

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM506440

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Court Order - Bankruptcy-Release of Reel/Frame 4730/0265

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.		09/21/2018	National Banking Association: UNITED STATES

RECEIVING PARTY DATA

Name:	CBI DISTRIBUTING CORP.
Street Address:	3 SW 129th Avenue
Internal Address:	Suite 400
City:	Pembroke Pines
State/Country:	FLORIDA
Postal Code:	33027
Entity Type:	Corporation: DELAWARE

PROPERTY NUMBERS Total: 51

Property Type	Number	Word Mark
Registration Number:	1466727	THE ICING
Registration Number:	1514045	CLAIRE'S BOUTIQUES
Registration Number:	1891172	CLAIRE'S
Registration Number:	1890335	CLAIRE'S
Registration Number:	1925359	CLAIRE'S
Registration Number:	1929317	CLAIRE'S
Registration Number:	1946557	CLAIRE'S ACCESSORIES
Registration Number:	1956047	CLAIRE'S ACCESSORIES
Registration Number:	1951435	SENSITIVE SOLUTIONS
Registration Number:	2065959	CLAIRE'S ETC.
Registration Number:	2064149	CLAIRE'S ETC.
Registration Number:	2234841	THE ICING ACCESSORIES
Registration Number:	2294937	CLAIRE'S ACCESSORIES
Registration Number:	2813344	CLAIRE
Registration Number:	2623039	CLAIRE'S
Registration Number:	2664513	WHERE GETTING READY IS HALF THE FUN
Registration Number:	2762642	THE ICING

CH \$1290.00 1466727

TRADEMARK

Property Type	Number	Word Mark
Registration Number:	3461876	THE ICING
Registration Number:	3475495	ICING BY CLAIRE'S
Registration Number:	3743653	ICING
Registration Number:	3602239	CLAIRE'S
Registration Number:	3817929	...IT'S AT CLAIRE'S
Registration Number:	3190839	CLAIRE'S
Registration Number:	3190840	CLAIRE'S
Registration Number:	2908191	CLAIRE'S CLUB
Registration Number:	2978984	CLAIRE'S
Registration Number:	3136920	WHERE THROWING A PARTY IS ALL THE FUN
Registration Number:	3343775	CLAIRE'S CLUB
Registration Number:	3319826	CLAIRE'S
Registration Number:	3050863	ICING BY CLAIRE'S
Registration Number:	3512546	
Registration Number:	2974652	CLAIRE'S
Registration Number:	2951866	CLAIRE'S
Registration Number:	2908857	CLAIRE'S
Registration Number:	2908858	CLAIRE'S
Registration Number:	2996103	CLAIRE'S
Registration Number:	2908859	CLAIRE'S
Registration Number:	2919171	CLAIRE'S
Registration Number:	2967212	CLAIRE'S
Registration Number:	2900024	CLAIRE'S
Registration Number:	2925470	CLAIRE'S
Registration Number:	2908861	CLAIRE'S
Registration Number:	2908862	CLAIRE'S CLUB
Registration Number:	2908863	CLAIRE'S CLUB
Registration Number:	2908864	CLAIRE'S CLUB
Registration Number:	2908865	CLAIRE'S CLUB
Registration Number:	2908866	CLAIRE'S CLUB
Registration Number:	2908867	CLAIRE'S CLUB
Registration Number:	2992613	CLAIRE'S CLUB
Registration Number:	2908868	CLAIRE'S CLUB
Registration Number:	4005371	SECRET SANTA CIRCLE

CORRESPONDENCE DATA

Fax Number: 2123108007

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

TRADEMARK

REEL: 006529 FRAME: 0121

Phone: 212.310.8000
Email: juan.arias@weil.com
Correspondent Name: Anna McEwen
Address Line 1: Weil, Gotshal & Manges LLP
Address Line 2: 767 Fifth Avenue
Address Line 4: New York, NEW YORK 10153

ATTORNEY DOCKET NUMBER: A. McEwen-36182.0006

NAME OF SUBMITTER: Anna McEwen

SIGNATURE: /Anna McEwen/

DATE SIGNED: 01/17/2019

Total Attachments: 100

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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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	:	
In re	:	Chapter 11
	:	
CLAIRE’S STORES, INC., et al.,	:	Case No. 18-10584 (MFW)
	:	
Debtors.¹	:	(Jointly Administered)
	:	
	:	Re: Docket No. 1034
	X	

**ORDER (I) CONFIRMING THIRD AMENDED
JOINT CHAPTER 11 PLAN OF CLAIRE’S STORES, INC.
AND ITS DEBTOR AFFILIATES AND (II) GRANTING RELATED RELIEF**

Upon the filing by Claire’s Stores, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”)² of the *Third Amended Joint Chapter 11 Plan of Reorganization of Claire’s Stores, Inc. and its Debtor Affiliates* [Docket No. 1034] (as amended or modified in accordance with its terms, the “**Plan**”) which is attached hereto as **Exhibit A**; and the Court previously having approved the Disclosure Statement and the solicitation procedures related to the Disclosure Statement and the solicitation of acceptances and rejections of the Plan, in each case pursuant to the Disclosure Statement Order; and the Debtors having served the Disclosure Statement on the Holders of Claims and Interests pursuant to the Disclosure Statement Order, *see Affidavit of Service* [Docket No. 706]; and the Debtors having filed the documents comprising the Plan Supplement on August 20, 2018 and continuing thereafter, *see* [Docket Nos. 803, 819 and 1032] (collectively,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Claire’s Inc. (6919); Claire’s Stores, Inc. (0416); BMS Distributing Corp. (4117); CBI Distributing Corp. (5574); Claire’s Boutiques, Inc. (5307); Claire’s Canada Corp. (7936); Claire’s Puerto Rico Corp. (6113); and CSI Canada LLC. The Debtors’ corporate headquarters and service address is 2400 West Central Road, Hoffman Estates, Illinois 60192.

² Capitalized terms used in this Order but not otherwise defined shall have the same meaning as in the Plan, unless the context otherwise requires.

and as may be further amended or supplemented, the “**Plan Supplement**”); and the Court having considered the record in these chapter 11 cases, the stakeholder support for the Plan evinced on the record and in the *Declaration of Craig E. Johnson of Prime Clerk LLC Regarding the Solicitation of Votes and Tabulation of Ballots Cast on the Second Amended Joint Plan of Reorganization of Claire’s Stores, Inc. and Its Debtor Affiliates*, filed on September 15, 2018 [Docket No. 1002] (the “**Voting Certification**”), the compromises and settlements embodied in and contemplated by the Plan, the briefs and arguments regarding confirmation of the Plan, the evidence regarding confirmation of the Plan, and a hearing on confirmation of the Plan having commenced on September 17, 2018 and continued thereafter (the “**Confirmation Hearing**”); and after due deliberation:

THE COURT HEREBY FINDS:

I. The Plan was solicited in good faith and in compliance with applicable provisions of the Bankruptcy Code and Bankruptcy Rules. The Debtors participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, issuance, sale, solicitation and/or purchase of the securities offered under the Plan, and therefore are entitled to the protections of section 1125(e) of the Bankruptcy Code.

II. The Plan has been proposed in good faith and not by any means forbidden by law. In so finding, the Court has considered the totality of the circumstances of these cases. The Plan is the result of extensive, good faith, arm’s length negotiations among the Debtors and their principal constituencies.

III. The Plan does not “discriminate unfairly” and is “fair and equitable” with respect to the Classes that are impaired and are deemed to reject the Plan, because no Class senior to any rejecting Class is being paid more than in full and the Plan does not provide a recovery on account of any Claim or Interest that is junior to such rejecting Classes.

IV. Each of the Released Parties has made a substantial contribution to the Plan and to the Debtors' reorganization, and the releases contained in Article VII of the Plan are an essential component of the Plan. Each Class eligible to vote has voted to accept the Plan. In addition, the third-party release contained in Article VII.D of the Plan is consensual in that all parties to be bound by such release were given due and adequate notice thereof and sufficient opportunity and instruction to elect to opt out of such release. Accordingly, the releases contained in Article VII of the Plan are: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the Claims released by Article VIII of the Plan; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing.

V. The exculpation provided by Article VIII.E of the Plan for the benefit of the Exculpated Parties is appropriately tailored to the circumstances of these cases.

VI. The Plan does not discriminate unfairly among the different classes of unsecured creditors and does not offend the fair and equitable standard of the Bankruptcy Code because grounds and justifications exist for treating the classes differently in these cases.

FURTHER, IT IS HEREBY ORDERED THAT:

A. Confirmation of the Plan

1. The Plan is confirmed.
2. Any and all objections to the Plan that have not been withdrawn or resolved prior to the Confirmation Hearing are hereby overruled.
3. The documents contained in the Plan Supplement are integral to the Plan and are approved by the Court and the Debtors and the Reorganized Debtors (as applicable) are authorized to take all actions required under the Plan and the Plan Supplement to effectuate the

Plan and the transactions contemplated therein, including, for the avoidance of doubt, the issuance and registration, as applicable, of any new equity interest, debt, or contingent value rights in connection with the Plan.

4. The terms of the Plan, the Plan Supplement, and the exhibits thereto are incorporated herein by reference and are an integral part of this Confirmation Order. The terms of the Plan, the Plan Supplement, all exhibits thereto, and all other relevant and necessary documents shall be effective and binding as of the Effective Date. The failure to specifically include or refer to any particular article, section, or provision of the Plan, the Plan Supplement, or any related document in this Confirmation Order does not diminish or impair the effectiveness or enforceability of such article, section, or provision.

5. This Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any state or any other governmental authority with respect to the implementation or consummation of the Plan and any other acts that may be necessary or appropriate for the implementation or consummation of the Plan.

6. Subject to payment of any applicable filing fees under applicable non-bankruptcy law, each federal, state, commonwealth, local, foreign or other governmental agency is directed and authorized to accept for filing and/or recording any and all documents, mortgages and instruments necessary or appropriate to effectuate, implement or consummate the transactions contemplated by the Plan and this Order.

7. The compromises and settlements set forth in the Plan are approved, including with respect to the Global Plan Settlement, and will be effective immediately and binding on all parties in interest on the Effective Date.

8. The amendments and modifications to the *Second Amended Joint Chapter 11 Plan of Claire's Stores and its Debtor Affiliates* [Docket No. 689] since the filing thereof and incorporated into the Plan are approved in accordance with section 1127(a) of the Bankruptcy Code and Rule 3019(a) of the Bankruptcy Rules.

9. For the avoidance doubt, pursuant to Bankruptcy Rule 3020(c)(1), the following provisions in the Plan are hereby approved and will be effective immediately on the Effective Date without further order or action by the Court, any of the parties to such release, or any other Entity: (a) Debtor Releases (Article VIII.C); (b) Third Party Release (Article VIII.D); (c) Exculpation (Article VIII.E); and (d) Injunction (Article VIII.F).

10. On the date hereof, the Debtors shall assume and be deemed to have assumed each of: (a) the Comfort Letters; (b) the New Money Backstop Commitment Agreement; (c) the Restructuring Support Agreement; and (d) that certain *Plan Support Agreement* dated as of August 31, 2018 [Docket No. 854] by and among the FFI Parties (as defined therein), the Debtors, and certain other parties thereto.

11. On the Effective Date, the Existing Claire's Parent Equity Recovery Condition shall be deemed satisfied, and Claire's Parent shall be authorized to make the distributions provided by Article III.B.17 on account of Claire's Parent Equity Interests.

12. Except as otherwise provided in the Plan, 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 and discharged, and all of the right, title, and

interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns. All Holders of Secured Claims are directed to cooperate with the Debtors or the Reorganized Debtors, as the case may be, in implementing this paragraph and any administrative details relating thereto.

13. The Debtors shall cause to be served a notice of the entry of this Confirmation Order and occurrence of the Effective Date, substantially in the form attached hereto as **Exhibit B** (the “**Confirmation Notice**”), upon (a) all parties listed in the creditor matrix maintained by Prime Clerk LLC, and (b) such additional persons and entities as deemed appropriate by the Debtors, no later than five (5) business days after the Effective Date. The Debtors shall cause the Confirmation Notice to be published in the Chicago Tribune and USA Today within seven (7) business days after the Effective Date.

14. The contingent value rights (“**CVRs**”) described in Exhibit B to the Plan, to the extent applicable, will be issued in reliance upon section 1145 of the Bankruptcy Code and, for all purposes, the statements made in Article VI Section F of the Plan shall be deemed to refer to, and apply to, CVRs as and to the same extent as such statements apply to Reorganized Claire’s Parent Interests.

B. Certain Class 10 and Oaktree Matters

15. Based on its representations on the record, Oaktree shall be deemed to have accepted the Plan, and Oaktree shall be deemed to have changed any prior Ballots cast by Oaktree rejecting the Plan to Ballots accepting the Plan pursuant to Bankruptcy Rule 3018 and, therefore, based on the Voting Certification and the representations made on the record at the Confirmation Hearing, Class 10 (Second Lien Notes Claims) shall be deemed to have accepted the Plan for each Debtor other than Claire’s Parent.

16. Notwithstanding anything in the Plan, the Rights Offering Procedures, the New Money Backstop Commitment Agreement or anything else to the contrary, Oaktree shall be deemed a Supporting Party with respect to the New Money Backstop Commitment Agreement and shall have First Lien Subscription Rights in the First Lien Rights Offering, which may be exercised by Oaktree within five (5) Business Days of the Confirmation Date in order to purchase up to its Pro Rata allocation of the First Lien Rights Offering Amount; provided that Oaktree shall not be required to execute a joinder or otherwise become a party to the Restructuring Support Agreement.

17. On the Effective Date, the *Motion of Oaktree Capital Management, L.P. for Entry of an Order Granting Derivative Standing and Authority to Prosecute and Settle Claims on Behalf of Certain of the Debtors* [Docket No. 648] shall be deemed withdrawn with prejudice, and, without limitation to the forgoing, after the Effective Date, Oaktree shall timely attend to the administrative detail necessary to have the docket reflect such withdrawal with prejudice.

18. The Second Lien Notes Trustee shall neither have nor incur liability for, and the Second Lien Notes Trustee is hereby released and exculpated from, any Cause of Action for any claim related to the distributions on account of the Oaktree Professional Fees, the Second Lien Notes Trustee Fees, and the Elliott Reimbursement Amount; provided, however, that nothing in the Plan or this Order shall release or exculpate the Second Lien Notes Trustee from any liability from an act or omission that is judicially determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence.

19. On the Effective Date, that certain Adversary Complaint filed on August 21, 2018 under Adversary Proceeding No. 18-50709 by the 6.125% First Lien Notes Trustee, the

9.00% First Lien Notes Trustee and the Prepetition First Lien Term Loan Agent against Oaktree Capital Management, L.P., Oaktree Special Situation Fund, L.P., Oaktree Principal Fund V, L.P., and Oaktree Principal Fund V (Parallel), L.P. shall be deemed dismissed and withdrawn with prejudice, and, without limitation to the foregoing, after the Effective Date, the 6.125% First Lien Notes Trustee, the 9.00% First Lien Notes Trustee and the Prepetition First Lien Term Loan Agent shall timely attend to the administrative detail necessary to have the docket reflect such dismissal and withdrawal with prejudice.

20. Section 4.2 of the Second Lien Intercreditor Agreement shall not apply to distributions under the Plan received by Holders of Second Lien Notes Claims on account of such Claims. Notwithstanding anything else herein to the contrary, all rights, Claims, and Causes of Action arising from or under the Intercreditor Agreements shall be waived, released, and discharged and deemed waived, released and discharged by and on behalf of each of parties thereto as of the Effective Date. For the avoidance of doubt, all Intercreditor Agreements shall terminate as of the Effective Date and shall be of no further force or effect.

21. Upon entry of the Confirmation Order, the Intercreditor Complaint and Standing Motion shall be held in abeyance and all deadlines and hearings in respect thereof shall be tolled sine die pending the Effective Date. The tolling of all deadlines and hearings set out in the preceding sentence shall apply to any and all pending and contemplated actions involving Released Parties and Released Parties that would otherwise be released pursuant to the Plan on the Effective Date. Upon the occurrence of the Effective Date, (1) the Intercreditor Complaint shall be deemed voluntarily dismissed with prejudice and notice of said dismissal shall be filed on the docket of the adversary proceeding related thereto; and (2) the Standing Motion shall be deemed withdrawn with prejudice.

C. Indenture Trustee Matters

22. The 6.125% First Lien Notes Trustee, the 9.00% First Lien Notes Trustee, the Second Lien Notes Trustee, and the Unsecured Notes Trustee, (collectively, the “**Indenture Trustees**”) have, to date, diligently and in good faith, discharged their duties and obligations pursuant to the 6.125% First Lien Notes Indenture, 9.00% First Lien Notes Indenture, the Second Lien Notes Indenture, and the Unsecured Notes Indenture (collectively, the “**Indentures**”) and otherwise conducted themselves with respect to all matters in any way related to the 6.125% First Lien Notes Claims, 9.00% First Lien Notes Claims, the Second Lien Notes Claims, and the Unsecured Notes Claims with the same degree of care and skill that a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Accordingly, the Indenture Trustees have, to date, discharged their duties fully in accordance with the applicable Indentures.

D. Certain Landlord and Taxing Authority Matters

23. In the event of an inconsistency between this Order and any assumed Executory Contract or Unexpired Lease, and except to the extent that there continues to be a dispute regarding the amount of a Cure Claim, the terms of the assumed Executory Contract or Unexpired Lease (including with respect to any indemnification provisions) as applicable, shall control.

24. Notwithstanding anything to the contrary contained in the Plan, Plan Supplement or this Order, no liens shall be granted against Unexpired Leases of non-residential real property and no rights of use or occupancy to such non-residential real property shall be granted pursuant to the Plan, Exit ABL Documents, Exit ABL Revolver Facility, Exit Term Loan Documents, and Exit Term Loan Facility.

1. Ballard Spahr LLP, Barclay Damon LLP, and Others

25. Notwithstanding any provision of the Plan or this Confirmation Order to the contrary, no Unexpired Leases of those counterparties represented by Ballard Spahr LLP; Barclay Damon LLP; Benesch, Friedlander, Coplan & Aronoff LLP; Hogan McDaniel; LeClaireRyan, PLLC; Procopio, Cory, Hargreaves and Savitch LLP; Clark Hill, PLC; John D. Demmy; Goulston & Storrs PC; or Andrew S. Conway³ or Unexpired Leases with Simon Property Group, L.P. or Washington Prime Group, Inc. not otherwise designated for rejection on or prior to the Confirmation Hearing shall be added to the Rejected Executory Contracts and Unexpired Leases Schedule after the Confirmation Hearing absent the consent of such counterparties, and the Debtors shall not alter, amend, modify or supplement the Assumed Executory Contract/Unexpired Lease Schedule, or the Rejected Executory Contracts and Unexpired Leases Schedule, after the Confirmation Date unless the affected counterparty to such Unexpired Lease consents.

26. With respect to Claims on account of Unexpired Leases for those counterparties represented by Ballard Spahr LLP; Barclay Damon LLP; Benesch, Friedlander, Coplan & Aronoff LLP; Hogan McDaniel; LeClaireRyan, PLLC; Procopio, Cory, Hargreaves and Savitch LLP; Clark Hill, PLC; John D. Demmy; Goulston & Storrs PC; and Andrew S. Conway, and Unexpired Leases with Simon Property Group, L.P. or Washington Prime Group, Inc., notwithstanding anything to the contrary contained in this Confirmation Order, the Plan, or the Disclosure Statement Order, such counterparties may elect into Class 13 to have their Claims treated as General Unsecured Elective Claims for purposes of the Plan in full and final

³ For the avoidance of doubt, the counterparties represented by Andrew S. Conway are City Creek Center Associates LLC; Taubman-Cherry Creek Limited Partnership; Dolphin Mall Associates LLC; Fairfax Company of Virginia L.L.C.; Taubman Auburn Hills Associates Limited Partnership; Green Hills Mall TRG, LLC; Tampa Westshore Associates Limited Partnership; Rich-Taubman Associates; SunValley Shopping Center LLC; TVO Mall Owner LLC; TB Mall at UTC LLC; and West Farms Mall LLC.

satisfaction of such Claims by making an irrevocable written election in a writing reasonably acceptable to the Debtors or GUC Oversight Administrator, including but not limited to, by the inclusion of language in a proof of claim that is filed by, or in the case of a previously filed proof of claim, that is amended by, the later of 30 days from (a) the date of entry of the Confirmation Order, and (b) the effective date of the rejection of such Unexpired Lease; provided that such counterparty has not voted to reject the Plan.

27. With respect to Unexpired Leases whose counterparties are represented by Ballard Spahr LLP; Benesch, Friedlander, Coplan & Aronoff LLP; Hogan McDaniel; LeClaireRyan, PLLC; Procopio, Cory, Hargreaves and Savitch LLP; Clark Hill, PLC; John D. Demmy; Goulston & Storrs PC; and Andrew S. Conway, and Unexpired Leases with Simon Property Group, L.P. or Washington Prime Group, Inc., subject to the terms of the Unexpired Leases and any amendments thereto, and notwithstanding anything to the contrary contained in the Plan, Plan Supplement or this Order, all rights of the Debtors and counterparties to such Unexpired Leases of non-residential real property for setoff, recoupment and subrogation (including all defenses thereto) shall survive unaffected by confirmation of the Plan or the occurrence of the Effective Date.

