
SUMMARY PLAN DESCRIPTION

TRANSFORM 401(k) SAVINGS PLAN

established as of June 3, 2019

January, 2020

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INTRODUCTION

Transform Midco LLC (“Transform”) sponsors and maintains the Transform 401(k) Savings Plan, established as of June 3, 2019 (the “Plan”) for the benefit of eligible employees of Transform and its affiliates. The terms and conditions of the Plan described in this Summary Plan Description (“SPD”) are as of June 3, 2019 and apply to you if you meet the eligibility requirements in the *Participation* section.

SPD HIGHLIGHTS

The Plan gives you an opportunity to save money through regular payroll deductions -- helping you increase your retirement income. This SPD explains when you become eligible to participate and how to enroll for regular payroll deductions. This SPD also describes the employer contributions that Transform *may* make to your account. You may invest your account in a variety of investment options. Your vested account balance will be available to you when you terminate employment, and may also be available for withdrawal before your employment terminates, under limited circumstances.

Please carefully read this booklet, and if you are married, ask your spouse to do the same.

RIGHT TO AMEND OR TERMINATE

Transform has the right, at any time, to amend or terminate the Plan, as described in the *Legal and Administrative Information* section.

RIGHT TO INTERPRET

The Plan Administrator has full discretionary authority to make factual determinations and interpret the terms and provisions of the Plan.

CONTROLLING DOCUMENTS

This SPD is based on official legal documents that govern the operation of the Plan, which include the Plan and the

related trust documents. It is important to remember that some features of the Plan, particularly those that apply infrequently, are not included in this SPD and that the official Plan document legally governs the operation of the Plan. **While every effort has been made to describe the terms of the Plan accurately, if there is any conflict or discrepancy between the terms of this SPD and the complete text of the Plan and trust documents, then the Plan and trust documents will govern. Please consult the Plan or trust document for further information.**

This SPD does not grant any rights or benefits in addition to or different from the rights and benefits granted under the Plan document. Therefore, you cannot rely on this SPD or other summary of the Plan to create any right not specifically provided under the Plan. Further, no verbal statement by any person or unofficial communications (such as e-mail or mailings) may alter or amend the terms of the Plan. Any questions concerning the Plan will be determined in accordance with the Plan document.

You may review the complete Plan and related trust documents, and you may obtain copies, for a reasonable charge, of any part or all of the documents. Please contact the Plan Administrator to examine or obtain a copy of the Plan and related trust documents.

NOT A CONTRACT

Participating in any of Transform’s benefit plans should not be viewed as a contract of employment and does not create any right to continued employment.

RESPONSIBILITY FOR SPD

This SPD was prepared under the direction of the Plan Administrator, and the Plan Administrator is responsible for the content of this SPD. Transform, in its capacity as Plan sponsor, has no responsibility for the content of this SPD.

PARTICIPATION

ELIGIBILITY

Generally, newly hired employees are eligible to elect to participate in the Plan after completing three months of service as a full-time or part-time employee of Transform.

However, the following individuals are ineligible to participate in the Plan:

- Individuals classified by Transform or an affiliate as leased employees or independent contractors (even if these individuals are later determined to have been employees for tax or other legal purposes).
- Individuals classified by Transform or an affiliate as nonresident aliens with no U.S. source income.
- Citizens or residents of Puerto Rico.
- Individuals classified by Transform or an affiliate as seasonal, temporary or peak employees or interns.
- Employees whose employment is covered by a collective bargaining agreement, unless the agreement provides for Plan participation.
- Individuals classified by Transform or an affiliate as a pharmacist and performs services on an “on call” basis.
- Individuals assigned by Sears IT Management Services India Pvt. Ltd (“Sears India”) to a limited employment assignment (generally no longer than two (2) years) in the U.S. with Sears Global Technology Services LLC.

PARTICIPATION

You may become a participant in the Plan on the first day after you satisfy the eligibility requirements described above, which, in general, is the first day of the third month following your date of hire. As a participant, you may make pre-tax (regular and catch-up) and/or after-tax contributions to the Plan.

Notwithstanding the foregoing, an eligible employee who was employed by Sears Holdings Corporation immediately prior to his or her employment commencement date with Transform may commence participation in the Plan as of his or her employment commencement date.

CONTRIBUTIONS

The Plan offers pre-tax (regular and catch-up) and after-tax contributions. In addition, you may roll over (*i.e.*, transfer) eligible funds from a former employer's qualified retirement plan to this Plan.

In its sole discretion, Transform may also decide to make an employer contribution in one or more years.

PRE-TAX CONTRIBUTIONS

Pre-tax contributions are deducted from your "eligible pay" before federal income taxes (and most state income taxes) are withheld. However, pre-tax contributions are subject to Social Security and Medicare taxes. By making pre-tax contributions, you are deferring income taxes until you receive a distribution from the Plan.

Federal law limits the amount of pre-tax contributions you may contribute each year. For 2020, you may contribute up to \$19,500 in pre-tax contributions (excluding catch-up contributions). This limit is adjusted by the IRS from time to time.

AFTER-TAX CONTRIBUTIONS

After-tax contributions are deducted from your eligible pay after federal income taxes (and state income taxes) are withheld. After-tax contributions are not taxed again when you later receive a distribution from the Plan. However, earnings on your after-tax contributions are subject to tax when you later receive a distribution.

