

SUMMARY OF MATERIAL MODIFICATION

For Transform Health and Welfare Plan

Notice of Changes to the Transform Health and Welfare Plan

This Notice of Changes to the Transform Health and Welfare Plan (which includes the Medical Plan, Dental Plan, Vision Plan, Short Term Disability Plan, Long Term Disability Plan, Company Paid Life Insurance Plan and Optional Life Insurance Plan, among other benefit programs) (the “Health & Welfare Plan”) is intended to constitute a *Summary of Material Modifications* with respect to the Transform Health and Welfare Plan, in accordance with applicable regulations under the Employee Retirement Income Security Act (“ERISA”), as amended, with respect to those benefit programs which are subject to ERISA.

Notice of Changes to the Medical Plan and Pharmacy Benefit Manager

This notice summarizes the 2023 medical plan benefit offering changes and prescription drug pharmacy benefit manager for BCBCIL Plans.

The Blue High Performance Network (BlueHPN) provides access to a select group of quality doctors and hospitals in more than 55 major U.S. cities. Access to BlueHPN will be limited to employees that reside in a zip code with High Performance Network access. Effective January 1, 2023, the BlueHPN Tiered Plan will be discontinued.

The Pharmacy Benefit Manager for the BCBSIL medical plans will be offered through Express Scripts.

Notice of Changes to the HSA and FSA

This notice summarizes the 2023 annual contribution limits specified by the U.S. Internal Revenue Service under the Health Savings Account and Healthcare Flexible Spending Account.

Health Savings Account “HSA” Contribution Limit Change: For 2023, you can save up to \$3,850 if you cover just yourself or \$7,750 if you cover yourself and your family. If you’re age 55 or older (or will turn age 55 during the 2023 plan year), you can also make additional “catch-up” contributions to your HSA up to \$1,000.

Healthcare Flexible Spending Account “FSA” Contribution Limit Change: For 2023, the maximum contribution increases to \$3,050. If you are carrying over any unused FSA amounts from 2022 (up to a maximum of \$550), the carryover amount will not affect this maximum contribution limit.

Notice Regarding the Commuter Benefit Program

This notice summarizes the 2023 annual contribution limits specified by the U.S. Internal Revenue Service under the Commuter Benefit Program.

Effective January 1, 2023, the limit for transit and/or vanpooling expenses is \$300 per month and the limit for qualified parking expenses is \$300 per month.

The Commuter Benefit Program is not a welfare benefit plan for purposes of ERISA. It is a tax-advantaged benefit that Sears Holdings can offer to associates under a specific section of the Internal Revenue Code.

Notice of Changes to the Savings Plan

Contribution Limit Changes:

The 2023 annual limit on pre-tax contributions set by the U.S. Internal Revenue Service will increase to \$22,500.

The 2023 limit on catch-up contributions, applicable to participants 50 and older any time in 2023, will increase to \$7,500.

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This Notice of Changes to the Savings Plan is intended to constitute a summary of material modifications with respect to the Savings Plan, in accordance with applicable regulations under ERISA.

Note: Puerto Rico associates are offered, if eligible, participation in the Puerto Rico Savings Plan sponsored and maintained for Puerto Rico associates.

Si tiene dificultad en comprender el inglés, la Compañía proveerá ayuda para explicarle esta información.

Si desea ayuda, consulte a su gerente de unidad o su representante de Recursos Humanos.

If you have difficulty in understanding the English language, assistance to aid your understanding of these reports will be provided by the Company. Please ask your unit manager or Human Resources representative if you desire such assistance.