28. Notwithstanding the foregoing, with respect to any Unexpired Lease of nonresidential real property that is being assumed under the Plan and whose counterparty is represented by Ballard Spahr LLP; Barclay Damon LLP; Benesch, Friedlander, Coplan & Aronoff LLP; Hogan McDaniel; LeClaireRyan, PLLC; Procopio, Cory, Hargreaves and Savitch LLP; Clark Hill, PLC; John D. Demmy; Goulston & Storrs PC; and Andrew S. Conway, and Unexpired Leases with Simon Property Group, L.P. or Washington Prime Group, Inc., nothing in the Plan or in the Confirmation Order shall modify the Debtors' or Reorganized Debtors'

obligation to pay: (a) amounts owed under the assumed Unexpired Lease of non-residential real property that are unbilled or not yet due as of the Confirmation Date, whether accruing prior to or after the effective date of assumption of such Unexpired Lease, such as for common area maintenance, insurance, taxes, and similar charges; and any regular or periodic ordinary course year-end adjustments and reconciliations of such charges provided for under the terms of the Unexpired Lease, whether accruing prior to or after the effective date of assumption of such Unexpired Lease, as such charges become due in the ordinary course in accordance with the terms of the Unexpired Lease; (b) any percentage rent that may come due under the assumed Unexpired Lease of non-residential real property; (c) any other obligations, including indemnification obligations (if any) that arise from third-party claims asserted with respect to or arising from the Debtors' use and occupancy of the premises prior to the Effective Date for which the Debtors had a duty to indemnify such Landlord pursuant to any Unexpired Lease, or the Debtors' or Reorganized Debtors' obligation to pay any postpetition expenses under such Unexpired Leases as they come due under the Unexpired Leases; and (d) any unpaid cure amounts, to the extent not waived, or post-assumption obligations under the assumed Unexpired Lease of non-residential real property.

29. With respect to Unexpired Leases whose counterparties are represented by Barclay Damon LLP; Hogan McDaniel; LeClaireRyan, PLLC; Procopio, Cory, Hargreaves and Savitch LLP; John D. Demmy; and Clark Hill, PLC, assumption of any Unexpired Lease pursuant to the Plan or otherwise, the full payment of any Cure Claim, and the Debtors' full compliance with all obligations under the Unexpired Lease between the deadline to object to the Cure Claim and the date on which the Debtors assume the lease shall result in the full release and satisfaction of any Claims or defaults, 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 Unexpired Lease at any time before the date that the Debtors assume such Unexpired Lease; provided that the Debtors or the Reorganized Debtors, as applicable, will remain obligated to pay any accrued but unbilled rent and other charges under any such assumed Unexpired Lease of non-residential real property, including with respect to reconciliations, adjustments, and indemnification obligations.

30. With respect to Unexpired Leases whose counterparties are represented by Barclay Damon LLP; Hogan McDaniel; LeClaireRyan, PLLC; Procopio, Cory, Hargreaves and Savitch LLP; John D. Demmy; and Clark Hill, PLC., rejections of Unexpired Leases of non-residential real property shall be effective as of the later of (a) the Effective Date and (b) the date on which the leased premises are unconditionally surrendered to the landlord under such rejected Unexpired Lease, in accordance with the terms and provisions of the Lease Rejection Procedures Order. With respect to Unexpired Leases whose counterparties are represented by Barclay Damon LLP; Hogan McDaniel; LeClaireRyan, PLLC; Procopio, Cory, Hargreaves and Savitch LLP; John D. Demmy; and Clark Hill, PLC, subject to the terms of the Unexpired Leases and any amendments thereto, and notwithstanding anything to the contrary contained in the Plan, Plan Supplement or this Order, all rights of the Debtors and counterparties to such Unexpired Leases of non-residential real property for setoff, recoupment and subrogation (including all defenses thereto) shall survive unaffected by confirmation of the Plan or the occurrence of the Effective Date.

2. Kelley Drye & Warren LLP and Others

31. For the avoidance of doubt, with respect to Unexpired Leases whose counterparties are represented by Kelley Drye & Warren LLP, John D. Demmy, and or Unexpired Leases with Simon Property Group, L.P. or Washington Prime Group, Inc., subject to

the terms of the Unexpired Leases and any amendments thereto, for purposes of the second clause of the first sentence of the second paragraph of Plan Art. V. § C, only for the period on and after the Effective Date “the Debtors or Reorganized Debtors, as applicable,” shall mean the Reorganized Debtors.

32. With respect to Unexpired Leases whose counterparties are represented by Kelley Drye & Warren LLP; Hogan McDaniel; LeClaireRyan, PLLC; Procopio, Cory, Hargreaves and Savitch LLP; John D. Demmy; and Clark Hill, PLC, and Unexpired Leases with Simon Property Group, L.P. or Washington Prime Group, Inc., subject to the terms of the Unexpired Leases and any amendments thereto, and notwithstanding anything to the contrary contained in the Plan, Plan Supplement or this Order, all rights of the Debtors and counterparties to such Unexpired Leases of non-residential real property for setoff, recoupment and subrogation (including all defenses thereto) shall survive unaffected by confirmation of the Plan or the occurrence of the Effective Date.

33. With respect to the Unexpired Leases whose counterparties are represented by Kelley Drye & Warren LLP, notwithstanding anything to the contrary in the Plan, the Plan Supplement, or this Order, the Debtors agree to be bound by that certain side letter agreement between the Debtors and the counterparties represented by Kelley Drye & Warren LLP, dated September 18, 2018.

3. Texas Comptroller of Public Accounts

34. Notwithstanding any term in the Plan or this Confirmation Order to the contrary: (a) the Texas Comptroller of Public Accounts’ (the “**Texas Comptroller**”) setoff rights are preserved under section 553 of the Bankruptcy Code; (b) the Texas Comptroller shall not be required to file anything with the court explicitly preserving its setoff rights; (c) the Texas Comptroller opts out of the releases in Article VIII.D. of the Plan; (d) the Texas Comptroller

shall not be required to submit a ballot in order to opt out of the release provisions; (e) the Chapter 11 cases shall have no effect on the Texas Comptroller's rights as to non-debtor third parties; (f) all tax liabilities owed to the Texas Comptroller post-petition are considered to have arisen in the ordinary course of business; (g) the Administrative Claims Bar Date shall not apply to the Texas Comptroller; (h) the Texas Comptroller shall not be required to file a request for payment of an Administrative Claim; (i) all post-petition taxes due the Texas Comptroller as of the Effective Date shall be paid in full, in Cash, on the Effective Date or as soon as reasonably practicable thereafter; (j) all taxes coming due after the Effective Date shall be reported and paid to the Texas Comptroller when due, under and in accordance with state law.

4. Local Texas Tax Authorities

35. The Other Secured Claims of the Local Texas Tax Authorities (Allen ISD, Angelina County, Bexar County, Cameron County, Cypress-Fairbanks ISD, Dallas County, Eagle Pass, Eagle Pass ISD, Ector CAD, El Paso, Fort Bend County, Frisco, Galveston County, Harlingen, Harlingen CISD, Harris County, Hidalgo County, Hunt County, Irving ISD, Jefferson County, Kleberg County, Lamar CAD, Lewisville ISD, McAllen, McLennan County, Montgomery County, Nueces County, Parker CAD, Parker County, Rockwall CAD, San Marcos CISD, Smith County Tarrant County, Tom Green CAD, Val Verde County and Victoria County) shall retain their liens until their claims are paid in full. Further, the Local Texas Tax Authorities shall be entitled to interest on their secured claims pursuant to 11 U.S.C. §§ 506(b), 511 and 1129. Finally, nothing herein shall effect the ability of the Local Texas Tax Authorities to be paid from sale proceeds segregated upon store closings as provided for in the final order approving the debtor-in-possession financing and others orders of the Court.

E. Certain Government Matters

36. Notwithstanding any provision to the contrary in the Plan, this Order, and any implementing Plan documents (collectively, “**Documents**”), nothing shall: (a) authorize the assumption, sale, assignment or other transfer of any licenses, permits, contracts, leases, agreements or other interests of the federal government (collectively, “**Federal Interests**”) without compliance by the Debtors and Reorganized Debtors with all terms of the Federal Interests and both the Debtors and the Reorganized Debtors shall comply with all applicable non-bankruptcy law; (b) be interpreted to set cure amounts or to require the government to novate, approve or otherwise consent to the assumption, sale, assignment or other transfer of any Federal Interests; (c) affect the rights of the United States to assert setoff and recoupment and such rights are expressly preserved; (d) require the United States to file an administrative claim in order to receive payment for any liability described in section 503(b)(1)(B) and (C) as provided in section 503(b)(1)(D) of the Bankruptcy Code; (e) limit or alter the rights of the United States with respect to section 502(j) of the Bankruptcy Code; (f) limit or alter the rights of the United States under the Bankruptcy Code with respect to the treatment of any of its claims for rejection damages under section 365 of the Bankruptcy Code; or (g) release, discharge, or enjoin any non-Debtor from any liability to the United States nor shall anything in the Documents enjoin the United States from bringing any claim, suit, action or other proceeding against any non-Debtor for any liability whatsoever. Administrative expense claims allowed pursuant to the Plan or section 503 of the Bankruptcy Code shall accrue interest as provided by non-bankruptcy law until paid in full.

37. Without limiting the foregoing, nothing in the Documents shall: (a) be construed as a compromise or settlement of any claim, interest, or cause of action of the United States; (b) effect a release, enjoin or otherwise preclude any claim whatsoever against any

Debtor by or on behalf of the United States for any tax liability arising out of pre-petition or post-petition tax periods for which a required return has not been filed or as a result of a pending audit or audit that may be performed with respect to any pre-petition tax or post-petition tax return; and (c) nothing shall enjoin the United States from amending any claim against any Debtor or Debtors' Estates with respect to any tax liability arising out of pre-petition or post-petition tax periods for which a required tax return has not been filed or from a pending audit or audit that may be performed with respect to any pre-petition or post-petition tax return. Further, any tax liability arising out of pre-petition or post-petition tax periods for which a required return has not been filed or as a result of a pending audit or audit which may be performed with respect to any pre-petition or post-petition tax return shall be paid in accordance with sections 1129(a)(9)(A) and (C) of the Bankruptcy Code. For the avoidance of doubt, nothing contained in the Documents shall be deemed to determine the tax liability of any person or entity, including the federal tax consequences of this Plan, nor shall anything in the Documents be deemed to have conferred jurisdiction upon Bankruptcy Court to make determinations as to federal tax liability and federal tax treatment except as provided under section 505 of the Bankruptcy Code.

F. Administrative Claims Bar Date

38. Except as otherwise provided in the DIP Order, the Claims Bar Date Order or the Plan, requests for payment of Administrative Claims other than Professional Fee Claims and DIP Claims must be filed with the Bankruptcy Court and served on the Debtors or Reorganized Debtors (as the case may be), the Claims and Noticing Agent and the U.S. Trustee within ninety (90) days from the date of service of notice of the Effective Date. Such proof of Administrative Claim must include at a minimum: (i) the name of the applicable Debtor that is purported to be liable for the Administrative Claim and if the Administrative Claim is asserted against more than one Debtor, the exact amount asserted to be owed by each such Debtor; (ii) the

name of the holder of the Administrative Claim; (iii) the asserted amount of the Administrative Claim; (iv) the basis of the Administrative Claim; and (v) supporting documentation for the Administrative Claim. FAILURE TO FILE AND SERVE SUCH PROOF OF ADMINISTRATIVE CLAIM TIMELY AND PROPERLY SHALL RESULT IN SUCH CLAIM BEING FOREVER BARRED AND DISCHARGED. IF FOR ANY REASON ANY SUCH ADMINISTRATIVE CLAIM IS INCAPABLE OF BEING FOREVER BARRED AND DISALLOWED, THEN THE HOLDER OF SUCH CLAIM SHALL IN NO EVENT HAVE RECOURSE TO ANY PROPERTY TO BE DISTRIBUTED PURSUANT TO THE PLAN.

G. Miscellaneous

39. Notwithstanding Bankruptcy Rule 3020(e), the terms and conditions of this Order will be effective and enforceable immediately upon its entry.

40. Except as otherwise may be provided in the Plan or herein, notice of all subsequent pleadings in these cases after the Effective Date shall be limited to the following parties: (i) the Reorganized Debtors and their counsel, (ii) the U.S. Trustee, (iii) counsel to the Ad Hoc First Lien Group; (iv) the GUC Administrator, and (v) any party known to be directly affected by the relief sought.

Dated: September 21st, 2018
Wilmington, Delaware

18


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Plan

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----	X	
	:	
In re	:	Chapter 11
	:	
CLAIRE'S STORES, INC., <i>et al.</i> ,	:	Case No. 18-10584 (MFW)
	:	
Debtors. ¹	:	Jointly Administered
	:	
-----	X	

**THIRD AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF CLAIRE'S STORES, INC. AND ITS DEBTOR AFFILIATES**

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*Attorneys for the Debtors
and Debtors in Possession*

Dated: September 21, 2018

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are Claire's Inc. (6919); Claire's Stores, Inc. (0416); BMS Distributing Corp. (4117); CBI Distributing Corp. (5574); Claire's Boutiques, Inc. (5307); Claire's Canada Corp. (7936); Claire's Puerto Rico Corp. (6113); and CSI Canada LLC. The Debtors' corporate headquarters and service address is 2400 West Central Road, Hoffman Estates, Illinois 60192.

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INTRODUCTION

Claire's Stores, Inc. and its Debtor affiliates propose this *Third Amended Joint Plan of Reorganization*. Capitalized terms used but not otherwise defined shall have the respective meanings ascribed to such terms in Article I.A. Holders of Claims and Interests may refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, and projections of future operations, as well as a summary and description of the Plan. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors.

ALL HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

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

A. *Defined Terms*

As used in this Plan, capitalized terms have the meanings set forth below.

1. "6.125% First Lien Noteholders" means Holders of the 6.125% First Lien Notes from time to time, in their capacity as such.

2. "6.125% First Lien Notes" means the 6.125% senior secured first lien notes due March 2020 issued pursuant to the 6.125% First Lien Notes Indenture.

3. "6.125% First Lien Notes Claims" means all Claims against any Debtor arising from or based upon the 6.125% First Lien Notes or any other 6.125% First Lien Notes Document, including all accrued but unpaid interest, costs, fees, and indemnities, which principal outstanding amount as of the Commencement Date was in the aggregate amount equal to \$210,000,000.00.

4. "6.125% First Lien Notes Documents" means, collectively, the 6.125% First Lien Notes Indenture, the 6.125% First Lien Notes, and all related agreements and documents executed by any of the Debtors in connection with the 6.125% First Lien Notes.

5. "6.125% First Lien Notes Indenture" means that certain indenture (as the same may have been amended, modified, supplemented, or amended and restated from time to time), dated as of March 15, 2013, for the 6.125% First Lien Notes by and among Claire's Stores, as the issuer, the Subsidiary Guarantors, as guarantors, and the 6.125% First Lien Notes Trustee.

6. "6.125% First Lien Notes Trustee" means The Bank of New York Mellon Trust Company, N.A., in its capacity as collateral agent and indenture trustee under the 6.125% First Lien Notes Indenture, including any successor thereto.

7. "6.125% First Lien Notes Trustee Charging Lien" means a Lien or other priority in payment to which the 6.125% First Lien Notes Trustee is entitled, pursuant to the 6.125% First Lien Notes Indenture or any ancillary documents, instruments, or agreements.

8. "9.00% First Lien Noteholders" means Holders of the 9.00% First Lien Notes from time to time, in their capacity as such.

9. "9.00% First Lien Notes" means the 9.00% senior secured first lien notes due March 15, 2019 issued pursuant to the 9.00% First Lien Notes Indenture.

10. “9.00% *First Lien Notes Claims*” means all Claims against any Debtor arising from or based upon the 9.00% First Lien Notes or any other 9.00% First Lien Notes Document, including all accrued but unpaid interest, costs, fees, and indemnities, which principal outstanding as of the Commencement Date was in the aggregate amount equal to \$1,125,000,000.00.

11. “9.00% *First Lien Notes Documents*” means, collectively, the 9.00% First Lien Notes Indenture, the 9.00% First Lien Notes, and all related agreements and documents executed by any of the Debtors in connection with the 9.00% First Lien Notes.

12. “9.00% *First Lien Notes Indenture*” means that certain indenture (as the same may have been amended, modified, supplemented, or amended and restated from time to time) dated as of February 28, 2012, for the 9.00% First Lien Notes by and among Claire’s Stores, successor to Claire’s Escrow II Corporation, as the issuer, the Subsidiary Guarantors, as guarantors, and the 9.00% First Lien Notes Trustee.

13. “9.00% *First Lien Notes Trustee*” means The Bank of New York Mellon Trust Company, N.A., in its capacity as collateral agent and indenture trustee under the 9.00% First Lien Notes Indenture, including any successor thereto.

14. “9.00% *First Lien Notes Trustee Charging Lien*” means a Lien or other priority in payment to which the 9.00% First Lien Notes Trustee is entitled, pursuant to the 9.00% First Lien Notes Indenture or any ancillary documents, instruments, or agreements.

15. “*ABL Intercreditor Agreement*” means that certain intercreditor agreement (as amended, restated, supplemented, or otherwise modified from time to time) dated as of September 20, 2016, by, among others: (i) the Prepetition ABL Agent, as the authorized representative of the lenders under the Prepetition ABL Credit Agreement; (ii) the Prepetition RCF Agent, as the authorized representative of the lenders under the Prepetition RCF Agreement; (iii) the 6.125% First Lien Notes Trustee, as the authorized representative of the 6.125% First Lien Noteholders; (iv) the 9.00% First Lien Notes Trustee, as the authorized representative of the 9.00% First Lien Noteholders; and (v) the Prepetition First Lien Term Loan Agent, as the authorized representative of the lenders under the Prepetition First Lien Term Loan Agreement.

16. “*ABL Priority Collateral*” shall have the meaning set forth in the ABL Intercreditor Agreement.

17. “*Ad Hoc First Lien Group*” means the ad hoc group comprising certain holders of First Lien Debt Claims, Second Lien Notes, and Unsecured Notes as set forth by that certain *Verified Statement of the Ad Hoc First Lien Group Pursuant to Bankruptcy Rule 2019* [Docket No. 503], as the same may be amended or supplemented from time to time.

18. “*Administrative Claim*” means a Claim for costs and expenses of administration of the Debtors’ Estates pursuant to sections 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including (i) the actual and necessary costs and expenses incurred after the Commencement Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (ii) Professional Fee Claims; (iii) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code; (iv) fees payable to the U.S. Trustee pursuant to Section 1930 of the Judicial Code; and (v) postpetition Intercompany Claims.

19. “*Administrative Claims Bar Date*” means the first Business Day that is 90 days following the Effective Date, except as specifically set forth in the Plan or a Final Order, including the Claims Bar Date Order.

20. “*Administrative Claims Objection Bar Date*” means the first Business Day that is 180 days after the Effective Date; provided that such date may be extended by the Bankruptcy Court at the Reorganized Debtors’ request after notice and a hearing.

21. “*Affiliate*” means, with respect to any Entity, all Entities that would fall within the definition assigned to such term in section 101(2) of the Bankruptcy Code as if such Entity was a debtor in a case under the Bankruptcy Code.

22. “*Allowed*” means with respect to any Claim, except as otherwise provided herein: (i) a Claim that is evidenced by a Proof of Claim Filed by the Claims Bar Date in accordance with the Claims Bar Date Order (or for which Claim under the Plan, the Bankruptcy Code or a Final Order of the Bankruptcy Court a Proof of Claim is not or shall not be required to be Filed); (ii) a Claim that is listed in the Schedules, if any, as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (iii) a Claim Allowed pursuant to the Plan or a Final Order; provided that with respect to a Claim described in clauses (i) and (ii) above, such Claim shall be considered Allowed only if and to the extent that with respect to such 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, if such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order. “Allow,” “Allowing,” and “Allowance,” shall have correlative meanings.

23. “*Assumed Executory Contract/Unexpired Lease Schedule*” means the schedule of Executory Contracts and/or Unexpired Leases that will be assumed by the Reorganized Debtors pursuant to the Plan as set forth in the Plan Supplement, as may be amended by the Debtors in consultation with the Requisite Consenting Creditors from time to time.

24. “*Avoidance Actions*” means any and all actual or potential Claims and Causes of Action to avoid a transfer of property or an obligation incurred by the Debtors arising under chapter 5 of the Bankruptcy Code, including sections 502(d), 544, 545, 547, 548, 549, 550, 551, and 553(b) of the Bankruptcy Code and applicable non-bankruptcy law.

