

**SEARS, ROEBUCK AND CO.**

**NOMINATING AND GOVERNANCE COMMITTEE CHARTER**

Purpose

The Nominating and Governance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Sears, Roebuck and Co. (the “Company”) pursuant to Article III of the By-Laws, to assist the Board in the analysis of corporate governance principles, qualifications and nominations of directors and officers and other issues relating to the Board, and to recommend to the Board nominees for Chairman and Chief Executive Officer of the Company and other executive officers of the Company.

Independence

The Committee shall consist of such number of directors, not fewer than three, as are selected for committee membership as set forth in the Company's Corporate Governance Guidelines ("Guidelines"), all of whom shall be "independent directors" and meet any other criteria for membership on the Committee as set forth in such Guidelines.

Responsibilities

The Committee shall have all the authority of the Board to act or exercise corporate powers with respect to the following:

- A. To develop and review policies and guidelines with respect to the qualifications required for membership on the Board.

- B. To conduct the appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates for membership on the Board.
- C. Prior to each Annual Shareholders' Meeting, to consider, review and make recommendations to the Board with respect to:
  - 1. the appropriate size and composition of the Board;
  - 2. candidates for Board membership that have been recommended by shareholders;
  - 3. a proxy statement and form of proxy;
  - 4. policies and practices on shareholder voting;
  - 5. plans for the Annual Shareholders' Meeting; and
  - 6. nominees:
    - (a) for election to the Board for whom the Company should solicit proxies;
    - (b) to serve as proxies in connection with the Annual Shareholders' Meeting;
    - (c) for election to all committees of the Board; and
    - (d) for election as executive officers of the Company.
- D. To appoint the Chair of each committee of the Board.
- E. To periodically review and set a maximum six-year term for each Chair of each committee of the Board.
- F. To develop, recommend, and to monitor a set of corporate governance principles applicable to the Company, and to review those principles periodically.
- G. To annually participate in a performance evaluation of the Committee.
- H. To perform, or retain and oversee an independent consultant to perform, an annual assessment of the Board.

- I. To make recommendations to the Board with respect to the compensation of the Directors.
- J. To evaluate the performance of the Chairman and Chief Executive Officer of the Company.
- K. To review the succession plans for the Chairman and the Board regarding persons considered qualified to fill any vacancy that may occur in such position. In the event of such vacancy the Committee shall recommend to the Board a nominee to fill such vacancy in accordance with its policies.
- L. To perform such other duties as the Board may from time to time prescribe.

The Committee shall have the sole authority to retain and terminate any search firm to be used to identify Director candidates, including sole authority to approve the search firm's fees and the other terms and conditions of the firm's retention.

The Chairperson of the Committee, or the Chairperson's designee, shall present, to the Board, a periodic report, as the Chairperson deems appropriate, of the activities and actions of the Committee.

### Proceedings

#### A. Meetings

The Committee shall meet at least three times annually, and may meet more frequently as circumstances warrant. A meeting may be called upon request of any two or more of its members. An agenda will be prepared prior to each meeting by or at the direction of the chairperson of the Committee and will be circulated to the other members prior to the meeting date. The Chairperson, or his

designee, will preside over each meeting.

B. Voting

One third of the members, but in no event less than two, shall constitute a quorum. A majority of the members of the Committee present at any committee at which a quorum is present may act on behalf of the Committee. The Committee shall vote on matters presented to it at the meetings.

C. Committees

The Committee may form and delegate authority to subcommittees when appropriate.