

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:)	Chapter 11
)	
TOYS "R" US, INC., <i>et al.</i> , ¹)	Case No. 17-34665 (KLP)
)	
Debtors.)	(Jointly Administered)
)	

CHAPTER 11 PLANS OF TOYS DELAWARE DEBTORS AND GEOFFREY DEBTORS

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Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

James H.M. Sprayregen, P.C.
Anup Sathy, P.C.
Chad J. Husnick, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

-and-

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

Co-Counsel to the Debtors and Debtors in Possession

Dated: August 3, 2018

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 78]. The location of the Debtors' service address is One Geoffrey Way, Wayne, New Jersey 07470.

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EXHIBIT

Exhibit A - Settlement Agreement

INTRODUCTION

The Debtors propose the following plans for the Toys Delaware Debtors and the Geoffrey Debtors pursuant to chapter 11 of the Bankruptcy Code (together, the “Plan”). Capitalized terms used in the Plan and not otherwise defined have the meanings ascribed to such terms in Article I.A.

The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of the Bankruptcy Court. Reference is made to the Disclosure Statement for a discussion of the Debtors’ history, businesses, results of operations, historical financial information, projections, and future operations, as well as a summary and analysis of the Plan and certain related matters, including distributions to be made under the Plan. Each of the Debtors is a proponent of the Plan contained herein within the meaning of section 1129 of the Bankruptcy Code. The chapter 11 plan for the Geoffrey Debtors is independent of the plan for the Toys Delaware Debtors, and the Geoffrey Debtors seek confirmation of their plan regardless of whether the plan proposed by the Toys Delaware Debtors is confirmed.

ARTICLE I DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. *Defined Terms.*

As used in the Plan, capitalized terms have the meanings and effect as set forth below.

1. “*ABL/FILO Revolving DIP Facility Credit Agreement*” means that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of September 18, 2017 (as amended, novated, supplemented, extended, or restated from time to time), by and among Toys Delaware and Toys Canada, as borrowers, the other guarantors thereto, and the ABL/FILO Revolving DIP Facilities Agent, as approved by the Bankruptcy Court pursuant to the Final North American DIP Order.

2. “*ABL/FILO Revolving DIP Facility*” means the senior secured revolving credit facility, swingline loans, and letters of credit with no current outstanding amounts provided for by ABL/FILO Revolving DIP Facility Credit Agreement.

3. “*ABL/FILO Revolving DIP Facility Agent*” means JPMorgan Chase Bank, N.A., as administrative agent and collateral agent to the ABL/FILO Revolving DIP Facility Credit Agreement.

4. “*ABL/FILO Revolving DIP Facility Claims*” means any and all Claims derived from or based upon the ABL/FILO Revolving DIP Facility.

5. “*Ad Hoc Group of Term B-2 and B-3 Lenders*” means the ad hoc group of certain unaffiliated holders of Secured Term Loan B Credit Facility Claims that is represented by Arnold & Porter Kaye Scholer.

6. “*Ad Hoc Group of Term B-4 Lenders*” means the ad hoc group of certain unaffiliated holders of Secured Term Loan B Credit Facility Claims consisting of funds and accounts managed or advised by Angelo, Gordon & Co., L.P.; Franklin Mutual Advisors, LLC; Highland Capital Management, LP; Oaktree Capital Management, L.P.; and Solus Alternative Asset Management LP.

7. “*Ad Hoc Vendor Group*” means the ad hoc group of merchandise vendors represented by Foley & Lardner LLP, Fox Rothschild LLP; Schiff Hardin LLP; Saul Ewing Arnstein & Lehr LLP; Morris, Nichols, Arsht & Tunnell; and Wasserman, Jurista & Stolz, P.C.

8. “*Accrued Professional Compensation Claims*” means, at any given moment, all Claims for accrued fees and expenses (including success fees) for services rendered by a Professional through and including the Effective Date, to the extent such fees and expenses have not been paid pursuant to the Interim Compensation Order or any other order of the Bankruptcy Court and regardless of whether a fee application has been Filed for such fees

and expenses. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional's fees or expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Accrued Professional Compensation Claim.

9. "Additional Fixed Amount" means the first \$20 million of proceeds from the liquidation of any assets held by Toys Delaware after the repayment in full of the ABL/FILO DIP Facility and the Term DIP Facility.

10. "Administrative Claim" means a Claim for costs and expenses of administration of the Debtors' estates pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses of preserving the Estates and operating the business of the Debtors incurred after the Petition Date and through the Effective Date; (b) Claims of Professionals in the Chapter 11 Cases; (c) amounts owing pursuant to the DIP Orders; and (d) fees and charges assessed against the Estates pursuant to chapter 123 of the Judicial Code, including the U.S. Trustee fees.

11. "Administrative Claims Bar Date" means, except for Administrative Claims of Professionals, the date that is 30 days following the Effective Date, except as specifically set forth in the Plan or the Administrative Claims Bar Date Order or otherwise ordered by the Bankruptcy Court. For the avoidance of doubt, the Administrative Claims Bar Date shall not apply to any Debtor having a Claim against another Debtor.

12. "Administrative Claims Bar Date Order" means the Amended Order (I) Setting a Bar Date for Filing Proofs of Administrative Claims Against Certain Debtors, (II) Establishing Administrative Claims Procedures, (III) Approving the Form and Manner of Filing Proofs of Administrative Claims, (IV) Approving Notice of the Administrative Claim Bar Date, and (V) Granting Related Relief [Docket No. 3260] entered by the Bankruptcy Court.

13. "Administrative Claims Distribution Pool" means the consideration to be paid to Administrative Settlement Claimants as set forth in the Settlement Agreement, as incorporated pursuant to Article II of this Plan, including the "Fixed Amounts" and "Contingent Amounts" contemplated therein and the proceeds of the Non-Released Claims Trust as contemplated in the Settlement Agreement.

14. "Administrative Settlement Claimants" means holders of Administrative Settlement Claims.

15. "Administrative Settlement Claims" means the claims of (a) all merchandise vendors who have unpaid Administrative Claims of merchandise vendors arising under section 503(b)(1) and 503(b)(9) of the Bankruptcy Code in all such cases arising out of ordinary course sales of goods or provision of services to Toys Delaware for the value of such goods and services and agreed to, but unpaid Critical Vendor Payments, and (ii) holders of other unpaid Administrative Claims (including merchandise vendors) not otherwise accounted for in the Wind-Down Budget (excluding, for the avoidance of doubt, Accrued Professional Compensation Claims and adequate protection claims).

16. "Affiliate" has the meaning set forth in section 101(2) of the Bankruptcy Code.

17. "Aggregate Canada Proceeds" means 65% of all amounts received by Toys Delaware on account of its Interests in Toys Canada.

18. "Allowed" means with reference to any Claim or Interest, as may be applicable, (a) any Claim, proof of which is timely filed by the applicable Claims Bar Date or which, pursuant to the Bankruptcy Code or a Final Order is not required to be filed; (b) any Claim that is listed in the Schedules as of the Effective Date as neither contingent, unliquidated, nor disputed, and for which no Proof of Claim has been timely filed; or (c) any Claim Allowed pursuant to the Plan; *provided, however*, that with respect to any Claim described in clause (a) above, such Claim shall be considered Allowed only if and to the extent that with respect to any Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court or such an objection is so interposed and the Claim shall have been Allowed for distribution purposes only by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim has been timely filed, is not

considered Allowed and shall be expunged without further action by the Debtors or the Reorganized Debtors and without any further notice to or action, order or approval of the Bankruptcy Court.

19. “*Assumed Executory Contract and Unexpired Lease List*” means the list, as determined by the Debtors of Executory Contracts and Unexpired Leases that will be assumed by the Debtors and will be included in the Plan Supplement.

20. “*Avoidance Action Released Party*” means (a) any non-insider holder of a prepetition or postpetition Claim against the Debtors (other than holders of Administrative Settlement Claims that opt-out of the Settlement), regardless of whether such holder is entitled to participate in the Administrative Claims Distribution Pool, (b) any non-insider holder of an Administrative Settlement Claim other than holders of Administrative Settlement Claims that opt-out of the Settlement Agreement, and (c) with respect to each of the foregoing entities in clauses (a) and (b), such entity’s current and former affiliates, and each of such entity’s, subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case, solely in their capacity as such, *provided* that, notwithstanding the foregoing, Avoidance Action Released Parties shall not include (i) any affiliate or direct or indirect subsidiary of Toys Inc. (including the Propco I Debtors, the Propco II Plan Entities, Toys (Labuan) Holding Limited or any of their direct or indirect subsidiaries) or (ii) any of the D&O Parties.

21. “*Avoidance Actions*” means any and all avoidance, recovery, subordination, or similar remedies that may be brought by or on behalf of the Debtors or the Estates, including Causes of Action or defenses arising under chapter 5 of the Bankruptcy Code or under similar or analogous state or federal law and common law, including fraudulent transfer and/or preference law.

22. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532.

23. “*Bankruptcy Court*” means the United States Bankruptcy Court for the Eastern District of Virginia having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 or the General Order of the District Court pursuant to section 151 of the Judicial Code, the United States District Court for the Eastern District of Virginia.

24. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

25. “*Business Day*” means any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

26. “*Cash*” means the legal tender of the United States or the equivalent thereof.

27. “*Causes of Action*” means any claim, cause of action (including avoidance actions), controversy, right of setoff, cross-claim, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, fixed or contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, Secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law.

28. “*Certificate*” means any instrument evidencing a Claim or Interest.

29. “*Chapter 11 Cases*” means the jointly-administered chapter 11 cases of the Debtors pending before the Bankruptcy Court under the lead case of *In re Toys “R” Us, Inc.*, Case No. 17-34665 (KLP) (Bankr. E.D. Va.).

30. “*Claim*” means any claim against the Debtors, as defined in section 101(5) of the Bankruptcy Code, including: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

31. “*Claims Bar Date*” means, either, the General Claims Bar Date or the Governmental Claims Bar Date, as applicable.

32. “*Claims Objection Bar Date*” means the later of: (a) the date that is 180 days after the Effective Date; and (b) such other date as may be fixed by the Bankruptcy Court, after notice and hearing, upon a motion filed before the expiration of the deadline to object to Claims or Interests.

33. “*Claims Oversight Representative*” has the meaning ascribed to that term in the Final North American DIP Amendment Order.

34. “*Claims Register*” means the official register of Claims maintained by the Notice and Claims Agent.

35. “*Class*” means a category of Holders of Claims or Interests as set forth in **Error! Reference source not found.** in accordance with section 1122(a) of the Bankruptcy Code.

36. “*Confirmation*” means the entry on the docket of the Chapter 11 Cases of a Confirmation Order.

37. “*Confirmation Date*” means the date upon which the Bankruptcy Court enters the Confirmation Order.

38. “*Confirmation Hearing*” means the hearing held by the Bankruptcy Court to consider Confirmation pursuant to section 1129 of the Bankruptcy Code.

39. “*Confirmation Order*” means an order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

40. “*Consummation*” means the occurrence of the Effective Date for the Plan.

41. “*Contingent Amounts*” means the amounts to be distributed to the Administrative Claims Distribution Pool in accordance with Section 3.1(c)(2) of the Settlement Agreement.

42. “*Creditors’ Committee*” means the official committee of unsecured creditors appointed in the Chapter 11 Cases.

43. “*Critical Vendor Payments*” means any obligations due but not paid under any agreement authorized by the *Final Order Authorizing Debtors to Pay Certain Prepetition Claims of Critical Vendors and (II) Granting Related Relief* [Docket No. 708] and/or the *Final Order (I) Authorizing the Debtors to Pay Prepetition Claims of Lien Claimants, Import Claimants, and 503(b)(9) Claimants, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* [Docket No 723].

44. “*Cure Obligations*” means all (a) amounts (or such lesser amount as may be agreed upon by the parties under an Executory Contract or Unexpired Lease) required to cure any monetary defaults and (b) other obligations required to cure any non-monetary defaults (the performance required to cure such non-monetary defaults and the timing of such performance will be described in reasonable detail in a notice of proposed assumption and assignment) under any Executory Contract or Unexpired Lease that is to be assumed by the Debtors pursuant to sections 365 or 1123 of the Bankruptcy Code.

45. “*Debtors*” means, collectively, the Toys Delaware Debtors and the Geoffrey Debtors and does not include any other affiliated debtors.

46. “*Delaware A-1 FILO Facility*” means the senior secured tranche A-1 “first-in-last-out” term loan of \$280 million that matures on October 24, 2019 provided for under the Delaware Secured ABL Credit Agreement.

47. “*Delaware Residual Interest Pool*” means (a) 100% of the New Equity Interests in the Successor Entity or Successor Entities to Toys Delaware, as determined by the Debtors with the consent of the Ad Hoc Group of Term B-4 Lenders, each in their sole discretion, or, (b) if the Delaware Retention Structure is utilized with the consent of the Ad Hoc Group of Term B-4 Lenders, each in their sole discretion, the equity of Reorganized Toys Inc.

48. “*Delaware Retention Structure*” means a transaction structure, selected with the consent of the Ad Hoc Group of Term B-4 Lenders, each in their sole discretion, in which (a) one or more Holders of Claims receive stock of Reorganized Toys Inc.; (b) Reorganized Toys Inc. continues to own 100% of the stock of Reorganized Toys Delaware; (c) Reorganized Toys Delaware continues to own certain assets or equity interests to be determined, which may include (i) equity in the Geoffrey Debtors, to the extent some or all of the Geoffrey Debtors’ assets are not otherwise disposed of; and/or (ii) the assets necessary to provide certain transition services approved by the Court.

49. “*Delaware Secured ABL Credit Agreement*” means that certain Credit Agreement, dated as of March 21, 2014 (as amended, novated, supplemented, extended or restated from time to time, including through the First Amendment dated as of October 24, 2014) by and between Toys Delaware, as lead borrower, Toys Canada, as Canadian borrower, certain direct and indirect wholly-owned subsidiaries of Toys Delaware, as guarantors, and Bank of America, N.A., as administrative agent and Bank of America, N.A. and Wells Fargo Bank, N.A., as co-collateral agents, and certain financial institutions, as lenders.

50. “*Delaware Secured ABL Facility*” means the senior secured asset based revolving credit facility consisting of a revolving commitment of \$1.85 billion, which matures on March 21, 2019 in the currently outstanding amount of \$0 provided for under the Delaware Secured ABL Credit Agreement.

51. “*Delaware Secured ABL/FILO Facility*” means the Delaware Secured ABL Facility and the Delaware A-1 FILO Facility, both as provided for under the Delaware Secured ABL Credit Agreement.

52. “*Delaware Secured ABL Facility Agent*” means Bank of America, N.A. as administrative agent under the Delaware Secured ABL/FILO Facility.

53. “*Delaware Secured ABL/FILO Facility Claim*” means any claim derived from or based upon the Delaware Secured ABL/FILO Facility.

54. “*Delaware Term Loan Distributable Proceeds*” means (I) the proceeds of the sale of all assets of the Toys Delaware Debtors (including equity in Toys Canada), to the extent such proceeds have not previously been distributed pursuant to the Settlement Order, after (a) paying in full all ABL/FILO Revolving DIP Facility Claims against the Toys Delaware Debtors and Term DIP Facility Claims against the Toys Delaware Debtors, (b) provision for amounts to be funded to the Administrative Claims Distribution Pool in accordance with the Settlement Agreement; and (c) such assets reasonably projected to be necessary to pay Toys Delaware’s unpaid costs and expenses under the Wind-Down Budget in an amount reasonably acceptable to the Ad Hoc Group of Term B-4 Lenders in consultation with the Creditors’ Committee, *less* (II) fifty percent (50%) of the Aggregate Canada Proceeds. In addition, Delaware Term Loan Distributable Proceeds will be deemed to include amounts reserved pursuant to the foregoing clause (I)(c) but not spent, if any, and the portion of the proceeds of the Non-Released Claims Trust allocable to the Prepetition Secured Term Lenders as contemplated in the Settlement Agreement.

