

**MANDATE OF THE LEAD DIRECTOR  
OF THE BOARD OF DIRECTORS OF  
SEARS CANADA INC.**

(amended and restated as of July 26, 2006)

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**General**

The Lead Director of the Board of Directors, if one has been appointed by the Board, serves to provide the Board of Directors with an independent perspective pertaining to its oversight activities and enhances the Corporation's ability to identify and resolve conflicts of interest. Acting with the Chairman, the Lead Director has the responsibility to ensure that the Board carries out its responsibilities effectively and independently of both management and the Corporation's controlling shareholder. The Lead Director is to be appointed by the Board and chosen from the independent Directors.

**Responsibilities**

The Lead Director will:

- (a) Enhance the ability of the Board to act independently of management and the Corporation's controlling shareholder;
- (b) When appropriate, call and chair meetings of the independent Directors, so as to ensure that said directors have adequate opportunities to discuss issues affecting minority shareholders, and serve as the spokesperson for the independent directors in subsequent communications with related parties;
- (c) Review conflict of interest issues with respect to the Board as they may arise;
- (d) Act as a liaison between the Chairman and the independent Directors on sensitive issues;
- (e) In collaboration with the Chairman, provide guidance so as to ensure the Board successfully carries out its duties; and
- (f) Perform any additional duties requested by the Board.