25. “*Backstop Amount*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

26. “*Backstop Commitment*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

27. “*Backstop Commitment Percentage*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

28. “*Backstop Parties*” shall have the meaning set forth in the New Money Backstop Commitment Agreement. For the avoidance of doubt, any Eligible Shareholder who exercises its Shareholder Subscription Rights shall be a beneficiary of Claire’s Parent’s exercise of its Initial Subscription Right, Investment Right, and Backstop Commitment (each as defined in the New Money Backstop Commitment Agreement) pursuant to the New Money Backstop Commitment Agreement.

29. “*Backstop Put Premium*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

30. “*Ballot*” means a ballot providing for the acceptance or rejection of the Plan and to make an election with respect to the releases by Holders of Claims and Interests provided by Article VIII.D.

31. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended from time to time.

32. “*Bankruptcy Court*” means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases, and, to the extent any reference made under section 157 of title 28 of the United States Code is withdrawn or the Bankruptcy Court is determined not to have authority to enter a Final Order on an issue, the unit of such District Court having jurisdiction over the Chapter 11 Cases under section 151 of title 28 of the United States Code.

33. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

34. “*Business Day*” means any day, other than a Saturday, Sunday, or “*legal holiday*” (as defined in Bankruptcy Rule 9006(a)), or a day on which banking institutions in New York, New York are authorized by law or other governmental action to close.

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

36. “*Cause of Action*” means any action, claim, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or non-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 Commencement Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt, “Cause of Action” includes (i) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (ii) the right to object to Claims or Interests; (iii) any Claim pursuant to section 362; (iv) any claim or defense including fraud, mistake, duress, and usury; and any other defenses set forth in section 558 of the Bankruptcy Code; and (v) any Avoidance Actions.

37. “*Chapter 11 Cases*” means (i) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court; and (ii) when used with reference to all of the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court under Chapter 11 Case Number 18-10584 (MFW).

38. “*Claim*” shall have the meaning set forth in section 101(5) of the Bankruptcy Code.

39. “*Claims and Noticing Agent*” means Prime Clerk LLC, the claims, noticing, and solicitation agent retained by the Debtors pursuant to the (i) *Order Authorizing the Appointment of Prime Clerk LLC as Claims and Noticing Agent Nunc Pro Tunc to the Commencement Date* [Docket No. 107]; and (ii) *Order Approving Employment and Retention of Prime Clerk LLC as Administrative Advisor for the Debtors Nunc Pro Tunc to the Commencement Date* [Docket No. 291].

40. “*Claims Bar Date*” means July 6, 2018, as established by the Claims Bar Date Order.

41. “*Claims Bar Date Order*” means that certain order, entered by the Bankruptcy Court on May 22, 2018 [Docket No. 410], establishing the Claims Bar Date.

42. “*Claims Objection Deadline*” means the deadline for objecting to a Claim, which shall be on the date that is the later of (i) 180 days after the Effective Date and (ii) such later date as may be fixed by the Bankruptcy Court, after notice and a hearing, upon a motion by the Reorganized Debtors Filed before the day that is 180 days after the Effective Date.

43. “*Claims Register*” means the official register of Claims maintained by the Claims and Noticing Agent in the Chapter 11 Cases.

44. “*Claire’s Canada*” means Claire’s Stores Canada Corp.

45. “*Claire’s Germany*” means Claire’s Germany GMBH.

46. “*Claire’s Parent*” means Claire’s Inc.

47. “*Claire’s Parent Assets*” means all assets belonging to Claire’s Parent and/or its Estate, including (i) Prepetition First Lien Term Loan Claims, (ii) CLSIP Term Loan Obligations, (iii) Gibraltar 2021 Unsecured

Term Loan Obligations, and (iv) the Cash proceeds from any of the foregoing; provided that Claire's Parent Assets shall not include any Intercompany Interest held by Claire's Parent.

48. "*Claire's Parent's New Investment Allocation*" means the aggregate dollar amount of Claire's Parent's allocation of the New Money Investment as set forth in the New Money Backstop Commitment Agreement.

49. "*Claire's Stores*" means Claire's Stores, Inc.

50. "*Class*" means a category of Holders of Claims or Interests as set forth in Article III pursuant to section 1122(a) of the Bankruptcy Code.

51. "*CLSIP*" means CLSIP LLC.

52. "*CLSIP Forbearance Agreement*" means that certain Forbearance Agreement, dated as of April 19, 2018, by and among, *inter alios*, CLSIP, CLSIP Holdings, and the lenders party thereto, as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.

53. "*CLSIP Holdings*" means CLSIP Holdings LLC.

54. "*CLSIP Repayment*" shall have the meaning set forth in Article IV.E.1.

55. "*CLSIP Term Loan Agent*" means Wilmington Trust, National Association, in its capacity as administrative agent and collateral agent under the CLSIP Term Loan Agreement and the other CLSIP Term Loan Documents, including any successor thereto.

56. "*CLSIP Term Loan Agreement*" means that certain Term Loan Credit Agreement, dated as of September 20, 2016, by and among CLSIP, as borrower, CLSIP Holdings, as holdings, the CLSIP Term Loan Agent, and the lenders party thereto, as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.

57. "*CLSIP Term Loan Documents*" means the CLSIP Term Loan Agreement and all related agreements and documents executed by CLSIP, CLSIP Holdings, or any of the Debtors, as applicable, in connection with the CLSIP Term Loan Agreement, including the CLSIP Forbearance Agreement.

58. "*CLSIP Term Loan Obligations*" means, collectively, all obligations of CLSIP, CLSIP Holdings, or any of the Debtors, as applicable, arising from or based upon the CLSIP Term Loan Documents, including accrued but unpaid interest, costs, fees, indemnities, and forbearance fees, which principal outstanding as of the Commencement Date was in the aggregate amount equal to approximately \$105,037,876.25.

59. "*Comfort Letter Obligations*" means the applicable Debtors' obligations arising under the Comfort Letters.

60. "*Comfort Letters*" means, collectively, that certain (i) letter agreement, dated as of November 18, 2016, issued by Claire's Stores in favor of non-Debtor Affiliate Claire's Accessories Spain, S.L. in support of certain financial obligations of Claire's Accessories Spain, S.L.; (ii) letter agreement, dated as of September 8, 2017, issued by Claire's Stores in favor of non-Debtor Affiliate Claire's Poland Sp. z.o.o. in support of certain financial obligations of Claire's Poland Sp. z.o.o.; and (iii) letter agreement, dated as of October 22, 2012, issued by Claire's Stores in favor of non-Debtor Affiliate Claire's Germany in support of certain financial obligations of Claire's Germany.

61. "*Commencement Date*" means March 19, 2018.

62. "*Commitment Premiums*" means, collectively, (i) the New Preferred Equity Interests Commitment Premium and (ii) the New First Lien Term Loan Commitment Premium.

63. “*Committee*” means the statutory committee of unsecured creditors, appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee, pursuant to the *Appointment of Official Committee of Unsecured Creditors* [Docket No. 176] on March 27, 2018.

64. “*Committee Claims*” means any and all objections, Claims, Causes of Action, or Challenges (as defined in the DIP Order) that the Committee, on its own behalf, on behalf of the Estates, or otherwise, raised, could have raised, or could raise in the future relating to approval of the Disclosure Statement, Plan confirmation, the Restructuring Support Agreement, or pursuant to a Challenge, including (x) with respect to the enterprise valuation, collateral valuation, releases, exculpations, and injunctions contemplated by the Plan and (y) on account of any potential objection, Claim, Cause of Action, or Challenge on the grounds set forth in the (i) *Statement of the Official Committee of Unsecured Creditors in Support of Debtors’ Postpetition Financing*, filed on April 20, 2018 [Docket No. 305]; or (ii) *Objection of the Official Committee of Unsecured Creditors to Motion of Debtors for Entry of Order Approving the Proposed Disclosure Statement, Establishing Solicitation and Voting Procedures, and Granting Related Relief* filed on June 11, 2018 [Docket No. 483].

65. “*Committee Members*” means, each in its capacity as a member of the Committee, (i) BOKF, N.A.; (ii) Studex Corporation; (iii) PopSockets, LLC; (iv) Simon Property Group, L.P.; (v) GGP Limited Partnership; (vi) Washington Prime Group, Inc.; and (vii) AT&T Corp.

66. “*Company*” means, collectively, the (i) Debtors; (ii) CLSIP Holdings; (iii) CLSIP; (iv) Claire’s Canada; and (v) Swiss Holdings and its direct and indirect subsidiaries.

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

68. “*Confirmation Date*” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

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

70. “*Confirmation Order*” means the order of the Bankruptcy Court, confirming the Plan pursuant to section 1129 of the Bankruptcy Code and approving assumption of the New Money Backstop Commitment Agreement and Restructuring Support Agreement that is consistent with this Plan and the Restructuring Support Agreement and otherwise reasonably acceptable in form and substance to the Debtors, the Requisite Consenting Creditors (as evidenced by their written approval), and the DIP Lenders (solely with respect to the treatment of DIP Claims).

71. “*Consenting Creditors*” shall have the meaning set forth in the Restructuring Support Agreement.

72. “*Consummation*” means the occurrence of the Effective Date.

73. “*Contingent Value Rights Cash Pool*” has the meaning set forth in Exhibit B of this Plan.

74. “*Cure Claim*” means a monetary Claim based upon the Debtors’ defaults under any Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtors pursuant to section 365 of the Bankruptcy Code.

75. “*CVR Agent*” means a Person identified by Oaktree to serve as agent under the CVR Agreement, subject to the consent of the Ad Hoc First Lien Group and the Debtors, such consent not to be unreasonably withheld.

76. “*CVR Agreement*” means that certain Contingent Value Rights Agreement materially consistent with the term sheet attached hereto as Exhibit B and otherwise reasonably acceptable to the Ad Hoc First Lien Group, Oaktree, and the Debtors, and which will be filed as part of the Plan Supplement.

77. “*CVR Certificates*” means certificates which will entitle each holder thereof to its right to its pro rata share of the Contingent Value Rights Cash Pool as such rights come due on the terms set forth in the CVR Agreement.

78. “*D&O Liability Insurance Policies*” means, collectively, all insurance policies (including any “tail policy”) of any of the Debtors for current or former directors’, managers’, and officers’ liability.

79. “*Debtors*” means, collectively (i) Claire’s Inc.; (ii) Claire’s Stores, Inc.; (iii) Claire’s Puerto Rico Corp.; (iv) CBI Distributing Corp.; (v) Claire’s Boutiques, Inc.; (vi) Claire’s Canada Corp.; (vii) BMS Distributing Corp.; and (viii) CSI Canada LLC, the debtors and debtors in possession in the Chapter 11 Cases.

80. “*De Minimis Assets*” shall have the meaning set forth in the Lease Rejection Procedures Order.

81. “*DIP Agent*” means Citibank, N.A., in its capacity as administrative agent and collateral agent under the DIP Credit Agreement, including any successor thereto.

82. “*DIP Agent Professional Fees*” means, collectively, to the extent not previously paid in connection with the Chapter 11 Cases, all outstanding reasonable and documented fees and expenses of any professionals retained by the DIP Agent, including, without limitation, (i) Latham & Watkins, LLP, in its capacity as counsel to the DIP Agent and (ii) Duane Morris LLP, in its capacity as local counsel to the DIP Agent.

83. “*DIP Claims*” means any Claim in respect of any DIP Obligations (as defined in the DIP Order) held by, or otherwise owing to, any or all of the DIP Agent and the DIP Lenders.

84. “*DIP Credit Agreement*” means that certain Senior Secured Priming and Superpriority Debtor-in-Possession Credit Agreement, dated as of March 22, 2018, by and among Claire’s Stores, as borrower, the other Loan Parties thereto (as defined in the DIP Credit Agreement), the DIP Agent, and the DIP Lenders, as approved by the DIP Order, and as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.

85. “*DIP Documents*” has the meaning set forth in the DIP Order.

86. “*DIP Financing*” means the postpetition financing facility issued pursuant to the DIP Credit Agreement and the DIP Order, consisting of (i) a superpriority senior secured multiple-draw asset-based revolving credit facility in the aggregate principal amount of up to \$75,000,000.00, with up to \$10,000,000.00 available for the issuance of letters of credit; and (ii) a superpriority senior secured dual-draw “last-out” term loan facility in the aggregate principal amount of \$60,000,000.00.

87. “*DIP Lenders*” means, collectively, the DIP Agent, the Lenders (as defined in the DIP Credit Agreement) and the Issuing Bank (as defined in the DIP Credit Agreement) and any other DIP Secured Party (as defined in the DIP Order).

88. “*DIP Order*” means, as applicable, the *Interim Order (I) Authorizing Debtors to Obtain Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (II) Authorizing the Use of Cash Collateral Pursuant to Section 363 of the Bankruptcy Code, (III) Granting Adequate Protection to the Prepetition Non-ABL Secured Parties Pursuant to Sections 361, 362, 363 and 364 of the Bankruptcy Code, (IV) Granting Liens and Superpriority Claims, (V) Modifying the Automatic Stay, and (VI) Scheduling a Final Hearing* entered by the Bankruptcy Court on March 20, 2018 [Docket No. 130] and the *Final Order (I) Authorizing Debtors to Obtain Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (II) Authorizing the Use of Cash Collateral Pursuant to Section 363 of the Bankruptcy Code, (III) Granting Adequate Protection to Prepetition Non-ABL Secured Parties Pursuant to Sections 361, 362, 363, and 364 of the Bankruptcy Code, (IV) Granting Liens and Superpriority Claims, and (V) Modifying the Automatic Stay* entered by the Bankruptcy Court on April 24, 2018 [Docket No. 318], as amended, supplemented, or modified from time to time.

89. “*Disallowed*” means any Claim, or any portion thereof, that (i) has been disallowed by Final Order or settlement; (ii) is scheduled at zero or as contingent, disputed, or unliquidated on the Schedules and as to which a Claims Bar Date has been established but no Proof of Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court, including the Claims Bar Date Order, or otherwise deemed timely Filed under applicable law; or (iii) is not scheduled on the Schedules and as to which a Claims Bar Date has been established but no Proof of Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court, including the Claims Bar Date Order, or otherwise deemed timely Filed under applicable law. “Disallow” and “Disallowance” shall have correlative meanings.

90. “*Disclosure Statement*” means the *Disclosure Statement for Second Amended Joint Chapter 11 Plan of Reorganization of Claire’s Stores, Inc. and Its Debtor Affiliates*, dated as of July 25, 2018 (as amended, modified or supplemented from time to time in accordance with its terms) [Docket No. 669], including all exhibits and schedules thereto and references therein that relate to the Plan that are prepared and distributed in accordance with applicable law.

91. “*Disclosure Statement Order*” means that certain *Order (I) Approving the Proposed Disclosure Statement and Form and Manner Notice of Disclosure Statement Hearing, (II) Establishing Solicitation and Voting Procedures, (III) Scheduling Confirmation Hearing, (IV) Establishing Notice and Objection Procedures for Confirmation of the Proposed Plan, and (V) Granting Related Relief* entered by the Bankruptcy Court on July 26, 2018 [Docket No. 679].

92. “*Disputed*” means, with respect to a Claim or Interest, a Claim that is not yet Allowed or Disallowed.

93. “*Distribution Agent*” means, as applicable, the Reorganized Debtors or any Entity the Reorganized Debtors select to make or to facilitate distributions in accordance with the Plan.

94. “*Distribution Record Date*” means the date for determining which Holders of Allowed Claims are eligible to receive distributions under the Plan, which, unless otherwise specified, shall be the Voting Deadline; provided that the Distribution Record Date with respect to First Lien Debt Claims (including First Lien Debt Secured Claims and First Lien Debt Deficiency Claims), Second Lien Notes Claim, and Unsecured Notes Claims shall be the Effective Date, or as soon as practicable thereafter.

95. “*DTC*” means The Depository Trust Company.

96. “*Effective Date*” means, with respect to the Plan, the date that is a Business Day selected by the Debtors, in consultation with the Ad Hoc First Lien Group, on which (i) no stay of the Confirmation Order is in effect; (ii) all conditions precedent specified in Article IX.A have been satisfied or waived (in accordance with Article IX.B); and (iii) the Plan is declared effective. Without limiting the foregoing, any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

97. “*Eligible First Lien Holder*” means each Holder of Allowed First Lien Debt Secured Claims on the Subscription Record Date (as defined in the Rights Offering Procedures) that is (i) an “accredited investor” within the meaning of Rule 501 Regulation D under the Securities Act or (ii) a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act that also is an accredited investor, as certified pursuant to the Rights Offering Procedures.

98. “*Eligible Shareholder*” means each Holder of Existing Claire’s Parent Equity Interests who is (i) an “accredited investor” within the meaning of Rule 501 Regulation D under the Securities Act or (ii) a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act that also is an accredited investor, as certified pursuant to the Rights Offering Procedures.

99. “*Elliott*” means Elliott Associates, L.P., Elliott International, L.P and any Affiliates and/or subsidiaries of each of the foregoing.

100. “*Elliott Reimbursement Amount*” means Cash in an amount equal to \$650,000.

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

102. “*Estate*” means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

103. “*Exculpated Parties*” means each of the following in their capacity as such: (i) the Debtors; (ii) the Committee; (iii) each of the Committee Members; (iv) Oaktree, (v) the Second Lien Notes Trustee, (vi) the First Lien Agents, (vii) Ad Hoc First Lien Group, (viii) the Unsecured Notes Trustee, and (ix) with respect to each of the foregoing Entities in clauses (i) through (viii), such Entity and its current and former Affiliates, and such Entities’ and their current and former Affiliates’ current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, managed accounts or funds, management companies, fund advisors, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; provided that with respect to (iv), (v), (vi), (vii) and (viii), any exculpations afforded under the Plan or Confirmation Order shall be granted only to the extent provided for pursuant to section 1125(e) of the Bankruptcy Code.

104. “*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.

105. “*Existing Claire’s Parent Equity Interests*” means all Interests in Claire’s Parent.

106. “*Existing Claire’s Parent Equity Recovery Condition*” means a determination by the Bankruptcy Court pursuant to the Confirmation Order that the value of the Claire’s Parent Assets as of the Effective Date exceeds the estimated value of all Allowed Claims that may be asserted against Claire’s Parent.

107. “*Exit ABL Credit Agreement*” means the credit agreement to be entered into in connection with the Exit ABL Revolver Facility (including any guarantee agreements, pledge and collateral agreements, and other security documents), which shall be materially consistent with the Plan and otherwise reasonably acceptable to the Debtors and the Requisite Consenting Creditors.

108. “*Exit ABL Documents*” means the Exit ABL Credit Agreement and such other financing documents to be entered into in connection with the Exit ABL Revolver Facility (including any guarantee agreements, pledge and collateral agreements, intercreditor agreements and other security documents), which shall be materially consistent with the Plan and otherwise reasonably acceptable to the Debtors and the Requisite Consenting Creditors.

109. “*Exit ABL Revolver Facility*” means a senior secured credit facility in a principal amount of up to \$75,000,000 with the capacity for the issuance of letters of credit, secured by a first Lien on assets constituting ABL Priority Collateral and a second Lien on all other assets of the Reorganized Debtors that are collateral for the Exit Term Loan Facility, in form and substance acceptable to the Debtors and the Requisite Consenting Creditors.

110. “*Exit Agent*” means, collectively, in their respective capacities as such, the administrative and collateral agents under each of (i) the Exit ABL Revolver Facility and (ii) the Exit Term Loan Facility, including any successors thereto.

111. “*Exit Lenders*” means, collectively, in their capacity as such, the lenders under (i) the Exit ABL Revolver Facility and (ii) the Exit Term Loan Facility.

112. “*Exit Term Loan Credit Agreement*” means the credit agreement to be entered into in connection with the Exit Term Loan Facility, which shall be materially consistent with the Plan and otherwise reasonably acceptable to the Debtors and the Requisite Consenting Creditors.

113. “*Exit Term Loan Documents*” means the Exit Term Loan Credit Agreement and such other financing documents to be entered into in connection with the Exit Term Loan Facility (including any guarantee agreements, pledge and collateral agreements, intercreditor agreements and other security documents), which shall be materially consistent with the Plan and otherwise reasonably acceptable to the Debtors and the Requisite Consenting Creditors.

114. “*Exit Term Loan Facility*” means a senior secured term loan facility in the principal amount of \$250,000,000.00, secured by a first Lien on all assets of the Reorganized Debtors other than the ABL Priority Collateral (including all foreign stock that may be pledged with no material tax consequences, and including at least 65% of the voting stock of top-tier foreign holding companies and 100% of the economic value of top-tier foreign holding companies to the extent such value may be pledged without material tax consequences), subject to customary exceptions and exclusions, and a second Lien on assets constituting ABL Priority Collateral.

115. “*Federal Judgment Rate*” means the federal judgment rate in effect as of the Commencement Date, compounded annually.

116. “*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, with the Claims and Noticing Agent.

117. “*Final Order*” means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, including any order subject to appeal but for which no stay of such order has been entered, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari 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 Filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought; provided, that, the possibility that a request for relief under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, the local rules of the Bankruptcy Court or applicable non-bankruptcy law, may be Filed relating to such order shall not prevent such order from being a Final Order.

118. “*First Lien Agents*” means, collectively, (i) the 6.125% First Lien Notes Trustee; (ii) the 9.00% First Lien Notes Trustee; (iii) the Prepetition First Lien Term Loan Agent; and (iv) the Prepetition RCF Agent.