PRE-TAX AND AFTER-TAX CONTRIBUTION ELECTIONS

Once you become eligible to participate in the Plan, you may elect to make pre-tax and/or after-tax contributions through payroll deductions, as follows:

- You may elect to contribute from 1% to 50% of your eligible pay as pre-tax contributions
- You may elect to contribute from 1% to 25% of your eligible pay as after-tax contributions, *provided* your total pre-tax and after-tax contributions do not exceed 50% of your eligible pay

You may elect to contribute, change your contribution percentage, or cancel your contributions at any time by logging onto your Plan account at www.88sears.com. Any change will be effective prospectively.

CATCH-UP CONTRIBUTIONS

As you approach retirement, you may decide to contribute more of your eligible pay to the Plan. The Plan permits additional contributions of up to 25% of eligible pay on a pre-tax basis — referred to as "catch-up contributions" — for participants who:

- will be at least age 50 before the end of a plan year, and
- will reach the limit on pre-tax contributions set by the Plan or by federal law for that plan year.

Federal law limits the amount of catch-up contributions you may contribute each year. For 2020, you may contribute up to \$6,500 in catch-up contributions. This amount is adjusted by the IRS from time to time.

YOUR ELIGIBLE PAY

Your "eligible pay," generally, is your regular pay, which includes wages, salary, overtime pay, commission/draw, shift differential, standby pay, paid time off (normal vacation, holiday and illness), Sunday premium pay, business training pay, and short term disability pay (other than state disability income), and annual or regular incentive pay.

"Eligible pay" also generally includes any payments made to you during any period of "qualified military service" (as determined under IRS rules), that represent all or a portion of the wages you would have received if you were performing services for Transform or a participating affiliate during that period.

However, "eligible pay" does not include any special pay, such as:

- Moving expenses
- Merchandise and trip awards or cash prizes
- Tuition reimbursement
- Accrued unused vacation pay issued in a lump sum
- Separation payments or other severance pay or benefits or salary continuation pay; and
- Amounts paid more than 2½ months after you terminate employment, or the end of the year in which you terminate, if later.

In addition, "eligible pay" does not include special bonuses, such as:

- Sign-up bonuses, stay bonuses and/or referral bonuses

Federal law limits the amount of eligible pay that may be taken into account under the Plan. This limit is \$285,000 for 2020 and is adjusted by the IRS from time to time.

ROLLOVER CONTRIBUTIONS

Rollover contributions are amounts that you elect to have transferred to this Plan from another tax qualified retirement plan. A rollover contribution may be made either by having the trustee of the other plan transfer the funds directly to this Plan, or by making a deposit to this Plan within 60 days after you receive a distribution from another plan. You may also make a rollover contribution to this Plan from any conduit IRA to which you previously rolled over a distribution from another tax qualified retirement plan, provided that the distribution would be taxable if you had not rolled it over.

If you have any questions as to whether a particular rollover contribution is permitted, or how to initiate a rollover contribution, you may log onto your account at www.88sears.com or call the Transform Benefits Center at 1-888-887-3277. Representatives are available from 7:00 a.m. to 7:00 p.m. Central Time.

MAKING UP CONTRIBUTIONS AFTER MILITARY SERVICE

If you are on leave from Transform or a participating affiliate to serve in the U.S. armed forces, and you return to work during the period that your re-employment is protected by federal law, you will have certain special rights under the Plan.

In particular, you have the right to make up any pre-tax and catch-up contributions that you could have contributed if you had not been serving in the armed forces. In order to do so, you may increase the rate of your contributions above the rate normally permitted over a period of up to three times the length of your military service, but not to exceed five years, until you have made up the contributions. Any amount that you make up will be treated, for purposes of the various limits on contributions, as if you had made the contributions during your military service. However, you cannot make up any earnings that you would have received.

EMPLOYER DISCRETIONARY CONTRIBUTIONS

In its sole discretion, Transform may decide to make an employer discretionary contribution in one or more years. If an employer discretionary contribution is made for a plan year, your account will be credited with a portion of the employer discretionary contribution if you are actively employed by Transform or a participating affiliate as of the end of plan year and have completed at least 1,000 hours of service during the year. You do not have to make a pre-tax contribution to receive an employer discretionary contribution. The total amount of the employer discretionary contribution (if any) will be in the sole discretion of Transform, and will be allocated on behalf of each eligible employee to their Employer Discretionary Contribution Account based on a percentage of their compensation.

You will be notified if an employer discretionary contribution will be credited to your account for a year in which you are employed with Transform or a participating affiliate.

VESTING

Amounts credited to your account under the Plan become vested (*i.e.*, nonforfeitable) as follows:

- ***Pre-Tax, After-Tax, Catch-Up, and Rollover Contributions (if any).*** These contributions, plus earnings (or losses) are always 100% vested (*i.e.*, nonforfeitable).
- ***Employer Discretionary Contributions (if any).*** These contributions (if any), plus earnings (or losses) are 100% vested upon your completion of three years of service. (In general, all of your years of service with Transform and its affiliates are considered for purposes of the vesting requirements, unless you incur five consecutive one-year breaks in service.)

INVESTING YOUR ACCOUNT

Your contributions to the Plan are deposited into a trust fund, which is managed by State Street Bank and Trust Company (“State Street”), the “Trustee” of the trust. State Street maintains a separate bookkeeping account under the Plan for each participant. The Plan offers a variety of investment options, among which you may direct the investment of your account. If you do not direct the investment of your account, your account will be invested in the State Street Target Retirement investment option that corresponds most closely with the year in which you will turn age 65 based on your date of birth. See the *Investments Options* section below for more information.

