set forth in the Stipulation;

WHEREAS, the Parties have made an application, pursuant to Court of Chancery Rule 23.1, for entry of a scheduling order in accordance with the Stipulation, approving the form and content of the notice of the Settlement to Sears Stockholders and scheduling the date and time for the Settlement Hearing;

WHEREAS, the Court having read and considered the Stipulation and the exhibits attached thereto; the Stipulation being sufficient to warrant notice to Sears Stockholders; and all Parties having consented to the entry of this Order;

NOW THEREFORE, IT IS HEREBY ORDERED, this \_\_\_ day of \_\_\_\_\_,  
2017, as follows:

1. **Definitions:** Unless otherwise defined herein, the capitalized terms used herein shall have the same meanings as they have in the Stipulation.

2. **Settlement Hearing:** The Court will hold a settlement fairness hearing (the “Settlement Hearing”) on \_\_\_\_\_, 2017, at \_\_:\_\_ .m., at the Court of Chancery of the State of Delaware, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware, 19801, for the following purposes: (a) to determine whether Plaintiffs and Plaintiffs’ Co-Lead Counsel have adequately represented the interests of Sears and its stockholders; (b) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to Plaintiffs, Sears and Sears’s stockholders, and should be approved by the Court; (c) to determine whether a Final Order and Judgment substantially in the form attached as Exhibit A to the Stipulation should be entered dismissing the Action with prejudice; (d) to determine whether the application by Plaintiffs’ Co-Lead Counsel for an award of attorneys’ fees, incentive awards, and reimbursement of litigation expenses should be approved; (e) to hear and consider any objections to the Settlement and/or Plaintiffs’ Co-Lead Counsel’s application for an award of attorneys’ fees, incentive awards, and expenses; and (f) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

3. The Court may adjourn the Settlement Hearing and approve the proposed Settlement with such modifications as the Parties may agree to without further notice to Sears Stockholders.

4. **Manner of Giving Notice:** Notice of the Settlement and the Settlement Hearing shall be given by Sears as follows:

(a) Not later than sixty (60) calendar days before the Settlement Hearing (the “Notice Date”), Sears shall mail, or cause to be mailed, a copy of the Notice, substantially in the form attached to the Stipulation as Exhibit B, by first-class mail or other mail service if mailed outside the United States, to each Person who was a stockholder of record of Sears common stock as of the date that the Stipulation was submitted to the Court (other than Defendants) at his, her, or its last known address appearing in the stock transfer records maintained by or on behalf of Sears as of the close of business on the date that the Stipulation was filed with the Court (the “Record Date”). All Sears Stockholders who are record holders of Sears common stock on behalf of beneficial owners shall be requested in the Notice to forward the Notice to such beneficial owners of those shares. Sears shall use reasonable efforts to give notice to such beneficial owners by causing additional copies of the Notice (i) to be made available to any record holder who, prior to the Settlement Hearing, requests the same for

distribution to beneficial owners, or (ii) to be mailed to beneficial owners whose names and addresses Sears receives from record owners.

(b) Not later than two (2) business days after the Notice Date, Plaintiffs' Co-Lead Counsel shall post a copy of the Notice on their respective firm websites, and such copy shall remain posted on such websites through the Effective Date of the Settlement.

(c) Not later than fifteen (15) calendar days prior to the Settlement Hearing, (i) Sears shall serve on Plaintiffs' Co-Lead Counsel and file with the Court proof, by affidavit or declaration, of compliance with paragraph 4(a) above; and (ii) Plaintiffs' Co-Lead Counsel shall serve on counsel for Defendants and file with the Court proof, by affidavit or declaration, of compliance with paragraph 4(b) above.

5. **Approval of Form and Content of Notice:** The Court (a) approves, as to form and content, the Notice, attached to the Stipulation as Exhibit B, and (b) finds that the mailing and publication of the Notice in the manner and form set forth in paragraph 4 of this Order: (i) constitutes notice that is reasonably calculated, under the circumstances, to apprise Sears Stockholders of the pendency of the Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder), of Plaintiffs' Co-Lead Counsel's application for an award of attorneys' fees, incentive awards, and reimbursement of litigation expenses, of

their right to object to the Settlement and/or Plaintiffs' Co-Lead Counsel's application for an award of attorneys' fees, incentive awards, and litigation expenses, and of their right to appear at the Settlement Hearing; (ii) constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (iii) satisfies the requirements of Court of Chancery Rule 23.1, the United States Constitution (including the Due Process Clause), and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Notice before it is mailed and published.

