

MANDATE OF THE CHIEF EXECUTIVE OFFICER SEARS CANADA INC.

(amended and restated as of July 26, 2006)

Definition

"Chief Executive Officer", or "CEO" means the Chief Executive Officer and/or the President of the Corporation.

General

The fundamental responsibility of the Chief Executive Officer of the Corporation is the general direction and management of the business and affairs of the Corporation in accordance with the corporate strategy and objectives approved by the Board of Directors of the Corporation, within the authority limitations delegated by the Board. The Chief Executive Officer is accountable to shareholders, through the Board, for the Corporation's financial, strategic and organizational performance (both short and long term) and for maximizing shareholder value.

Responsibilities

The Chief Executive Officer, reporting to the Board of Directors, will:

- (a) Develop, for the Board's approval, strategic direction and positioning to ensure the Corporation's profitable growth and success and develop sound operating plans to meet goals and objectives as agreed with the Board;
- (b) Supervise the day-to-day activities of the Corporation either directly or through officers duly appointed by the Board;
- (c) Supervise and assess the performance of senior management in the discharge of their responsibilities;
- (d) Identify all significant risks to the Corporation's business and ensure that procedures are established to mitigate the impact of the risks in the best interest of shareholders;
- (e) Set an operational philosophy that is performance driven, maintains a high level of employee morale and motivation, and meets the highest ethical standards;
- (f) Ensure that all operations are conducted in full compliance with laws, regulations and the Corporation's Code of Business Conduct;
- (g) Ensure that the Board receives accurate, sufficient and timely information on all material aspects of the Corporation's operations and financial affairs, as well as other matters having material relevance to the Corporation;
- (h) Submit recommendations to the Board for its approval with respect to matters requiring Board approval under applicable law, matters deemed appropriate by the Chief Executive Officer, or as required by the Board mandate or requested by the Board;

- (i) Report to the Board on actual results compared to the established corporate strategy, operating and capital budgets and corporate objectives;
- (j) In conjunction with the Chairman of the Board, assess whether the Board and its committees have the resources they require to fulfill their respective mandates including, where requested, access to senior management and to outside advisors.
 - On an ongoing basis, work with the Chairman of the Board to:
 - (i) review the Corporation's strategic direction and strategic planning initiatives;
 - (ii) provide opportunities for the Board to evaluate senior management;
 - (iii) develop schedules and agendas of meetings of the Board and its committees and verify that all items requiring Board and committee approval are appropriately tabled;
- (k) At least annually, present to the Human Resources and Compensation Committee for its consideration and approval a formal updated succession plan for the Chief Executive Officer, the other Officers and their direct reports as the Human Resources and Compensation Committee may determine;
- (l) Act as a liaison between senior management of Sears Holdings Corporation and senior management of the Corporation to facilitate the exchange of retail, financial and technological information, expertise and support; and
- (m) Provide timely and systematic communication to Sears Holdings Corporation regarding significant developments in Canada of a political, business, legal, financial (including United States and Canadian tax issues) nature.