DIVERSIFYING YOUR PLAN INVESTMENTS

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your contributions, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. When determining your investment strategy, you should carefully consider the investment rights described in this SPD.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings strategy will continue to meet your retirement goals.

OBTAINING INFORMATION ON AVAILABLE INVESTMENT OPTIONS

As you consider how to allocate your contributions among the Plan’s investment options, please review the prospectus or fund description for each investment option, which includes detailed information about risks, charges and expenses, and should be read carefully before investing or changing any investment option. To view or request a prospectus or fund description, you may log onto your account at www.88sears.com or call the Transform Benefits Center at 1-888-887-3277. Representatives are available from 7:00 a.m. to 7:00 p.m. Central Time.

CHANGING YOUR INVESTMENT ELECTION

You can make transfers among the Plan’s available investment options or change your investment elections for future contributions at any time within prospectus guidelines. Alternatively, you may elect automatic rebalancing of your account among the investment options you select, in accordance with guidelines and procedures established under the Plan, by logging onto your account at www.88sears.com or call the Transform Benefits Center at 1-888-887-3277.

TIMING OF INVESTMENT CHANGES

Transactions for fund exchanges received by the close of New York Stock Exchange trading, normally 4:00 p.m. Eastern Time, will be processed the same business day. Otherwise, the transactions will be processed the next business day.

Please note, however, the following circumstances that may delay the implementation of investment instructions and cause the value for participant transactions to be determined by the sale or purchase prices of transactions executed on one or more days following receipt of a participant’s direction:

- An extraordinary level of participant transaction activity or Plan administrative requirements (as determined at the discretion of the Plan Administrator).
- Failures of technology or similar circumstances. The Plan’s fiduciaries will not be responsible for any losses caused by such delays.

A confirmation statement regarding the completed transaction will be sent within two business days (via U.S. mail unless you’ve signed up for email notifications).

FREQUENT TRADING ACTIVITY

You are permitted to redeem shares from one fund to purchase shares of another fund under the Plan. Although every effort is made to maintain this exchange privilege, the Plan Administrator and mutual fund companies reserve the right to revise or terminate this privilege, limit the amount of an exchange, or reject any exchange, at any time, without notice. Because excessive exchanges can potentially disrupt the management of a fund and increase its transaction costs, certain limitations are placed on participant exchange activity. Note also, that certain investment options may be subject to unique restrictions.

ACCOUNT STATEMENTS

Each quarter you will receive a personalized participant statement. Your statement will provide comprehensive Plan account information, including fund performance, balance information and all of your account activity for the quarter.

You may also request statements by logging onto your account at www.88sears.com or call the Transform Benefits Center at 1-888-887-3277.

INVESTMENT OPTIONS

The Plan offers the following categories of investment options:

TARGET RETIREMENT FUNDS

These broadly diversified funds gradually and automatically shift to more conservative investments over time. Each fund is intended to be a complete investment package. The year in the fund name refers to the approximate year (the target date) in which an investor in the fund would retire (*i.e.*, attain age 65) and leave the workforce.

Please note: An investment in a Target Retirement Fund is subject to the risks of its underlying funds. The investment is not guaranteed at any time, including on or after the target date.

CORE FUND OPTIONS

You may also invest all or a portion of your account in one or more of the Plan's Core Funds. A detailed description of each Core Fund investment option is available online at www.88sears.com.

ERISA SECTION 404(c)

The Plan is intended to be a "participant-directed" plan, as described in ERISA Section 404(c). Because the Plan Administrator has made a good faith effort to provide you with adequate information relating to the Plan's investment options, you are responsible for all investment decisions relating to your Plan accounts, including any investment losses to those accounts. Plan fiduciaries, such as the Plan Administrator, are not responsible for any losses that may result from your investment elections.

LOANS

You may apply for a loan from your vested account balance under the Plan. If you receive a loan, you are actually borrowing from your own Plan account. All interest that you pay on the loan is deposited into your account as it is paid and is invested in accordance with your then current investment directions. If you would like to borrow money from your account, you may log onto your account at www.88sears.com or call the Transform Benefits Center at 1-888-887-3277. Representatives are available from 7:00 a.m. to 7:00 p.m. Central Time.

HOW LOANS WORK

The Plan provides for two types of loans:

- **General Purpose Loans.** These loans can have a repayment term of one to five years, and may be taken for any reason.
- **Primary Residence Loans.** These loans can have a repayment term of more than five years, up to fifteen years, and must be used for the purchase of your primary residence. If you are requesting a primary residence loan, you must certify that the loan is for the purchase of a primary residence. Appropriate documentation, including the agreement of sale or mortgage contract, will be requested to complete your loan.

Once your loan request is processed, a check will be issued, generally within two business days, and sent to your address of record. If you prefer, you may arrange to receive your loan proceeds via direct deposit to your bank account. You can make this election at the time you are arranging for your loan. Please note that your banking information must be on your Plan account for a minimum of 7 days before you can utilize the direct deposit feature.

You may have one loan outstanding at a time, and you may not request a new loan within ten days of a prior loan being fully paid. This means that you must wait at least ten days before requesting a new loan.

The minimum amount you can borrow is \$1,000. The maximum amount you can borrow is the lesser of:

- 50% of your vested account balance, minus the amount of the highest outstanding loan balance on any Plan loan(s) during the preceding 12 months from the date the loan is made; or
- \$50,000, minus the amount of the highest outstanding loan balance on any Plan loan(s) during the preceding 12 months from the date the loan is made.