55. “*DIP Facility Claims*” means any and all Claims arising under or related to the DIP Facilities.

56. “*DIP Facilities*” means the ABL/FILO Revolving DIP Facility, and the Term DIP Facility.

57. “*DIP Lenders*” means the ABL/FILO Revolving DIP Facility Agent, the Term DIP Facility Agent, and the banks, financial institutions, and other lenders party to the DIP Facilities from time to time, and each arranger, bookrunner, syndication agent, manager, and documentation agent under the DIP Facilities.

58. “*DIP Orders*” means the Final North American DIP Order and the Final North American DIP Amendment Order.

59. “*Disclosure Statement*” means the Disclosure Statement for the Chapter 11 Plan of the Toys Delaware Debtors and Geoffrey Debtors, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

60. “*Disclosure Statement Order*” means the *Order Approving: (A) the Adequacy of the Debtors’ Disclosure Statement; (B) Solicitation and Notice Procedures with Respect to Confirmation of the Debtors’ Proposed Chapter 11 Plans for the Toys Delaware Debtors and Geoffrey Debtors; (C) the Form of Various Ballots and Notices in Connection Therewith; and (D) the Scheduling of Certain Dates with Respect Thereto*, approving the Disclosure Statement and certain procedures for solicitation of votes on the Plan and granting related relief.

61. “*Disbursing Agent*” means the Entity or Entities selected by the applicable Debtors in consultation with the Ad Hoc Group of Term B-4 Lenders to make or facilitate distributions that are to be made on and after the Effective Date.

62. “*Disinterested Directors*” means Alan Miller, Mohsin Meighji, Alan Carr, Neal Goldman, Paul Leand, John Foster, Gary Begeman, Kurt Cellar, and David M. Schulte, as applicable, in their capacity as the disinterested directors of Toys Inc. and its direct or indirect subsidiaries, as applicable.

63. “*Distribution Record Date*” means the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be 20 days before the first day of the Confirmation Hearing, originally scheduled by the Bankruptcy Court in the Order approving the Disclosure Statement.

64. “*Disputed*” means, with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

65. “*D&O Claims*” means all claims or Causes of Action, if any, held by Toys Inc. and Toys Delaware, and their respective estates or creditors against any D&O Party.

66. “*D&O Liability Insurance Policies*” means all insurance policies for directors, members, trustees, officers, and managers’ liability maintained by the Debtors or any of their Affiliates as of the Effective Date, including any tail policies purchased by the Debtors (including the Existing Tail Policies).

67. “*D&O Party*” means all current and former directors, officers, or managers (including Sponsor-affiliated directors, officers, and managers) of the Toys Delaware Debtors, the Geoffrey Debtors, Toys Inc. and the other Debtors party to the Settlement Agreement, including, for the avoidance of doubt, the Disinterested Directors, in their respective capacities as such.

68. “*DTC*” means the Depository Trust Corporation.

69. “*Effective Date*” means, with respect to the Plan, the date that is a Business Day selected by the Debtors after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; (b) all conditions precedent specified in Article IX.A have been satisfied or waived (in accordance with Article IX.C; and (c) the Plan is declared effective. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

70. “*Entity*” shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

71. “*Estate*” means, as to each Debtor, the estate created for each Debtor on the Petition Date pursuant to sections 301 and 541 of the Bankruptcy Code.

72. “*Exculpated Parties*” means, collectively, and in each case solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Creditors’ Committee and its members; (d) the Delaware Secured ABL/FILO Facility Lenders; (e) the Prepetition Secured Term Lenders and the Secured Term Loan B Facility Agent; (f) the Ad Hoc Vendor Group and its members; (g) each of the Sponsors (but not the Sponsor-appointed directors, officers, and managers); (h) the members of the Ad Hoc Group of Term B-4 Lenders; (i) the Trustees and Agents; (j) the lenders under the North American DIP Facilities; (k) the Ad Hoc Group of Term B-2 and B-3 Lenders and its members; (l) all Holders of Administrative Claims who do not affirmatively opt-out of the Settlement Agreement; and (m) with respect to each of the foregoing entities in clauses (a) through (l), such entity’s non-Debtor affiliates, and its and their respective directors, officers, agents, advisors, and professionals; *provided that*, notwithstanding any other provision herein, “Exculpated Parties” shall not include (i) any subsidiaries or affiliates of Toys Inc. not specifically identified in this definition and, for the avoidance of doubt, this Plan shall not operate to release or exculpate any claims against debtors not defined as “Debtors” herein or any direct or indirect subsidiaries of such debtors, including the Propco I Debtors, the Propco II Plan Entities, Toys (Labuan) Holding Limited or any of their direct or indirect subsidiaries, (ii) any D&O Party, and (iii) any party subject to a Non-Released Claim, in each case regardless of whether such party or entity would otherwise meet the definition of Exculpated Parties.

73. “*Executory Contract*” means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

74. “*Existing Tail Policies*” means the policies issued to Toys “R” Us, Inc. as the named insured for the period July 1, 2017 to July 1, 2019 with aggregate limits of \$95 million (including \$20 million Side-A only coverage for the Debtors’ directors and officers), and for which prepaid six year tail coverage was bound and purchased by the Debtors on September 8, 2017 with such tail coverage going into effect upon a change of control.

75. “*Federal Judgment Rate*” means the federal judgment rate in effect as of the Effective Date.

76. “*File*,” “*Filed*,” or “*Filing*” means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or, with respect to the filing of a Proof of Claim or Proof of Interest, the Notice and Claims Agent.

77. “*Final North American DIP Order*” means the *Final Order (I) Authorizing the North American Debtors to Obtain Postpetition Financing, (II) Authorizing the North American Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, and (VI) Granting Related Relief* [Docket No. 711] entered by the Bankruptcy Court on October 24, 2017.

78. “*Final North American DIP Amendment Order*” means the *Final Order (A) Authorizing the North American Debtors’ Entry Into Waivers With Respect to ABL/FILO DIP Documents and the Term DIP Documents and (B) Amending Final Order (I) Authorizing the North American Debtors to Obtain Postpetition Financing, (II) Authorizing the North American Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, and (VI) Granting Related Relief* [Docket No. 2853] entered by the Bankruptcy Court on April 25, 2018.

79. “*Final Order*” means, an order or judgment of the Bankruptcy Court, as entered on the docket in any Chapter 11 Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice.

80. “*Fixed Amounts*” means together, collectively, the Initial Fixed Amount and the Additional Fixed Amount.

81. “*General Claims Bar Date*” means April 6, 2018, or such other date established by the Bankruptcy Court by which Proofs of Claim must have been Filed by Entities except for governmental units, as ordered by the Bankruptcy Court in the *Amended Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(B)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form of and Manner for Filing Proofs of Claim, Including Section 503(B)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief*, entered by the Bankruptcy Court [Docket No. 1332].

82. “*General Unsecured Claim*” means any prepetition Claim, including any Intercompany Claim (except as set forth in this definition) against a Debtor that is not Secured, and that is not: (a) an Other Secured Claim; (b) an Administrative Claim; (c) a Priority Tax Claim; (d) an Other Priority Claim; (e) a Delaware Secured ABL/FILO Claim; (f) a Term B-2 Loan Claim; (g) a Term B-3 Loan Claim; (h) a Term B-4 Loan Claim; (i) a DIP Claim; (j) an Intercompany Claims held by a Toys Delaware Debtor against another Toys Delaware Debtor; and (k) an Intercompany Claim held by a Geoffrey Debtor against another Geoffrey Debtor.

83. “*Geoffrey*” means Geoffrey Holdings, LLC.

84. “*Geoffrey Assets*” means all of the Geoffrey Debtors’ assets.

85. “*Geoffrey Bidding Procedures*” means the bidding procedures attached to the Geoffrey Bidding Procedures Order as Exhibit 1, as amended.

86. “*Geoffrey Bidding Procedures Order*” means the *Order (I) Establishing Bidding Procedures for the Sale of the Debtors’ U.S. Intellectual Property Assets, Including the U.S. E-Commerce Assets, (II) Approving the Sale of the U.S. Intellectual Property Assets, Including the U.S. E-Commerce Assets, and (III) Granting Related Relief* [Docket No. 3323] as amended by the *Order (I) Amending the U.S. Intellectual Property Bidding Procedures Order to Include International Intellectual Property Assets and Extend the Sale Timeline and (II) Granting Related Relief* [Docket No. 3601]

87. “*Geoffrey Debtors*” means, collectively, Geoffrey, Geoffrey, LLC and Geoffrey International, LLC.

88. “*Geoffrey Debtor Intercompany Interests*” means the Intercompany Interests in the Geoffrey Debtors other than Geoffrey.

89. “*Geoffrey Equity Pool*” means (a) 100% of the New Equity Interests in the Successor Entity or Successor Entities to Geoffrey, as determined by the Debtors with the consent of the Ad Hoc Group of Term B-4 Lenders, each in their sole discretion, or, (b) if the Delaware Retention Structure is utilized with the consent of the Ad Hoc Group of Term B-4 Lenders, in its sole discretion, the equity of Reorganized Toys Inc.

90. “*Geoffrey Plan*” means the chapter 11 plan of the Geoffrey Debtors provided for herein.

91. “*Geoffrey Proceeds*” means any Cash proceeds of the Geoffrey Transaction and any other Cash held by the Geoffrey Debtors, less a holdback amount, if any, agreed by the Geoffrey Debtors and the Ad Hoc Group of Term B-4 Lenders for purposes of funding the Reorganized Geoffrey Debtors, the Liquidating Trust or otherwise.

92. “*Geoffrey Purchase Agreement*” means any asset purchase agreement that may be entered into by and among the Geoffrey Debtors and the Geoffrey Purchasers, as may be amended, modified, or supplemented from time to time in accordance with the terms thereof.

93. “*Geoffrey Purchasers*” shall mean, as to all or any portion of the Geoffrey Assets, the ultimate purchaser or purchasers of such Geoffrey Assets.

94. “*Geoffrey Sale Order*” means an order of the Bankruptcy Court authorizing the Geoffrey Transaction.

95. “*Geoffrey Transaction*” means any and all transactions, other than pursuant to the Plan, for the sale or other disposition of some or all of the assets of the Geoffrey Debtors.

96. “*Governmental Claims Bar Date*” means June 18, 2018 or such other date established by the Bankruptcy Court by which Proofs of Claim must have been Filed by a Governmental Unit, as ordered by the Bankruptcy Court in the *Amended Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(B)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form of and Manner for Filing Proofs of Claim, Including Section 503(B)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief*, entered by the Bankruptcy Court [Docket No. 1332].

97. “*Governmental Unit*” shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

98. “*Holder*” means any Entity holding a Claim or an Interest.

99. “*Impaired*” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is not Unimpaired.

100. “*Initial Distribution Date*” means the first day of the fourth month following the Effective Date, when distributions shall be made to Holders of any Claims that are Allowed no later than 30-days prior to such Initial Distribution Date from the applicable trust or pool, not including any distributions that may be made earlier pursuant to the Settlement Agreement.

101. “*Initial Fixed Amount*” means, subject to and as provided for in the Settlement Agreement, a fixed amount equal to \$160 million, which shall include amounts to be funded into the Merchandise Reserve pursuant to the Final North American DIP Amendment Order.

102. “*Intercompany Claim*” means any claim or Claim held by Toys Inc. or any of its direct or indirect subsidiaries against Toys Inc. or any of its direct or indirect subsidiaries.

103. “*Intercompany Interest*” means any Interest held by Toys Inc. or any of its direct or indirect subsidiaries in Toys Inc. or any of its direct or indirect subsidiaries.

104. “*Interest*” means the common stock or shares, limited liability company interests, limited partnership units, preferred interests, and any other equity, ownership or profits interests of any Debtor or non-Debtor subsidiary of a Debtor and options, warrants, rights or other securities or agreements to acquire the common stock or shares, limited liability company interests, or other equity, ownership or profits interests of any Debtor or non-Debtor subsidiary of a Debtor (whether or not arising under or in connection with any employment agreement).

105. “*Interim Compensation Order*” means the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief*, entered October 25, 2017 [Docket No. 746].

106. “*Judicial Code*” means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

107. “*Lien*” shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

108. “*Liquidating Trust*” means a trust that may be created on or following the Effective Date, as described in 0.

109. “*Liquidating Trustee*” means an Entity as may be designated by the Debtors, subject to the consent of the Ad Hoc Group of Term B-4 Lenders and the Creditors’ Committee, not to be unreasonably withheld, to liquidate assets of the Liquidating Trust and distribute such assets to applicable Claim Holders as set forth in the Plan and the Liquidator Agreements.

110. “*Liquidator Agreements*” means the agreement governing, among other things, the retention and duties of the Liquidating Trustee and the terms of the Liquidation Trust, which shall be included in the Plan Supplement.

111. “*Merchandise Reserve*” has the meaning ascribed to it in the Final Delaware DIP Amendment Order.

112. “*New Equity Interests*” means any new equity interests in the Successor Entities or an interest in the Liquidating Trust, as applicable, distributed pursuant to any Plan.

113. “*Non-Released Claims*” means any Causes of Action held by the Toys Delaware Debtors, Toys Inc., or their respective estates against any D&O Party, and any Avoidance Actions held by, as applicable, Toys Delaware or Toys Inc. or their respective estates (including Avoidance Actions held by Toys Delaware against other Debtors, Toys Inc., or their direct or indirect subsidiaries or affiliates, including the Propco I Debtors and Propco II Entities, but excluding, for the avoidance of doubt, any other Toys Delaware Intercompany Claims or Toys Inc. Intercompany Claims) that are not released pursuant to the Settlement Agreement, including any Avoidance Actions against non-insiders not otherwise released herein.²

114. “*Non-Released Claims Trust*” means a trust funded in the initial amount of \$5 million, which funding will come solely from the Administrative Claims Distribution Pool (or from third-parties who fund such trust pursuant to an agreement with the Non-Released Claim Trust Manager) and will not come from the Prepetition Secured Term Lenders’ collateral or recoveries.

115. “*Non-Released Claims Trust Manager*” means a party, to be selected by the Creditors’ Committee, with the consent of the Ad Hoc Vendor Group and the Ad Hoc Group of Term B-4 Lenders which shall control the actions and decisions of the Non-Released Claims Trust.

116. “*Non-Released Claims Trust Oversight Committee*” means the oversight committee consisting of three members to be appointed: (a) one by the Creditors’ Committee, (b) one by the Ad Hoc Vendor Group, and (c) one by the Ad Hoc Group of Term B-4 Lenders.

117. “*North American DIP Facilities*” means the Term DIP Facility and the ABL/FILO Revolving DIP Facility.

118. “*North American DIP Facility Agents*” means the Term DIP Facility Agent and ABL/FILO Revolving DIP Facility Agent.