119. “*First Lien Agents Professional Fees*” means, collectively, to the extent not previously paid in connection with the Chapter 11 Cases, all outstanding reasonable and documented Professional Fees and expenses incurred by the First Lien Agents in connection with the Restructuring.

120. “*First Lien Debt Claims*” means, collectively, all (i) the 6.125% First Lien Notes Claims; (ii) the 9.00% First Lien Notes Claims; and (iii) the Prepetition First Lien Term Loan Claims.

121. “*First Lien Debt Deficiency Claims*” means, collectively, all First Lien Debt Claims that are not First Lien Debt Secured Claims. For the avoidance of doubt, First Lien Debt Deficiency Claims are Unsecured Claims.

122. “*First Lien Debt Secured Claims*” means, collectively, all First Lien Debt Claims that are Secured Claims.

123. “*First Lien Fees and Expenses*” shall have the meaning set forth in the Restructuring Support Agreement.

124. “*First Lien Intercreditor Agreement*” means that certain intercreditor agreement, dated as of March 2, 2012 (as amended, restated, modified, and supplemented from time to time), by, among others: (i) the Prepetition RCF Agent, as the authorized representative of the lenders under the Prepetition RCF Agreement; (ii) the 6.125% First Lien Notes Trustee, as the authorized representative of the 6.125% First Lien Noteholders; (iii) the 9.00% First Lien Notes Trustee, as the authorized representative of the 9.00% First Lien Noteholders; and (iv) the

Prepetition First Lien Term Loan Agent, as the authorized representative of the lenders under the Prepetition First Lien Term Loan Agreement.

125. “*First Lien Professionals*” means Willkie Farr & Gallagher LLP, Morris Nichols, Arsht & Tunnell LLP, Millco Advisors, LP (and its direct and indirect successors and assigns), AlixPartners LLP, and Lyons, Benenson & Company Inc., each in their capacities as advisors to the Ad Hoc First Lien Group.

126. “*First Lien Rights Offering*” shall have the meaning ascribed to the term “Rights Offering” in the New Money Backstop Commitment Agreement.

127. “*First Lien Rights Offering Amount*” shall have the meaning ascribed to the term “Rights Offering Amount” in the New Money Backstop Commitment Agreement.

128. “*First Lien Secured Debt Deficiency Claim Recovery Cash Pool*” means \$18,000,000, for purposes of disbursements to Holders of Allowed Secured Debt Deficiency Claims, in accordance with Article III.B.

129. “*First Lien Subscription Right*” means, with respect to each Eligible First Lien Holder, its Investment Right as defined in the New Money Backstop Commitment Agreement.

130. “*General Unsecured Claim*” means any Unsecured Claim, other than (i) Administrative Claims; (ii) DIP Claims; (iii) Professional Fee Claims; (iv) Priority Tax Claims; (v) Other Priority Claims; (vi) Section 510(b) Claims; (vii) Intercompany Claims; (viii) First Lien Debt Deficiency Claims; (ix) Second Lien Notes Claims; (x) Unsecured Notes Claims; and (xi) General Unsecured Elective Claims.

131. “*General Unsecured Elective Claim*” means a Claim that would otherwise be an Allowed General Unsecured Claim that (A) is either (i) Allowed in amount of \$450,000 or less, or (ii) Allowed in an amount greater than \$450,000, but which is reduced to \$450,000 and treated as a General Unsecured Elective Claim for purposes of this Plan in full and final satisfaction of such Claim by an irrevocable written election of the holder of such Claim made on a timely and properly delivered and completed Ballot or other writing reasonably acceptable to the Debtors or GUC Oversight Administrator; and (B) the Holder of which makes an irrevocable written election to be treated as a General Unsecured Elective Claim on a timely and properly delivered and completed Ballot or other writing reasonably acceptable to the Debtors or GUC Oversight Administrator; provided, however, that any General Unsecured Claim that was originally Allowed in excess of \$450,000 may not be subdivided into multiple General Unsecured Claims of \$450,000 or less for purposes of receiving treatment as a General Unsecured Elective Claim.

132. “*General Unsecured Elective Claim Recovery Cash Pool*” means \$16,000,000, for purposes of disbursements to Holders of Allowed General Unsecured Elective Claims, in accordance with Article III.B.

133. “*General Unsecured Elective Claim Recovery Cash Pool Account*” means a segregated account to be funded on or prior to the Effective Date in accordance with Article IV.F.

134. “*Gibraltar Documents*” means, collectively, (i) the Gibraltar Secured Term Loan Documents; (ii) the Gibraltar 2019 Unsecured Term Loan Documents; and (iii) the Gibraltar 2021 Unsecured Term Loan Documents.

135. “*Gibraltar Holdings*” means Claire’s (Gibraltar) Holdings Limited.

136. “*Gibraltar Intermediate*” means Claire’s (Gibraltar) Intermediate Holdings Limited.

137. “*Gibraltar Obligations*” means, collectively, (i) the Gibraltar Secured Term Loan Obligations; (ii) the Gibraltar 2019 Unsecured Term Loan Obligations; and (iii) the Gibraltar 2021 Unsecured Term Loan Obligations.

138. “*Gibraltar Repayment*” shall have the meaning set forth in Article IV.E.2.

139. “*Gibraltar Secured Term Loan Agreement*” means that certain Credit Agreement, dated as of January 5, 2017, by and among Gibraltar Intermediate and Claire’s Germany GMBH, as borrowers, the guarantors party thereto, Botticelli, LLC, as administrative agent, Cortland Capital Markets Services LLC, as collateral agent, and the lenders party thereto, as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.

140. “*Gibraltar Secured Term Loan Documents*” means the Gibraltar Secured Term Loan Agreement and all related agreements and documents executed by Gibraltar Intermediate or Claire’s Germany in connection with the Gibraltar Secured Term Loan Agreement.

141. “*Gibraltar Secured Term Loan Obligations*” means, collectively, all obligations of Gibraltar Intermediate, Claire’s Germany, and the guarantors under the Gibraltar Secured Term Loan Agreement, arising from or based upon the Gibraltar Secured Term Loan Documents, including accrued but unpaid interest, costs, fees, indemnities, and amendment or forbearance fees, which principal outstanding as of the Commencement Date was in the aggregate amount equal to \$51,500,000.00.

142. “*Gibraltar 2019 Unsecured Term Loan Agreement*” means that certain Credit Agreement, dated as of August 12, 2016, effective as of September 20, 2016, by and among Gibraltar Holdings, as borrower, Credit Suisse AG, Cayman Islands Branch, as administrative agent, and the lenders party thereto, as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.

143. “*Gibraltar 2019 Unsecured Term Loan Documents*” means the Gibraltar 2019 Unsecured Term Loan Agreement and all related agreements and documents executed by Gibraltar Holdings in connection with the Gibraltar 2019 Unsecured Term Loan Agreement.

144. “*Gibraltar 2019 Unsecured Term Loan Obligations*” means, collectively, all obligations of Gibraltar Holdings under the Gibraltar 2019 Unsecured Term Loan Agreement, arising from or based upon the Gibraltar 2019 Unsecured Term Loan Documents, including accrued but unpaid interest, costs, fees, indemnities, and amendment or forbearance fees, which principal outstanding as of the Commencement Date was in the aggregate amount equal to \$40,000,000.00.

145. “*Gibraltar 2021 Unsecured Term Loan Agreement*” means that certain Term Loan Credit Agreement, dated as of September 20, 2016, by and among Gibraltar Holdings, as borrower, Wilmington Trust, National Association, as the administrative agent, and the lenders party thereto, as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.

146. “*Gibraltar 2021 Unsecured Term Loan Documents*” means the Gibraltar 2021 Unsecured Term Loan Agreement and all related agreements and documents executed by Gibraltar Holdings in connection with the Gibraltar 2021 Unsecured Term Loan Agreement.

147. “*Gibraltar 2021 Unsecured Term Loan Obligations*” means, collectively, all obligations of Gibraltar Holdings under the Gibraltar 2021 Unsecured Term Loan Agreement, arising from or based upon the Gibraltar 2021 Unsecured Term Loan Documents, including accrued but unpaid interest, costs, fees, indemnities, and amendment or forbearance fees, which principal outstanding as of the Commencement Date was in the aggregate amount equal to approximately \$48,476,518.59.

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

149. “*GUC Oversight Administrator*” means the individual appointed by the Committee in accordance with Article IV.B of the Plan.

150. “*GUC Oversight Administrator Costs*” means the reasonable and documented costs and expenses of the GUC Oversight Administrator, including reasonable professionals’ fees and expenses; provided that the Reorganized Debtors shall be permitted to challenge the reasonableness of the fees and expenses before the Bankruptcy Court.

151. “*GUC Settlement Procedures*” means the procedures governing the rights of the GUC Oversight Administrator with respect to the objection to, or Allowance of, General Unsecured Claims and General Unsecured Elective Claims by the Reorganized Debtors on terms to be agreed upon among the Debtors, the Committee, and the Requisite Consenting Creditors and Filed as part of the Plan Supplement.

152. “*Holder*” means an Entity holding a Claim or an Interest, as applicable, each solely in its capacity as such.

153. “*Impaired*” means, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

154. “*Indemnification Obligations*” means each of the Debtors’ indemnification obligations in place as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, or employment or other contracts, or otherwise, for the directors and officers that are currently employed by, or serving on the board of directors of, any of the Debtors, as of the date immediately prior to the Effective Date, and the employees, attorneys, accountants, investment bankers, and other professionals and agents that are currently employed by any of the Debtors as of the date immediately prior to the Effective Date.

155. “*Ineligible First Lien Holder*” means each Holder of First Lien Debt Claims who duly certifies that it is not an Eligible First Lien Holder in accordance with the Rights Offering Procedures.

156. “*Ineligible Shareholder*” means each Holder of Existing Claire’s Parent Equity Interests who duly certifies that it is not an Eligible Shareholder in accordance with the Rights Offering Procedures.

157. “*Initial Subscription Amount*” means, with respect to each Backstop Party, its Backstop Commitment Percentage of fifty percent (50%) of the New Money Investment Amount.

158. “*Initial Unsecured Claims Distribution Date*” means the date on which the Distribution Agent shall make initial distributions to Holders of Allowed Unsecured Claims pursuant to and in accordance with the Plan, which date shall be the first Business Day following the earlier of (i) the date upon which all Allowed Unsecured Claims are Allowed or Disallowed by Final Order and (ii) the date upon which the Bankruptcy Court shall have entered a Final Order authorizing a partial distribution on account of Allowed Unsecured Claims after notice and a hearing upon a motion Filed by the Reorganized Debtors; provided that if any of Class 9 or Class 10 vote to accept the Plan, the Initial Unsecured Claims Distribution Date for such accepting Class or Classes shall be the Effective Date.

159. “*Intercompany Claims*” means, collectively, (i) Intercompany Debtor Claims and (ii) Intercompany Subsidiary Claims.

160. “*Intercompany Debtor Claims*” means any Claim held by a Debtor against any Debtor, but excluding all (i) Prepetition First Lien Term Loan Claims, (ii) CLSIP Term Loan Obligations, and (iii) Gibraltar 2021 Unsecured Term Loan Obligations, held by Claire’s Parent.

161. “*Intercompany Interest*” means an Interest held by a Debtor in another Debtor or a non-Debtor subsidiary.

162. “*Intercompany Subsidiary Claims*” means any Claim of a non-Debtor subsidiary of Claire’s Parent against any Debtor.

163. “*Intercreditor Agreements*” means, collectively, the (i) ABL Intercreditor Agreement; (ii) First Lien Intercreditor Agreement; and (iii) Second Lien Intercreditor Agreement.

164. “*Intercreditor Complaint*” means that certain *Adversary Complaint* filed on August 21, 2018 under Adversary Proceeding No. 18-50709 by plaintiffs 6.125% First Lien Notes Trustee, 9.00% First Lien Notes

Trustee, and Prepetition First Lien Term Loan Agent, against defendants Oaktree Capital Management, L.P., Oaktree Special Situations Fund, L.P., Oaktree Principal Fund V, L.P., and Oaktree Principal Fund V (Parallel), L.P.

165. “*Interests*” means any common stock, limited liability company interest, equity security (as defined in section 101(16) of the Bankruptcy Code), equity, ownership, profit interests, unit, or share in any Debtor (including all options, warrants, rights, or other securities or agreements to obtain such an interest or share in such Debtor), whether or not arising under or in connection with any employment agreement and whether or not certificated, transferable, preferred, common, voting, or denominated “*stock*” or a similar security, including any Claim against any Debtor subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

166. “*Interim Compensation Order*” means that certain order, entered by the Bankruptcy Court on April 17, 2018 [Docket No. 292], establishing procedures for the compensation of Professionals.

167. “*Investment Right*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

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

169. “*Lease Rejection Procedures Order*” means that certain order, entered by the Bankruptcy Court on April 17, 2018 [Docket No. 285], (i) approving procedures for rejecting Unexpired Leases of non-residential real property and (ii) granting related relief.

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

171. “*Management Equity Incentive Plan*” means the post-Effective Date management equity incentive plan, the terms and conditions of which (including with respect to emergence allocations) shall be filed with the Plan Supplement and be reasonably acceptable to the Requisite Consenting Creditors and the Debtors.

172. “*New First Lien Term Loan Commitment Premium*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

173. “*New Money Backstop Commitment Agreement*” means that certain Backstop Commitment Agreement, dated as of March 31, 2018, by and among Claire’s Parent and the Backstop Parties thereto, as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.

174. “*New Money Investment*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

175. “*New Money Investment Amount*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

176. “*New Preferred Equity Interests*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

177. “*New Preferred Equity Interests Commitment Premium*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

178. “*New Reorganized Debt*” means, collectively, (i) the Exit Term Loan Facility and the (ii) Exit ABL Revolver Facility.

179. “*New Reorganized Debt Documents*” means, collectively, (i) the Exit Term Loan Documents and (ii) the Exit ABL Documents.

180. “*Oaktree*” means each of and collectively Oaktree Capital Management, L.P., Oaktree Capital Management, L.P., Oaktree Special Situations Fund, L.P., Oaktree Principal Fund V, L.P., Oaktree Principal Fund V (Parallel), L.P, Oaktree Capital Management LLC, and any Affiliates and/or subsidiaries of each of the foregoing.

181. “*Oaktree Claims*” means any and all objections, Claims, Causes of Action, or Challenges (as defined in the DIP Order) that Oaktree, on its own behalf, on behalf of the Estates, or otherwise, raised, could have raised, or could raise in the future relating to approval of the Disclosure Statement, Plan confirmation, the Restructuring Support Agreement, or pursuant to a Challenge, including (x) with respect to the enterprise valuation, collateral valuation, releases, exculpations, and injunctions contemplated by the Plan; (y) with respect to the Prepetition Debt Documents; and (z) on account of any potential objection, Claim, Cause of Action, or Challenge on the grounds set forth in the (i) *Motion of Oaktree Capital Management, L.P. for Entry of an Order Granting Derivative Standing and Authority to Prosecute and Settle Claims on Behalf of Certain of the Debtors* (the “Standing Motion”) [Docket No. 648]; (ii) *Objection of Oaktree Capital Management, L.P. to Confirmation of the Debtors’ Modified Second Amended Joint Chapter 11 Plan* [Docket No. 909]; or (iii) any other pleading filed by Oaktree in these Chapter 11 Cases.

182. “*Oaktree Professional Fees*” means the reasonable and documented fees and expenses incurred by or on behalf of Oaktree in connection with the Debtors and the Chapter 11 Cases, including all professionals retained by Oaktree or any of its advisors in connection with any of the Chapter 11 Cases and such fees and expenses incurred by White & Case LLP, Houlihan Lokey Capital, Inc., and Fox Rothschild LLP.

183. “*Other Priority Claim*” means any Claim against any Debtor entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, other than (i) an Administrative Claim; (ii) a Priority Tax Claim; (iii) a DIP Claim; and (iv) a Professional Fee Claim.

184. “*Other Secured Claim*” means any Secured Claim against any Debtor, including any Secured Tax Claim, other than a (i) Prepetition ABL Claim; (ii) Prepetition RCF Claim; (iii) First Lien Debt Secured Claim; and (iv) DIP Claim. For the avoidance of doubt, unless otherwise classified in Article III.B, “*Other Secured Claims*” includes any Claim arising under, derived from, or based upon any letter of credit issued in favor of one or more Debtors, the reimbursement obligation for which is either secured by a Lien on collateral or is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

185. “*Person*” shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

186. “*Plan*” means this *Third Amended Joint Chapter 11 Plan of Reorganization of Claire’s Stores, Inc. and its Debtor Affiliates* (including the Plan Supplement and all exhibits hereto and thereto), as the same may be amended, modified, supplemented or amended and restated from time to time.

187. “*Plan Supplement*” means the compilation of documents and forms of documents, schedules, and exhibits to the Plan, each of which shall be in form and substance materially consistent with this Plan and the Restructuring Support Agreement and otherwise reasonably acceptable to the Debtors and the Requisite Consenting Creditors, to be Filed by the Debtors prior to the Confirmation Hearing, including, as applicable (i) Reorganized Claire’s Parent Organizational Documents; (ii) Reorganized Claire’s Stores Organizational Documents; (iii) the Rejected Executory Contracts and Unexpired Leases Schedule; (iv) the Assumed Executory Contract and Unexpired Lease Schedule; (v) the identity of the members of the Reorganized Claire’s Parent Board and executive management for Claire’s Parent; (vi) the identity of the members of the Reorganized Claire’s Stores Board and executive management for Claire’s Stores; (vii) a schedule of retained Causes of Action; (viii) the Management Equity Incentive Plan; (ix) the Exit Term Loan Credit Agreement; (x) the Exit ABL Credit Agreement; (xi) the New Money Backstop Commitment Agreement; (xii) the Shareholders Agreement; (xiii) the form of notice to Ineligible First Lien Holders (if any); (xiv) the form of notice to Ineligible Shareholders (if any); (xv) identification of the GUC Oversight Administrator; (xvi) the GUC Settlement Procedures (xvii) the Schedule of Retained Preference Actions. Any reference to the Plan Supplement in the Plan shall include each of the documents identified above as (i) through (xvii), as applicable. The Debtors shall be entitled to amend such documents in accordance with their respective terms and Article X through and including the Effective Date.

188. “*Prepetition ABL Agent*” means Credit Suisse AG, Cayman Islands Branch, in its capacity as administrative agent and collateral agent under the Prepetition ABL Credit Agreement and the other Prepetition ABL Credit Documents, including any successor thereto.

189. “*Prepetition ABL Agent Charging Lien*” means a Lien or other priority in payment to which the Prepetition ABL Agent is entitled, pursuant to the Prepetition ABL Credit Agreement or any of the other Prepetition ABL Credit Documents.

190. “*Prepetition ABL Agent Professional Fees*” means, collectively, to the extent not previously paid in connection with the Chapter 11 Cases, all outstanding reasonable and documented Professional Fees and expenses incurred by the Prepetition ABL Agent in connection with the Restructuring.

191. “*Prepetition ABL Claims*” means all Claims against any Debtor arising from or based upon the Prepetition ABL Credit Agreement or any of the other Prepetition ABL Credit Documents, including accrued but unpaid interest, costs, fees, and indemnities.

192. “*Prepetition ABL Credit Agreement*” means that certain ABL Credit Agreement, effective as of September 20, 2016, by and among Claire’s Stores, as borrower, Claire’s Parent, as holdings, the Subsidiary Guarantors, as guarantors, the Prepetition ABL Agent, and the lenders party thereto from time to time.

193. “*Prepetition ABL Credit Documents*” means the Prepetition ABL Credit Agreement and all related agreements and documents executed by any of the Debtors in connection with the Prepetition ABL Credit Agreement.

194. “*Prepetition Debt Documents*” means, collectively, the 6.125% First Lien Notes Documents, 9.00% First Lien Notes Documents, CLSIP Term Loan Documents, First Lien Intercreditor Agreement, Gibraltar Secured Term Loan Documents, Gibraltar 2019 Unsecured Term Loan Documents, Gibraltar 2021 Unsecured Term Loan Documents, Prepetition ABL Credit Documents, Prepetition First Lien Term Loan Documents, Prepetition LC Facility Documents, Prepetition RCF Documents, Second Lien Notes Documents, and Unsecured Notes Documents.

195. “*Prepetition First Lien Term Loan*” means the senior secured first lien term loan due September 21, 2021 issued pursuant to the Prepetition First Lien Term Loan Agreement.

196. “*Prepetition First Lien Term Loan Agent*” means Wilmington Trust, National Association, in its capacity as administrative agent and collateral agent under the Prepetition First Lien Term Loan Agreement and the other Prepetition First Lien Term Loan Documents, including any successor thereto.

197. “*Prepetition First Lien Term Loan Agreement*” that certain Term Loan Credit Agreement, dated as of September 20, 2016, by and among Claire’s Stores, as borrower, the Subsidiary Guarantors, as guarantors, the Prepetition First Lien Term Loan Agent, and the lenders party thereto.