If you take a loan from your account, a one-time \$100 loan processing fee will also be deducted from your account.

The loan amount will be taken proportionally from the investment options your account is invested in.

The interest rate for all new loans will be the Prime Rate plus 1%, as reported by the Wall Street Journal on the 15th day of the month prior to the loan issue date.

For more information, to request a general purpose loan or to request an application for a primary residence loan, log onto your account at www.88sears.com or call the Transform Benefits Center at 1-888-887-3277.

REPAYING LOANS

Your first loan repayment will be due on the first payroll date after the loan check request date. Loan repayments are deducted on an after-tax basis from your paycheck and put back into your Plan account each pay period until the loan is paid off. Repayments are allocated proportionally among your Plan investments in accordance with your investment elections. You may pay off a loan in full at any time by logging onto your account at www.88sears.com or calling the Transform Benefits Center at 1-888-887-3277.

If you terminate employment with Transform and its affiliates, the total outstanding amount of your loan will become due and payable. If you do not repay the full amount due, the total outstanding amount of your loan, including any interest that has accrued will become a “deemed distribution” for tax purposes.

LOAN DEFAULTS

If you fail to make a loan repayment by its due date, then your loan will be considered in default unless you make the loan repayment by the last day of the calendar quarter following the calendar quarter of your missed payment. Upon default, your entire remaining outstanding loan balance will become due and payable. If you do not repay the full amount due, the total outstanding amount of your loan, including any interest that has accrued, will become a “deemed distribution” for tax purposes.

The amount of any deemed distribution will be taxable to you in the year of the event and may be subject to the 10% early distribution penalty. You will receive an IRS Form 1099-R to report the income. In addition, if you have a deemed distribution, you will not be able to take another loan until you pay the balance of the defaulted loan (with interest) to your Plan account.

EFFECT OF MILITARY LEAVE OR UNPAID MEDICAL LEAVE

If you are on an authorized military leave with an outstanding loan, your loan repayments will be suspended for the duration of your military leave, although interest on the loan will continue to accrue. Upon return from your leave, the original term of your loan may be extended by the period of your military service.

If you are on an approved, unpaid leave with an outstanding loan, your loan repayments will be suspended during your leave for up to 12 months, although interest on the loan will continue to accrue. If your leave lasts more than 12 months, you must recommence your loan repayments at the end of that 12-month period or the loan will be in default. Upon return from your leave, a new loan payment amount will be calculated reflecting the missed payments and interest that accrued during the leave.

IN-SERVICE WITHDRAWALS

In certain limited situations, the Plan allows you to withdraw all or a portion of your account while you are employed with Transform or an affiliate. Four types of withdrawals are permitted regardless of your financial status, and another type of withdrawal is permitted only in the event of a “financial hardship” (as defined in the *Hardship Withdrawals* section below).

NON-HARDSHIP IN-SERVICE WITHDRAWALS

If eligible, you may request a non-hardship in-service withdrawal at any time, but no more frequently than once in any 6-month period, while you are actively employed with Transform or an affiliate. The minimum amount of a withdrawal is \$250 (or the total amount available for withdrawal, if less).

The Plan offers the following types of non-hardship withdrawals:

- **After-Tax Withdrawals.** If you have an After-Tax Contribution Account in the Plan, you may withdraw all or a portion of your after-tax contributions, plus earnings.
- **Rollover Withdrawals.** If you have a Rollover Account in the Plan, you may withdraw all or a portion of your rollover contributions, plus earnings.
- **Age 59½ Withdrawals.** Once you reach age 59½, you may withdraw any portion of your vested account balance.
- **Disability Withdrawals.** If you become disabled (as defined by the Social Security Act), you can make withdrawals from your entire vested account balance. You must provide proof of disability that is acceptable to the Plan Administrator, such as an award letter from the Social Security Administration.

You can request a non-hardship in-service withdrawal by logging onto your account at www.88sears.com or calling Transform Benefits Center at 1-888-887-3277. Representatives are available from 7:00 a.m. to 7:00 p.m. Central Time.

FORM AND TIMING OF PAYMENT

Payments will be made in cash and will be taken proportionally from each of the investment options your account is invested in. Once your withdrawal request is processed, a payment will be issued, generally within two business days.

TAX CONSEQUENCES OF NON-HARDSHIP IN-SERVICE WITHDRAWALS

Cash withdrawals of taxable contributions (including pre-tax contributions and rollover contributions) and all investment earnings (including earnings on after-tax contributions) are subject to a mandatory 20% federal income tax withholding rate. In addition, withdrawal of investment earnings on after-tax contributions also may be subject to a federal 10% early withdrawal penalty if you are under age 59½.

HARDSHIP WITHDRAWALS

If you experience a “financial hardship” (as described below), you may be eligible to request a hardship withdrawal of your pre-tax contributions, plus earnings, while you are still employed and before age 59½ (see above for age 59½ withdrawals).

ELIGIBILITY FOR A HARDSHIP WITHDRAWAL

Under IRS rules, a “financial hardship” is a situation of heavy and immediate financial need. The Plan currently treats the need to pay any of the following types of expenses as financial hardships:

- Certain unreimbursed medical expenses incurred by you, your dependents or named beneficiary, or those necessary for you or your dependents to obtain medical care;
- Expenses (excluding mortgage payments) directly related to the purchase of your principal residence;
- Tuition and related expenses (including room and board) for the upcoming 12 months of post-secondary education for you, your spouse, your dependents or named beneficiary;
- Amounts necessary to prevent foreclosure on or eviction from your principal residence;

- Certain expenses relating to the repair of damage to the employee's principal residence that would qualify for the casualty deduction, such as those resulting from hurricane or flood damage; or
- Funeral and burial expenses for a parent, spouse, children, dependents or named beneficiary.