² Notwithstanding anything to the contrary in the Settlement Motion or the Settlement Agreement, the Non-Released Claims shall not include Avoidance Actions of Toys, Inc. against other Debtors or their direct or indirect subsidiaries or affiliates (the “Intercompany Avoidance Actions”), *provided*, that such Intercompany Avoidance Actions shall be transferred or assigned to the Non-Released Claims Trust and subject to the allocation and sharing mechanics in section 3.2(k) of the Settlement Agreement, unless such claims are otherwise resolved by Toys Inc. pursuant to a chapter 11 plan for Toys Inc. or other negotiated resolution of the Toys, Inc. chapter 11 cases, or by further order of the Bankruptcy Court. For the avoidance of doubt, Causes of Action of the Geoffrey Debtors or their estates are only being released to the extent expressly provided in the Settlement Agreement or this Plan. The definition of “Non-Released Claims” relates to the Plan for the Toys Delaware Debtors and does not affect the Geoffrey Debtors

119. “*Notice and Claims Agent*” means Prime Clerk LLC.
120. “*Ordinary Course Professional*” means professionals retained and compensated by the Debtors in accordance with the Ordinary Course Professionals Order.
121. “*Ordinary Course Professionals Order*” means the *Order Authorizing the Debtors to Retain and Compensate Certain Professionals Utilized in the Ordinary Course of Business* [Docket No. 736].
122. “*Other Priority Claim*” means any Claim against any Debtor entitled to priority in right of payment under section 507 of the Bankruptcy Code, other than: (a) an Administrative Claim; or (b) a Priority Tax Claim.
123. “*Other Secured Claim*” means any Secured Claim against any of the Debtors that is not a: (a) Delaware Secured ABL/FILO Facility Claim; or (b) Secured Term Loan B Facility Claim.
124. “*Periodic Distribution Date*” means the first day of every third month following the Initial Distribution Date, when distributions shall be made to Holders of any Claims that are Allowed no later than 30-days prior to such Periodic Distribution Date from the applicable trust or pool.
125. “*Petition Date*” means September 18, 2017.
126. “*Plan*” means the plan of the Toys Delaware Debtors and the plan of the Geoffrey Debtors, each pursuant to Chapter 11 of the Bankruptcy Code, and each including the Plan Supplement which is incorporated herein by reference and made part of this Plan as if set forth herein.
127. “*Plan Supplement*” means the compilation of documents and forms of documents, schedules, and exhibits to the Plan including: (a) the Assumed Executory Contract and Unexpired Lease List; (b) the Rejected Executory Contract and Unexpired Lease List; (c) the Restructuring Transactions Memorandum; and (d) any other documents required to effectuate the Plan.
128. “*Prepetition Secured Term Lenders*” means, collectively, the Term B-2 Lenders, Term B-3 Lenders, and Term B-4 Lenders.
129. “*Priority Tax Claim*” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.
130. “*Professional*” means an Entity: (a) retained in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 363, and 331 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code; excluding those Entities entitled to retention and payment pursuant to the Ordinary Course Professionals Order.
131. “*Professional Fee Escrow Account*” means an interest-bearing escrow account to hold and maintain an amount of Cash equal to the Professional Fee Escrow Amount funded by the Debtors on or before the Effective Date solely for the purpose of paying all Allowed and unpaid Accrued Professional Compensation Claims. Such Cash shall remain subject to the jurisdiction of the Bankruptcy Court. The Professional Fee Escrow Account shall be funded in part from cash collateral to the extent provided for under the DIP Orders.
132. “*Professional Fee Escrow Amount*” means the amount set forth in the Wind-Down Budget for all Professional fee payments to the Toys Delaware Debtors through the Effective Date, including (a) amounts budgeted for prior months not yet invoiced to the Toys Delaware Debtors and (b) any amounts for services provided in prior periods that are invoiced but not yet paid (including hold back amounts).

133. “*Proof of Claim*” means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

134. “*Proof of Interest*” means a proof of Interest Filed against any of the Debtors in the Chapter 11 Cases.

135. “*Propco I*” means Toys “R” Us Property Company I, LLC.

136. “*Propco I Debtors*” means together, collectively, Propco I, Wayne Real Estate Holding Company, LLC, MAP Real Estate, LLC, TRU 2005 RE I, LLC, TRU 2005 RE II Trust, and Wayne Real Estate Company, LLC.

137. “*Propco II*” means Toys “R” Us Property Company II, LLC.

138. “*Propco II Plan Entities*” means together, Propco II and Giraffe Junior Holdings, LLC.

139. “*Rejected Executory Contract and Unexpired Lease List*” means the list, as determined by the Debtors of Executory Contracts and Unexpired Leases that will be rejected by the Debtors pursuant to the provisions of Article V of the Plan and will be included in the Plan Supplement.

140. “*Released Parties*” means, collectively, and in each case solely in its capacity as such: (a) the Creditors’ Committee and its members; (b) the Delaware Secured ABL/FILO Facility Lenders; (c) the Prepetition Secured Term Lenders and the Secured Term Loan B Facility Agent; (d) the Ad Hoc Vendor Group and its members; (e) each of the Sponsors (but not for the avoidance of doubt Sponsor-appointed directors, officers, and managers in their capacities as such); (f) the members of the Ad Hoc Group of Term B-4 Lenders; (g) the Trustees and Agents; (h) the lenders under the North American DIP Facilities; (i) the Ad Hoc Group of Term B-2 and B-3 Lenders and its members; (j) all Holders of Administrative Claims who do not affirmatively opt-out of the Settlement Agreement; (k) the Debtors’ employees, attorneys, accountants, consultants, investment bankers, and other professionals; and (l) with respect to each of the foregoing entities in clauses (a) through (k), such entity’s non-Debtor affiliates, and its and their respective directors, officers, agents, advisors, and professionals; *provided that*, notwithstanding any other provision herein, “Released Parties” shall not include (i) Toys Inc. or any direct or indirect subsidiaries of Toys Inc., including the Propco I Debtors, the Propco II Plan Entities, Toys (Labuan) Holding Limited or any of its direct or indirect subsidiaries or (ii) any D&O Party, regardless of whether they would otherwise meet the definition of Released Party.

141. “*Releasing Parties*” means, collectively, and in each case solely in its capacity as such: (a) the Debtors (to the extent expressly set forth in the “Debtor Release” provision of the Plan); (b) the reorganized Debtors; (c) the Creditors’ Committee and its members; (d) the Delaware Secured ABL/FILO Facility Lenders; (e) the Prepetition Secured Term Lenders and the Secured Term Loan B Facility Agent; (f) the Ad Hoc Vendor Group and its members; (g) each of the Sponsors (but not the Sponsor-appointed directors, officers, and managers); (h) the members of the Ad Hoc Group of Term B-4 Lenders; (i) the Trustees and Agents; (j) the lenders under the North American DIP Facilities; (k) the Ad Hoc Group of Term B-2 and B-3 Lenders and its members; (l) all Holders of Administrative Claims who do not affirmatively opt-out of the Settlement Agreement; (m) all Holders of Claims and Interests that are deemed Unimpaired and presumed to accept the Plan; (n) all Holders of Claims who vote to accept the Plan; (o) all Holders of Claims who receive a Ballot, abstain from voting, and do not otherwise opt-out of the releases; and (q) with respect to each of the foregoing entities in clauses (a) through (o), such entity’s non-Debtor affiliates, and its and their respective directors, officers, agents, advisors, and professionals; *provided, that*, parties deemed to reject the Plan are not Releasing Parties, *provided, further*, that “Releasing Parties” shall not include Toys Inc. or any subsidiaries or affiliates of Toys Inc. not specifically identified in this definition.

142. “*Reorganized Debtors*” means (a) the Debtors as reorganized hereunder, Toys NewCo, and/or such other entity(ies) created pursuant to a Restructuring Transaction to facilitate an orderly distribution of all of the Debtors’ assets in accordance with the terms hereof; and/or (b) if the Delaware Retention Structure is utilized, Reorganized Toys Inc., Reorganized Toys Delaware, and the subsidiaries of Reorganized Toys Delaware (to the extent applicable).

143. “*Restructuring Documents*” means the Plan, the Disclosure Statement, the Plan Supplement, the Liquidator Agreements, and the various other agreements and documentation formalizing the Plan or the Geoffrey Transaction.

144. “*Restructuring Transactions*” means those mergers, amalgamations, consolidations, arrangements, continuances, restructurings, transfers, conversions, dispositions, liquidations, dissolutions, or other corporate transactions that the Debtors determine to be necessary or desirable to implement the Plan, the Plan Supplement, and the Confirmation Order.

145. “*Restructuring Transactions Memorandum*” means a description of the Restructuring Transactions, including details with respect to the formation of Toys NewCo and the utilization of the Delaware Retention Structure, if applicable.

146. “*Schedules*” means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the official bankruptcy forms.

147. “*Secured*” means when referring to a Claim secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order or the Plan, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in such Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

148. “*Secured Term Loan B*” means the several tranches of term loans provided for by the Term Loan B Credit Agreement, including the Term B-2 Loans, the Term B-3 Loans, and the Term B-4 Loans.

149. “*Secured Term Loan B Credit Agreement*” means that certain Amended and Restated Credit Agreement, dated as of August 24, 2010 (as amended, novated, supplemented, extended or restated from time to time) by and between Toys Delaware, as borrower, certain of the borrowers’ domestic subsidiaries, as guarantors, Bank of America, N.A., as administrative agent, and the lender parties thereto.

150. “*Secured Term Loan B Facility Agent*” means Bank of America, N.A. as administrative agent under the Secured Term Loan B Credit Agreement.

151. “*Secured Term Loan B Facility Claim*” means any Claim derived from or based upon the Secured Term Loan B Credit Facility.

152. “*Securities Act*” means the Securities Act of 1933, 15 U.S.C. §§ 77a—77aa.

153. “*Securities Exchange Act*” means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a—78nn.

154. “*Security*” shall have the meaning set forth in section 101(49) of the Bankruptcy Code.

155. “*Settlement*” means the compromise and settlement by and among the parties to the Settlement Agreement, including the Debtors and their respective estates, as set forth in the Settlement Agreement.

156. “*Settlement Agreement*” means that certain settlement agreement by and among the Debtors and certain Holders of Claims and Interests, including the Creditors’ Committee and certain of its members, the Ad Hoc Vendor Group and its members; the Sponsors; and the Ad Hoc Group of Term B-4 Lenders and its members; dated as of July 17, 2018, attached hereto as **Exhibit A**.

157. “*Settlement Motion*” means the *Debtors’ Motion for Entry of an Order (I) Approving (A) the Settlement Agreement, (B) Opt-Out Procedures Applicable to the Settlement Agreement, and (C) a Substantial Contribution Claim Under Section 503(b)(3)(D) of the Bankruptcy Code; and (II) Granting Related Relief* [Docket No. 3814].

158. “*Settlement Order*” means the Final Order(s) of the Bankruptcy Court approving the Settlement Agreement.

159. “*Settlement Parties*” means the Parties, as defined in the Settlement Agreement.

160. “*Sponsors*” means: (a) Bain Capital Private Equity, LP; (b) Kohlberg Kravis Roberts & Co. L.P.; (c) Vornado Realty Trust, and (d) each of the foregoing, collectively with their respective affiliates (but excluding Toys Inc. and its direct and indirect subsidiaries) and any investment funds or investment holding companies sponsored, organized, formed, managed, or controlled (or caused to be sponsored, organized, formed, managed, or controlled) by such entities, each in their capacities as such.

161. “*Substantial Contribution Claims*” means a Claim by any Professional or Creditor for reasonable compensation for services or reasonable expenses incurred in connection with the Chapter 11 Cases pursuant to section 503(b)(3)(D) or (b)(4) of the Bankruptcy Code.

162. “*Successor Entities*” means as applicable, the Reorganized Debtors, Liquidating Trust, Toys NewCo, and/or Geoffrey Purchasers.

163. “*Term B-2/B-3 Delaware Portion*” means the aggregate Term Loan Pro Rata Share of all Term B-2 Lenders and Term B-3 Lenders (in their capacities as such).

164. “*Term B-2 Lenders*” means the lenders of the Term B-2 Loans.

165. “*Term B-2 Loans*” means the term loans maturing on May 25, 2018, in the currently outstanding principal amount of \$123 million provided for by the Secured Term Loan B Credit Agreement.

166. “*Term B-2 Loan Claims*” means the claims arising under the Term B-2 Loans.

167. “*Term B-3 Lenders*” means the lenders of the Term B-3 Loans.

168. “*Term B-3 Loans*” means the term loans maturing on May 25, 2018, in the currently outstanding principal amount of \$61 million provided for by the Secured Term Loan B Credit Agreement.

169. “*Term B-3 Loan Claims*” means the claims arising under the Term B-3 Loans.

170. “*Term B-4 Delaware Portion*” means the aggregate Term Loan Pro Rata Share of all Term B-4 Lenders (in their capacities as such).

171. “*Term B-4 Lenders*” means the lenders of the Term B-4 Loans.

172. “*Term B-4 Loans*” means term loans maturing on April 24, 2020, in the currently outstanding principal amount of \$998 million provided for by the Secured Term Loan B Credit Agreement.

173. “*Term B-4 Loan Claims*” means the claims arising under the Term B-4 Loans.

174. “*Term DIP Facility*” means the term loan facility in the aggregate funded principal amount of \$450 million provided for by the Term DIP Facility Credit Agreement.

175. “*Term DIP Facility Agent*” means NexBank SSB, as administrative agent and collateral agent under the Term DIP Facility Credit Agreement.

176. “*Term DIP Facility Credit Agreement*” means that certain Debtor-in-Possession Credit Agreement, dated as of September 18, 2017 (as amended, novated, supplemented, extended, or restated from time to time), by and among Toys Delaware, as borrower, and the Term DIP Facility Agent as approved by the Bankruptcy Court pursuant to the Final North American DIP Order.

177. “*Term DIP Facility Claims*” means any and all Claims derived from or based upon Term DIP Facility.

178. “*Term Loan Pro Rata Share*” means, as applicable, (a) as to any Term B-2 Lender, Term B-3 Lender or Term B-4 Lender, the ratio of such Holder’s Allowed Term B-2 Loan Claims, Allowed Term B-3 Loan Claims or Allowed Term B-4 Loan Claims, as applicable, to the sum total of all Allowed Term B-2 Loan Claims, Allowed Term B-3 Claims and Allowed Term B-4 Loan Claims, (b) as to any Term B-2 Lender or Term B-3 Lender, the ratio of such Holder’s Allowed Term B-2 Loan Claims or Allowed Term B-3 Loan Claims, as applicable, to the sum total of all Allowed Term B-2 Loan Claims and Allowed Term B-3 Loan Claims, or (c) as to any Term B-4 Lender, the ratio of such Holder’s Allowed Term B-4 Loan Claims to the sum total of all Allowed Term B-4 Loan Claims.

179. “*Toys Canada*” means Toys “R” Us (Canada) Ltd. / Toys “R” Us (Canada) Ltee.

180. “*Toys Delaware*” means Toys “R” Us Delaware, Inc.

181. “*Toys Delaware Debtors*” means Toys Delaware, TRU Guam, LLC, Toys Acquisition, LLC, Giraffe Holdings, LLC, TRU of Puerto Rico, Inc., and TRU-SVC, Inc.

182. “*Toys Delaware Debtor Intercompany Claims*” means an Intercompany Claim of a Toys Delaware Debtor.

183. “*Toys Delaware Intercompany Interests*” means all direct and indirect interests of Toys Delaware in any of its direct and indirect subsidiaries.

184. “*Toys Delaware Plan*” means the chapter 11 plan of the Toys Delaware Debtors, incorporated herein.

185. “*Toys Inc.*” means Toys “R” Us, Inc.

186. “*Toys Inc. Intercompany Claim*” means an Intercompany Claim of Toys Inc.

187. “*Toys NewCo*” means one or more new entities that may be created to effectuate the Restructuring Transactions, including with respect to the Geoffrey Debtors, to facilitate an orderly distribution of all of the Debtors’ assets in accordance with the terms hereof and/or to acquire or hold any remaining assets of the Debtors, including, as applicable, the Geoffrey Assets, and/or to provide transition services approved by the Court.

188. “*Transition Services*” means services the Debtors are authorized by a Final Order of the Bankruptcy Court to provide to a party that purchased any assets of a Debtor or non-debtor during the Chapter 11 Cases.

189. “*Transition Services Agreements*” means those certain agreements approved by the Bankruptcy Court at Docket No. 3138, Docket No. 3231, or setting forth the rights and obligations of all parties related to the Transition Services.

190. “*Trustees and Agents*” means, collectively, the (a) ABL/FILO Revolving DIP Facility Agent; (b) Delaware Secured ABL Facility Agent; (c) Secured Term Loan B Facility Agent; and (d) Term DIP Facility Agent.

191. “*U.S. Trustee*” means the Office of the United States Trustee for the Eastern District of Virginia.

192. “*Unexpired Lease*” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

193. “*Unimpaired*” means, with respect to a Class of Claims or Interests, a Claim or an Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

194. “*United States*” means the United States of America, its agencies, departments, or agents.

195. “*Wind-Down*” means the wind down, dissolution, and liquidation of the Debtors’ Estates after the Effective Date.

