

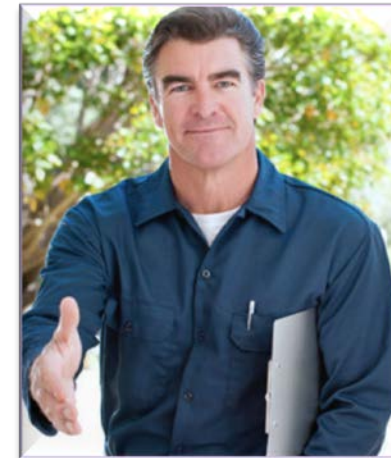
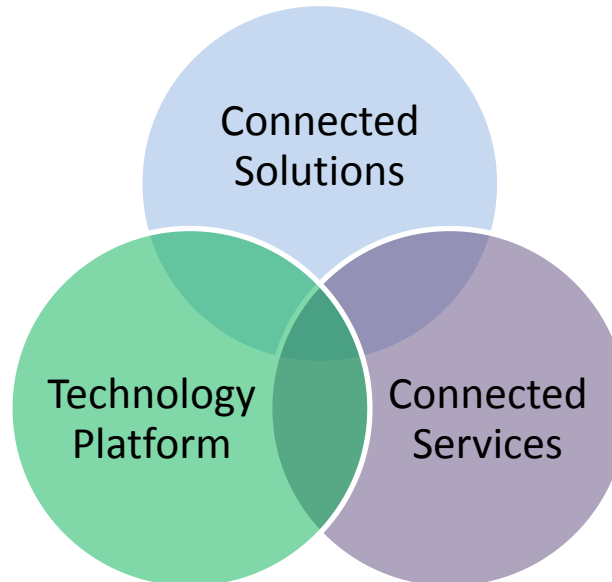
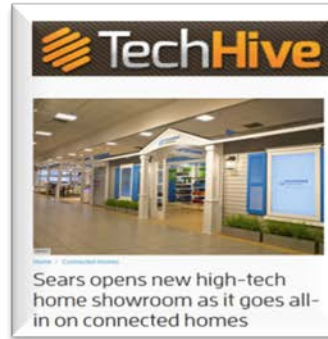
2016 NEEP Summit Roundtable

Paul Campbell

Director

Sears Holdings Corporation

*Our Connected Home strategy will engage with customers across multiple touch points by leveraging our Connected **Solutions, Services & Technology**.*



The Wally system provides benefits to help manage homes and reduce costs associated with property damage.

Functionality & Simplicity



Smart Home Value:

Low-cost Smart Home technology for a differentiated property offering.



Form Factor:

Small, fits well in any spot without drawing attention to itself.



Ease of Set-up and Installation

Easy to install by non-technical users. Truly a “plug and play” solution.



Monitoring & Peace of Mind

Monitoring Capabilities:

Dashboard for single/multiple units.



Complete Home Management:

Compatible with connected energy and access products for complete property management.



Asset Protection:

Reduces risk of water damage from frozen pipes, faulty appliances and leaks.

“Water filter in the basement sprang a leak. Wally notified us. We called the plumber. Problem solved with only one gallon of water on the basement floor, rather than flooding until we returned.

We love this system. It’s like having a watchman who patrols the house, and let’s us be away from home without coming home to surprises, or worrying that we will. No surprises. No worries. No kidding. Grateful customer. Thank you Wally.”

Kevin G. Cambridge, MA

San Bruno Flagship Experience

- Diversified Product Offerings with Hands on Displays
- Complete Remodel w/ New Fixtures
- Dedicated Staffing

San Bruno, CA

- Planned Monthly demo days
- Vendor product launches
- Store utilizes updated "Sandbox" network to set new product displays quickly

Chicago Labs

- Diversified Product Offerings with Hands on Displays
- Complete Remodel of non-CE space
- Dedicated staffing

3 Chicago Stores

- Increase merchandisable space
- Update showcases with CS pillars (Simply Entertain, Simply Secure, Simply Automate, Simply Fit)

CS Stores

- Rationalized Assortment based on member segmentation
- Utilizing existing fixtures
- Vendor demo's integrated within POG