To be eligible for a hardship withdrawal, you must submit acceptable evidence of the applicable financial hardship(s). You also must satisfy the following additional conditions:

- You must take any other available withdrawals under the Plan and any other deferred compensation plan maintained by Transform and its affiliates; and
- The amount of the withdrawal cannot exceed the amount of your immediate financial need, plus any applicable taxes on your withdrawal.

You may request a hardship withdrawal by logging onto your account at www.88sears.com or calling Transform Benefits Center at 1-888-887-3277.

FORM AND TIMING OF PAYMENT

Hardship withdrawals are paid in cash. Withdrawals will be taken proportionally from each of the investments options your account is invested in. Once your hardship withdrawal request is processed, a payment will be issued, generally within two business days.

TAX CONSEQUENCES OF HARDSHIP WITHDRAWALS

A hardship withdrawal of taxable contributions will be subject to income tax, but is not subject to mandatory 20% federal income tax withholding. In addition, contributions and investment earnings also may be subject to a federal 10% early withdrawal penalty if you are under age 59½.

A hardship withdrawal may not be rolled over to a traditional or Roth Individual Retirement Account (IRA) or other qualified plan.

PAYMENT OF YOUR ACCOUNT

After you retire or otherwise terminate employment, you may receive your vested account balance. You may request payment of your account by logging onto your account at www.88sears.com or calling Transform Benefits Center at 1-888-887-3277. Representatives are available from 7:00 a.m. to 7:00 p.m. Central Time. After terminating employment, you will receive a distribution kit in the mail which outlines your payment options and provides further instructions.

ACCOUNT BALANCES GREATER THAN \$5,000

If your account balance is greater than \$5,000, you generally may choose the timing of payment. If you don't specify a choice, your balance will remain in the Plan until you request, or are required to take, a final distribution.

Your account balance will be paid as follows:

- **Single lump sum payment.** You may elect to receive a single cash payment or to roll your entire account balance into a traditional individual retirement account ("IRA"), Roth IRA or another employer's eligible plan. (See the *Tax Consequences of Post-Termination Distributions* section for more information.)

If your account is credited with additional amounts after you have received a complete distribution, you will be notified in order to distribute such trailing amounts.

If you do not elect to receive payment of your account, your contributions and earnings will remain in your Plan account, and earnings will continue to accumulate. However, in all cases, your account will be distributed no later than April 1 of the year following the year in which you reach age 72, or when you terminate employment with Transform and its affiliates, whichever occurs later.

ACCOUNT BALANCES OF \$5,000 OR LESS

If your vested account balance is \$5,000 or less (disregarding any rollover contributions), you will have an opportunity to elect how you would like to have your account distributed -- in cash or as a rollover.

However, if you do not make an election, your account will be rolled over to a traditional IRA maintained by Millennium Trust Company. If this happens, you will receive notification from Millennium Trust Company. If you have questions about your IRA rollover, you may contact Millennium Trust Company at 1-800-258-7878. There is no mandatory tax withholding on amounts rolled over to an IRA.

IN THE EVENT OF YOUR DEATH

If you die before your Plan account is completely distributed, your beneficiary(s) will receive the remainder of your account balance.

DESIGNATING A BENEFICIARY

When you enroll in the Plan, you should designate a beneficiary. You can do so by logging into your account at www.88sears.com or calling Transform Benefits Center at 1-888-887-3277. You must properly complete and submit any beneficiary designation forms to Transform Benefits Center for your beneficiary designation to be valid.

You are permitted to designate either an individual, organization, estate or a trust as your beneficiary.

- **If you are married:** Your spouse will be your sole, primary beneficiary, unless your spouse consents to your designation of another beneficiary. If you desire to designate another beneficiary, you must obtain your spouse's written consent. Please note that your spouse's written consent must be properly witnessed by a notary public. You must complete and return the form within 45 days to Transform Benefits Center for the designation to be effective.

If you become divorced, any prior designation of your spouse as your beneficiary will be revoked. You may designate a new beneficiary, or re-designate your former spouse, by properly completing a new beneficiary designation.

- ***If you are not married:*** You may designate any individual, organization, estate or a trust as your beneficiary without obtaining consent. However, if you subsequently become married, any prior beneficiary designation will be revoked and your spouse will be designated as your beneficiary. You may designate a different beneficiary, including re-designating your prior beneficiary by submitting a properly completed, new beneficiary designation form to Transform Benefits Center.

You may change your beneficiary designation at any time, subject to spousal consent, by logging onto your account at www.88sears.com or calling Transform Benefits Center at 1-888-887-3277.

If you die without a valid beneficiary designation on file, your account balance will be paid to:

- Your surviving spouse (unless you were divorced or legally separated by a court decree); or
- The executor or administrator of your estate.

PAYMENT UPON DEATH

If you die before your account is completely distributed, your designated beneficiary(s) will receive the remaining balance as a single lump-sum payment in cash. The payment of the remaining balance will be made no later than:

- One year after your death, in the case of a designated, non-spouse beneficiary; or
- April 1 following the year in which you would have reached age 70½, in the case of a spouse beneficiary.