198. “*Prepetition First Lien Term Loan Claims*” means all Claims against any Debtor arising from or based upon the Prepetition First Lien Term Loan Agreement or any other Prepetition First Lien Term Loan Document, including all accrued but unpaid interest, costs, fees, and indemnities, which principal outstanding as of the Commencement Date was in the aggregate amount equal to approximately \$32,320,952.07.

199. “*Prepetition First Lien Term Loan Documents*” means the Prepetition First Lien Term Loan Agreement and all related agreements and documents executed by any of the Debtors in connection with the Prepetition First Lien Term Loan Agreement.

200. “*Prepetition LC Agreement*” means that certain Letter of Credit Reimbursement and Security Agreement, dated as of February 12, 2018, by and among Claire’s Stores, as applicant, Claire’s Parent, as holdings, and Credit Suisse AG, Cayman Islands Branch, as collateral agent, as amended by that certain Second Amendment to Letter of Credit Reimbursement and Security Agreement, dated as of March 22, 2018, and as may be amended, modified, or amended and restated from time to time.

201. “*Prepetition LC Facility*” means the letter of credit facility provided pursuant to the Prepetition LC Agreement.

202. “*Prepetition LC Facility Claims*” means all Claims against any Debtor arising from or based upon the Prepetition LC Agreement or any other Prepetition LC Facility Documents, including accrued but unpaid costs, fees, and indemnities, which face amount outstanding as of the Commencement Date was \$4,933,364.45.

203. “*Prepetition LC Facility Documents*” means the Prepetition LC Agreement and all related agreements and documents executed by any of the Debtors in connection with the Prepetition LC Facility.

204. “*Prepetition RCF Agent*” means Credit Suisse AG, Cayman Islands Branch, in its capacity as administrative agent and collateral agent under the Prepetition RCF Agreement and the other Prepetition RCF Documents, including any successor thereto.

205. “*Prepetition RCF Agent Charging Lien*” means a Lien or other priority in payment to which the Prepetition RCF Agent is entitled, pursuant to the Prepetition RCF Agreement or any of the other Prepetition RCF Documents.

206. “*Prepetition RCF Agreement*” means that certain Second Amended and Restated Credit Agreement, effective as of September 20, 2016, by and among Claire’s Stores, as borrower, Claire’s Parent, as holdings, the Subsidiary Guarantors, as guarantors, the Prepetition RCF Agent, and the lenders party thereto.

207. “*Prepetition RCF Claims*” means all Claims against any Debtor arising from or based upon the Prepetition RCF Agreement or any other Prepetition RCF Document, including all accrued but unpaid interest, costs, fees, and indemnities, which principal outstanding as of the Commencement Date was in the aggregate amount equal to \$0.00.

208. “*Prepetition RCF Documents*” means the Prepetition RCF Agreement and all related agreements and documents executed by and of the Debtors in connection with the Prepetition RCF Agreement.

209. “*Priority Tax Claim*” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

210. “*Pro Rata*” means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that respective Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan, as applicable.

211. “*Professional*” means an Entity (i) employed pursuant to a Bankruptcy Court order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date, pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code; or (ii) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

212. “*Professional Fee Claims*” means all Claims for fees and expenses (including transaction and success fees) incurred by a Professional on or after the Commencement Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court.

213. “*Professional Fee Claims Estimate*” means the aggregate unpaid Professional Fee Claims through the Effective Date as estimated in accordance with Article II.C.3.

214. “*Professional Fee Escrow*” means an escrow account established and funded pursuant to Article II.C.2.

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

216. “*Quarterly Distribution Date*” means the first Business Day after the end of each quarterly calendar period (*i.e.*, March 31, June 30, September 30, and December 31 of each calendar year) occurring after the Effective Date.

217. “*Reinstated*” or “*Reinstatement*” means, with respect to Claims and Interests, the treatment provided for in section 1124 of the Bankruptcy Code.

218. “*Rejected Executory Contracts and Unexpired Leases Schedule*” means the schedule of Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, as set forth in the Plan Supplement, as may be amended by the Debtors in consultation with the Requisite Consenting Creditors from time to time.

219. “*Released Party*” means each of the following in their capacity as such: (i) the Debtors; (ii) the Reorganized Debtors; (iii) each of the Debtors’ Estates; (iv) the Sponsor; (v) the Shareholders; (vi) the Consenting Creditors; (vii) the Backstop Parties; (viii) the Supporting Parties; (ix) the Prepetition ABL Agent; (x) the First Lien Agents; (xi) the DIP Agent and DIP Lenders; (xii) the Unsecured Notes Trustee; (xiii) the Committee; (xiv) the Committee Members; (xv) Oaktree; (xvi) the Second Lien Notes Trustee; and (xvii) with respect to each of the foregoing Entities in clauses (i) through (xvi), such Entity and its current and former Affiliates, and such Entities’ and their current and former Affiliates’ current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, managed accounts or funds, management companies, fund advisors, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

220. “*Releasing Party*” means each of the following in their capacity as such: (i) the Consenting Creditors; (ii) the Backstop Parties; (iii) the Supporting Parties; (iv) the Prepetition ABL Agent; (v) the First Lien Agents; (vi) the DIP Agent and DIP Lenders; (vii) the Sponsor; (viii) the Unsecured Notes Trustee; (ix) Oaktree; (x) the Second Lien Notes Trustee; (xi) all Holders of Unimpaired Claims or Interests who do not file a timely objection to the third party releases provided for in Article VIII.D (provided that, for the avoidance of doubt, Holders of Unimpaired Claims or Interests that timely file an objection to the third party releases provided pursuant to Article VIII.D shall not be Releasing Parties); (xii) all other Holders of Claims or Interests who vote to accept the Plan but who do not opt out of the releases provided for in Article VIII.D pursuant to a duly completed Ballot submitted on or before the Voting Deadline; (xiii) each of the Debtors and the Reorganized Debtors; and (xiv) with respect to each of the foregoing Entities in clauses (i) through (xiii), such Entity and its current and former Affiliates, and such Entities’ and their current and former Affiliates’ current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, managed accounts or funds, management companies, fund advisors, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

221. “*Reorganized Claire’s Parent*” means reorganized Claire’s Inc., or any successors thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

222. “*Reorganized Claire’s Parent Board*” means the initial board of directors of Reorganized Claire’s Parent.

223. “*Reorganized Claire’s Parent Organizational Documents*” means the form of the certificates or articles of incorporation, bylaws, or such other applicable formation documents of Reorganized Claire’s Parent, which forms shall be included in the Plan Supplement all in form and substance reasonably acceptable to the Debtors and the Requisite Consenting Creditors.

224. “*Reorganized Claire’s Parent Interests*” means the common stock or equity interests, par value of \$0.01 per share, of Reorganized Claire’s Parent to be issued upon consummation of the Plan.

225. “*Reorganized Claire’s Stores*” means reorganized Claire’s Stores, Inc., or any successors thereto, by merger, consolidation, or otherwise on or after the Effective Date.

226. “*Reorganized Claire’s Stores Board*” means the initial board of directors of Reorganized Claire’s Stores.

227. “*Reorganized Debtors*” means the Debtors, or any successors thereto, by merger, consolidation, or otherwise, on or after the Effective Date, including Reorganized Claire’s Parent and Reorganized Claire’s Stores.

228. “*Reorganized Debtors Organizational Documents*” means the form of the certificates or articles of incorporation, bylaws, or such other applicable formation documents of each Reorganized Debtor, all in form and substance reasonably acceptable to the Debtors and the Requisite Consenting Creditors.

229. “*Required DIP Lenders*” means “Required Lenders” as defined in the DIP Credit Agreement.

230. “*Requisite Backstop Parties*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

231. “*Requisite Consenting Creditors*” shall have the meaning set forth in the Restructuring Support Agreement.

232. “*Restructuring*” means the restructuring of the existing debt and other obligations of the Debtors and their non-Debtor Affiliates on the terms and conditions set forth in the Plan and Plan Supplement, and subject to the terms of the Restructuring Support Agreement.

233. “*Restructuring Support Agreement*” means that certain Restructuring Support Agreement, dated as of March 19, 2018, by and among Claire’s Parent and each of its direct and indirect wholly-owned domestic subsidiaries identified on the signature pages thereto, the Sponsor, and the Consenting Creditors, as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.

234. “*Restructuring Transactions*” shall have the meaning set forth in Article IV.K hereof.

235. “*Rights Offering*” means that certain offering of rights pursuant to the Rights Offering Procedures.

236. “*Rights Offering Procedures*” means, collectively, the procedures governing and for the implementation of the New Money Investment, including the First Lien Rights Offering and the Shareholder Rights Offering approved by the *Order (I) Approving Rights Offerings Procedures and Related Forms, (II) Authorizing Debtors to Conduct Rights Offerings in Connection with Debtors’ Chapter 11 Plan of Reorganization, (III) Approving Form of Materials Necessary for Consummation of Rights Offerings, and (IV) Granting Related Relief* entered by the Bankruptcy Court on July 20, 2018 [Docket No. 657], as may be amended, modified or supplemented in accordance with such order and which shall be in form and substance reasonably acceptable to the Debtors and the Requisite Consenting Creditors.

237. “*Schedule of Retained Preference Actions*” means a schedule of retained Causes of Action asserting claims under Section 547 of the Bankruptcy Code to be retained by the Reorganized Debtors, which will be reasonably acceptable to the Committee, the Debtors, and the Requisite Consenting Creditors; provided that in no instance shall the Debtors or Reorganized Debtors retain (whether on their own behalf or on behalf of their Estates) any such Claims or Causes of Action against any Released Party; provided further that any such Claim or Cause of Action not specifically identified on the Schedule of Retained Preference Actions shall be waived and released, and deemed waived and released, by the Debtors and Reorganized Debtors, on their own behalf and on behalf of their Estates without any further action by any party.

238. “*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 on May 7, 2018 [Docket

Nos. 359-374]. pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified, or supplemented from time to time.

239. “*Second Lien Intercreditor Agreement*” means that certain intercreditor agreement, dated as of March 4, 2011 (as amended, restated, modified, and supplemented from time to time), by, among others: (i) the Prepetition RCF Agent, as the authorized representative of the lenders under the Prepetition RCF Agreement; (ii) the 6.125% First Lien Notes Trustee, as the authorized representative of the 6.125% First Lien Noteholders; (iii) the 9.00% First Lien Notes Trustee, as the authorized representative of the 9.00% First Lien Noteholders; (iv) the Prepetition First Lien Term Loan Agent, as the authorized representative of the lenders under the Prepetition First Lien Term Loan Agreement; and (v) the Second Lien Notes Trustee, as the authorized representative of the Second Lien Noteholders.

240. “*Second Lien Noteholders*” means the holders of Second Lien Notes from time to time, in their capacity as such.

241. “*Second Lien Notes*” means the 8.875% senior secured second lien notes due March 15, 2019 issued pursuant to the Second Lien Notes Indenture.

242. “*Second Lien Notes Claims*” means any Claim against any Debtor arising from or based upon the Second Lien Notes or any of the other Second Lien Notes Documents, including accrued but unpaid interest, costs, fees, and indemnities, which principal outstanding as of the Commencement Date was in the aggregate amount equal to \$222,300,000.00.

243. “*Second Lien Notes Claims Recovery Cash Pool*” means \$41,829,079.50, for purposes of disbursements to Holders of Allowed Second Lien Notes Claims, in accordance with Article III.B.

244. “*Second Lien Notes Documents*” means, collectively, the Second Lien Notes Indenture, the Second Lien Notes, and all related agreements and documents executed by any of the Debtors in connection with the Second Lien Notes.

245. “*Second Lien Notes Indenture*” means that certain indenture, dated as of March 4, 2011 (as the same may have been amended, modified, supplemented, or amended and restated from time to time), for the Second Lien Notes by and among Claire’s Stores, as successor to Claire’s Escrow Corporation, as the issuer, the Subsidiary Guarantors, as guarantors, and the Second Lien Notes Trustee.

246. “*Second Lien Notes Trustee*” means Wilmington Savings Fund Society, FSB, as successor to The Bank of New York Mellon Trust Company, N.A., in its capacity as collateral agent and indenture trustee under the Second Lien Notes Indenture.

247. “*Second Lien Notes Trustee Fees*” means collectively, to the extent not previously paid in connection with the Chapter 11 Cases, the reasonable and documented fees, costs, expenses, disbursements, advances and indemnities incurred by the Second Lien Notes Trustee, whether prior to or after the Effective Date, that are required to be paid under the Second Lien Notes Indenture, including those of (i) the Second Lien Notes Trustee, (ii) Pryor Cashman LLP, in its capacity as counsel to the Second Lien Notes Trustee, (iii) White & Case, in its capacity as special counsel to the Second Lien Notes Trustee; (iv) Fox Rothschild LLP, in its capacity as counsel to the Second Lien Notes Trustee, and (v) Ashby & Geddes, in its capacity as counsel to the Second Lien Notes Trustee.

248. “*Second Lien Notes Trustee Charging Lien*” means a Lien or other priority in payment to which the Second Lien Notes Trustee in its capacity as collateral agent and indenture trustee is entitled, pursuant to the Second Lien Notes Indenture or any ancillary documents, instruments, agreements, or any principle of law.

249. “*Section 510(b) Claims*” means any Claim against any Debtor (i) arising from the rescission of a purchase or sale of a Security of any Debtor or an Affiliate of any Debtor; (ii) for damages arising from the purchase or sale of such a Security; (iii) or for reimbursement or contribution Allowed under section 502 of the Bankruptcy

Code on account of such a Claim; provided that a Section 510(b) Claim shall not include any Claims subject to subordination under section 510(b) of the Bankruptcy Code arising from or related to any Interest.

250. “*Secured*” means, when referring to a Claim, 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 a Final Order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the applicable creditor’s interest in such Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, in each case, as determined pursuant to section 506(a) of the Bankruptcy Code.

251. “*Secured Debt Deficiency Claims*” means First Lien Debt Deficiency Claims and Second Lien Notes Claims.

252. “*Secured Tax Claim*” means any Secured Claim against any Debtor that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

253. “*Securities Act*” means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, together with the rules and regulations promulgated thereunder.

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

255. “*Shareholders*” means each of the current and former Holders of Existing Claire’s Parent Equity Interests from time to time, including Apollo Investment Fund VI, L.P. and any funds managed thereby that are current or former Holders of Existing Claire’s Parent Equity Interests.

256. “*Shareholders Agreement*” means the shareholders agreement, equityholders agreement, operating agreement or other similar agreement for the Reorganized Claire’s Parent, to which Holders of the Reorganized Claire’s Parent Interests and the New Preferred Equity Interests will become party to on the Effective Date governing (among other things) the relative rights of Holders of New Preferred Equity Interests and Reorganized Claire’s Parent Interests, and which shall be in form and substance acceptable to the Requisite Consenting Creditors in good faith.

257. “*Shareholder Rights Offering*” means the rights offering for the purpose of funding or committing to fund, as applicable, Claire’s Parent’s exercise of rights with respect to Claire’s Parent’s New Investment Allocation pursuant to Section 2.8 of the New Money Backstop Commitment Agreement.

258. “*Shareholder Subscription Rights*” means, with respect to Eligible Shareholders, in their capacity as such, the rights to participate in Claire’s Parent’s Investment Allocation in accordance with the Rights Offering Procedures.

259. “*Sponsor*” means Apollo Management Holdings, L.P., as manager and/or investment advisor of funds that are the owners and/or beneficial holders of Interests in and Claims against the Debtors and their non-Debtor Affiliates.

260. “*Subscription Agent*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

261. “*Subsidiary Guarantors*” means Debtors (i) Claire’s Puerto Rico Corp.; (ii) CBI Distributing Corp.; (iii) Claire’s Boutiques, Inc.; (iv) BMS Distributing Corp.; (v) Claire’s Canada Corp.; and (vi) CSI Canada LLC.

262. “*Supporting Party*” shall have the meaning set forth in the New Money Backstop Commitment Agreement, provided that Oaktree shall be deemed a Supporting Party.

263. “*Swiss Holdings*” means Claire’s Swiss Holdings LLC.

264. “*U.S. Trustee*” means the Office of the United States Trustee for the District of Delaware.
265. “*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.
266. “*Unimpaired*” means, with respect to a Claim or a Class of Claims or Interests, a Claim or an Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.
267. “*Unsecured*” means, with respect to any Claim, any Claim that is not a Secured Claim, including, for the avoidance of doubt, (i) First Lien Debt Deficiency Claims; (ii) Second Lien Notes Claims; (iii) Unsecured Notes Claims; (iv) General Unsecured Claims; and (v) General Unsecured Elective Claims.
268. “*Unsecured Noteholders*” means Holders of the Unsecured Notes from time to time, in their capacity as such.
269. “*Unsecured Notes*” means the 7.750% senior unsecured notes due June 1, 2020 issued pursuant to the Unsecured Notes Indenture.
270. “*Unsecured Notes Claims*” means all Claims against any Debtor arising from or based upon the Unsecured Notes or any of the other Unsecured Notes Documents, including accrued but unpaid interest, costs, fees, and indemnities, which principal outstanding as of the Commencement Date was in the aggregate amount equal to approximately \$216,742,000.00.
271. “*Unsecured Notes Claim Recovery Cash Pool*” means \$32,436,000, for purposes of disbursements to Holders of Allowed Unsecured Notes Claims, in accordance with Article III.B.
272. “*Unsecured Notes Documents*” means, collectively, the Unsecured Notes Indenture, the Unsecured Notes, and all related agreements and documents executed by any of the Debtors in connection with the Unsecured Notes.
273. “*Unsecured Notes Indenture*” means that certain indenture, dated as of May 14, 2013, by and among Claire’s Stores, as issuer, the Subsidiary Guarantors, as guarantors, and the Unsecured Notes Trustee, as the same may be amended, modified, or amended and restated from time to time in accordance with its terms.
274. “*Unsecured Notes Trustee*” means BOKF, National Association, as successor to The Bank of New York Mellon Trust Company, N.A., in its capacity as indenture trustee under the Unsecured Notes Indenture.
275. “*Unsecured Notes Trustee Claims*” means any and all objections, Claims, Causes of Action, or Challenges that the Unsecured Notes Trustee, on its own behalf, on behalf of the Estates, or otherwise, raised, could have raised, or could raise in the future relating to approval of the Disclosure Statement, Plan confirmation, the Restructuring Support Agreement, or pursuant to a Challenge, including (x) with respect to the enterprise valuation, collateral valuation, releases, exculpations, and injunctions contemplated by the Plan and (y) on account of any potential objection, Claim, Cause of Action, or Challenge set forth in the *Preliminary Objection and Reservation of Rights of BOKF, National Association to Debtors’ (I) Disclosure Statement and (II) Scheduling Motion* filed July 13, 2018 [Docket No. 609].
276. “*Unsecured Notes Trustee Fees*” means collectively, to the extent not previously paid in connection with the Chapter 11 Cases, all outstanding reasonable and documented fees, costs, expenses, disbursements, advances and indemnities incurred by the Unsecured Notes Trustee, whether prior to or after the Effective Date, that are required to be paid or satisfied under the Unsecured Notes Indenture including, but not limited to those of (i) Arent Fox LLP, in its capacity as counsel to the Unsecured Notes Trustee; (ii) Morris James LLP, in its capacity as local counsel to the Unsecured Notes Trustee; and (iii) Frederic Dorwat Lawyers PLLC, in its capacity as counsel to the Unsecured Notes Trustee.

277. “*Unsecured Notes Trustee Charging Lien*” means any Lien or other priority in payment to which the Unsecured Notes Trustee is entitled, or that secures the Unsecured Notes Trustee Fees, pursuant to the Unsecured Notes Indenture or any ancillary documents, instruments, or agreements.

278. “*Unsecured Recovery Cash Pool*” means, with respect to each Debtor other than Claire’s Parent, Cash in the amounts set forth on Exhibit A hereto (which amounts shall be satisfactory to the Requisite Consenting Creditors in their reasonable discretion), for purposes of disbursements to Holders of Allowed Unsecured Claims, in accordance with Article III.B. For the avoidance of doubt, a Holder of an Allowed Unsecured Claim shall be entitled to a Pro Rata recovery on account of such Allowed Claim only with respect to the Unsecured Recovery Cash Pool applicable to the Debtor subject to such Allowed Claim. The amounts set forth in each Unsecured Recovery Cash Pool may be reallocated among the Debtors, in their reasonable business judgment and with the reasonable consent of the Requisite Consenting Creditors and the Committee, to recalibrate for, among other things, the Claims asserted against the Debtors’ Estates after the occurrence of the Claims Bar Date.

279. “*Unsecured Recovery Cash Pool Account*” means a segregated account to be funded on or prior to the Effective Date in accordance with Article IV.E.

280. “*Unsubscribed Amount*” shall have the meaning set forth in the New Money Backstop Commitment Agreement.

281. “*Voting Deadline*” means 4:00 p.m. (prevailing Eastern Time) on September 5, 2018, as specifically set forth in the Disclosure Statement Order, which is the deadline for submitting Ballots to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code.