196. “*Wind-Down Budget*” has the meaning ascribed to it in the Final North American DIP Amendment Order.

197. “*Wind-Down Order*” means the *Order (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Administrative Claims Procedures, and (IV) Granting Related Relief* [Docket No. 2344].

B. Rules of Interpretation.

For purposes of the Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity’s successors and assigns; (5) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) subject to the provisions of any contract, certificate of incorporation, by-law, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (9) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (10) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the Plan; (11) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (12) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court’s CM/ECF system; (13) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; and (14) any immaterial effectuating provisions may be interpreted in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. References in the Plan to the Debtors shall mean the Debtors or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date, as applicable.

Capitalized terms used but not defined herein shall have the meaning ascribed to the Settlement Agreement.

C. Computation of Time.

The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed in the Plan or Confirmation Order. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law.

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate or limited liability company governance matters relating to the Debtors shall be governed by the laws of the state of incorporation or formation (as applicable) of the applicable Debtor.

E. Reference to Monetary Figures.

All references in the Plan to monetary figures shall refer to the legal tender of the United States, unless otherwise expressly provided.

F. Controlling Document.

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control; *provided, however*, to the extent the Plan or Confirmation Order is inconsistent with the Settlement Agreement or the Settlement Order with respect to provisions of the Plan that explicitly refer to or incorporate the Settlement Agreement or the Settlement Order, the Settlement Agreement or the Settlement Order, as applicable, shall govern solely with respect to the sections of the Plan concerning the Settlement Agreement and the Settlement Parties.

**ARTICLE II
ADMINISTRATIVE CLAIMS, DIP FACILITY CLAIMS,
AND PRIORITY TAX CLAIMS**

A. Administrative Claims.

Except for Claims of Professionals, unless previously Filed, requests for payment of Administrative Claims must be Filed with the Notice and Claims Agent no later than the Administrative Claims Bar Date as set forth in the Administrative Claims Bar Date Order or the Confirmation Order and notice of the Effective Date, as applicable. Holders of Administrative Claims that are required to File and serve or otherwise submit a request for payment of such Administrative Claims by the Administrative Bar Date that do not file and serve or otherwise submit such a request by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, any purchasers of their assets, or their respective property, and such Administrative Claims shall be deemed discharged as of the Effective Date.³

Administrative Settlement Claims against the Toys Delaware Debtors shall be allowed and paid solely in accordance with the terms of the Settlement Agreement, which is appended hereto as **Exhibit A** and incorporated herein by reference as if fully set forth herein.

Administrative Claims against the Geoffrey Debtors shall be allowed in the aggregate amount of not more than \$[___]. On the Effective Date, subject to the provisions regarding Professional Claims set forth below, excluding adequate protection claims and except to the extent that a holder of an Allowed Administrative Claim and the Geoffrey Debtors, as applicable, agree to less favorable treatment for such holder, any Holder of an Allowed Administrative Claim at the Geoffrey Debtors shall receive payment in full in cash.

³ For the avoidance of doubt, Administrative Intercompany Claims will be treated separately than all other Administrative Claims, or prepetition Intercompany Claims and will receive Treatment as agreed to by and among the applicable Debtors or as determined by the Bankruptcy Court.

B. Accrued Professional Compensation Claims.

1. **Professional Fee Escrow Account.**

In accordance with this Article II.B, as soon as reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish the Professional Fee Escrow Account. The Toys Delaware Debtors shall fund the Professional Fee Escrow Account with Cash in the amount of the aggregate Professional Fee Escrow Amount for all Professionals. The Professional Fee Escrow Account shall be funded on the Effective Date. The Professional Fee Escrow Account shall be maintained in trust for the Professionals. Such funds shall not be considered property of the Debtors' Estates or any of the Successor Entities, except as otherwise provided in the Settlement Agreement.

2. **Final Fee Applications and Payment of Accrued Professional Compensation Claims.**

All final requests for payment of Claims of a Professional, including without limitation Substantial Contribution Claims shall be Filed no later than 60 days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Accrued Professional Compensation Claims shall be determined by the Bankruptcy Court. The Allowed amount of Accrued Professional Compensation Claims owing to the Professionals shall be paid in Cash to such Professionals from funds held in the Professional Fee Escrow Account when such Claims are Allowed by a Final Order. To the extent that funds held in the Professional Fee Escrow Account are unable to satisfy the amount of Accrued Professional Compensation Claims owing to the Professionals, such Professionals shall have an Allowed Administrative Claim for any such deficiency, which shall be satisfied in accordance with the Settlement Agreement along with other Administrative Claims that are not satisfied by a distribution from the Administrative Claims Distribution Pool. After all Accrued Professional Compensation Claims have been paid in full, the Final Order allowing such Accrued Professional Compensation Claims shall direct the escrow agent to return any excess amounts contained in the Professional Fee Escrow Account to the applicable Successor Entities. Notwithstanding anything else to the contrary in this Plan or the Confirmation Order, at any time prior to the entry of the Final Order described in this section, any party in interest may object to the allocation of any professional fees or expenses to or among each or any of the Geoffrey Debtors, Toys Delaware Debtors, Toys Inc. or any of their respective subsidiaries and affiliates, whether or not they are debtors under the Bankruptcy Code.

3. **Post-Confirmation Fees and Expenses.**

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation and Consummation of the Plan incurred by the Debtors. Upon the Confirmation Date, any requirement that Professionals and Ordinary Course Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code, the Interim Compensation Order, or the Ordinary Course Professionals Order, in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors may employ and pay any Professional or Ordinary Course Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

C. DIP Facility Claims.

1. **DIP Facility Claims against the Toys Delaware Debtors.**

ABL/FILO Revolving DIP Facility Claims against the Toys Delaware Debtors have been paid in their entirety and shall, therefore, be allowed in the aggregate amount of \$0.00.⁴

⁴ All outstanding letters of credit under this facility have been fully cash collateralized.

Term DIP Facility Claims against the Toys Delaware Debtors shall be allowed in the aggregate amount of \$[___]. In full and final satisfaction and discharge of each allowed Term DIP Facility Claim against the Toys Delaware Debtors, each holder thereof shall receive residual proceeds from the sale of their collateral, as such proceeds are received, until paid in full or such proceeds are exhausted. For the avoidance of doubt, except for the Initial Fixed Amount, the Toys Delaware Debtors shall repay all remaining amounts owing under the Term DIP Facility prior to making any other distributions, including distributions into the Administrative Claims Distribution Pool.

D. Priority Tax Claims.

Holders of Allowed Priority Tax Claims shall receive any excess value available for distribution from the applicable Debtor following repayment of all secured claims and all claims entitled to senior or administrative priority in accordance with the Bankruptcy Code, if any.

**ARTICLE III
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

In accordance with section 1123(a)(1) of the Bankruptcy Code, the DIP Facility Claims, Administrative Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in this **Error! Reference source not found.**

A. Summary of Classification.

A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied before the Effective Date.

Class	Claims and Interests	Status	Voting Rights
Classified Claims and Interests against the Toys Delaware Debtors			
Class A1	Other Secured Claims against the Toys Delaware Debtors	Unimpaired	Deemed to Accept
Class A2	Other Priority Claims against the Toys Delaware Debtors	Impaired	Deemed to Reject
Class A3	Delaware Secured ABL/FILO Facility Claims against the Toys Delaware Debtors	Unimpaired	Deemed to Accept
Class A4	Term B-2 Loan and Term B-3 Loan Claims against the Toys Delaware Debtors	Impaired	Entitled to Vote
Class A5	Term B-4 Loan Claims against the Toys Delaware Debtors	Impaired	Entitled to Vote
Class A6	General Unsecured Claims against the Toys Delaware Debtors	Impaired	Deemed to Reject
Class A7	Toys Delaware Debtor Intercompany Claims against other Toys Delaware Debtors	Unimpaired or Impaired	Deemed to Accept/Reject
Class A8	Toys Delaware Intercompany Interests	Unimpaired or Impaired	Deemed to Accept/Reject
Class A9	Toys Inc. Intercompany Interests	Impaired	Deemed to Reject

Class	Claims and Interests	Status	Voting Rights
Classified Claims and Interests against the Geoffrey Debtors			
Class B1	Other Secured Claims against the Geoffrey Debtors	Unimpaired	Deemed to Accept
Class B2	Other Priority Claims against the Geoffrey Debtors	Impaired	Deemed to Reject
Class B3	Term B-2 Loan, Term B-3 Loan, and Term B-4 Loan Claims against the Geoffrey Debtors	Impaired	Entitled to Vote
Class B4	General Unsecured Claims against the Geoffrey Debtors	Impaired	Deemed to Reject
Class B5	Geoffrey Debtor Intercompany Claims against other Geoffrey Debtors	Unimpaired or Impaired	Deemed to Accept/Reject
Class B6	Geoffrey Debtor Intercompany Interests	Unimpaired or Impaired	Deemed to Accept/Reject
Class B7	Interests in Geoffrey	Impaired	Deemed to Reject

B. Treatment of Claims and Interests against the Toys Delaware Debtors.

The treatment provided to each Class relating to each of the Toys Delaware Debtors for distribution purposes and voting rights are specified below:

1. **Class A1 - Other Secured Claims against the Toys Delaware Debtors.**

- (a) *Classification:* Class A1 consists of all Other Secured Claims against the Toys Delaware Debtors.
- (b) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of each Allowed Other Secured Claim against the Toys Delaware Debtors, each Holder thereof shall receive, at the option of the applicable Toys Delaware Debtor: (i) payment in full in cash solely from the proceeds of collateral securing such Allowed Other Secured Claim; (ii) delivery of the collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) reinstatement of such Other Secured Claim; or (iv) such other treatment as shall render such claim unimpaired, *provided however*, that holders of Allowed Other Secured Claims shall not receive any distribution from the Administrative Claims Distribution Pool.
- (c) *Voting:* Class A1 is Unimpaired under the Toys Delaware Plan. Holders of Allowed Claims in Class A1 are conclusively presumed to have accepted the Toys Delaware Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Toys Delaware Plan.

2. **Class A2 - Other Priority Claims against the Toys Delaware Debtors.**

- (a) *Classification:* Class A2 consists of all Other Priority Claims against the Toys Delaware Debtors.
- (b) *Treatment:* Except to the extent there is any excess value available for distribution from the applicable Toys Delaware Debtor following repayment of all Secured Claims and all

Claims entitled to senior or administrative priority in accordance with the Bankruptcy Code, on the Effective Date, or as soon as reasonably practicable thereafter, each Allowed Other Priority Claim against the Toys Delaware Debtors shall receive no distribution.

- (c) *Voting:* Class A2 is Impaired under the Toys Delaware Plan. Holders of Claims in Class A2 are deemed to have rejected the Toys Delaware Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Toys Delaware Plan.

3. **Class A3 - Delaware Secured ABL/FILO Facility Claims against the Toys Delaware Debtors.**

- (a) *Classification:* Class A3 consists of all Delaware Secured ABL/FILO Facility Claims against the Toys Delaware Debtors.
- (b) *Allowance:* Delaware Secured ABL/FILO Facility claims against the Toys Delaware Debtors shall be allowed in the aggregate amount of \$0.00.
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of each allowed Delaware Secured ABL/FILO Facility Claim, each holder thereof shall receive payment in full and cash.
- (d) *Voting:* Class A3 is Unimpaired under the Toys Delaware Plan. Holders of Allowed Claims in Class A3 are conclusively presumed to have accepted the Toys Delaware Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Toys Delaware Plan.

4. **Class A4 – Term B-2 Loan and Term B-3 Loan Claims against the Toys Delaware Debtors.**

- (a) *Classification:* Class A4 consists of all Term B-2 Loan and Term B-3 Loan Claims against the Toys Delaware Debtors.
- (b) *Allowance:* Term B-2 Loan and Term B-3 Loan claims against the Toys Delaware Debtors shall be allowed in the aggregate amount of \$[___], plus post-petition interest and other contractual amounts to the extent proceeds distributable on account of Term B-2 Loan and Term B-3 Loan claims exceed the prepetition claim amounts.
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of each allowed Term B-2 Loan and Term B-3 Loan claim, each Holder thereof shall receive its Term Loan Pro Rata Share of the Term B-2/B-3 Delaware Portion of (i) the Delaware Term Loan Distributable Proceeds and (ii) the Delaware Residual Interest Pool.
- (d) *Voting:* Class A4 is Impaired under the Toys Delaware Plan. Holders of Allowed Claims in Class A4 are entitled to vote to accept or reject the Plan.

5. **Class A5 - Term B-4 Loan Claims against the Toys Delaware Debtors.**

- (a) *Classification:* Class A5 consists of all Term B-4 Loan Claims against the Toys Delaware Debtors.⁵

⁵ For the avoidance of doubt, Class A5 does not include any Claims of the Term B-4 Lenders against Wayne Real Estate Parent Company, LLC. Notwithstanding anything to the contrary in this Plan, all such claims are fully preserved.

- (b) *Allowance:* Term B-4 Loan claims against the Toys Delaware Debtors shall be allowed in the aggregate amount of \$[___], plus post-petition interest and other amounts to the extent proceeds distributable on account of Term B-4 Loan claims exceed the prepetition claim amounts.
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of each allowed Term B-4 Loan Claim, each holder thereof shall receive its Term Loan Pro Rata Share of (A) fifty percent (50%) of the Aggregate Canada Proceeds, and (B) the Term B-4 Delaware Portion of (i) the Delaware Term Loan Distributable Proceeds and (ii) the Delaware Residual Interest Pool.
- (d) *Voting:* Class A5 is Impaired under the Toys Delaware Plan. Holders of Allowed Claims in Class A5 are entitled to vote to accept or reject the Toys Delaware Plan.

6. **Class A6 - General Unsecured Claims against the Toys Delaware Debtors.**

- (a) *Classification:* Class A6 consists of all General Unsecured Claims against the Toys Delaware Debtors.
- (b) *Treatment:* Except to the extent there is any residual value available for distribution from the Toys Delaware Debtors after Classes A1 through A5, as well as Allowed Administrative Claims and Priority Tax Claims are paid in full, each General Unsecured Claim against the Toys Delaware Debtors shall receive no distribution on account of such General Unsecured Claim; however, Holders of General Unsecured Claims will receive their pro rata share of any such residual value.
- (c) *Voting:* Class A6 is Impaired under the Toys Delaware Plan. Holders of Claims in Class A6 are conclusively deemed to have rejected the Toys Delaware Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Toys Delaware Plan.

7. **Class A7 - Toys Delaware Debtor Intercompany Claims against other Toys Delaware Debtors.**

- (a) *Classification:* Class A7 consists of all Toys Delaware Debtor Intercompany Claims against other Toys Delaware Debtors.
- (b) *Allowance:* Toys Delaware Debtor Intercompany Claims against other Toys Delaware Debtors shall be allowed in the aggregate amount of \$[___].
- (c) *Treatment:* On the Effective Date or as soon as reasonably practicable thereafter, each allowed Toys Delaware Debtor Intercompany Claim against another Toys Delaware Debtor shall be reinstated, canceled and released, or receive such other treatment, in each case as agreed to by the applicable Debtors and the Ad Hoc Group of Term B-4 Lenders.
- (d) *Voting:* Holders of Claims in Class A7 are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code, respectively. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

8. **Class A8 - Toys Delaware Intercompany Interests.**

- (a) *Classification:* Class A8 consists of all Toys Delaware Intercompany Interests.
- (b) *Treatment:* Except as otherwise provided in the Toys Delaware Plan, Interests in the Toys Delaware Debtors other than Toys Delaware shall be reinstated, canceled and

released, or receive such other treatment, in each case as agreed to by the applicable Debtors and the Ad Hoc Group of Term B-4 Lenders.

- (c) *Voting:* Holders of Interests in Class A8 are conclusively deemed to have accepted or rejected the Toys Delaware Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Toys Delaware Plan.