Direct rollovers to a traditional IRA, Roth IRA or another employer's eligible plan are available to your surviving spouse and direct rollovers to a traditional or Roth IRA are available to your non-spouse beneficiary(s).

TAX CONSEQUENCES OF POST-TERMINATION DISTRIBUTIONS

Payments made from the Plan are normally subject to federal and state income taxes (other than for after-tax contributions). Certain federal tax penalties also may apply depending upon your age.

Eligible rollover distributions that are not rolled over are subject to 20% federal tax withholding on the taxable portion, which will be applied to the income taxes you owe on your distribution. Distributions before age 59½ may be subject to an additional 10% early withdrawal penalty tax (unless you separate service from the Company during or after the year in which you become age 55). You may, however, continue to defer taxation by electing to roll over to a traditional IRA, Roth IRA or another employer's eligible plan. Please contact the plan administrator of the receiving plan to confirm that the rollover will be accepted.

If there is a direct rollover to another eligible retirement plan other than a Roth IRA, any amount that is rolled over will not be taxable until there is a distribution from the eligible retirement plan. If you or your eligible beneficiary requests a direct rollover to a Roth IRA, the amount that is rolled over will be subject to immediate taxation and you or your eligible beneficiary will be responsible for payment of the tax. Additional information on direct rollovers will be given to you or your beneficiary when you or your beneficiary apply for benefits under the Plan.

Whenever you become eligible to receive a distribution, you will receive a more detailed explanation of your options. However, the rules that determine whether you qualify for favorable tax treatment are complex. You therefore should consider consulting with a qualified tax adviser before making your decision.

CHANGE IN ADDRESS

It is your responsibility to keep the Plan informed of any changes to your address or, if applicable, your beneficiary's address. In order to update your information, you may contact the Transform Benefits Center. Upon your death, it is the responsibility of your beneficiary (if any) to keep the Plan informed of any changes to his or her address by contacting the Transform Benefits Center. The address for your Plan account may be changed by logging onto your account at www.88sears.com or calling Transform Benefits Center at 1-888-887-3277.

QUALIFIED DOMESTIC RELATIONS ORDERS

Your Plan benefits are not assignable to another person or entity, except in the case of a qualified domestic relations order (“QDRO”). A QDRO is an order or judgment issued under a state’s domestic relations law directing a participant’s benefits or a portion thereof be paid to a spouse, former spouse, child or other dependent of the participant as child support, alimony or part of a division of marital property rights. The Internal Revenue Code and ERISA define specific requirements that a domestic relations order must meet to qualify as a QDRO.

Please contact Transform Benefits Center at 1-888-887-3277 to obtain a copy of the Plan’s QDRO procedures free of charge. Representatives are available from 7:00 a.m. to 7:00 p.m. Central Time. You can also obtain this information online at www.QOCenter.com.

CLAIMS PROCEDURES

This section explains how you file a claim under the Plan or request a review of your eligibility or other rights under the Plan, and how those claims are handled. **Benefits under the Plan will be paid only if the Plan Administrator or its designee, in its sole discretion, decides that you are entitled to them.**

INITIAL CLAIM

As described in the *Payment of Your Account* section, you, your alternate payee in the event of a QDRO or, in the event of your death, your surviving beneficiary (each, a “claimant”) or a claimant’s authorized representative may request distribution of all or a portion of your Plan account by logging onto your account at www.88sears.com or calling Transform Benefits Center at 1-888-887-3277. Representatives are available from 7:00 a.m. to 7:00 p.m. Central Time.

If your request for payment from Transform Benefits Center is not processed in the manner you believe you are entitled, you may submit a claim for benefits with the Plan Administrator. Claims for benefits also include assertions by a claimant that investment instructions were not timely or correctly implemented, or that errors occurred in the processing of a contribution.

Claims for benefits must be in writing (*i.e.*, handwritten, typed or entered electronically through the Plan’s website). Claims for benefits should:

- Clearly identify the Transform 401(k) Savings Plan;
- Clearly identify the specific benefit(s) and/or right(s) you are claiming;
- Provide your complete name, current address including ZIP code, and date of birth;
- If related to spousal rights under the Plan, the complete name, current address including ZIP code and date of birth of your spouse and your date of marriage; and
- Include any relevant supporting documentation.

A claim for benefits must be filed within one year from the date the claim arises. In general, a claim arises upon the earliest of the following:

- A denial of an inquiry related to your Plan eligibility or benefits (for any claimant);
- The date your benefit payments begin (for any claimant); or
- The latest of:
 - the date you become vested in the applicable benefit(s) related to your claim (for a participant),
 - your termination of employment from Transform and its affiliates (for a participant), or
 - the first date on which a statement of your benefits under the Plan is furnished to you that includes the relevant or allegedly erroneous information on which your claim is based (for any claimant).

To the extent the claim of a beneficiary or alternate payee is based on the amount of benefits you had earned, the claim must be filed at the same time for the beneficiary or alternate payee as it would for you. This does not apply to the extent the claim relates only to the beneficiary’s or alternate payee’s rights.

CLAIM DETERMINATION

The Plan Administrator will make a decision on your claim in writing within 90 days of the date your claim is received. Under special circumstances, the Plan Administrator may extend this 90-day period; you will be notified of the need for the extension and when the decision will be made. In the event that additional information is needed to make a decision on your claim, you will be informed of the necessary information and the 90-day claim review period will be tolled until the Plan Administrator receives such information. In no event, will a decision take more than 180 days.