B. *Rules of Interpretation*

For purposes herein: (i) 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; (ii) except as otherwise provided herein, 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; (iii) except as otherwise provided, any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified in accordance with the Plan; (iv) unless otherwise specified herein, all references herein to “Articles” are references to Articles of the Plan or hereto; (v) unless otherwise stated herein, the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (vi) 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 hereof; (vii) the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words “without limitation”; (viii) unless otherwise specified, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the Plan; (ix) 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; (x) any docket number references in the Plan shall refer to the docket number of any document Filed with the Bankruptcy Court in the Chapter 11 Cases; (xi) references to “Proofs of Claim,” “Holders of Claims,” “Disputed Claims,” and the like shall include “Proofs of Interest,” “Holders of Interests,” “Disputed Interests,” and the like as applicable; (xii) references to “shareholders,” “directors,” and/or “officers” shall also include “members” and/or “managers,” as applicable, as such terms are defined under the applicable state limited liability company laws; (xiii) any immaterial effectuating provisions may be interpreted by the Debtors, or after the Effective Date, the Reorganized Debtors 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; and (xiv) except as otherwise provided, any references to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter.

C. *Computation of Time*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. 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 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 herein, the laws of the State of New York, 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 that corporate or limited liability company governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated or formed (as applicable) in the State of New York shall be governed by the laws of the state of incorporation or formation (as applicable) of the applicable Debtor or Reorganized Debtor.

E. *Reference to Monetary Figures*

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided herein.

F. *Reference to the Debtors or the Reorganized Debtors*

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

G. *Controlling Document*

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and the Plan Supplement, the terms of the relevant document in the Plan Supplement shall control (unless stated otherwise in such Plan Supplement document or in the Confirmation Order). In the event of an inconsistency between the Confirmation Order and the Plan, the Disclosure Statement or the Plan Supplement, the Confirmation Order shall control.

**ARTICLE II.
ADMINISTRATIVE CLAIMS AND PRIORITY CLAIMS**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, including DIP Claims, Professional Fee Claims, Priority Tax Claims, and postpetition Intercompany Claims have not been classified and, thus, are excluded from the classification of Claims and Interests set forth in Article III.

A. *Administrative Claims*

Except with respect to Professional Fee Claims and DIP Claims, and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a Holder of an Allowed Administrative Claim and the applicable Debtor, or after the Effective Date, such Holder and the applicable Reorganized Debtor agree to less favorable treatment, each Holder of an Allowed Administrative Claim shall be paid in full in Cash (i) if such Administrative Claim is Allowed as of the Effective Date, not later than the Effective Date; or (ii) if such Administrative Claim is not Allowed as of the Effective Date, upon entry of an order of the Bankruptcy Court Allowing such Claim, or as soon as reasonably practicable thereafter; provided that if an Allowed Administrative Claim arises from liabilities incurred by the Debtors' Estates in the ordinary course of business after the

Commencement Date, such Claim shall be paid in accordance with the terms and conditions of the particular transaction giving rise to such Claim in the ordinary course.

Except as otherwise provided in this Article II.A or the Claims Bar Date Order, and except with respect to Administrative Claims that are Professional Fee Claims or DIP Claims, requests for payment of Allowed Administrative Claims must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date; provided, that the Administrative Claims Bar Date does not apply to Professional Fee Claims or Administrative Claims arising in the ordinary course of business.

Objections to requests for payment of Administrative Claims that are Filed with the Bankruptcy Court (other than Professional Fee Claims and DIP Claims) must be Filed and served on the requesting party by the Administrative Claims Objection Bar Date.

For the avoidance of doubt, all fees and expenses of the DIP Agent, including, without limitation, DIP Agent Professional Fees, shall be paid in full, in Cash, on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Cases), by the Debtors or the Reorganized Debtors, without the requirement to file a fee application with the Bankruptcy Court or a formal request for payment by the Administrative Claims Bar Date.

HOLDERS OF ADMINISTRATIVE CLAIMS THAT ARE REQUIRED TO, BUT DO NOT, FILE AND SERVE A REQUEST FOR PAYMENT OF SUCH ADMINISTRATIVE CLAIMS BY THE ADMINISTRATIVE CLAIMS BAR DATE SHALL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH ADMINISTRATIVE CLAIMS AGAINST THE DEBTORS OR THEIR PROPERTY, AND SUCH ADMINISTRATIVE CLAIMS SHALL BE DEEMED DISCHARGED AS OF THE EFFECTIVE DATE.

B. *DIP Claims*

All DIP Claims shall be deemed Allowed as of the Effective Date in an amount equal to the aggregate amount of the DIP Obligations (as defined in the DIP Order), including (i) the principal amount outstanding under the DIP Financing on such date; (ii) the face amount of all outstanding letters of credit; (iii) all interest accrued and unpaid thereon through and including the date of payment; and (iv) all accrued and unpaid fees, expenses and indemnification obligations payable under the DIP Documents. Except to the extent that a Holder of an Allowed DIP Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed DIP Claim, each such Allowed DIP Claim shall be indefeasibly paid in full, in Cash (or in the case of outstanding letters of credit or contingent DIP Claims, shall be terminated (only in the case of outstanding letters of credit), cash collateralized (in an amount and manner satisfactory to the DIP Agent) or fully supported through the issuance of backstop letters of credit, in each case in accordance with the terms of the DIP Documents) by the Debtors on the Effective Date. Contemporaneously with the foregoing payment, the DIP Financing facility and the "*Loan Documents*" referred to therein shall be deemed canceled, all commitments under the DIP Documents shall be deemed terminated, all Liens on property of the Debtors and the Reorganized Debtors arising out of or related to the DIP Financing shall automatically terminate, and all collateral subject to such Liens shall be automatically released, in each case without further action by the DIP Agent or the DIP Lenders and all guarantees of the Debtors and Reorganized Debtors arising out of or related to the DIP Claims shall be automatically discharged and released, in each case without further action by the DIP Agent or the DIP Lenders. The DIP Agent and the DIP Lenders shall take all actions to effectuate and confirm such termination, release and discharge as reasonably requested by the Debtors or the Reorganized Debtors; provided that any provisions of the "*Loan Documents*" governing the DIP Financing facility that by their terms survive the payoff and termination of such facility shall survive in accordance with the terms of such Loan Documents.

C. *Professional Fee Claims*

1. Final Fee Applications

All final requests for payment of Professional Fee Claims must be Filed with the Bankruptcy Court no later than the first Business Day that is sixty (60) days after the Effective Date unless otherwise ordered by the Bankruptcy Court.

2. Professional Fee Escrow

If the Professional Fee Claims Estimate is greater than zero, as soon as reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow with Cash equal to the Professional Fee Claims Estimate, and no Liens, Claims, or interests shall encumber the Professional Fee Escrow in any way (whether on account of the New Reorganized Debt, or otherwise). The Professional Fee Escrow (including funds held in the Professional Fee Escrow) (i) shall not be and shall not be deemed property of the Debtors or the Reorganized Debtors and (ii) shall be held in trust for the Professionals; provided that funds remaining in the Professional Fee Escrow after all Allowed Professional Fee Claims have been irrevocably paid in full shall revert to the Reorganized Debtors. Allowed Professional Fee Claims shall be paid in Cash to such Professionals from funds held in the Professional Fee Escrow when such Claims are Allowed by an order of the Bankruptcy Court; provided that the Debtors' obligations with respect to Professional Fee Claims shall not be limited nor deemed to be limited in any way to the balance of funds held in the Professional Fee Escrow.

If the amount of funds in the Professional Fee Escrow is insufficient to fund payment in full of all Allowed Professional Fee Claims and any other Allowed amounts owed to Professionals, the deficiency shall be promptly funded to the Professional Fee Escrow from the Debtors' Estates without any further action or order of the Bankruptcy Court.

3. Professional Fee Claims Estimate

Professionals shall estimate in good faith their unpaid Professional Fee Claims and other unpaid fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date and shall deliver such reasonable, good faith estimate to the Debtors no later than five (5) Business Days prior to the Effective Date; provided, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Filed Professional Fee Claims. If a Professional does not provide an estimate, the Debtors, in consultation with the First Lien Professionals, shall estimate in good faith the unpaid and unbilled fees and expenses of such Professional.

4. Post-Effective Date Fees and Expenses

Except as otherwise specifically provided in the Plan, on and after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, 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 of the Plan and Consummation incurred by the Debtors and the Reorganized Debtors, and the GUC Oversight Administrator (with respect to the GUC Oversight Administrator Costs), as applicable. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention for services rendered after such date shall terminate, and the Debtors or the Reorganized Debtors, as applicable, may employ any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

D. *Priority Tax Claims*

Except to the extent that a Holder of an Allowed Priority Tax Claim and the applicable Debtor with the reasonable consent of Requisite Consenting Creditors (which consent shall not be unreasonably withheld or delayed) prior to the Effective Date, or after the Effective Date, such Holder and the applicable Reorganized Debtor, agree to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for

each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, Holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

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

A. *Summary of Classification*

Claims and Interests, except for Prepetition RCF Claims, and Administrative Claims, including DIP Claims, Professional Fee Claims, Priority Tax Claims, and postpetition Intercompany Claims are classified in the Classes set forth in this Article III. 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 also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth below. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.F.

1. Class Identification

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claim / Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
3	Prepetition ABL Claims (all Debtors other than Claire's Parent)	Unimpaired	Not Entitled to Vote (Presumed to Accept)
4	Prepetition LC Facility Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
5	Prepetition ABL Claims (Claire's Parent)	Unimpaired	Not Entitled to Vote (Presumed to Accept)

Class	Claim / Interest	Status	Voting Rights
6	Prepetition RCF Claims (Claire's Parent)	Unimpaired	Not Entitled to Vote (Presumed to Accept)
7	First Lien Debt Secured Claims (all Debtors other than Claire's Parent)	Impaired	Entitled to Vote
8	Unsecured Claims (Claire's Parent)	Unimpaired	Not Entitled to Vote (Presumed to Accept)
9	First Lien Debt Deficiency Claims (all Debtors other than Claire's Parent)	Impaired	Entitled to Vote
10	Second Lien Notes Claims (all Debtors other than Claire's Parent)	Impaired	Entitled to Vote
11	Unsecured Notes Claims	Impaired	Entitled to Vote
12	General Unsecured Claims (all Debtors other than Claire's Parent)	Impaired	Entitled to Vote
13	General Unsecured Elective Claims (all Debtors other than Claire's Parent)	Impaired	Entitled to Vote
14	Prepetition Intercompany Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
15	Section 510(b) Claims	Impaired	Not Entitled to Vote (Presumed to Reject)
16	Intercompany Interests	Unimpaired	Not Entitled to Vote (Presumed to Accept)
17	Existing Claire's Parent Equity Interests	Impaired	Entitled to Vote

B. *Treatment of Claims and Interests*

1. Class 1 – Other Priority Claims

- a. *Classification:* Class 1 consists of all Other Priority Claims against each Debtor.
- b. *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim and the applicable Debtor prior to the Effective Date, with the consent of the Requisite Consenting Creditors (which consent shall not be unreasonably withheld), or after the Effective Date, such Holder and the applicable Reorganized Debtor agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Other Priority Claim, each such Holder shall receive payment in full, in Cash, of the unpaid portion of its Other Priority Claim on the Effective Date or as soon thereafter as reasonably practicable (or, if payment is not then due, shall be paid in accordance with its terms in the ordinary course).
- c. *Voting:* Class 1 is Unimpaired under the Plan. Each Holder of an Other Priority Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Other Priority Claim are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

- a. *Classification:* Class 2 consists of all Other Secured Claims against each Debtor.
- b. *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim and the applicable Debtor prior to the Effective Date, with the consent of the Requisite Consenting Creditors (which consent shall not be unreasonably withheld), or after the Effective Date, such Holder and the applicable Reorganized Debtor agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Other Secured Claim, each such Holder shall receive at the applicable Debtor's, with the consent of the Requisite Consenting Creditors (which consent shall not be unreasonably withheld), or the applicable Reorganized Debtor's, discretion:
 - (i) payment in full in Cash of the unpaid portion of such Holder's Allowed Other Secured Claim on the Effective Date or as soon thereafter as reasonably practicable (or if payment is not then due, payment shall be made in accordance with its terms in the ordinary course);
 - (ii) Reinstatement of such Holder's Allowed Other Secured Claim;
 - (iii) the applicable Debtor's interest in the collateral securing such Holder's Other Secured Claim; or
 - (iv) such other treatment rendering such Holder's Allowed Other Secured Claim Unimpaired.
- c. *Voting:* Class 2 is Unimpaired under the Plan. Each Holder of an Other Secured Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Other Secured Claims are not entitled to vote to accept or reject the Plan.

3. Prepetition ABL Claims against each Debtor other than Claire's Parent

- a. *Classification:* Class 3 consists of all Prepetition ABL Claims against each Debtor other than Claire's Parent.
- b. *Treatment:* Except to the extent that a Holder of an Allowed Prepetition ABL Claim against any Debtor other than Claire's Parent and the applicable Debtor (other than Claire's Parent) prior to the Effective Date, with the consent of the Requisite Consenting Creditors (which consent shall not be unreasonably withheld), or after the Effective Date, such Holder and the applicable Reorganized Debtor, agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Prepetition ABL Claim, each such Holder shall receive payment in full, in Cash, of the unpaid portion of its Prepetition ABL Claim on the Effective Date.
- c. *Voting:* Class 3 is Unimpaired under the Plan. Each Holder of a Prepetition ABL Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Prepetition ABL Claims are not entitled to vote to accept or reject the Plan.

4. Prepetition LC Facility Claims

- a. *Classification:* Class 4 consists of all Prepetition LC Facility Claims against each Debtor.
- b. *Treatment:* Except to the extent that a Holder of an Allowed Prepetition LC Facility Claim and the applicable Debtor prior to the Effective Date, with the consent of the Requisite Consenting Creditors (which consent shall not be unreasonably withheld), or after the Effective Date, such Holder and the applicable Reorganized Debtor agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Prepetition LC Facility Claim, each such Holder shall receive at the applicable Debtor's, with the consent of the Requisite Consenting Creditors (which consent shall not be unreasonably withheld), or the applicable Reorganized Debtor's, discretion, such treatment rendering such Holder's Allowed Prepetition LC Facility Claim Unimpaired or causing the Prepetition LC Facility to be Reinstated.
- c. *Voting:* Class 4 is Unimpaired under the Plan. Each Holder of a Prepetition LC Facility Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Prepetition LC Facility Claims are not entitled to vote to accept or reject the Plan.

5. Class 5 – Prepetition ABL Claims against Claire's Parent

- a. *Classification:* Class 5 consists of all Prepetition ABL Claims against Claire's Parent.
- b. *Allowance:* Prepetition ABL Claims against Claire's Parent shall be Allowed against Claire's Parent in the amount of \$0.00.
- c. *Treatment:* On the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claim, each Holder of a Prepetition ABL Claim against Claire's Parent shall receive a Cash recovery in an amount equal to the Allowed amount of such Claim against Claire's Parent.
- d. *Voting:* Class 5 is Unimpaired under the Plan. Each Holder of a Prepetition ABL Claim against Claire's Parent is deemed to have accepted the Plan pursuant to section 1126(f) of

the Bankruptcy Code. Therefore, Holders of Prepetition ABL Claims Claire's Parent are not entitled to vote to accept or reject the Plan.

6. Class 6 – Prepetition RCF Claims against Claire's Parent

- a. *Classification:* Class 6 consists of all Prepetition RCF Claims against Claire's Parent.
- b. *Allowance:* Prepetition RCF Claims against Claire's Parent shall be Allowed against Claire's Parent in the amount of \$0.00.
- c. *Treatment:* On the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claim, each Holder of a Prepetition RCF Claim against Claire's Parent shall receive a Cash recovery in an amount equal to the Allowed amount of such Claim against Claire's Parent.
- d. *Voting:* Class 6 is Unimpaired under the Plan. Each Holder of a Prepetition RCF Claim against Claire's Parent is deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Prepetition RCF Claims against Claire's Parent are not entitled to vote to accept or reject the Plan.

7. Class 7 – First Lien Debt Secured Claims against each Debtor other than Claire's Parent.

- a. *Classification:* Class 7 consists of all First Lien Debt Secured Claims against each Debtor other than Claire's Parent.
- b. *Allowance:* First Lien Debt Secured Claims shall be Allowed in the amount of \$1,137,612,367.85 against each Debtor other than Claire's Parent.
- c. *Treatment:* On the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claims, each Holder of a First Lien Debt Secured Claim against any Debtor other than Claire's Parent, in each case without duplication among the Debtors, shall receive from Claire's Stores its Pro Rata share of, as applicable:
 - (i) 100% of the Reorganized Claire's Parent Interests, subject to dilution by the New Preferred Equity Interests and the Management Equity Incentive Plan;
 - (ii) with respect to Eligible First Lien Holders, the First Lien Subscription Rights; and
 - (iii) with respect to each Ineligible First Lien Holders, Cash in the amount equal to the value of the First Lien Subscription Rights that would have been distributable to such Holder if such Holder was an Eligible First Lien Holder.
- d. *Voting:* Class 7 is Impaired under the Plan and is entitled to vote to accept or reject the Plan.

8. Class 8 – Unsecured Claims against Claire’s Parent.

- a. *Classification:* Class 8 consists of all Unsecured Claims against Claire’s Parent.
- b. *Allowance:* Unsecured Claims against Claire’s Parent that are First Lien Debt Deficiency Claims shall be Allowed against Claire’s Parent 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, compromise, settlement, release, and discharge of and in exchange for such Claims, each Holder of an Allowed Unsecured Claim against Claire’s Parent shall receive a Cash distribution on a Pro Rata basis from the Claire’s Parent Assets.
- d. *Voting:* Class 8 is Unimpaired under the Plan. Each Holder of an Unsecured Claim against Claire’s Parent is deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Unsecured Claims against Claire’s Parent are not entitled to vote to accept or reject the Plan.

9. Class 9 – First Lien Debt Deficiency Claims against any Debtor other than Claire’s Parent

- a. *Classification:* Class 9 consists of all First Lien Debt Deficiency Claims against each Debtor other than Claire’s Parent.
- b. *Allowance:* First Lien Debt Deficiency Claims shall be Allowed in the aggregate amount of \$288,287,776.49 against each Debtor other than Claire’s Parent.
- c. *Treatment:* Except to the extent that a Holder of an Allowed First Lien Debt Deficiency Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claims, each Holder of an Allowed First Lien Debt Deficiency Claim shall receive on the Effective Date or as soon as practicable thereafter, with a carve out from the collateral (or the value of such collateral) securing the First Lien Debt Claims:
 - (i) **If Class 9 votes to accept the Plan by September 14, 2018 at 4:00 P.M. (prevailing Eastern Time):** such Holder’s Pro Rata share of the First Lien Secured Debt Deficiency Claim Recovery Cash Pool.
 - (ii) **If Class 9 votes to reject the Plan:** such Holder’s Pro Rata share of the Unsecured Recovery Cash Pool (among all Allowed General Unsecured Claims, Unsecured Notes Claims, Second Lien Notes Claims, and First Lien Debt Deficiency Claims, regardless of whether Holders of such Claims recover from the Unsecured Recovery Cash Pool).
- d. *Voting:* Class 9 is Impaired under the Plan and is entitled to vote to accept or reject the Plan.

10. Class 10 – Second Lien Notes Claims against any Debtor other than Claire’s Parent

- a. *Classification:* Class 10 consists of all Second Lien Notes Claims against each Debtor other than Claire’s Parent.
- b. *Allowance:* Second Lien Notes Claims shall be Allowed in the aggregate amount of \$232,383,775.00 against each Debtor other than Claire’s Parent.
- c. *Treatment:* Except to the extent that a Holder of an Allowed Second Lien Notes Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement,

release, and discharge of and in exchange for such Claims, each Holder of an Allowed Second Lien Notes Claim shall receive on the Effective Date, or as soon as practicable thereafter, with a carve out from the collateral (or the value of such collateral) securing the First Lien Debt Claims:

(i) such Holder's Pro Rata share of (x) the Second Lien Notes Claims Recovery Cash Pool, and (y) the CVR Certificates; provided that, for the avoidance of doubt, distributions from the Second Lien Notes Claims Recovery Cash Pool are subject to application of the Second Lien Notes Trustee Charging Lien as provided by Article V.I.L hereof.

(ii) **[Reserved]**.

d. *Voting:* Class 10 is Impaired under the Plan and is entitled to vote to accept or reject the Plan.

11. Class 11 – Unsecured Notes Claims

a. *Classification:* Class 11 consists of all Unsecured Notes Claims against each Debtor other than Claire's Parent.

b. *Allowance:* Unsecured Notes Claims shall be Allowed in the aggregate amount of \$221,781,251.50 against each Debtor other than Claire's Parent.

c. *Treatment:* Except to the extent that a Holder of an Allowed Unsecured Notes Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claims, each Holder of an Allowed Unsecured Notes Claim shall receive on the Effective Date or as soon as practicable thereafter, with a carve out from the collateral (or the value of such collateral) securing the First Lien Debt Claims:

(i) **If Class 11 votes to accept the Plan by September 14, 2018 at 4:00 P.M. (prevailing Eastern Time):** such Holder's Pro Rata share of the Unsecured Notes Claim Recovery Cash Pool.