9. **Class A9 – Interests in Toys Delaware.**

- (a) *Classification:* Class A9 consists of all Interests in Toys Delaware.
- (b) *Treatment:* On the Effective Date, each interest in Toys Delaware shall be canceled and released, unless the Delaware Retention Structure is utilized.
- (c) *Voting:* Class A9 is Impaired under the Toys Delaware Plan. Holders of Interests in Class A9 are conclusively deemed to have rejected the Toys Delaware Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Toys Delaware Plan.

C. *Treatment of Claims and Interests against the Geoffrey Debtors.*

The treatment provided to each Class relating to the Geoffrey Debtors for distribution purposes and voting rights are specified below:

1. **Class B1 - Other Secured Claims against the Geoffrey Debtors.**

- (a) *Classification:* Class B1 consists of all Other Secured Claims against the Geoffrey Debtors.
- (b) *Allowance:* Other secured claims against the Geoffrey Debtors shall be allowed in the aggregate amount of not more than \$[___].
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of each Allowed Other Secured Claim, each Holder thereof shall receive, at the option of the Geoffrey Debtors: (i) payment in full in cash; (ii) delivery of the collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code in compliance; (iii) reinstatement of such other secured claim; or (iv) such other treatment as shall render such claim unimpaired.
- (d) *Voting:* Class B1 is Unimpaired under the Geoffrey Plan. Holders of Allowed Claims in Class B1 are conclusively presumed to have accepted the Geoffrey Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Geoffrey Plan.

2. **Class B2 - Other Priority Claims against the Geoffrey Debtors.**

- (a) *Classification:* Class B2 consists of all Other Priority Claims against the Geoffrey Debtors.
- (b) *Allowance:* Other priority claims against the Geoffrey Debtors shall be allowed in the aggregate amount of not more than \$[___].

- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, each allowed other priority claim against the Geoffrey Debtors shall be discharged and canceled in full and shall receive no distribution.
- (d) *Voting:* Class B2 is Impaired under the Geoffrey Plan. Holders of Allowed Claims in Class B2 are conclusively presumed to have rejected the Geoffrey Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Geoffrey Plan.

3. **Class B3 – Term B-2 Loan, Term B-3 Loan and Term B-4 Loan Claims against the Geoffrey Debtors.**

- (a) *Classification:* Class B3 consists of all Term B-2 Loan, Term B-3 and Term B-4 Loan Claims against the Geoffrey Debtors.
- (b) *Allowance:* Term B-2 Loan, Term B-3 Loan and Term B-4 Loan Claims against the Geoffrey Debtors shall be allowed in the aggregate amount of \$[___].
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of each allowed Term B-2 Loan, Term B-3 Loan and Term B-4 Loan Claim, each holder thereof shall receive its Term Loan Pro Rata Share of: (i) the Geoffrey Proceeds, if any, and/or (ii) the Geoffrey Equity Pool.
- (d) *Voting:* Class B3 is Impaired under the Geoffrey Plan. Holders of Allowed Claims in Class B3 are entitled to vote to accept or reject the Geoffrey Plan.

4. **Class B4 – General Unsecured Claims against the Geoffrey Debtors.**

- (a) *Classification:* Class B4 consists of all General Unsecured Claims against the Geoffrey Debtors.
- (b) *Allowance:* General Unsecured Claims against the Geoffrey Debtors shall be allowed in the aggregate amount of \$[___].
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, each Allowed General Unsecured Claim against the Geoffrey Debtors shall be discharged and canceled in full and shall receive no distribution
- (d) *Voting:* Class B4 is Impaired under the Geoffrey Plan. Holders of Allowed Claims in Class B4 are conclusively deemed to have rejected the Geoffrey Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Geoffrey Plan.

5. **Class B5 - Geoffrey Debtor Intercompany Claims against other Geoffrey Debtors.**

- (a) *Classification:* Class B5 consists of all Geoffrey Debtor Intercompany Claims against other Geoffrey Debtors.
- (b) *Allowance:* Geoffrey Debtor Intercompany Claims against other Geoffrey Debtors shall be allowed in the aggregate amount of \$[___].
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, each Geoffrey Debtor Intercompany Claim against the other Geoffrey Debtors shall be reinstated, canceled and released, or receive such other treatment, in each case as agreed to by the applicable Debtors and the Ad Hoc Group of Term B-4 Lenders.

- (d) *Voting:* Holders of Claims in Class B5 are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code, respectively. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

6. **Class B6 - Geoffrey Debtor Intercompany Interests.**

- (a) *Classification:* Class B6 consists of all Geoffrey Debtor Intercompany Interests.
- (b) *Allowance:* Geoffrey Debtor Intercompany Interests shall be allowed in the aggregate amount of \$[___].
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of Geoffrey Debtor Intercompany Interest, each Allowed Geoffrey Debtor Intercompany Interest shall be reinstated, canceled and released, or receive such other treatment, in each case as agreed to by the applicable Debtors and the Ad Hoc Group of Term B-4 Lenders.
- (d) *Voting:* Holders of Interests in Class B6 are conclusively deemed to have accepted or rejected the Geoffrey Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code, respectively. Therefore, such Holders are not entitled to vote to accept or reject the Geoffrey Plan.

7. **Class B7 - Interests in Geoffrey.**

- (a) *Classification:* Class B7 consists of all Interests in Geoffrey.
- (b) *Treatment:* On the Effective Date, each Interest in Geoffrey shall be cancelled, and released, unless the Delaware Retention Structure is utilized.
- (c) *Voting:* Class B7 is Impaired under the Geoffrey Plan. Holders of Interests in Class B7 are conclusively deemed to have rejected the Geoffrey Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Geoffrey Plan.

D. *Special Provision Governing Unimpaired Claims.*

Except as otherwise provided in the Plan, nothing under the Plan shall affect the rights of the Debtors in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

E. *Elimination of Vacant Classes.*

Any Class of Claims or Interests that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes pursuant to the Disclosure Statement Order shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

F. *Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code.*

The Debtors shall seek Confirmation for the applicable Debtors pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

G. Subordinated Claims.

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Successor Entities, as applicable, reserve the right to re-classify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

**ARTICLE IV
MEANS FOR IMPLEMENTATION OF THE PLAN**

A. Substantive Consolidation.

The Debtors shall not be substantively consolidated.

B. Restructuring Transactions and Sources of Consideration for Plan Distributions.

The Confirmation Order shall be deemed to authorize the Debtors to take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan. With respect to the Plan, all amounts of Cash necessary for the Debtors or the Disbursing Agent to make payments or distributions pursuant hereto (to the extent not already paid pursuant to the Settlement Order) shall be obtained from the proceeds of the wind-down of the Debtors' operations, Liquidating Trust, the Reorganized Debtors, Causes of Action held by the applicable Debtors (other than any Non-Released Causes of Action, including D&O Claims), or the Administrative Claims Distribution Pool, as applicable.

1. **Settlement**

The Settlement Order shall remain in full force and effect and the Debtors shall continue to fulfill their obligations thereunder. The Settlement Agreement shall be incorporated as if fully set forth herein.

As set forth in the Settlement Order, holders of Administrative Claims shall (to the extent such holder does not opt out of the Settlement) provide the releases described in the Settlement Order in order to participate in the Administrative Claims Distribution Pool. Any portion of the Administrative Claims Distribution Pool allocable to opt outs will be paid to the Prepetition Secured Term Lenders.

2. **Geoffrey Plan**

The Geoffrey Plan contained herein is a separate chapter 11 plan with respect to the Geoffrey Debtors only, that may be confirmed notwithstanding the Confirmation, denial, or withdrawal of the chapter 11 plans of the Toys Delaware Debtors or any other debtor affiliates.

(a) *Asset Sales.*

Prior to the Effective Date, the Geoffrey Debtors have been authorized to continue to conduct a marketing process for all or substantially all of the assets of the Geoffrey Debtors. In the event of a sale, the Holders of Claims against the Geoffrey Debtors will receive the Geoffrey Proceeds, if any, as set forth in Article III of the Plan.

As provided for in the Geoffrey Bidding Procedures, the Prepetition Secured Lenders shall be permitted to submit a credit bid for any or all of the Geoffrey Assets.

(b) *Payment of Geoffrey Proceeds.*

Subject to revocation of the Geoffrey Plan in accordance with Article X.C. hereof, the Geoffrey Debtors shall fund the distributions to Holders of Allowed Administrative Claims, Professional Fee Claims, Other Secured Claims, Priority Claims, and Priority Tax Claims against the Geoffrey Debtors in accordance with the treatment of such Claims as provided herein. The Geoffrey Debtors' remaining Cash on hand (if any), including remaining Geoffrey Proceeds (if any) and any other Cash received or generated by the Geoffrey Debtors, shall be used to fund the distributions to Holders of Allowed Claims and Interests against the Geoffrey Debtors in accordance with the treatment of such Claims and Interests and subject to the terms provided herein.

(c) *Transfer or Retention of Assets.*

The Geoffrey Debtors may sell all or any of their assets pursuant to the Geoffrey Bidding Procedures Order or otherwise outside the Plan. Any un-sold Geoffrey Assets will be retained by the Reorganized Debtors (which may continue to be owned by Reorganized Toys Inc. if the Delaware Retention Structure is utilized), transferred to Toys NewCo in exchange for the equity interests of Toys NewCo, transferred to the Prepetition Secured Lenders as a turnover of collateral, or transferred to the Liquidating Trust. Holders of Allowed Claims and Interests against the Geoffrey Debtors will be treated in accordance with Article III hereof.

3. **Restructuring Transactions.**

On the Effective Date, the Debtors shall implement the Restructuring Transactions. The actions to implement the Restructuring Transactions may include: (a) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; (d) creation of the Liquidating Trust or other Entities, foreign or domestic; (e) the exchange of indebtedness of the Debtors held by the Prepetition Secured Term Lenders (or by an entity formed by them) for all or a portion of the Geoffrey Assets, and/or the exchange of equity interests in an entity formed by the Prepetition Secured Term Lenders for all or a portion of the Geoffrey Assets, with such equity interests distributed to the Prepetition Secured Lenders as Plan consideration and (f) all other actions that the applicable Entities determine to be necessary or appropriate and consistent with the Plan and Confirmation Order, including forming new entities and making filings or recordings that may be required by applicable law in connection with the Plan.

A. *Cancellation of Securities and Agreements.*

On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing, or in any way related to, Claims or Interests shall be canceled and the obligations of the Debtors or the applicable Successor Entities thereunder or in any way related thereto shall be released, settled, and compromised.

B. *Settlement*

The Plan is intended to implement the Settlement Agreement in conjunction with the Settlement Order. The Debtors, the Reorganized Debtors, Non-Released Claims Trust Manager and the Liquidating Trustee are empowered to implement any and all Restructuring Transactions so long as (a) such actions do not materially reduce the distributions to Holders of Claims under the Plan or the Settlement Agreement and (b) the Settlement Parties consent to such actions (which consent shall not be unreasonably withheld).

C. Corporate Action.

Upon the Effective Date and without limiting any rights and remedies of the Debtors under this Plan or applicable law, the Debtors may structure the restructuring consummated pursuant to the Plan as a transfer of some or all of the Debtors' assets or stock to a newly formed corporation or other Entity, which transfer may be treated as a taxable transaction for United States federal income tax purposes and shall be deemed consummated on the Effective Date. Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including the implementation of the Restructuring Transactions. All matters provided for in the Plan involving the corporate structure of the Debtors, and any corporate action required by the applicable Successor Entities or the Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Security holders, directors, members, trustees, officers, or managers of the Debtors or any further notice to or action, order, or approval of the Bankruptcy Court. On or (as applicable) before the Effective Date, the appropriate officers of the Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Debtors, including any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article IV.B shall be effective notwithstanding any requirements under non-bankruptcy law.

D. Transition Services

On the Effective Date, all assets, contracts, resources, or any other personal property necessary to implement the Transition Services will vest in the applicable Successor Entities. The Successor Entities are authorized to provide all of the Transition Services, as set forth in any applicable Transition Service Agreements approved by the Bankruptcy Court. The Liquidating Trustee (or other applicable Successor Entity) will cooperate with Geoffrey and the Ad Hoc Group of Term B-4 Lenders to provide Transition Services to the Geoffrey Debtors if the Ad Hoc Group of Term B-4 Lenders determine that the Geoffrey Debtors require Transition Services after the Effective Date.

E. Dissolution and Boards of the Debtors.

As of the Effective Date, the existing boards of directors or boards of managers of the Debtors shall be dissolved without any further action required on the part of the Debtors or the Debtors' officers, directors, shareholders, and members and any all remaining officers, directors, managers, or managing members, with the exception of certain officers of each Debtor shall be dismissed without any further action required on the part of any such Debtor, the shareholders of such Debtor, the officers and directors of such Debtor, or the members of such Debtor, *provided that* the Liquidating Trust and/or the other Successor Entities may enter into agreements for the continued employment of certain Toys Delaware employees on reasonable terms, if reasonably necessary to effectuate the purpose of the Liquidating Trust or conduct its remaining business, as applicable.

F. Effectuating Documents; Further Transactions.

On and after the Effective Date, the Debtors and their directors, members, trustees, officers, and managers are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and any Securities issued pursuant to the Plan in the name of and on behalf of the Debtors, without the need for any approvals, authorizations, or consents, except for those expressly required pursuant to the Plan, or any further notice to or action, order, or approval of the Bankruptcy Court.

G. Section 1145 Exemption

The offer, issuance, and distribution of the New Equity Interests in Toys NewCo, any other Successor Entity or newly-formed entity whose equity interests are distributed to Holders of Claims under the Plan, the Geoffrey Equity Pool, and if the Delaware Retention Structure is utilized, Reorganized Toys Inc. under the Plan

shall be exempt (except with respect to an entity that is an “underwriter” as defined in subsection (b) of section 1145 of the Bankruptcy Code), pursuant to section 1145 of the Bankruptcy Code, without further act or action, from registration under (i) the Securities Act, and all rules and regulations promulgated thereunder and (ii) any state or local law requiring registration for the offer, issuance, or distribution of securities. Each of the foregoing securities (a) is not a “restricted security” as defined in Rule 144(a)(3) under the Securities Act, and (b) is freely tradable and transferable by any initial recipient thereof that (i) at the time of transfer, is not an “affiliate” (as defined in Rule 144(a)(1) under the Securities Act) of the issuer of such securities and has not been such an “affiliate” within 90 days of such transfer, and (ii) is not an entity that is an “underwriter” as defined in subsection (b) of section 1145 of the Bankruptcy Code.

To the extent beneficial interests in the Liquidating Trust are deemed to be “securities” as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws, the Debtors intend that the exemption provisions of section 1145 of the Bankruptcy Code will apply to such beneficial interests.

Should the Debtors or the parties that form Toys NewCo or any other newly-formed entity elect on or after the Effective Date to reflect any ownership of the New Equity Interests through the facilities of DTC, the Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the New Equity Interests under applicable securities laws. DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the New Equity Interests issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New Equity Interests issued under the Plan are exempt from registration and/or eligible for DTC book entry delivery, settlement, and depository services.

H. Exemption from Certain Taxes and Fees.

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property or any Interests pursuant to the Plan, including the recording of any amendments to such transfers, or any new mortgages or liens placed on the property in connection with such transfers, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

I. D&O Insurance Policies.

After the Effective Date, the applicable Successor Entities shall not terminate or otherwise reduce the coverage under their directors’ and officers’ insurance policies (including the Existing Tail Policies) in effect on the Effective Date, with respect to conduct occurring prior thereto, and all officers, directors, trustees, managers, and members of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such officers, directors, trustees, or members remain in such positions after the Effective Date.

