

Recent Changes

The red underlined text in the following paragraphs on the pages below reflect changes that have recently been made to the SHC Code of Conduct. If you have any questions, contact Compliance@Searshc.com.

Section I. Introduction – page 2

I. INTRODUCTION

Sears Holdings Corporation (“SHC” or “Company”) values honesty, integrity and adherence to the highest ethical standards. As associates, each of us has a responsibility for upholding these values and maintaining a commitment to basic principles of business ethics and good judgment. As part of this commitment, SHC has instituted a series of policies and procedures to reaffirm its dedication to the highest ethical standards.

Attached is the SHC Code of Conduct. The Code applies to all officers and associates of the Company and its wholly-owned subsidiaries, including Sears, Roebuck and Co., Kmart Holding Corporation and their subsidiaries. The Code embodies our values and sets forth the principles to guide our behavior. It is important for each of us to fully understand these principles and to commit ourselves to them in all our business activities. It is up to each of us to ensure that all of our business relationships are conducted with integrity and honesty and reflect the letter and spirit of the Code. A good starting point is to act with integrity in everything you do and to never engage in behavior that would undermine the reputation of SHC, your peers or yourself. If you would be ashamed to have your friends and family read about what you did at work today in tomorrow morning’s newspaper, then don’t do it.

This Code of Conduct reflects our values and defines the common sense behaviors required of all of us to ensure that SHC maintains legal and ethical business practices.

We believe abiding by the Code will make SHC a better, more profitable company.

Edward S. Lampert
Chairman
Sears Holdings Corporation

Louis J. D’Ambrosio
Chief Executive Officer and President
Sears Holdings Corporation

Section II. GENERAL – DISCIPLINARY ACTION – page 3

- **DISCIPLINARY ACTION.** The Company will enforce compliance with the Code of Conduct and all Company policies and procedures through appropriate disciplinary action up to and including termination of employment and legal action. Adequate Company discipline of individuals responsible for an offense is a necessary component of enforcement. The appropriate form of discipline by the Company will be case-specific and fairly applied. A few examples of conduct that may result in discipline include: (i) violation of the law or Company policy, including requesting or

directing others to violate the law or Company policy; (ii) failure to report a known or suspected violation of Company policy; (iii) failure to cooperate in an investigation of possible violations of Company policy; (iv) retaliation against another associate for reporting a concern or violation; (v) intentional false reporting of another associate; (vi) failure to monitor and oversee compliance with Company policies and applicable law by subordinates effectively; and (vii) unauthorized disclosure of confidential information relating to SHC or SHC associates ([if the confidential information relating to SHC associates was obtained in violation of law or lawful Company policy](#)), vendors or customers.

Section III. POLICIES – CONFIDENTIAL INFORMATION AND PRIVACY - page 6

CONFIDENTIAL INFORMATION AND PRIVACY

While working at SHC, and after you cease employment with SHC, you must protect confidential, non-public information that you obtain or create for SHC. You must take precautionary measures to prevent unauthorized disclosures of confidential information. This includes ensuring that access to work areas and computers is properly controlled, and refraining from discussions of sensitive matters in public places, such as elevators, hallways, restaurants, restrooms, etc.

You must not disclose proprietary or confidential information about SHC, other associates ([if the proprietary or confidential information relating to SHC associates was obtained in violation of law or lawful Company policy](#)), vendors, or customers, to anyone (including other associates) not authorized to receive it or with no need to know the information. Not disclosing confidential information means not communicating the information by any means including, without limitation, orally, in writing, or electronically (e.g., in person or via telephone, mail, fax, email, Internet “chat rooms,” posting to community bulletin boards, or otherwise). In addition to the foregoing, you are also prohibited from using any proprietary or confidential information for any unauthorized purpose, including for your own personal gain.

- **SHC INFORMATION.** By way of illustration, SHC confidential and proprietary information includes: (i) any SHC system, information, or process; (ii) any non-public information about SHC’s operations, results, strategies or projections; (iii) any non-public information about SHC’s business plans, business processes, or vendor relationships; (iv) any non-public information about SHC’s technology systems; and (v) any other non-public information received during the course of your employment, whether about customers, vendors, or other associates [if the non-public information about associates was obtained in violation of law or lawful Company policy](#).
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