(ii) **If Class 11 votes to reject the Plan:** such Holder's Pro Rata share of the Unsecured Recovery Cash Pool (among all Allowed General Unsecured Claims, Unsecured Notes Claims, Second Lien Notes Claims, and First Lien Debt Deficiency Claims, regardless of whether Holders of such Claims recover from the Unsecured Recovery Cash Pool).

d. *Voting:* Class 11 is Impaired under the Plan and is entitled to vote to accept or reject the Plan.

12. Class 12 – General Unsecured Claims against any Debtor other than Claire's Parent

a. *Classification:* Class 12 consists of all General Unsecured Claims against each Debtor other than Claire's Parent.

Alternatively, Holders of General Unsecured Claims against each Debtor other than Claire's Parent may elect to have their Claims classified in Class 13.

b. *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claims, each Holder of an Allowed

General Unsecured Claim against any Debtor other than Claire's Parent shall receive on the Effective Date or as soon as practicable thereafter its Pro Rata share of the Unsecured Recovery Cash Pool with a carve out from the collateral (or the value of such collateral) securing the First Lien Debt Claims (among all Allowed General Unsecured Claims, Unsecured Notes Claims, Second Lien Notes Claims, and First Lien Deficiency Claims, regardless of whether Holders of such Claims recover from the Unsecured Recovery Cash Pool).

- c. *Voting:* Class 12 is Impaired under the Plan and is entitled to vote to accept or reject the Plan.

13. Class 13 – General Unsecured Elective Claims against any Debtor other than Claire's Parent.

- a. *Classification:* Class 13 consists of all General Unsecured Elective Claims against each Debtor other than Claire's Parent.
- b. *Treatment:* Except to the extent that a Holder of a General Unsecured Elective Claim agrees to less favorable treatment for such holder in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claims, each Holder of an Allowed General Unsecured Elective Claim shall receive on the Effective Date or as soon as practicable thereafter, with a carve out from the collateral (or the value of such collateral) securing the First Lien Debt Claims, its Pro Rata share of the General Unsecured Elective Claim Recovery Cash Pool without regard to the particular Debtor against which such Claim is Allowed.
- c. *Voting:* Class 13 is Impaired under the Plan and is entitled to vote to accept or reject the Plan.

14. Class 14 – Prepetition Intercompany Claims

- a. *Classification:* Class 14 consists of all prepetition Intercompany Claims.
- b. *Treatment:* Except to the extent that a Holder of a prepetition Intercompany Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, compromise, release, and discharge of and in exchange for each prepetition Intercompany Claim, each Holder of such prepetition Intercompany Claim shall receive such treatment as to render such Holder Unimpaired.
- c. *Voting:* Class 14 is Unimpaired under the Plan. Each Holder of a prepetition Intercompany Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of prepetition Intercompany Claims are not entitled to vote to accept or reject the Plan.

15. Class 15 – Section 510(b) Claims

- a. *Classification:* Class 15 consists of all Section 510(b) Claims against each Debtor.
- b. *Treatment:* Section 510(b) Claims will be canceled, released, discharged, and extinguished as of the Effective Date, and will be of no further force or effect, and Holders of Section 510(b) Claims will not receive any distribution on account of such Claims.
- c. *Voting:* Each Holder of a Section 510(b) Claim is conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Section 510(b) Claims are not entitled to vote to accept or reject the Plan.

16. Class 16 – Intercompany Interests

- a. *Classification:* Class 16 consists of all Intercompany Interests held by a Debtor in another Debtor.
- b. *Treatment:* Intercompany Interests shall be Reinstated so as to maintain the organizational structure of the Debtors as such structure exists on the Effective Date unless implementation of the Restructuring requires otherwise.
- c. *Voting:* Class 16 is Unimpaired under the Plan. Each Holder of an Intercompany Interest is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Intercompany Interests are not entitled to vote to accept or reject the Plan.

17. Class 17 – Existing Claire’s Parent Equity Interests

- a. *Classification:* Class 17 consists of all Existing Claire’s Parent Equity Interests.
- b. *Treatment:* On the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Interests, each Holder of an Existing Claire’s Parent Equity Interest shall receive its Pro Rata share of, as applicable:
 - (i) with respect to Eligible Shareholders, the Shareholder Subscription Rights;
 - (ii) with respect to Ineligible Shareholders, Cash in the amount equal to the value of the Shareholder Subscription Rights that would have been distributable to such Shareholder if such Shareholder was an Eligible Shareholder; and
 - (iii) the Cash proceeds or other consideration, if any, available from the Claire’s Parent Assets after all Allowed Claims against Claire’s Parent are satisfied in full with the proceeds from the Claire’s Parent Assets; provided that the Sponsor, the Sponsor’s Affiliates, and the Sponsor’s or Sponsor’s Affiliates’ successors or subsidiaries, in each case that is a Holder of Existing Claire’s Parent Equity Interests, shall not, in any event, receive, solely in its capacity as such, Reorganized Claire’s Parent Interests in exchange for, or as a distribution with respect to, such Holder’s Existing Claire’s Parent Equity Interests.
- c. *Restrictions on Distributions:* Unless the Existing Claire’s Parent Equity Recovery Condition has occurred, (i) no Holder of an Existing Claire’s Parent Equity Interest shall receive any recovery on account of such Interest, including any distribution to Ineligible Shareholders, and (ii) the Shareholder Subscription Rights pursuant to the Rights Offering Procedures shall be automatically null and void *ab initio* without any further action by any Entity.
- d. *Voting:* Class 17 is Impaired under the Plan and is entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims*

Except as otherwise specifically provided in the Plan, nothing herein shall be deemed to affect, diminish, or impair the Debtors’ or the Reorganized Debtors’ rights and defenses, both legal and equitable, with respect to any Reinstated Claim or Unimpaired Claim, including legal and equitable defenses to setoffs or recoupment against Reinstated Claims or Unimpaired Claims; and, except as otherwise specifically provided in the Plan, nothing herein shall be deemed to be a waiver or relinquishment of any Claim, Cause of Action, right of setoff, or other legal or equitable defense that the Debtors had immediately prior to the Commencement Date, against or with respect to any

Claim that is Unimpaired by the Plan. Except as otherwise specifically provided in the Plan, the Reorganized Debtors shall have, retain, reserve, and be entitled to assert all such Claims, Causes of Action, rights of setoff, and other legal or equitable defenses that the Debtors had immediately prior to the Commencement Date fully as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights with respect to any Reinstated Claim or Claim that is Unimpaired by this Plan may be asserted after the Confirmation Date and the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

D. *Special Provision Regarding Prepetition Intercompany Claims*

Prepetition Intercompany Claims may be deemed settled, Reinstated or otherwise Unimpaired, in whole or in part, as of the Effective Date, in each case, at the discretion of the Debtors or the Reorganized Debtors, as applicable, in each case, with the consent of the Requisite Consenting Creditors (such consent not to be unreasonably withheld); provided that, in all instances, the Debtors shall assume their obligations under the Comfort Letters as of the Effective Date.

E. *Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code*

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

F. *Elimination of Vacant Classes*

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

G. *Voting Classes; Presumed Acceptance by Non-Voting Classes*

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims or Interests in such Class.

H. *Controversy Concerning Impairment*

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

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

A. *No Substantive Consolidation*

The Plan is being proposed as a joint plan of reorganization of the Debtors for administrative purposes only and constitutes a separate chapter 11 plan of reorganization for each Debtor. The Plan is not premised upon the substantive consolidation of the Debtors with respect to the Classes of Claims or Interests set forth in the Plan.

B. *Sources of Consideration for Plan Distributions*

The Reorganized Debtors shall fund distributions under the Plan with (i) Cash on hand; (ii) Cash proceeds from the New Money Investment; (iii) the issuance of Reorganized Claire's Parent Interests; and (iv) collateral (or the value of collateral) securing the First Lien Debt Claims. The Confirmation Order shall be deemed to authorize, among other things, the Restructuring Transactions.

C. *Issuance and Distribution of Reorganized Claire's Parent Interests*

The issuance of the Reorganized Claire's Parent Interests shall be authorized without the need for any further corporate action and without any further action by the Holders of Claims or Interests.

On the Effective Date, shares of Reorganized Claire's Parent Interests and the First Lien Subscription Rights will be contributed to Claire's Stores (either as a capital contribution or in exchange, in whole or in part, for an intercompany note issued by Claire's Stores, as determined by the Debtors with the consent of the Requisite Consenting Creditors, which consent shall not be unreasonably withheld) and, immediately thereafter, Holders of First Lien Debt Secured Claims shall receive from Claire's Stores such shares of Reorganized Claire's Parent Interests and First Lien Subscription Rights, as applicable, in exchange for their First Lien Debt Secured Claims pursuant to Article III.B.7.

It shall be a condition to the receipt of any Reorganized Claire's Parent Interests that, prior to such receipt, each such recipient duly executes and delivers to the Debtors and counsel to the Requisite Consenting Creditors counter-signature pages to the Shareholders Agreement. For the avoidance of doubt, any claimant's acceptance of Reorganized Claire's Parent Interests shall be deemed as its agreement to be bound by the Shareholders Agreement and the Reorganized Debtors Organizational Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their terms. The Shareholders Agreement and Reorganized Debtors Organizational Documents, as applicable, shall be binding on all Entities receiving, and all holders of, the Reorganized Claire's Parent Interests (and their respective successors and assigns), whether any such Reorganized Claire's Parent Interests is received or to be received on or after the Effective Date, in each case, pursuant to the Plan and regardless of whether such Entity executes or delivers a signature page to the Shareholders Agreement and the Reorganized Debtors Organizational Documents. Notwithstanding the foregoing, the Debtors or the Reorganized Debtors, as applicable, may condition the receipt of any Reorganized Claire's Parent Interests issued pursuant to the Plan upon the recipient thereof duly executing and delivering to the Debtors (or the Reorganized Debtors, as applicable) and counsel to the Requisite Consenting Creditors counter-signature pages to the Shareholders Agreement.

All of the shares of Reorganized Claire's Parent Interests issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the Reorganized Claire's Parent Interests under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

D. *New Reorganized Debt*

The Reorganized Debtors shall issue the New Reorganized Debt and provide any related guarantees, and the New Reorganized Debt will be made available to the Reorganized Debtors, pursuant to and subject to the terms and conditions set forth in the New Reorganized Debt Documents.

Confirmation shall be deemed approval of the issuance and incurrence of the New Reorganized Debt (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees paid in connection therewith), and to the extent not approved by the Court previously, the Reorganized Debtors shall be authorized to execute and deliver those documents necessary or appropriate to issue and incur the New Reorganized Debt and related guarantees, including the New Reorganized Debt Documents, without further notice to or order of the Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors (with the consent of the Requisite Consenting Creditors) or Reorganized Debtors may deem to be necessary to consummate the New Reorganized Debt.

E. *CLSIP Term Loan Obligations and Gibraltar Obligations*

1. CLSIP Repayment

On or prior to the Effective Date, Claire's Stores shall cause CLSIP to repay in full in Cash the then-outstanding balance of CLSIP Term Loan Obligations with proceeds from the New Money Investment on terms reasonably acceptable to the Debtors, CLSIP, CLSIP Holdings, and the Requisite Consenting Creditors (the "CLSIP Repayment").

2. Gibraltar Repayment

On or prior to the Effective Date, Claire's Stores shall cause Gibraltar Holdings and Gibraltar Intermediate, as applicable, to repay in full in Cash the then-outstanding balance of Gibraltar Obligations with proceeds from the New Money Investment on terms reasonably acceptable to the Debtors, Gibraltar Holdings, Gibraltar Intermediate, and the Requisite Consenting Creditors (the "Gibraltar Repayment").

F. *Allowed Unsecured and General Unsecured Elective Claim Recoveries*

On the Effective Date, the Debtors shall establish and fund the Unsecured Recovery Cash Pool Account and the General Unsecured Elective Claim Recovery Cash Pool Account, as applicable, with Cash in an amount equal to the Unsecured Recovery Cash Pool and the General Unsecured Elective Claim Recovery Cash Pool, respectively, which shall each be held in trust for Pro Rata distributions on account of Allowed Unsecured Claims and Allowed General Unsecured Elective Claims, as applicable, against Debtors other than Claire's Parent as provided herein.

The Unsecured Recovery Cash Pool Account and the General Unsecured Elective Claim Recovery Cash Pool Account each (i) shall not be and shall not be deemed property of the Debtors or the Reorganized Debtors; (ii) shall be held in trust to fund distributions on account of Allowed Unsecured Claims and General Unsecured Elective Claims, as applicable and provided herein; and (iii) no Liens, Claims, or Interests shall encumber the Unsecured Recovery Cash Pool Account or the General Unsecured Elective Claim Recovery Cash Pool Account in any way (whether on account of the New Reorganized Debt or otherwise).

All parties to the Plan shall (i) treat the Unsecured Recovery Cash Pool and the General Unsecured Elective Claim Recovery Cash Pool Account each as a "disputed ownership fund" for U.S. federal income tax purposes, and (ii) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes. All taxes imposed on assets or income of the Unsecured Recovery Cash Pool or the General Unsecured Elective Claim Recovery Cash Pool Account, respectively, will be payable from the assets of the Unsecured Recovery Cash Pool or the General Unsecured Elective Claim Recovery Cash Pool Account, as applicable.

G. *Corporate Existence*

Except as otherwise provided in the Plan (including with respect to any Restructuring Transaction undertaken pursuant to the Plan), the Reorganized Debtors Organizational Documents, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on and after the Effective Date, each Debtor shall continue to exist as a Reorganized Debtor and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law); provided that such modifications shall be implemented in accordance with the Restructuring Support Agreement or otherwise be in form and substance acceptable to the Requisite Consenting Creditors.

H. *Vesting of Assets in the Reorganized Debtors*

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all property in each Estate, all Causes of Action, all Executory Contracts and Unexpired Leases assumed by any of the Debtors, and any property acquired by any of the Debtors, including Interests held by the Debtors in non-Debtor subsidiaries, pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances unless expressly provided otherwise by the Plan, or Confirmation Order. On and after the Effective Date, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

I. *Cancellation of Existing Securities*

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated in the Plan, or the Plan Supplement, on the Effective Date (i) the Prepetition ABL Credit Agreement, the Prepetition RCF Agreement, the 6.125% First Lien Notes Indenture, the 9.00% First Lien Notes Indenture, the Prepetition First Lien Term Loan Agreement, the Second Lien Notes Indenture, and the Unsecured Notes Indenture and any other certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan) shall be deemed canceled, discharged and of no force or effect, except, with respect to the Prepetition ABL Credit Agreement, the Prepetition RCF Agreement, the 6.125% First Lien Notes Indenture, the 9.00% First Lien Notes Indenture, the Prepetition First Lien Term Loan Agreement, the Second Lien Notes Indenture, and the Unsecured Notes Indenture, as applicable, as necessary to (a) enforce the rights, Claims and interests of the Prepetition ABL Agent, the Prepetition RCF Agent, the 6.125% First Lien Notes Trustee, the 9.00% First Lien Notes Trustee, the Prepetition First Lien Term Loan Agent, the Second Lien Notes Trustee, or the Unsecured Notes Trustee, as applicable, and any predecessor thereof vis-a-vis parties other than the Released Parties, (b) allow the receipt of and to make distributions under the Plan and the subsequent distribution of such amounts in accordance with the terms of the Prepetition ABL Credit Agreement, the Prepetition RCF Agreement, the 6.125% First Lien Notes Indenture, the 9.00% First Lien Notes Indenture, the Prepetition First Lien Term Loan Agreement, the Second Lien Notes Indenture, or the Unsecured Notes Indenture, as applicable, and (c) preserve any rights of (1) the Prepetition ABL Agent and any predecessor thereof as against any money or property distributable to Holders of Prepetition ABL Claims, including any priority in respect of payment and the right to exercise any Prepetition ABL Agent Charging Lien, (2) the Prepetition RCF Agent and any predecessor thereof as against any money or property distributable to Holders of Prepetition RCF Claims, including any priority in respect of payment and the right to exercise any Prepetition RCF Agent Charging Lien, (3) the 6.125% First Lien Notes Trustee and any predecessor thereof as against any money or property distributable to Holders of 6.125% First Lien Notes Claims, including any priority in respect of payment and the right to exercise any 6.125% First Lien Notes Agent Charging Lien, (4) the 9.00% First Lien Notes Trustee and any predecessor thereof as against any money or property distributable to Holders of 9.00% First Lien Notes Claims, including any priority in respect of payment and the right to exercise any 9.00% First Lien Notes Agent Charging Lien, (5) the Prepetition First Lien Term Loan Agent and any predecessor thereof as against any money or property distributable to Holders of Prepetition First Lien Term Loan Claims, including any priority in respect of payment, (6) the Second Lien Notes Trustee and any predecessor thereof as against any money or property distributable to Holders of Second Lien Notes Claims, including any priority in respect of payment and the right to exercise any Second Lien Notes Trustee Charging Lien, and (7) the Unsecured Notes Trustee and any predecessor thereof as against any money or property distributable to Holders of Unsecured Notes Claims, including any priority in respect of payment and the right to exercise any Unsecured Notes Trustee Charging Lien and to exculpation and indemnification from the Debtors pursuant to and subject to the terms of the Unsecured Notes Indenture; and (ii) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged; provided that notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs

the rights of the Holder of a Claim or Interest shall also continue in effect to allow each of the Prepetition ABL Agent, the Prepetition RCF Agent, the 6.125% First Lien Notes Trustee, the 9.00% First Lien Notes Trustee, the Prepetition First Lien Term Loan Agent, the Second Lien Notes Trustee, and the Unsecured Notes Trustee to appear and be heard in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court, including, without limitation, to enforce the respective obligations owed to such parties under the Plan.

Except for the foregoing, (i) the Prepetition ABL Agent and its respective agents shall be relieved of all further duties and responsibilities related to the Prepetition ABL Credit Documents and the Plan, except with respect to such other rights of the Prepetition ABL Agent that, pursuant to the Prepetition ABL Credit Documents, survive the termination of the Prepetition ABL Credit Documents. Subsequent to the performance by the Prepetition ABL Agent of its obligations pursuant to the Plan, the Prepetition ABL Agent and its agents shall be relieved of all further duties and responsibilities related to the Prepetition ABL Credit Documents; (ii) the Prepetition RCF Agent and its respective agents shall be relieved of all further duties and responsibilities related to the Prepetition RCF Documents and the Plan, except with respect to such other rights of the Prepetition RCF Agent that, pursuant to the Prepetition RCF Documents, survive the termination of the Prepetition RCF Documents. Subsequent to the performance by the Prepetition RCF Agent of its obligations pursuant to the Plan, the Prepetition RCF Agent and its agents shall be relieved of all further duties and responsibilities related to the Prepetition RCF Documents; (iii) the 6.125% First Lien Notes Trustee and its respective agents shall be relieved of all further duties and responsibilities related to the 6.125% First Lien Notes Documents and the Plan, except with respect to such other rights of the 6.125% First Lien Notes Trustee that, pursuant to the 6.125% First Lien Notes Documents, survive the termination of the 6.125% First Lien Notes Documents. Subsequent to the performance by the 6.125% First Lien Notes Trustee of its obligations pursuant to the Plan, the 6.125% First Lien Notes Trustee and its agents shall be relieved of all further duties and responsibilities related to the 6.125% First Lien Notes Documents; (iv) the 9.00% First Lien Notes Trustee and its respective agents shall be relieved of all further duties and responsibilities related to the 9.00% First Lien Notes Documents and the Plan, except with respect to such other rights of the 9.00% First Lien Notes Trustee that, pursuant to the 9.00% First Lien Notes Documents, survive the termination of the 9.00% First Lien Notes Documents. Subsequent to the performance by the 9.00% First Lien Notes Trustee of its obligations pursuant to the Plan, the 9.00% First Lien Notes Trustee and its agents shall be relieved of all further duties and responsibilities related to the 9.00% First Lien Notes Documents; (v) the Prepetition First Lien Term Loan Agent and its respective agents shall be relieved of all further duties and responsibilities related to the Prepetition First Lien Term Loan Documents and the Plan, except with respect to such other rights of the Prepetition First Lien Term Loan Agent that, pursuant to the Prepetition First Lien Term Loan Documents, survive the termination of the Prepetition First Lien Term Loan Documents. Subsequent to the performance by the Prepetition First Lien Term Loan Agent of its obligations pursuant to the Plan, the Prepetition First Lien Term Loan Agent and its agents shall be relieved of all further duties and responsibilities related to the Prepetition First Lien Term Loan Documents; (vi) the Second Lien Notes Trustee and its respective agents shall be relieved of all further duties and responsibilities related to the Second Lien Notes Documents and the Plan, except with respect to such other rights of the Second Lien Notes Trustee that, pursuant to the Second Lien Notes Documents, survive the termination of the Second Lien Notes Documents. Subsequent to the performance by the Second Lien Notes Trustee of its obligations pursuant to the Plan, the Second Lien Notes Trustee and its agents shall be relieved of all further duties and responsibilities related to the Second Lien Notes Documents; (vii) the Unsecured Notes Trustee and its respective agents shall be relieved of all further duties and responsibilities related to the Unsecured Notes Documents and the Plan, except with respect to such other rights of the Unsecured Notes Trustee that, pursuant to the Unsecured Notes Documents, survive the termination of the Unsecured Notes Documents. Subsequent to the performance by the Unsecured Notes Trustee of its obligations pursuant to the Plan, the Unsecured Notes Trustee and its agents shall be relieved of all further duties and responsibilities related to the Unsecured Notes Documents and shall be discharged.