J. Preservation of Rights of Action.

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, the Settlement Agreement, or a Bankruptcy Court order, the Debtors reserve and may assert any and all Causes of Action, including any actions specifically enumerated in the Plan Supplement, whether arising before or after the Petition Date. The Debtors preserve, and assign to the applicable Successor Entities, the right to commence, prosecute, or settle all Causes of Action belonging to such Debtors or their estates, notwithstanding the occurrence of the Effective Date; *provided, however*, for the avoidance of doubt, the Non-Released Claims shall include all D&O Claims and shall be transferred and/or assigned to the Non-Released Claims Trust and the Non-Released Claims Trust Manager shall have the right to commence, prosecute, or settle such Non-

Released Claims in its discretion, in consultation with the Non-Released Claims Trust Oversight Committee. The claims preserved hereunder and assigned to the applicable Successor Entities, also include, without limitation, all Causes of Action of the Geoffrey Debtors' estates against the D&O Parties and all Causes of Action (including under chapter 5 of the Bankruptcy Code) referenced or preserved in the *Order (I) Authorizing Geoffrey LLC to Assume the Subsidy Agreement and (II) Granting Related Relief* [Docket. No. 1609] and/or the *Order (I) Authorizing Geoffrey LLC to Assume the Intercompany IP License Agreements and (II) Granting Related Relief* [Docket No. 1610]. The applicable Successor Entities, may pursue such Causes of Action in their sole discretion. For the avoidance of doubt, Intercompany Claims of the Debtors are preserved unless and until the applicable Debtor releases or compromises such claim pursuant to Article III hereof.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the applicable Successor Entities or the Non-Released Claims Trust, as applicable, will not pursue any and all available Causes of Action against them. No preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Debtors reserve the Causes of Action (including all Non-Released Claims and all D&O Claims) notwithstanding the assumption or rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Debtors, and, as applicable, be assigned to the applicable Successor Entities or the Non-Released Claims Trust, as applicable. The Debtors, the Successor Entities, or the Non-Released Claims Trust, as applicable, through their authorized agents or representatives, shall retain and may exclusively enforce any and all Causes of Action vested, transferred, or assigned to such entity. The Debtors, the Successor Entities, or the Non-Released Claims Trust, as applicable shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

For the avoidance of doubt, under this Plan, and/or the Confirmation Order, all of the Debtors' rights, claims, interests, Causes of Action, damages, remedies, and equitable claims and interests on account of or with respect to all trademarks, trade names, service marks, symbols, logos, and any other intellectual property shall be reserved and, as applicable, assigned to the Successor Entities.

K. Wind-Down and Dissolution of the Toys Delaware Debtors.

On and after the Effective Date, the Liquidating Trustee (or other applicable Successor Entity) will implement any other provision of the Plan and any applicable orders of the Bankruptcy Court, and the Liquidating Trustee shall have the power and authority to take any action necessary to wind down and dissolve the Toys Delaware Debtors. After the Effective Date, the Debtors shall remain in existence for the sole purpose of dissolving. The Liquidating Trustee (or other applicable Successor Entity) shall: (1) cause the Debtors to comply with, and abide by, the terms of the Settlement Agreement; (2) file for each of the Debtors, a certificate of dissolution, together with all other necessary corporate and company documents, to effect the dissolution of the Debtors under the applicable laws of their state of incorporation or formation (as applicable); (3) complete and file all final or otherwise required federal, state, and local tax returns for each of the Debtors, and pursuant to section 505(b) of the Bankruptcy Code, request an expedited determination of any unpaid tax liability of such Debtor or its Estate for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws; (4) reconcile (and if appropriate object to or settle) Claims against the Debtors in consultation with the Claims Oversight Representative; and (5) take such other actions as the Liquidating Trustee may determine to be necessary or desirable to carry out the purposes of the Plan. The filing by the Liquidating Trustee (or other applicable Successor Entity) of any Debtor's certificate of dissolution shall be authorized and approved in all respects without further action under applicable law, regulation, order, or rule, including any action by the stockholders, members, board of directors, or board of managers of each such Debtor. Solely to the extent and subject to the limitations provided in the Settlement Agreement, the Liquidator Agreement, the Plan, and the Confirmation Order, the Debtors shall fund the Liquidating Trust, as applicable, with funds to pay costs, expenses, or claims arising from or related to any Wind-Down. Notwithstanding anything in the Plan to the contrary, the Liquidating Trustee or the Disbursing

Agent will make, or cause to be made, all distributions under the Plan other than those distributions made by the Debtors on the Effective Date.

In the event that the Debtors would continue to own any assets at the end of a tax year and the Debtors determine in consultation with the Ad Hoc Group of Term B-4 Lenders that steps should be taken to transfer all such remaining assets out of the Debtors into a separate entity, Reorganized Debtor, or trust prior to the conclusion of such tax year to minimize potential tax liabilities, the Debtors shall be authorized and empowered to make such transfer; *provided, however*, that such assets and the proceeds thereof shall remain subject to each provision of the Plan and Settlement Agreement as if such transfer had not occurred.

L. Liquidating Trust.

On the Effective Date, to the extent any assets of the Toys Delaware Debtors or the Geoffrey Debtors remain and are not otherwise transferred to a trust or new entity pursuant to the Plan and the equity of such entities is not directly or indirectly distributed to Holders of Claims, a Liquidating Trust will be established for the primary purpose of liquidating the Liquidating Trust's assets, reconciling claims asserted against the Debtors (in consultation with the Claims Oversight Representative) and distributing the proceeds thereof in accordance with the applicable Plan, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the purpose of the Liquidating Trust, including without limitation to provide Transition Services to the Debtors' affiliates in accordance with applicable agreements. Upon the transfer of the Debtors' assets and equity as more fully set forth in the Liquidator Agreement, the Debtors will have no reversionary or further interest in or with respect to the assets of the Liquidating Trust. The federal income tax treatment of the Liquidating Trust is discussed below.

To the extent beneficial interests in the Liquidating Trust are deemed to be "securities" as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws, the Debtors intend that the exemption provisions of section 1145 of the Bankruptcy Code will apply to such beneficial interests.

M. Liquidating Trustee.

Before or on the Effective Date, a Liquidating Trustee may be designated by the Debtors subject to the consent of the Ad Hoc Group of Term B-4 Lenders and the Creditors' Committee, not to be unreasonably withheld, pursuant to the terms of the Liquidator Agreement for the purposes administering the Liquidating Trust. The reasonable costs and expenses of the Liquidating Trustee shall be paid from the Liquidating Trust. The Liquidating Trustee shall only file tax returns for Debtors in jurisdictions where such Debtor previously filed tax returns, unless the Liquidating Trustee determines that a tax return is required to be filed due to a change in law, fact, or circumstance on or after the Effective Date. Following the Effective Date and in the event of the resignation or removal, liquidation, dissolution, death, or incapacity of the Liquidating Trustee, the Ad Hoc Group of Term B-4 Lenders in consultation with the Creditors' Committee shall designate another Entity to become Liquidating Trustee and such Entity will become the successor Liquidating Trustee and, without any further act, shall become fully vested with all of the rights, powers, duties, and obligations of the predecessor Liquidating Trustee.

The Entity chosen to be the successor Liquidating Trustee shall have such qualifications and experience to enable the Liquidating Trustee to perform its obligations under the Plan and under the Liquidator Agreement. The Liquidating Trustee shall be compensated and reimbursed for reasonable costs and expenses as set forth in, and in accordance with, the Liquidator Agreement.

**ARTICLE V
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

A. Assumption and Rejection of Executory Contracts and Unexpired Leases.

On the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases will be deemed rejected in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than: (1) those that previously were assumed or rejected by the Debtors; (2) those that are

identified on the Assumed Executory Contract and Unexpired Lease List; (3) those that are the subject of a motion to assume Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; (4) any remaining third party licenses and franchise agreements of the Geoffrey Debtors not sold as part of the Geoffrey Transaction; or (5) those that are part of transition services approved by the Bankruptcy Court, which will be deemed rejected at the termination of such services. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions, assignments, and rejections, including the assumptions of the Executory Contracts or Unexpired Leases listed on the Assumed Executory Contract and Unexpired Lease List and the rejection of the Executory Contracts or Unexpired Leases listed on the Rejected Executory Contract and Unexpired Lease List pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Any motions to assume or reject Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A or by any order of the Bankruptcy Court, which has not been assigned to a third party before or on the Confirmation Date, shall revert in and be fully enforceable by the Debtors in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Notwithstanding anything to the contrary in the Plan, the Debtors, may alter, amend, modify, or supplement the schedules of Executory Contracts and Unexpired Leases identified in Article V, and in the Plan Supplement at any time through and including 90 days after the Effective Date (or such later date as provided in the event of any objection by a counterparty to an Executory Contract or Unexpired Lease to the amount of any Cure Obligation or other matter relating to the proposed assumption and assignment).

B. Cure of Defaults for Assumed and Assigned Executory Contracts and Unexpired Leases.

Any Cure Obligations under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Obligation in Cash on or after the Effective Date, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of the Cure Obligation, (2) the ability of the Debtors, the Geoffrey Purchaser, or any other assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the Cure Obligations required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least fifteen days before the Confirmation Hearing, the Debtors shall provide for notices of proposed assumption and proposed Cure Obligations to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or Cure Obligation must be filed, served, and actually received by the Debtors at least three days before the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or Cure Obligation.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan, or otherwise, shall result in the full release and satisfaction of any Claims or defaults, subject to satisfaction of the Cure Obligations, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the Effective Date of assumption or assignment. **Anything in the Schedules and any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed and assigned shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.**

C. D&O Liability Insurance Policies.

On the Effective Date, the Debtors shall assume all of the D&O Liability Insurance Policies pursuant to section 365 of the Bankruptcy Code or otherwise, subject to the Debtors’ rights to seek amendment to such D&O Liability Insurance Policies. Entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval of the Debtors’ foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation shall not discharge, impair, or otherwise modify any obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such obligation shall be

deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be Filed. The Non-Released Claims Trust Manager shall be responsible for monitoring and preserving the ability to maintain claims against the D&O Liability Insurance Policies.

D. Claims Based on Rejection of Executory Contracts and Unexpired Leases.

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within 30 days after the later of (i) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, (ii) the Effective Date of such rejection, or (iii) the Effective Date.

Any Holders of Claims arising from the rejection of an Executory Contract or Unexpired Lease for which Proofs of Claims were not timely Filed as set forth in the above paragraph shall not (1) be treated as a creditor with respect to such Claim, (2) be permitted to vote to accept or reject the Plan, or (3) participate in any distribution in the Chapter 11 Cases on account of such Claim, and any Claims arising from the rejection of an Executory Contract or Unexpired Lease not filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Estates, the Geoffrey Purchaser, or their property without the need for any objection by the Debtors or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims against the appropriate Debtor, except as otherwise provided by order of the Bankruptcy Court.

E. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases.

Rejection or repudiation of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors under such contracts or leases. In particular, notwithstanding any nonbankruptcy law to the contrary, the Debtors, the Liquidating Trust, or the Geoffrey Purchaser, as applicable, expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased, or services previously received, by the contracting Debtors or the Geoffrey Purchaser, as applicable, from counterparties to rejected or repudiated Executory Contracts or Unexpired Leases.

F. Modifications, Amendments, Supplements, Restatements, or Other Agreements.

Unless otherwise provided in the Plan, each assumed and assigned Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements have been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith, unless such Executory Contract or Unexpired Lease was assumed by the Debtors and approved by the Bankruptcy Court.

G. Reservation of Rights.

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an

Executory Contract or Unexpired Lease or that the Debtors or the applicable Successor Entity have any liability thereunder. In the event of a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption and assignment or rejection, the Debtors or the applicable Successor Entity shall have 90 days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease as otherwise provided in the Plan.

H. Nonoccurrence of Effective Date.

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code, unless such deadline(s) have expired.

I. Contracts and Leases Entered Into After the Petition Date.

As a result of the wind-down of operations, unless otherwise provided in the Plan or any documents effectuating the Plan, contracts and leases entered into after the Petition Date by any Debtor, will be deemed terminated by the Toys Delaware Debtors and the Geoffrey Debtors, as applicable on the Effective Date. Such contracts and leases will be of no force and effect. Any claims arising from the termination shall be made by the applicable Administrative Claims bar Date.

**ARTICLE VI
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Timing and Calculation of Amounts to Be Distributed.

Except as otherwise provided in the Plan, on the Effective Date (or if a Claim or Interest is not an Allowed Claim or Allowed Interest on the Effective Date, on the date that such a Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Allowed Interest against the Debtors shall receive the full amount of the distributions that the Plan provides for Allowed Claims or Allowed Interests in the applicable Class from the Disbursing Agent, as applicable. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Disputed Interests, distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VII. Except as otherwise provided in the Plan, Holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date. Notwithstanding anything to the contrary herein, no Holder of an Allowed Claim or Allowed Interest shall, on account of such Allowed Claim or Allowed Interest, receive a distribution in excess of the Allowed amount of such Claim or Interest plus any postpetition interest on such Claim or Interest payable in accordance with the Plan.

B. Distributions on Account of Claims Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims.

Except as otherwise provided in the Plan, a Final Order, or as agreed to by the relevant parties, distributions under the Plan on account of a Disputed Claim that becomes an Allowed Claim after the Effective Date shall be made on the first Periodic Distribution Date after the Disputed Claim becomes an Allowed Claim.

Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

2. **Special Rules for Distributions to Holders of Disputed Claims.**

The Debtors and the Creditors' Committee, in consultation with the Ad Hoc Vendor Group, shall determine the mechanics for making any partial payments/distributions, if any, with respect to any Disputed Claim prior to reaching a final resolution of such Claim by settlement or Final Order. In the event that there are Disputed Claims requiring adjudication and resolution, the Reorganized Debtors or the appropriate Successor Entity shall establish appropriate reserves for potential payment of such Claims, in each case in consultation with the Claims Oversight Representative.

3. **Distributions Required by the Settlement Agreement.**

Notwithstanding any provision to the contrary in these Plans or in the Confirmation Order, the Debtors must make distributions as set forth in the Settlement Agreement (the final approval of which is a condition to Confirmation of the Toys Delaware Plan).

C. *Disbursing Agent.*

All distributions under the Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Debtors.

D. *Rights and Powers of Disbursing Agent.*

1. **Powers of the Disbursing Agent.**

The Disbursing Agent shall be empowered to, as applicable: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated under the Plan; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. **Expenses Incurred On or After the Effective Date.**

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement Claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash from the Liquidating Trust without any further notice to or action, order, or approval of the Bankruptcy Court.

E. *Method of Distribution*

Except to the extent that the proceeds of the sale of Toys Delaware's assets are required to be transferred to the Administrative Claims Distribution Pool or applied to the Term DIP Facility, all proceeds of such sales shall be transferred to the Secured Term Loan B Facility Agent for the benefit of the Prepetition Secured Term Lenders on the Effective Date.

F. *Delivery of Distributions and Undeliverable or Unclaimed Distributions.*

1. **Record Date for Distribution.**

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. **Delivery of Distributions in General.**

Except as otherwise provided herein, the Disbursing Agent shall make distributions to Holders of Allowed Claims and Allowed Interests as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution; *provided, however*, that the manner of such distributions shall be determined at the discretion of the Disbursing Agent; *provided further, however*, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder. If a Holder holds more than one Claim in any one Class, all Claims of the Holder will be aggregated into one Claim and one distribution will be made with respect to the aggregated Claim.

3. **Minimum; De Minimis Distributions.**

No Cash payment of less than \$50.00, in the reasonable discretion of the Disbursing Agent, as applicable, shall be made to a Holder of an Allowed Claim or Allowed Interest on account of such Allowed Claim or Allowed Interest.

4. **Undeliverable Distributions and Unclaimed Property.**

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided, however*, such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the date the distribution is made. After such date, all unclaimed property or interests in property shall be (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary) distributed, pro rata, to holders of Administrative Settlement Claims that do not affirmatively opted out of participation in the Administrative Claims Distribution Pool until such Administrative Settlement Claims are paid in full and then to other holders of Claims as provided herein in accordance with the priorities set forth in the Bankruptcy Code, and the Claim of any Holder to such property or interest in property shall be released, settled, compromised, and forever barred.

5. **Manner of Payment Pursuant to the Plan.**

Any payment in Cash to be made pursuant to the Plan shall be made at the election of the Disbursing Agent by check or by wire transfer.