CS Shops
(172 Stores)

- Partnering with vendors to launch live displays for all product
- Dedicated CE sales associates

➔ When a Member thinks of their home lifestyle Sears will be their first-stop retailer

➔ Service: Expert advice
Installation
Keep it running

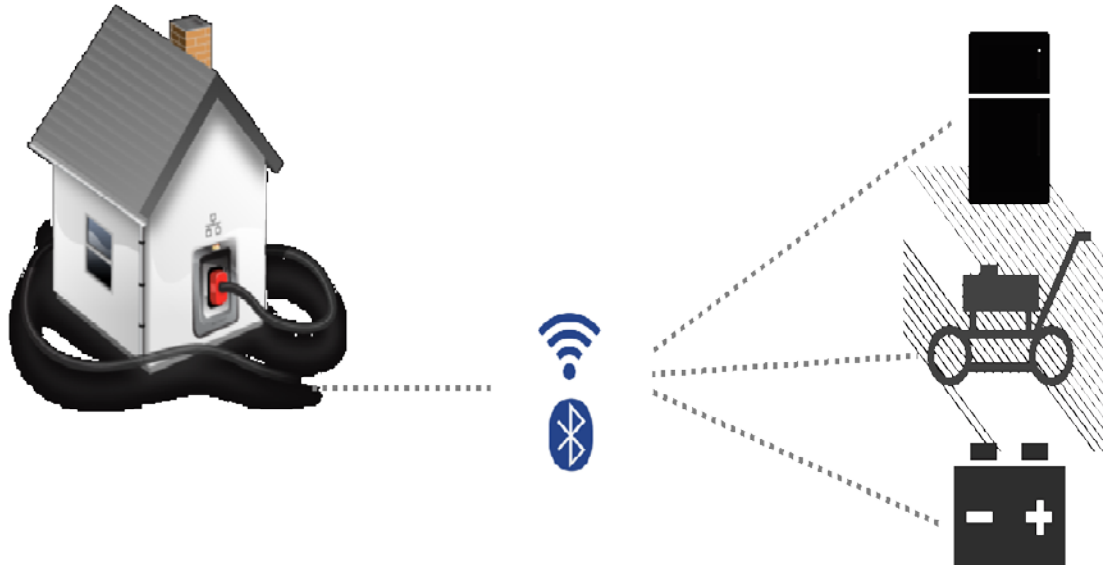
➔  SHOP YOUR WAY™
Convenience
Community
Rewards



DieHard.
Power where and when you need it

- ➔ All new products developed by KCD which are “powered” will include connectivity as a basic feature
 - Unpowered products will also be considered if the appeal of connected features can be rationalized (e.g. connected toolbox)
- ➔ The objective is to generate a connected household that features an ecosystem “powered by Sears”
- ➔ Our value proposition is to protect the home, provide peace-of-mind, and save money, affordably

Your home...powered by Sears



ENERGY STAR Retail Products Platform Update

2016 Participants

- CA: PG&E, SMUD and SCE
- CO: Xcel Energy
- MN: Xcel Energy
- ID, MT, OR & WA: NEEA
- NY: Con Ed
- VT: Efficiency Vermont
- WI: Focus on Energy

Discussions Regarding 2016/2017

- CA: LADWP and SDG&E
- CO: Platte River Power Authority, Fort Collins Utilities, Loveland Water and Power, Longmont Power & Communications, and Estes Park Power & Light
- CT: Eversource CT, UIL Holdings
- DC: DC SEU
- HI: Hawaii Energy
- MD: BGE, PEPCO, SMECO and Delmarva Power
- MI: DTE Energy
- NJ: New Jersey Clean Energy Program
- NM: Xcel Energy

- Implemented at +600 store locations at Best Buy, Home Depot and Sears since April 1, 2016!
- Receiving on-going full category sales data
- 12 months historic category sales data
- Retailers and Utilities working together to select 2017 product categories
- Largest appliance and CE manufacturers beginning to collaborate with ESRPP

Pre – approved signage and field services authorization