If your claim is denied, in whole or in part, you will receive a written statement that includes (i) the specific reasons for the denial, (ii) specific references to the Plan provisions on which the decision was based, (iii) a description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is

necessary, and (iv) an explanation of the steps you or your beneficiary can take to appeal the claim denial and your right to bring a civil action under Section 502(a) of ERISA following a denial of your claim on appeal.

Please note, if your claim is denied, you may *appeal* the denial, but you may not file another *claim* for the same benefit unless there is a change in the underlying facts related to the claim.

APPEAL RIGHTS

Under the provisions of the Plan, you, (your alternate payee in the event of a QDRO) or your beneficiary (or your or his/her authorized representative) are entitled to appeal any denial of an initial claim to the Plan Administrator. If you wish to appeal this decision, your appeal must be made in writing and postmarked within 60 calendar days from the date of written notification from the Plan Administrator. If you have any additional documents or records that support your appeal, you should include them with your written appeal.

You may review documents and information relevant to your claim (solely within the meaning of Department of Labor Regulation Section 2560.503-1(m)(8)) free of charge. All requests for documents and information must be in writing. Telephone inquiries will not be considered as a request for documents or information.

Your written request for appeal should be mailed to:

Transform Midco LLC Benefits Committee
Claims & Appeals Management
Transform
3333 Beverly Road, Dept. 707BEN
Hoffman Estates, IL 60179

If you do not appeal the decision within 60 calendar days from the date of notification, you will be deemed to have accepted the decision.

The Plan Administrator will make a decision on your claim in writing within 60 days of the date your claim is received. If the Plan Administrator cannot make a decision because it requires additional information from you, the days that it is waiting for this information will not be taken into account for this 60-day period. In special circumstances, the Plan Administrator may require an extension of this 60-day period. In no event will a decision take more than 120 days.

You will receive written notification of the Plan Administrator's decision as soon as possible, but in no event later than the time limit outlined in the previous paragraph. If your appeal is denied, in whole or in part, you will receive a written statement that includes (i) the specific reasons for the denial, (ii) specific references to the pertinent Plan provisions on which the decision was based, (iii) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits, and (iv) a statement of your right to bring a civil action under Section 502(a) of ERISA following the denial of your appeal.

LIMITATION ON CIVIL ACTION

You may not bring a civil action in court or before any administrative agency or quasi-judicial tribunal unless and until the claim and appeal procedures described above have been complied with and exhausted.

You have until the later of (i) two years after the claim arises, or (ii) six months from when your appeal is denied after following the procedures described above, to file a lawsuit with respect to that claim, and failure to meet the deadline will extinguish your right to file a lawsuit with respect to that claim.

LEGAL AND ADMINISTRATIVE INFORMATION

NO RIGHT OF EMPLOYMENT

Participation in the Plan is provided as a benefit to eligible employees. The Plan does not guarantee employment.

MAXIMUM BENEFITS

The IRS imposes a limit on the total amount that may be contributed to the Plan on your behalf each year. If your benefit is more than the maximum, it will be adjusted to conform with IRS regulations. The Plan Administrator will notify you if your benefits will be affected by any IRS limits.

ADMINISTRATIVE COSTS

Reasonable administrative costs of the Plan may be paid out of the Plan's trust fund, to the extent legally permitted. In the event that Transform or an affiliate pays a reasonable administrative cost of the Plan, the trust fund will reimburse that entity upon request for the amount of the payment. Certain other administrative expenses, such as loan and QDRO processing fees, may be charged directly against affected participants' accounts. Transform will pay any expenses not legally permitted to be paid from the trust fund.

ASSIGNMENT OF BENEFITS

The Plan is intended to pay benefits only to you or your eligible survivors. Your benefits cannot be used as collateral for loans. In addition, benefits cannot be assigned to satisfy debts or liabilities, except in connection with certain qualified domestic relations orders ("QDROs") issued by a court of law. A QDRO requires payment of alimony, child support or other marital assets (which could include all or a portion of your benefits from this Plan) to a spouse, former spouse, child or other dependent.

An original and stamped domestic relations order, or a copy of the original and stamped domestic relations order with a legible filing date and judge's signature, should be sent to the below address. The order ultimately is reviewed by the Plan Administrator or its delegates, and you and your alternate payee are notified within 18 months whether or not it is determined to be a qualified order. See the *Qualified Domestic Relations Orders* section for more information.

Transform Benefits Center
Attention: Qualified Order Center
P.O. Box 7144
Rantoul, Illinois 61866-7144
Fax: 1-847-883-9313

Alternatively, domestic relations order may uploaded to the QOCenter website at www.QOCenter.com.

INCOMPETENCE

In the case of an account holder's incompetency, the Plan has a right to make benefit payments to:

- The account holder's legally appointed guardian if the Plan Administrator receives acceptable written notice of guardianship; or
- The account holder's parent, committee, conservator, spouse, child or dependent or to the person with whom account holder is residing or to any other person having the care and control of account holder, if the Plan Administrator determines that the account holder is unable to care for his or her affairs.

Any payments made in accordance with this section will constitute a complete discharge of liability for such payments under the Plan, to the extent permitted by law.

RECOVERY OF OVERPAYMENT OR PAYMENT MADE BY MISTAKE

If it should happen that you receive benefits in excess of the amount of benefits to which you are otherwise entitled to receive under the Plan, you will be required to return such excess amounts to the Plan. You will also be required to return any payments made by mistake. The Plan Administrator may pursue recovery of these amounts either by requiring the payee to return the excess to the plan, by reducing the payee's account balance, or by any other method deemed reasonable to the Plan Administrator or its delegates.