G. *Compliance with Tax Requirements/Allocations.*

In connection with the Plan, to the extent applicable, the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed on it by any Governmental Unit, and all distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms it believes is reasonable and appropriate. The Debtors, reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

H. *Tax Matters Regarding the Non-Released Claims Trust and Any Other Liquidating Trust or Similar Vehicle*

The Plan provides that, among other things, (a) certain potential claims will be contribute to a Non-Released Claims Trust or other similar structure, with the proceeds of such litigation being distributed to certain

Holders of Claims; (b) under certain circumstances, assets may be transferred by the Debtors to a liquidating trust vehicle or a similar structure in order to facilitate the sale of such assets and the disposition of the proceeds thereof to Holders of Claims. Such assets may either be subject to “liquidating trust” treatment or “disputed ownership fund” treatment, as described below.

1. **Liquidating Trust Treatment**

Other than with respect to any assets that are subject to potential disputed claims of ownership or uncertain distributions, any such trust or similar structure may be classified as a “liquidating trust” under section 301.7701-4(d) of the Treasury Regulations and qualify as a “grantor trust” under section 671 of the Tax Code. In such case, any beneficiaries of such trust or similar structure would be treated as grantors and deemed owners thereof and, for all United States federal income tax purposes, any beneficiaries would be treated as if they had received a distribution of an undivided interest in the assets of such vehicle and then contributed such undivided interest to the vehicle. If this treatment applies, the person or persons responsible for administering the vehicle shall, in an expeditious but orderly manner, make timely distributions to beneficiaries of such vehicle pursuant to the Plan and not unduly prolong its duration. Such vehicle would not be deemed a successor in interest of the Debtors for any purpose other than as specifically set forth herein or in the governing documents for such vehicle.

Other than with respect to any assets of such vehicle that are subject to potential disputed claims of ownership or uncertain distributions, the treatment of the deemed transfer of assets to applicable Claims and Interests prior to the contribution of such assets to such vehicle should generally be consistent with the treatment described above with respect to the receipt of the applicable assets directly.

Other than with respect to any assets of such vehicle that are subject to potential disputed claims of ownership or uncertain distributions, no entity-level tax should be imposed on such vehicle with respect to earnings generated by the assets held by them. Each beneficiary must report on its federal income tax return its allocable share of income, gain, loss, deduction and credit, if any, recognized or incurred by such vehicle, even if no distributions are made. Allocations of taxable income with respect to such vehicle shall be determined by reference to the manner in which an amount of cash equal to such taxable income would be distributed (without regard to any restriction on distributions described herein) if, immediately before such deemed distribution, such vehicle had distributed all of its other assets (valued for this purpose at their tax book value) to the beneficiaries, taking into account all prior and concurrent distributions from such vehicle. Similarly, taxable losses of such vehicle will be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining assets. The tax book value of the assets for this purpose shall equal their respective fair market values on the Effective Date or, if later, the date such assets were acquired, adjusted in either case in accordance with the tax accounting principles prescribed by the applicable provisions of the Tax Code, Treasury Regulations and other applicable administrative and judicial authorities and pronouncements.

The character of items of income, gain, loss, deduction and credit to any Holder of a beneficial interest in such vehicle, and the ability of such Holder to benefit from any deductions or losses, may depend on the particular circumstances or status of the Holder. Taxable income or loss allocated to a beneficiary should be treated as income or loss with respect to the interest of such beneficiary in such vehicle and not as income or loss with respect to such beneficiary’s applicable Claim or Interest. In the event any tax is imposed on such vehicle, the person or persons responsible for administering such vehicle shall be responsible for payment, solely out of the assets of such vehicle of any taxes imposed on such vehicle.

The person or persons responsible for administering such vehicle shall be liable to prepare and provide to, or file with, the appropriate taxing authorities and other required parties such notices, tax returns and other filings, including all federal, state and local tax returns as may be required under the Bankruptcy Code, the Plan or by other applicable law, including, if required under applicable law, notices required to report interest or dividend income. The person or persons responsible for administering such vehicle will file tax returns pursuant to section 1.671-4(a) of the Treasury Regulations on the basis that such vehicle is a “liquidating trust” within the meaning of section 301.7701-4(d) of the Treasury Regulations and related Treasury Regulations. As soon as reasonably practicable after the close of each calendar year, the person or persons responsible for administering such vehicle will send each affected beneficiary a statement setting forth such beneficiary’s respective share of income, gain, deduction, loss and

credit for the year, and will instruct the Holder to report all such items on its tax return for such year and to pay any tax due with respect thereto.

2. **Disputed Ownership Fund Treatment**

With respect to any of the assets of such vehicle that are subject to potential disputed claims of ownership or uncertain distributions, *or* to the extent “liquidating trust” treatment is otherwise unavailable or not elected to be applied with respect to the Non-Released Claims Trust or any similar vehicle, the Debtors intend that such assets will be subject to disputed ownership fund treatment under Section 1.468B-9 of the Treasury Regulations, that any appropriate elections with respect thereto shall be made, and that such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for any such account. Any taxes (including with respect to interest, if any, earned in the account) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes). To the extent property is not distributed to U.S. Holders of applicable Claims or Interests on the Effective Date but, instead, is transferred to any such account, although not free from doubt, U.S. Holders should not recognize any gain or loss on the date that the property is so transferred. Instead, gain or loss should be recognized when and to the extent property is actually distributed to such U.S. Holders.

I. *Claims Paid or Payable by Third Parties.*

1. **Claims Paid by Third Parties.**

The Debtors shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Debtor to the extent the Holder’s total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

2. **Claims Payable by Third Parties.**

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors’ insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors’ insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers’ agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

J. *Indefeasible Distributions.*

Any and all distributions made under the Plan shall be indefeasible and not subject to claw back.

1. **Applicability of Insurance Policies.**

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

**ARTICLE VII
PROCEDURES FOR RESOLVING CONTINGENT,
UNLIQUIDATED, AND DISPUTED CLAIMS**

A. Allowance of Claims.

After the Effective Date, each of the Debtors shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately before the Effective Date. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such Claim.

B. Claims Administration Responsibilities.

Except as otherwise specifically provided in the Plan, after the Effective Date, the Debtors or the applicable Successor Entities, shall have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Claims or Interests; (2) to settle or compromise any Disputed Claim or Disputed Interest without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court, in each case in consultation with the Claims Oversight Representative.

C. Estimation of Claims.

Before or after the Effective Date, the Debtors may (but are not required to), or by order of the Bankruptcy Court, at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the relevant Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim.

D. Adjustment to Claims without Objection.

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Debtors without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. Time to File Objections to Claims.

Any objections to Claims shall be Filed on or before the Claims Objection Bar Date.

F. Disallowance of Claims.

Any Claims or Interests held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims or Interests may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order

with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the applicable Successor Entity.

Except as provided herein or otherwise agreed, any and all Proofs of Claim filed after the Claims Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Hearing such late Claim has been deemed timely filed by a Final Order.

G. Amendments to Claims.

On or after the Effective Date, except as provided in the Plan or the Confirmation Order, a Claim or Interest may not be Filed or amended without the prior authorization of the Bankruptcy Court, the Debtors, or the applicable Successor Entity and any such new or amended Claim or Interest Filed shall be deemed disallowed in full and expunged without any further action.

H. No Distributions Pending Allowance.

If an objection to a Claim or Interest or portion thereof is Filed as set forth in Article VII, no payment or distribution provided under the Plan shall be made on account of such Claim or Interest or portion thereof unless and until such Disputed Claim or Interest becomes an Allowed Claim or Interest.

I. Distributions After Allowance.

To the extent that a Disputed Claim or Disputed Interest ultimately becomes an Allowed Claim or Allowed Interest, distributions (if any) shall be made to the Holder of such Allowed Claim or Allowed Interest in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Disputed Interest becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim or Interest the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim or Interest, without any interest, dividends, or accruals to be paid on account of such Claim or Interest unless required under applicable bankruptcy law or as otherwise provided in **Error! Reference source not found.**

**ARTICLE VIII
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS**

A. Settlement, Compromise, and Release of Claims and Interests.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan and Settlement Agreement, the distributions, rights, and treatment that are provided in the Plan shall be in settlement, compromise, and release, effective as of the Effective Date, of the Claims and Interests that are released, cancelled or discharged hereunder. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of such Claims and Interests subject to the Effective Date occurring.

B. Discharge of Claims and Termination of Equity Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any intercompany claims resolved or compromised after the Effective Date by the Debtors), interests, and causes of action of any nature whatsoever, including any interest accrued on claims or interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such claims and interests, including demands, liabilities, and causes of action that arose before the Effective Date, any liability (including

withdrawal liability) to the extent such claims or interests relate to services performed by employees of the Debtors before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a proof of claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a claim or interest based upon such debt, right, or interest is allowed pursuant to section 502 of the Bankruptcy Code; or (3) the holder of such a claim or interest has accepted the Plan. Any default or “event of default” by the Debtors or their Affiliates with respect to any claim or interest that existed immediately before or on account of the filing of the chapter 11 cases shall be deemed cured (and no longer continuing) as of the Effective Date. The confirmation order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

C. Release of Liens.

Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, and compromised and all rights, titles, and interests of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall revert to the Debtors.

D. Releases by the Debtors.

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party shall be deemed released and discharged by the Debtors and the reorganized Debtors, and their estates from any and all claims and Causes of Action, including any derivative claims asserted on behalf of the Debtors, that the Debtors or the reorganized Debtors, or their estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest, or that any Holder of any Claim or Interest could have asserted on behalf of the Debtors, based on or relating to, or in any manner arising from, in whole or in part:

1. the Debtors or the Debtors’ in- or out-of-court restructuring efforts, intercompany transactions, the formulation, preparation, dissemination, negotiation, or filing of any documents related to the Restructuring;
2. any contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring, the Disclosure Statement, or the Plan;
3. the chapter 11 cases, the Disclosure Statement, the Plan, the filing of the chapter 11 cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement;
4. all claims and Causes of Action, if any, against Administrative Claim Holders (including, without limitation, the merchandise vendors) that do not opt out of the Administrative Claims Distribution Pool⁶ including from (a) all claims or Causes of Action relating to credits, rebates, advertising incentives, and like items, and (b) any claims for disgorgement or claw-back of any payments made on account of trade agreements or 503(b)(9) claims, *provided that* any claims described in clause (a) of

⁶ The Debtors reserve the right to reconcile the claims asserted by merchandise vendors based on trade allowances, credits or other trade agreements, and all merchandise vendors reserve and retain the right to challenge any such claim by the Debtors.

this paragraph relating to credits, rebates, advertising incentives, and like items, may be asserted in a defensive manner as off-sets to the claims of merchandise vendors in the claims reconciliation procedures set forth herein and in the Final North American DIP Amendment Order (or in any litigation in the event of a challenge to the reconciliation);

5. the negotiation, implementation, or terms of the Settlement Agreement and related term sheet;
6. the negotiation, implementation, terms, or amendments to the DIP Facilities or DIP Orders prior to or during the Chapter 11 Cases;
7. (a) the transactions undertaken by the Sponsors in relation to the acquisition of the interests in Toys Inc., or (b) any and all refinancing transactions or sale transactions related to the equity or assets of the Debtors undertaken, approved, planned, or implemented by any of the Sponsors and/or the Debtor's managers, officers, directors, and employees, as applicable; or
8. any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date relating to any of the foregoing.

The Debtors shall also waive and release any Claims or Causes of Action relating to credits, rebates, advertising incentives, and like items against Holders of General Unsecured Claims, *provided*, that the Debtors reserve the right to reconcile any asserted General Unsecured Claims based on such Claims or Causes of Action; *provided, further*, for the avoidance of doubt, nothing in this Section shall apply to any Intercompany Claim.

For the avoidance of doubt, nothing in this Section or this Plan shall release any Non-Released Claims, any D&O Claims, or any claims of the Geoffrey Debtors against the D&O Parties. Notwithstanding anything to the contrary, the releases set forth in this Section do not release (i) any post-Effective Date obligations of any party or Entity under the Plan or any document, instrument, or agreement (including those set forth in the plan supplement) executed to implement the Plan or (ii) any Intercompany Claims (including any claims or Causes of Action of any of the Geoffrey Debtors against Toys (Labuan) Holding Limited or any of its direct or indirect subsidiaries).

E. Releases of Avoidance Actions by the Debtors.

On and after the Effective Date, the Debtors waive, release and discharge any and all Avoidance Actions against all Released Parties, including any Avoidance Action Released Party, *provided however*, that, for the avoidance of doubt, nothing in this Section or the Plan shall release any Non-Released Claims, any D&O Claims, or any claims of the Geoffrey Debtors against the D&O Parties, or against any direct or indirect subsidiaries of Toys Inc.

F. Releases by Holders of Claims and Interests.

As of the Effective Date, in addition to the releases in the Settlement Agreement, each Releasing Party is deemed to have released and discharged each Debtor, reorganized Debtor, and other Released Party from any and all claims and Causes of Action, including any derivative claims asserted on behalf of the Debtors that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, and solely to the extent relating to the Debtors:

1. the Debtors or the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the formulation, preparation, dissemination, negotiation, or filing of any documents related to the Restructuring;
2. any contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the

Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring, the Disclosure Statement, or the Plan;

3. the chapter 11 cases, the Disclosure Statement, the Plan, the filing of the chapter 11 cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement;
4. any claims against the DIP Lenders or the Prepetition Secured Term Lenders that any party could seek to assert on behalf of any estate, including Toys Delaware, and based on any theory, including fraudulent transfer, preference, section 506(c) of the Bankruptcy Code, or section 552(b) of the Bankruptcy Code;
5. the negotiation, implementation, or terms of the Settlement Agreement and related term sheet;
6. the negotiation, implementation, terms, or amendments to the DIP Facilities or DIP Orders prior to or during the Chapter 11 Cases;
7. (a) the transactions undertaken by the Sponsors in relation to the acquisition of the interests in Toys Inc., or (b) any and all refinancing transactions or sale transactions related to the equity or assets of the Debtors undertaken, approved, planned, or implemented by any of the Sponsors and/or the Debtor's managers, officers, directors, and employees, as applicable; or
8. any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date relating to any of the foregoing.

For the avoidance of doubt, nothing in this Section or this Plan shall release any Non-Released Claims, any D&O Claims, or any claims of the Geoffrey Debtors against the D&O Parties. Notwithstanding anything to the contrary, the releases set forth in this Section do not release (i) any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (ii) any Intercompany Claims (including any claims or Causes of Action of any of the Geoffrey Debtors against Toys (Labuan) Holding Limited or any of its direct or indirect subsidiaries).

G. Exculpation.

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from any cause of action for any claim related to any act or omission in connection with, relating to, or arising out of, the chapter 11 cases, the formulation, preparation, dissemination, negotiation, filing, or termination of the any documents related to the Settlement Agreement, the related term sheet, the Restructuring, and related prepetition transactions, the Disclosure Statement, the Plan, or any Restructuring transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation order in lieu of such legal opinion) created or entered into in connection with the Disclosure Statement, the Plan, the DIP Facilities, the filing of the chapter 11 cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan, or any other related agreement, except for claims related to any act or omission that is determined in a final order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of, and distribution of, consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation

governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Notwithstanding anything to the contrary, the following shall not be released or exculpated hereby: (i) Intercompany Claims, and (ii) “Non-Released Claims”, “D&O Claims,” and the Claims as against the “D&O Parties” by the Geoffrey Debtors, in respect of which the Settlement Agreement shall control over this provision in all respects, with respect to the parties thereto. For the avoidance of doubt, these exculpation provisions shall exculpate all Exculpated Parties of any liability otherwise arising out of any action taken in their capacity as or acting for fiduciaries of the Debtors’ estates or any other party in interest.