6. **Appearance and Objections at Settlement Hearing:** Any Sears Stockholder that continues to own shares of Sears common stock as of the date of the Settlement Hearing who objects to the Settlement or the application for attorneys' fees, incentive awards, and expenses by Plaintiffs' Co-Lead Counsel, or who otherwise wishes to be heard, may appear in person or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; *provided, however*, that no such person shall be heard, and no papers, briefs, pleadings, or other documents submitted by any such person shall be received and considered by the Court unless, no later than fifteen (15) calendar days prior to the Settlement Hearing, such person files with the Register in Chancery, Court of Chancery, 500 North King Street, Wilmington, Delaware,

19801, the following: (a) a written and signed notice of intention to appear which states the name, address and telephone number of the objector and, if represented, his, her or its counsel; (b) proof that the objector owned shares of Sears stock as of the Record Date and continues to hold such shares; and (c) a written detailed statement of the person's objections to any matter before the Court, and the specific grounds therefor or the reasons why such person desires to appear and to be heard, as well as all documents and writings which such person desires the Court to consider, including any legal and evidentiary support. Any such filings with the Court must also be served upon each of the following counsel (by hand, first class U.S. mail, or express service) such that they are received no later than fifteen (15) calendar days prior to the Settlement Hearing:

Labaton Sucharow LLP  
Attn: Ned Weinberger  
300 Delaware Avenue, Suite 1340  
Wilmington, Delaware 19801

Morris Nichols Arsht & Tunnell LLP  
Attn: William M. Lafferty  
1201 N. Market Street, 18th Floor  
Wilmington, Delaware 19801

Richards, Layton & Finger, P.A.  
Attn: Gregory V. Varallo  
920 North King Street  
Wilmington, Delaware 19801

Abrams & Bayliss LLP  
Attn: A. Thompson Bayliss  
20 Montchanin Road, Suite 200  
Wilmington, Delaware 19807

Potter Anderson & Corroon LLP  
Attn: Donald J. Wolfe, Jr.  
1313 N. Market Street  
Hercules Plaza, 6th Floor  
Wilmington, Delaware 19899

7. Unless the Court orders otherwise, any person or entity who or which does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Settlement and Plaintiffs' Co-Lead Counsel's application for an award of attorneys' fees, incentive awards, and litigation expenses and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement or the requested attorneys' fees, incentive awards, and litigation expenses, or from otherwise being heard concerning the Settlement or the requested attorneys' fees, incentive awards, and litigation expenses in this or any other proceeding.

8. **Stay and Temporary Injunction:** Until otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court bars and enjoins Plaintiffs and all other Sears Stockholders from commencing, instituting or prosecuting any of the Released Plaintiffs' Claims against any of the Released Defendant Parties.

9. **Notice Costs:** All costs of providing the Notice incurred by Sears or any of its agents shall be subject to reimbursement as set forth in paragraph 9 of the Stipulation.

10. **Termination of Settlement:** If the Settlement is terminated pursuant to paragraph 13 of the Stipulation, the Parties shall be restored to their respective positions in the Action immediately prior to the execution of the Stipulation, and shall promptly agree on a new scheduling order to govern further proceedings in this Action.

11. **Use of this Order:** Neither the Stipulation nor any act or omission in connection therewith is intended or shall be deemed to be a presumption, concession or admission by: (i) any of the Defendants or any of the other Released Defendant Parties as to the validity of any claims, causes of action, other issues raised, or which might be or have been raised, in the Action or in any other litigation, or to be evidence of or constitute an admission of wrongdoing or liability by any of them, and each of them expressly denies such wrongdoing or liability; or (ii) Plaintiffs as to the infirmity of any claim or the validity of any defense, or to the amount of any damages. The existence of the Stipulation, its contents or any negotiations, statements or proceedings in connection therewith, shall not be offered or admitted in evidence or referred to, interpreted, construed, invoked or otherwise used by any Person for any purpose in the Action or otherwise, except as may be necessary to effectuate the Settlement. This provision shall remain in force in the event that the Settlement is terminated for any reason whatsoever. Notwithstanding the foregoing, any of the Released Parties may file the Stipulation

or any judgment or order of the Court related hereto in any other action that may be brought against them, in order to support any and all defenses or counterclaims based on *res judicata*, collateral estoppel, good-faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12. **Supporting Papers:** Plaintiffs' Co-Lead Counsel shall file and serve the opening papers in support of the proposed Settlement and Plaintiffs' Co-Lead Counsel's application for an award of attorneys' fees, incentive awards, and reimbursement of litigation expenses no later than thirty (30) calendar days prior to the Settlement Hearing; opposition papers, if any, shall be filed and served no later than fifteen (15) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than five (5) calendar days prior to the Settlement Hearing.

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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:** 60186887

**Current Date:** Feb 13, 2017

**Case Number:** 11081-VCL

**Case Name:** CONF ORDER - CONS W/ 11173, 11178, 11180-VCL IN RE SEARS HOLDINGS CORPORATION STOCKHOLDER AND DERIVATIVE LITIGATION

**Court Authorizer:** Laster, J Travis

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**Court Authorizer**

**Comments:**

The Court will hold a settlement fairness hearing (the "Settlement Hearing") on Tuesday, May 9, 2017, at 2:00 p.m.

**/s/ Judge Laster, J Travis**