RIGHT TO AMEND OR TERMINATE THE PLAN

Although Transform intends to continue the Transform 401(k) Savings Plan indefinitely, it reserves the right to change or discontinue all or any part of the Plan at any time. If the Plan were to terminate (*i.e.*, end), all contributions would cease and all accounts would become 100% vested.

No one has the authority to make any verbal modifications to the Plan or this SPD.

NO INSURANCE

The Pension Benefit Guaranty Corporation ("PBGC") was established by ERISA to insure certain benefits under defined benefit plans in the event of plan termination. This Plan is a defined contribution plan and, therefore, the Plan is not covered by the PBGC's plan termination insurance.

YOUR RIGHTS UNDER ERISA

RIGHT TO RECEIVE INFORMATION ABOUT THE PLAN AND BENEFITS

As a participant in the Transform 401(k) Savings Plan, you are entitled to certain rights provided by the Employee Retirement Income Security Act of 1974, known as ERISA. ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan and a copy of the latest annual report (Form 5500) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the Plan, including a copy of the latest annual report (Form 5500) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement of the current value of their account under the Plan, showing the nonforfeitable (vested) portion (if any), or the earliest date on which their account will become nonforfeitable (vested). This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for Plan participants, ERISA imposes duties upon the people responsible for the operation of the Plan. They are called "fiduciaries" and have a duty to operate the Plan prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a pension benefit is denied, in whole or in part, you have a right to receive a written explanation of the reason for the denial, to obtain copies of documents relating to the decision, and to appeal any denial, all within certain time schedules. (See the *Claims Procedures* section for details.)

Under ERISA, there are steps you can take to enforce the above rights. For example, if you request a copy of Plan document or the latest annual report from the Plan and do not get them within 30 days, you may file suit in a federal court. If this happens, the court may require the Plan Administrator to give you the material you asked for and to pay you up to \$110 per day until you get the material. This would not apply if the delay in providing the material is beyond the control of the Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek help from the U.S. Department of Labor or file suit in a federal court within one year after you have exhausted the Plan's claim review procedure. In all such suits, the court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if it finds your claim is frivolous).

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about the Transform 401(k) Savings Plan, call Transform Benefits Center at 1-888-887-3277. Representatives are available from 7:00 a.m. to 7:00 p.m. Central Time. If you have any questions about this statement or

about your rights under ERISA, contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor or the:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

GENERAL INFORMATION

Name of Plan	Transform 401(k) Savings Plan, established as of June 3, 2019
Plan Sponsor	Transform Midco LLC 3333 Beverly Road B6 169A Hoffman Estates, Illinois 60179
Employer I.D. Number	83-3374195
Plan Number	001
Plan Administrator	<ul style="list-style-type: none"> The Transform Midco LLC Benefits Committee (the “Committee”) is the “plan administrator” of the Plan (as defined in ERISA Section 3(16)), and is a “named fiduciary” of the Plan (as defined in ERISA Section 402(a)). Questions to the Committee should be addressed to: <p style="margin-left: 40px;">Transform Midco LLC Benefits Committee 3333 Beverly Road B6 169A Hoffman Estates, Illinois 60179 847-286-0307</p> <p>Members of the Committee are appointed by Transform’s sole member to ensure that the provisions of the Plan are carried out. The Committee may delegate to other persons responsibilities for performing certain of its duties under the terms of the Plan and may seek expert advice as it deems reasonably necessary with respect to the Plan. The Committee is entitled to rely upon the information and advice furnished by such delegates and experts, unless actually knowing such information and advice to be inaccurate or unlawful.</p> <p>The Committee has the right and sole discretionary authority to interpret and apply the Plan's terms and provisions, including resolving and interpreting any ambiguities that exist and interpreting the Plan in order to make eligibility and benefit determinations as it may determine. The Committee also has the right and sole discretionary authority to make factual determinations, including whether any individual is entitled to receive any benefits under the Plan.</p> Towers Watson Investment Services is a named fiduciary and the investment manager for the Plan. <p style="margin-left: 40px;">Towers Watson Investment Services, Inc. 233 South Wacker Drive Chicago, Illinois 60606 312-288-7700</p>
Recordkeeper	The Plan Administrator has delegated daily ministerial recordkeeping and administrative duties under this Plan to Alight Solutions LLC. Alight’s address and telephone are: 4 Overlook Pt, #4OB, Lincolnshire, IL 60069 224-737-7000
Type of Plan	The Plan is legally classified as a defined contribution profit sharing plan with a cash or deferred arrangement under Code Section 401(k). The Plan is tax-qualified under Code Section 401(a).

Plan Year	The Plan is operated on a calendar year basis, beginning each January 1 and ending each December 31. The first plan year is a short plan year beginning on June 3, 2019 and ending on December 31, 2019.
Trustee of the Plan	<p>The corporate trustee holds and invests Plan assets and, at the direction of the Transform Midco LLC Benefit Committee, pays out benefits. The corporate trustee as of the date of this SPD is:</p> <p style="padding-left: 40px;">State Street Bank & Trust Company Institutional Investor Services 1200 Crown Colony Drive Quincy, MA 02161</p>
Agent for Service of Legal Process	Service of legal process may be made on the Plan Administrator (at the address above).