H. Injunction.

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all entities that have held, hold, or may hold claims or interests that have been released pursuant to the Plan, shall be discharged pursuant to the Plan, or are subject to exculpation pursuant to the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the reorganized Debtors, or any of the other Released Parties: (i) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (ii) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such entities on account of or in connection with or with respect to any such claims or interests; (iii) creating, perfecting, or enforcing any lien or encumbrance of any kind against such entities or the property or the estates of such entities on account of or in connection with or with respect to any such claims or interests; (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such entities or against the property of such entities on account of or in connection with or with respect to any such claims or interests unless such entity has timely asserted such setoff right in a document filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a claim or interest or otherwise that such entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (v) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.

I. Reservation of Rights for the United States.

As to the United States, nothing in the Plan or Confirmation Order shall limit or expand the scope of any release or injunction to which the Debtors are entitled to under the Bankruptcy Code, if any. The release and injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the Confirmation Order, pursuing any police or regulatory action.

Accordingly, notwithstanding anything contained in the Plan or Confirmation Order to the contrary, nothing in the Plan or Confirmation Order shall discharge, release, impair, or otherwise preclude: (1) any liability to the United States that is not a “claim” within the meaning of section 101(5) of the Bankruptcy Code; (2) any Claim of the United States arising on or after the Confirmation Date; (3) any valid right of setoff or recoupment of the United States against any of the Debtors; or (4) any liability of the Debtors under environmental law to any Governmental Unit as the owner or operator of property that such entity owns or operates after the Confirmation Date. Nor shall anything in this Confirmation Order or the Plan: (i) enjoin or otherwise bar the United States or any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence; or (ii) divest any court, commission, or tribunal of jurisdiction to determine whether any liabilities asserted by the United States or any Governmental Unit are discharged or otherwise barred by the Confirmation Order, the Plan, or the Bankruptcy Code.

Moreover, nothing in the Confirmation Order or the Plan shall release or exculpate any non-debtor, including any Released Parties, from any liability to the United States, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against the Released Parties, nor shall anything in this Confirmation Order or the Plan enjoin the United States from bringing any claim, suit, action, or other proceeding against the Released Parties other than the Debtors for any liability whatsoever.

Nothing contained in the Plan or Confirmation Order shall be deemed to determine the tax liability of any person or entity, including but not limited to the Debtors, nor shall the Plan or Confirmation Order be deemed to have determined the federal tax treatment of any item, distribution, or entity, including the federal tax consequences of this Plan, nor shall anything in this Plan or Confirmation Order be deemed to have conferred jurisdiction upon the Bankruptcy Court to make determinations as to federal tax liability and federal tax treatment except as provided under 11 U.S.C. § 505.

Subject to any appeal rights, nothing in this Article VIII.I will give the United States the right to challenge the factual findings made by the Bankruptcy Court in the Confirmation Order.

Nothing in this section shall limit or otherwise affect the release by the Debtors and their Estates of their claims as set forth in Article VIII.D of the Plan.

J. Protections Against Discriminatory Treatment.

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Debtors, or another Entity with whom the Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

K. Setoffs.

Except as otherwise expressly provided for in the Plan, each Debtor or the Geoffrey Purchaser, as applicable, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may set off against any Allowed Claim or Administrative Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim or Administrative Claim (before any distribution is made on account of such claim), any claims, rights, and Causes of Action of any nature that such Debtor or the Geoffrey Purchaser, as applicable, may hold against the Holder of such Allowed Claim, to the extent such claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or before the Effective Date (whether pursuant to the Plan or otherwise); *provided, however,* that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Debtor or the Geoffrey Purchaser, as applicable, of any such claims, rights, and Causes of Action that such Debtor or the Geoffrey Purchaser, as applicable, may possess against such Holder. In no event shall any Holder of Claims be entitled to set off any Claim against any Claim, right, or Cause of Action of a Debtor or the Geoffrey Purchaser, as applicable, unless such Holder has timely Filed a Proof of Claim with the Bankruptcy Court preserving such setoff.

For the avoidance of doubt, all Claims for setoff with regard to Intercompany Claims or claims against non-debtor subsidiaries of any affiliated debtor are preserved.

L. Recoupment.

In no event shall any Holder of Claims or Interests be entitled to recoup any Claim against any claim, right, or Cause of Action of the Debtors or the Geoffrey Purchaser, as applicable, unless such Holder actually has timely Filed a Proof of Claim with the Bankruptcy Court preserving such recoupment.

M. Subordination Rights.

The classification and treatment of all Claims and Interests under the Plan shall conform to and with the respective contractual, legal, and equitable subordination rights of such Claims and Interests, and any such rights shall be settled, compromised, and released pursuant to the Plan.

N. Reimbursement or Contribution.

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless before the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered before the Confirmation Date determining such Claim as no longer contingent.

O. Document Retention.

On and after the Effective Date, the Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Debtors; *provided, however,* that the Debtors shall retain and preserve any documents, information (including electronically stored information), and other evidence potentially relevant to the reconciliation of any Administrative Claims.

**ARTICLE IX
CONDITIONS PRECEDENT TO CONFIRMATION AND THE EFFECTIVE DATE**

A. Conditions Precedent to Confirmation.

It shall be a condition to Confirmation of the Plans that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C:

1. the Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Debtors and the Geoffrey Purchaser;
2. the Confirmation Order shall:
 - (a) authorize the Debtors to take all actions necessary to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures, and other agreements or documents created in connection with the Plan;
 - (b) decree that the provisions of the Confirmation Order and the Plan are nonseverable and mutually dependent;
 - (c) authorize the Debtors to enter into any agreements, transactions, and sales of property as set forth in the Plan;
 - (d) decree that the Confirmation Order shall supersede any Bankruptcy Court orders issued before the Confirmation Date that may be inconsistent with the Confirmation Order;
 - (e) authorize the implementation of the Plan in accordance with its terms and, if applicable, any Geoffrey Purchase Agreement; and
 - (f) provide that, pursuant to section 1146 of the Bankruptcy Code, the assignment or surrender of any lease or sublease, and the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax (including, any mortgages or security interest filing to be recorded or filed in connection with the Geoffrey Transaction); and

3. solely with respect to the Toys Delaware Plan (and not the Geoffrey Plan):
 - (a) the Bankruptcy Court shall have entered the Settlement Order, including a finding in such order that the D&O Insurance Policies are in full force and effect as of the Date of the Settlement Order;
 - (b) the Settlement Order shall be final and non-appealable;
 - (c) the Administrative Claims Distribution Pool shall have been funded with the Initial Fixed Amount and the Additional Fixed Amount, if applicable;
 - (d) the Confirmation Order shall be consistent with and satisfy the requirements of the Settlement Agreement; and
 - (e) the Settlement Order shall be in full force and effect; and
 - (f) the Settlement Agreement shall not have been terminated.

B. Conditions Precedent to the Effective Date.

It shall be a condition to Consummation that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C:

1. the Bankruptcy Court shall have entered the Confirmation Order and it shall have become a Final Order; *provided, however*, that in accordance with Bankruptcy Rules 3020(e), 6004(h), and 6006(d) (and notwithstanding any other provision of the Bankruptcy Code or the Bankruptcy Rules), the Confirmation Order shall not be stayed and shall be effective immediately upon its entry;

2. all documents and agreements necessary to implement the Plan, including any documents related to the Geoffrey Transaction, if applicable, shall have (a) all conditions precedent to the effectiveness of such documents and agreements satisfied or waived pursuant to the terms of such documents or agreements, (b) been tendered for delivery, and (c) been effected or executed;

3. all governmental and material third party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions contemplated by the Plan shall have been obtained, not be subject to unfulfilled conditions and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions;

4. the Professional Fee Escrow Account shall have been funded with Cash in the amount of the aggregate Professional Fee Escrow Amount for all Professionals;

5. solely with respect to the Toys Delaware Plan (and not the Geoffrey Plan) the Bankruptcy Court shall have entered the Settlement Order including a finding in such order that the D&O Insurance Policies are in full force and effect as of the date of such Settlement Order; and

6. solely with respect to the Toys Delaware Plan (and not the Geoffrey Plan):
 - (a) the Bankruptcy Court shall have entered the Settlement Order, including a finding in such order that the D&O Insurance Policies (including the Existing Tail Policies) are in full force and effect as of the Date of the Settlement Order;
 - (b) the Settlement Order shall be final and non-appealable;

- (c) the Administrative Claims Distribution Pool shall have been funded with the Initial Fixed Amount and the Additional Fixed Amount, if applicable;
- (d) the Confirmation Order shall be consistent with and satisfy the requirements of the Settlement Agreement; and
- (e) the Settlement Order shall be in full force and effect; and
- (f) the Settlement Agreement shall not have been terminated.

C. *Waiver of Conditions.*

The conditions to Confirmation and Consummation set forth in this Article IX may be waived only by consent of the Debtors, the Ad Hoc Group of Term B-4 Lenders, and the Creditors' Committee and (solely to the extent applicable) the Geoffrey Purchaser without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

**ARTICLE X
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN**

A. *Modification and Amendments.*

Except as otherwise specifically provided in the Plan, the Debtors, reserve the right to modify the Plan, whether materially or immaterially, and seek Confirmation, in each instance, to the extent permitted under the Bankruptcy Code, subject to the Settlement Agreement. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtors expressly reserve their rights to alter, amend, or modify materially the Plan with respect to the Debtors, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan, in each case subject to the Settlement Agreement. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Article X.

B. *Effect of Confirmation on Modifications.*

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof and before the Confirmation Date are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. *Revocation or Withdrawal of the Plan.*

Subject to the consent of the Settlement Parties set forth in Settlement Agreement, the Debtors reserve the right to revoke or withdraw the Plan with respect to one or more of the Debtors before the Confirmation Date or the Effective Date and to file subsequent plans. If the Debtors revoke or withdraw the Plan with respect to any Debtor, or if Confirmation or Consummation does not occur with respect to any Debtor, then: (1) the Plan with respect to such Debtor shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan with respect to such Debtor (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption and assignment or rejection of Executory Contracts or Unexpired Leases effected by the Plan with respect to such Debtor, and any document or agreement executed pursuant to the Plan with respect to such Debtor, shall be deemed null and void; and (3) nothing contained in the Plan with respect to such Debtor shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of the Debtors or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity. For the avoidance of doubt, the Geoffrey Plan may be confirmed notwithstanding the withdrawal of the Toys Delaware Plan.

**ARTICLE XI
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases and all matters, arising out of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;
2. Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;
3. Resolve any matters related to: (a) the assumption, assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable in any manner and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, Cure Obligations pursuant to section 365 of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed and/or assigned; (c) the Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V, any Executory Contracts or Unexpired Leases to the Assumed Executory Contract and Unexpired Lease List, the Rejected Executory Contract and Unexpired Lease List, or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;
4. Ensure that distributions to Holders of Allowed Claims and Allowed Interests are accomplished pursuant to the provisions of the Plan;
5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor;
6. Adjudicate, decide, or resolve any and all matters related to estate Causes of Action;
7. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;
8. Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
9. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;
10. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;
11. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, releases, injunctions, exculpations, and other provisions contained in Article VIII and enter such orders as may be necessary or appropriate to implement and enforce such releases, exculpations, injunctions, and other provisions;

12. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.H;
13. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
14. Adjudicate, decide, or resolve any and all matters related to the Settlement Agreement;
15. Determine any other matters that may arise in connection with or relate to the Plan, the Settlement Agreement, the Disclosure Statement, the Confirmation Order, the Restructuring Transactions, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;
16. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with any Non-Released Claims, including the D&O Claims;
17. Adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein or in the Settlement Agreement;
18. Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
19. Determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;
20. Hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Settlement Agreement, or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;
21. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
22. Hear and determine matters concerning section 1145 of the Bankruptcy Code;
23. Hear and determine all disputes involving the existence, nature, or scope of the Debtors' release, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;
24. Enforce all orders previously entered by the Bankruptcy Court;
25. Resolve any disputes arising under the Geoffrey Purchase Agreement or other documents related to the Geoffrey Transaction;
26. Hear any other matter not inconsistent with the Bankruptcy Code;
27. Enter an order concluding or closing the Chapter 11 Cases; and
28. Enforce the injunction, release, and exculpation provisions set forth in Article VIII.

**ARTICLE XII
MISCELLANEOUS PROVISIONS**

A. Immediate Binding Effect.

Subject to Article IX and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Geoffrey Purchaser, and any and all Holders of Claims or Interests (irrespective of whether the Holders of such Claims or Interests accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunction described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents.

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors, the Geoffrey Purchaser, and all Holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees.

All fees payable pursuant to section 1930(a) of the Judicial Code shall be paid by the Debtors for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

D. Dissolution of Committees.

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases shall dissolve and members, employees, or agents thereof, shall be released and discharged from all rights and duties arising from or related to the Chapter 11 Cases; *provided, however*, each Professional shall be entitled to prosecute its respective Accrued Professional Compensation Claims and represent its respective constituents with respect to applications for payment of such Accrued Professional Compensation Claims, and the Claims Oversight Representative shall have the authority to continue consulting on the reconciliation of Claims as set forth herein. The Debtors, the Liquidating Trust, and the Geoffrey Purchaser shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committees after the Effective Date.

E. Reservation of Rights.

The Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. Neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests before the Effective Date.

F. Successors and Assigns.

Except as specifically provided herein, the rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, or assign, Affiliate, officer, director, manager, trustee, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. *Service of Documents.*

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Debtors shall be served on:

1. **the Debtors:**

Toys "R" Us, Inc.
One Geoffrey Way,
Wayne, New Jersey 07470
Attention: James Young

with copies to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022-4611
Facsimile: (212) 446-4900
Attention: Edward O. Sassower, Joshua A. Sussberg
E-mail addresses: edward.sassower@kirkland.com, joshua.sussberg@kirkland.com

and

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654-3406
Facsimile: (312) 862-2200
Attention: Chad J. Husnick, Emily E. Geier
E-mail addresses: chad.husnick@kirkland.com, emily.geier@kirkland.com

2. **the Creditors' Committee:**

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Facsimile: (212) 715-8000
Attention: Kenneth Eckstein, Adam Rogoff, Rachael Ringer
E-mail addresses: keckstein@kramerlevin.com, arogoff@kramerlevin.com, rringer@kramerlevin.com

3. **the Ad Hoc Group of Term B-4 Lenders:**

Wachtell Lipton Rosen & Katz
51 W. 52nd St.
New York, New York 10019
Attention: Joshua A. Feltman
Emil A. Kleinhaus
E-mail addresses: jafeltman@wlrk.com; eakleinhaus@wlrk.com

After the Effective Date, the Debtors have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. Term of Injunctions or Stays.

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order (including the Injunction) shall remain in full force and effect in accordance with their terms.

I. Entire Agreement.

Except as otherwise indicated, the Plan, the Confirmation Order, and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

J. Exhibits.

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at <https://cases.primeclerk.com/toysrus/> or the Bankruptcy Court's website at <https://www.vaeb.uscourts.gov/>.

K. Nonseverability of Plan Provisions.

If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the consent of the Debtors and the Geoffrey Purchaser; and (3) nonseverable and mutually dependent. Notwithstanding the foregoing, the Geoffrey Plan contained herein is a separate chapter 11 plan with respect to the Geoffrey Debtors only and therefore all of its provisions shall be severable from the Toys Delaware Plan in the event that Confirmation of the Toys Delaware Plan is denied or the Toys Delaware Plan is withdrawn.

L. Waiver or Estoppel.

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court before the Confirmation Date.

Respectfully submitted, as of the date first set forth above,

Dated: August 6, 2018

Toys “R” Us Delaware, Inc. (for itself and all Toys Delaware Debtors)

By: /s/ Matthew Finigan
Name: Matthew Finigan
Title: Executive Vice President - Chief Financial Officer and Treasurer

Dated: August 6, 2018

Geoffrey Holdings, LLC (for itself and all Geoffrey Debtors)

By: /s/ Matthew Finigan
Name: Matthew Finigan
Title: Executive Vice President - Chief Financial Officer and Treasurer

Prepared by:

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

James H.M. Sprayregen, P.C.
Anup Sathy, P.C.
Chad J. Husnick, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

-and-

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

Co-Counsel to the Debtors and Debtors in Possession