If the record Holder of any of the 6.125% First Lien Notes, 9.00% First Lien Notes, Second Lien Notes, or Unsecured Notes is the DTC or its nominee or another securities depository or custodian thereof, and such First Lien Notes, Second Lien Notes, or Unsecured Notes are represented by a global security held by or on behalf of the DTC or such other securities depository or custodian, then each such Holder of the 6.125% First Lien Notes, 9.00% First Lien Notes, Second Lien Notes, or Unsecured Notes shall be deemed to have surrendered such Holder's note, debenture or other evidence of indebtedness upon surrender of such global security by the DTC or such other securities depository or custodian thereof.

J. *Corporate Action*

Upon the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved by the Bankruptcy Court in all respects, including, as applicable (i) the issuance of the Reorganized Claire's Parent Interests and New Preferred Equity Interests; (ii) the selection of the directors and officers for Reorganized Claire's Parent and the other Reorganized Debtors; (iii) implementation of the Restructuring Transactions; and (iv) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of Reorganized Claire's Parent and the other Reorganized Debtors, and any corporate action required by the Debtors, Reorganized Claire's Parent, or the other Reorganized 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, or officers of the Debtors, Reorganized Claire's Parent, or the other Reorganized Debtors. On or before the Effective Date, as applicable, the appropriate officers of the Debtors, Reorganized Claire's Parent, or the Reorganized Debtors shall be authorized 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 Reorganized Claire's Parent and the other Reorganized Debtors, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Article IV.J shall be effective notwithstanding any requirements under non-bankruptcy law.

K. *Restructuring Transactions*

Following the Confirmation Date or as soon as reasonably practicable thereafter, the Debtors, may take all actions as may be necessary or appropriate in the Debtors' discretion, with the consent, not to be unreasonably withheld, conditioned, or delayed, of the Requisite Consenting Creditors, prior to the Effective Date and thereafter in the Reorganized Debtors' discretion, to effectuate any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including (i) 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; (ii) 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; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or law; and (iv) all other actions that the Debtors determine to be necessary, including making filings or recordings that may be required by applicable law in connection with the Plan (collectively, the "Restructuring Transactions"). The Restructuring Transactions shall be subject to the consent, not to be unreasonably withheld, conditioned, or delayed, of the Requisite Consenting Creditors prior to the Effective Date, and thereafter, consummated in the Reorganized Debtors' discretion, and shall be structured in a manner that takes into account the tax position of creditors and the Reorganized Debtors.

L. *New Money Investment*

1. First Lien Rights Offering

Following approval by the Bankruptcy Court of the Disclosure Statement and the Rights Offering Procedures, one or more of the Debtors shall conduct the First Lien Rights Offering. In accordance with the New Money Backstop Commitment Agreement and the Rights Offering Procedures, each Eligible First Lien Holder shall have First Lien Subscription Rights in the First Lien Rights Offering to purchase up to its Pro Rata allocation of the First Lien Rights Offering Amount. Notwithstanding anything in the New Money Backstop Commitment Agreement, the Rights Offering Procedures, or anything else to the contrary, Oaktree shall have First Lien Subscription Rights on account of its First Lien Debt Secured Claims, which may be exercised within [5] business days of the Confirmation Date, in the First Lien Rights Offering to purchase up to its Pro Rata allocation of the First Lien Rights Offering Amount.

2. Backstop

In accordance with the New Money Backstop Commitment Agreement and subject to the terms and conditions thereof:

a. each of the Backstop Parties shall (i) exercise its First Lien Subscription Rights to purchase its Pro Rata allocation of the First Lien Rights Offering Amount in the First Lien Rights Offering, and (ii) purchase its Backstop Amount and Initial Subscription Amount on or prior to the Effective Date;

b. in exchange for providing their respective Backstop Commitments and commitments to purchase their respective Initial Subscription Amounts, each Backstop Party will receive its respective allocation of the (i) Backstop Put Premium and (ii) Commitment Premiums; and

c. each of the Backstop Parties shall pay, or at the request of the Requisite Backstop Parties, the Debtors shall pay, or cause to be paid, on behalf of the Backstop Parties, to each Supporting Party that is not a Backstop Party such Supporting Party's Pro Rata allocation (for the avoidance of doubt, calculated by dividing such Supporting Party's Allowed First Lien Debt Claims by all Allowed First Lien Debt Claims) of the Commitment Premiums.

3. Shareholder Rights Offering

Following approval by the Bankruptcy Court of the Disclosure Statement and the Rights Offering Procedures, Claire's Parent shall conduct the Shareholder Rights Offering. In accordance with the Rights Offering Procedures, each Eligible Shareholder shall have Shareholder Subscription Rights in the Shareholder Rights Offering to purchase up to its Pro Rata allocation of the Claire's Parent's New Investment Allocation. For the avoidance of doubt, each Eligible Shareholder who exercises its Shareholder Subscription Rights shall be a beneficiary of Claire's Parent's exercise of its rights as a Backstop Party under the New Money Backstop Commitment Agreement with respect to Claire's Parent's New Investment Allocation.

The consummation of the Shareholder Rights Offering is conditioned on (i) the occurrence of the Effective Date; (ii) any applicable condition specified in the New Money Backstop Commitment Agreement and the Rights Offering Procedures; and (iii) satisfaction of the Existing Claire's Parent Equity Recovery Condition.

M. *Reorganized Debtors Organizational Documents*

To the extent required under the Plan, or applicable non-bankruptcy law, on the Effective Date, the Reorganized Debtors will file such Reorganized Debtors Organizational Documents as are required to be filed with the applicable Secretary of State and/or other applicable authorities in the state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the Reorganized Debtors Organizational Documents will prohibit the issuance of non-voting equity securities. After the Effective Date, the Reorganized Debtors may amend and restate their respective Reorganized Debtors Organizational Documents, and the Reorganized Debtors may file their respective certificates or articles of incorporation, bylaws, or such other applicable formation documents, and other constituent documents as permitted by the laws of the respective states, provinces, or countries of incorporation and the Reorganized Debtors Organizational Documents. Additionally, on the Effective Date, each recipient of Reorganized Claire's Parent Interests and/or the New Preferred Equity Interests will be deemed to be a party to the Shareholders Agreement, which shall govern (among other things) the relative rights of holders of Reorganized Claire's Parent Interests and New Preferred Equity Interests, and which shall be in form and substance acceptable to the Requisite Consenting Creditors in good faith, and the Reorganized Claire's Parent Interests and New Preferred Equity Interests will be subject to the Reorganized Claire's Parent Organizational Documents.

N. *Exemption from Certain Taxes and Fees*

To the maximum extent permitted pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan or the Plan Supplement 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, sale or use 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 pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment.

O. *Preservation of Causes of Action*

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VIII, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Commencement Date, including any actions specifically enumerated in the Plan Supplement, and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. **The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity not released pursuant to Article VIII.**

P. *GUC Oversight Administrator*

The Committee shall appoint, as of the Effective Date, a GUC Oversight Administrator with duties limited to (a) certain rights with respect to the reconciliation, allowance, and settlement of General Unsecured Claims and General Unsecured Elective Claims by or on behalf of (and in consultation with) the Reorganized Debtors as set forth in the GUC Settlement Procedures, (b) consultation rights with respect to the distributions to the Holders of Allowed General Unsecured Claims and Allowed General Unsecured Elective Claims as provided herein; (c) appearing before and being heard by the Bankruptcy Court and other courts of competent jurisdiction in connection with the foregoing duties; and (d) such other matters as may be agreed upon between the Debtors, the Committee and the Requisite Consenting Creditors, and the Reorganized Debtors (as applicable).

The GUC Oversight Administrator may employ, without further order of the Bankruptcy Court, professionals to assist in carrying out the duties as limited above, including any professionals retained in these Chapter 11 Cases, and the GUC Oversight Administrator Costs, including reasonable professional fees, shall be reimbursed by the Reorganized Debtors.

Upon the resolution of all disputed General Unsecured Claims and General Unsecured Elective Claims, the GUC Oversight Administrator shall be released and discharged of and from further authority, duties, responsibilities and obligations relating to and arising from and in connection with the Chapter 11 Cases.

Q. *Insurance Policies*

1. Director and Officer Liability Insurance

All of the Debtors' unexpired D&O Liability Insurance Policies and any agreements, documents, or instruments relating thereto, shall be treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, the Reorganized Debtors shall be deemed to have assumed all unexpired D&O Liability Insurance Policies and any agreements, documents, or instruments relating thereto with respect to the Debtors' directors, managers, officers, and employees serving on or prior to the Commencement Date pursuant to section 365 of the Bankruptcy Code and Article V of the Plan. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' assumption of each of the unexpired D&O Liability Insurance Policies and any agreements, documents, or instruments relating thereto. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies and related documents, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be Filed.

2. Other Insurance Policies

From and after the Effective Date, each of the Debtors' insurance policies in existence as of the Effective Date shall be reinstated and continued in accordance with their terms and, to the extent applicable, shall be deemed assumed by the applicable Reorganized Debtors pursuant to section 365 of the Bankruptcy Code and Article V of the Plan. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' assumption of each of such unexpired insurance policies. Nothing in the Plan shall affect, impair or prejudice the rights of the insurance carriers, the insureds, or the Reorganized Debtors under the insurance policies in any manner, and such insurance carriers, the insureds, and Reorganized Debtors shall retain all rights and defenses under such insurance policies, and such insurance policies shall apply to, and be enforceable by and against, the insureds, and the Reorganized Debtors in the same manner and according to the same terms and practices applicable to the Debtors, as existed prior to the Effective Date.

R. *Management Equity Incentive Plan*

The Debtors and the Requisite Consenting Creditors shall use reasonable good faith efforts to reach agreement on the terms of the Management Equity Incentive Plan and to include any such agreed terms in the Plan Supplement. On the Effective Date, equity grants under the Management Equity Incentive Plan shall be reserved for certain of the directors, officers, and employees of the Reorganized Debtors on terms acceptable to the Reorganized Claire's Parent Board and the Requisite Consenting Creditors, as disclosed pursuant to the Plan Supplement.

S. *Comfort Letters*

As of the Effective Date, the Reorganized Debtors shall assume the Comfort Letters and honor all Comfort Letter Obligations in accordance with applicable non-bankruptcy law, and the Reorganized Debtors reserve all of their rights thereunder.

T. *Indenture Trustee Fees*

On the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall pay in Cash, all Unsecured Notes Trustee Fees without the need for the Unsecured Notes Trustee to file fee applications or any other applications or motions with the Bankruptcy Court, and from and after the Effective Date, the Reorganized Debtors shall pay in Cash all Unsecured Notes Trustee Fees. The Debtors and the Committee may object to the amounts of the Unsecured Notes Trustee Expenses sought solely with respect to the reasonableness of any such fees and expenses during the ten (10) day period following notice thereof. Any objection that is not promptly resolved will be subject to resolution by the Bankruptcy Court pursuant to a Final Order. All amounts not objected to in accordance with this section shall be paid promptly and a reserve shall be established for any amounts objected to and subject to resolution of the Bankruptcy Court. To the extent that any objection is sustained by the Bankruptcy Court pursuant to a Final Order, as soon as practicable following entry of such Final Order, the applicable party shall transfer Cash in the applicable amount to the Reorganized Debtors.

From and after the Effective Date, the Reorganized Debtors shall promptly pay in the ordinary course, fees and expenses of the Unsecured Notes Trustee incurred in connection with implementing the Plan and facilitating distributions in accordance with Article VI.E.2.f.

Nothing in the Plan shall in any way affect or diminish the right of the Unsecured Notes Trustee to assert the Unsecured Notes Trustee Charging Lien against any distributions to holders of Unsecured Notes Claims with respect to any unpaid Unsecured Notes Trustee Fees or other amounts payable to the Unsecured Notes Trustee under the Unsecured Notes Indenture.

U. *Workers' Compensation Programs*

As of the Effective Date, the Reorganized Debtors shall continue to honor their obligations under (i) all applicable workers' compensation laws in states in which the Reorganized Debtors operate; and (ii) the Debtors' (a) written contracts, agreements, and agreements of indemnity, in each case relating to workers' compensation, (b) self-insurer workers' compensation bonds, policies, programs, and plans for workers' compensation and (c) workers' compensation insurance. All Proofs of Claims on account of workers' compensation shall be deemed

withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; provided that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans.

**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 not otherwise assumed or rejected will be deemed assumed by the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than (i) those that are identified on the Rejected Executory Contracts and Unexpired Leases Schedule; (ii) those that have been previously rejected by a Final Order; (iii) those that have been previously assumed or assumed and assigned by a Final Order; (iv) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; (v) those which the Debtors have, as of the Confirmation Date, received authority to reject pursuant to an order of the Bankruptcy Court and which the effective date of such rejection is after the Effective Date, or (vi) (a) the Comfort Letters, (b) the New Money Backstop Commitment Agreement, and (c) the Restructuring Support Agreement, in each case, with respect to clauses (vi)(a) through (vi)(c), shall in all events be assumed by the Debtors pursuant to the Plan; *provided that* the Debtors reserve the right to seek enforcement of an assumed or assumed and assigned Executory Contract or Unexpired Lease following the Confirmation Date, including but not limited to seeking an order of the Bankruptcy Court for the rejection of such Executory Contract or Unexpired Lease for cause.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumptions, or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan (including the assumption of the New Money Backstop Commitment Agreement and the Restructuring Support Agreement), the Assumed Executory Contract/Unexpired Lease Schedule, or the Rejected Executory Contracts and Unexpired Leases Schedule, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Except as otherwise specifically set forth herein, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date; provided that rejections of Unexpired Leases of non-residential real property shall be effective as of the later of (i) the Effective Date and (ii) the date on which the leased premises are unconditionally surrendered to the landlord under such rejected Unexpired Lease. The Debtors are authorized to abandon any De Minimis Assets at or on the leased premises subject to an Unexpired Lease rejected pursuant to the Plan, and the counterparties to rejected leases may dispose of any such De Minimis Assets remaining at or on the leased premises on the applicable lease rejection date in accordance with the terms and provisions of the Lease Rejection Procedures Order.

Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law (in each case, in accordance with applicable law, including by consent of the counterparty to such Executory Contract or Unexpired Lease). Subject to applicable law, including section 365(d)(4) of the Bankruptcy Code, any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by a Final Order of the Bankruptcy Court on or after the Effective Date but may be withdrawn, settled, or otherwise prosecuted by the Reorganized Debtors.

In addition, unless otherwise provided by an order of the Bankruptcy Court, at least 21 days prior to the Confirmation Hearing, the Debtors shall file, or cause to be filed, notices of proposed assumption and proposed amounts of Cure Claims to be served by overnight mail on counterparties to Executory Contracts and Unexpired Leases to be assumed pursuant to the Plan. Any objection to the assumption of an Executory Contract or Unexpired Lease under the Plan must be Filed, served and actually received by the Debtors no later than seven (7) days prior to the Confirmation Hearing; provided that, if the Debtors file an amended Assumed Executory Contracts and Unexpired Lease Schedule (the "**Amended Schedule**"), then, with respect to any lessor or counterparty affected by

such Amended Schedule, objections to Cure Claims must be filed by the earlier of (i) seven (7) days from the date the Amended Schedule is filed and (ii) the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Bankruptcy Court by the later of 30 days from (a) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, and (b) the effective date of the rejection of such Executory Contract or Unexpired Lease. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time will be Disallowed pursuant to the Confirmation Order, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors, as applicable, 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, if any, or a Proof of Claim to the contrary.** Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims or General Unsecured Elective Claims and shall be treated in accordance with Article III.B.4.

C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

The Debtors or the Reorganized Debtors, as applicable, shall pay Cure Claims, if any, on the Effective Date or as soon as practicable thereafter, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. Any Cure Claim shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of such Cure Claim, as applicable; provided that, subject to the reasonable consent of the Requisite Consenting Creditors, nothing herein shall prevent the Reorganized Debtors from paying any Cure Claim despite the failure of the relevant counterparty to File such request for payment of such Cure Claim. The Reorganized Debtors may, with the reasonable consent with the Requisite Consenting Creditors, settle any Cure Claim on account of any Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court.

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, 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 date that the Debtors assume such Executory Contract or Unexpired Lease; provided that the Debtors or the Reorganized Debtors, as applicable, will remain obligated to pay any accrued but unbilled rent and other charges under any such assumed Unexpired Lease of non-residential real property, including with respect to reconciliations, adjustments, and indemnification obligations. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

D. Dispute Resolution

In the event of a timely Filed objection regarding (i) the amount of any Cure Claim; (ii) the ability of the Reorganized Debtors or any 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 (iii) any other matter pertaining to assumption or the cure payments required by section 365(b)(1) of the Bankruptcy Code, such dispute shall be resolved by a Final Order of the Bankruptcy Court (which may be the Confirmation Order) or as may be agreed upon by the Debtors (with the reasonable consent of the Requisite Consenting Creditors) or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease.

E. *Indemnification Obligations*

Notwithstanding anything in the Plan to the contrary, each Indemnification Obligation shall be assumed by the applicable Debtor effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code or otherwise. Each Indemnification Obligation shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose.

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

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

Modifications, amendments, and supplements to, or restatements of, 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.

G. *Reservation of Rights*

Neither the inclusion of any Executory Contract or Unexpired Lease on the Debtors' Schedules, or the Rejected Executory Contracts and Unexpired Leases Schedule, 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 any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, or, after the Effective Date, the Reorganized Debtors, shall have 30 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

H. *Nonoccurrence of Effective Date; Bankruptcy Code Section 365(d)(4)*

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 of nonresidential real property pursuant to section 365(d)(4) of the Bankruptcy Code.

**ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. *Timing and Calculation of Amounts to Be Distributed*

Unless otherwise provided in the Plan, on the Effective Date or, with respect to Unsecured Claims, the Initial Unsecured Claims Distribution Date, or as soon as reasonably practicable thereafter (or, if a Claim is not an Allowed Claim on the Effective Date, or with respect to Unsecured Claims, the Initial Unsecured Claims Distribution Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), the Distribution Agent shall make initial distributions under the Plan on account of each Holder of an Allowed Claim in the full amount of the distributions that the Plan provides for Allowed Claims in each applicable Class. 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 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, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII. Except as specifically 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.

B. Partial Distributions on Account of Allowed Unsecured Claims

The Reorganized Debtors shall, in consultation with the GUC Oversight Administrator, be authorized to cause partial distributions to be made on account of Allowed Unsecured Claims before all Unsecured Claims are Allowed.

C. Rights and Powers of Distribution Agent

The Distribution Agent shall be empowered to (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (ii) make all distributions contemplated hereby; (iii) employ professionals to represent it with respect to its responsibilities; and (iv) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof. The Distribution Agent may request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for or on behalf of the Unsecured Recovery Cash Pool and the General Unsecured Elective Claim Recovery Cash Pool for all taxable periods through the date on which final distributions are made.

D. Special Rules for Distributions to Holders of Disputed Claims and Interests

Notwithstanding any provision otherwise in the Plan and except with respect to Claims administered by the GUC Oversight Administrator or as otherwise agreed by the relevant parties, (i) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order; and (ii) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on account of the Allowed Claim (other than Allowed First Lien Debt Secured Claims held by Consenting Creditors, who shall receive the treatment set forth in Article III.B.7 on account of such Allowed First Lien Debt Secured Claims in any event) unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order or the Disputed Claims have been Allowed or expunged. Any dividends or other distributions arising from property distributed to Holders of Allowed Claims in a Class and paid to such Holders under the Plan shall also be paid, in the applicable amounts, to any Holder of a Disputed Claim in such Class that becomes an Allowed Claim after the date or dates that such dividends or other distributions were earlier paid to Holders of Allowed Claims in such Class.

E. 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, but not required, to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date. For the avoidance of doubt, the Distribution Record Date shall not apply to the 6.125% First Lien Notes, 9.00% First Lien Notes, Second Lien Notes, and Unsecured Notes, the holders of which shall receive a distribution in accordance with this Article VI and, as applicable, the customary procedures of DTC on or as soon as practicable after the Effective Date.

2. Delivery of Distributions

a. Initial Unsecured Claims Distribution Date

Except as otherwise provided herein, on the Initial Unsecured Claims Distribution Date, the Distribution Agent shall make distributions to Holders of Allowed Unsecured Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' books and records as of the date of any such distribution; provided that the address for each Holder of an Allowed Unsecured Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder or the address provided to the Distribution Agent by the

Holder in writing after the Effective Date, or, if no Proof of Claim has been Filed, the address set forth in the Schedules. If a Holder holds more than one Claim in any one Class, with the exception of Class 13 General Unsecured Elective Claims, all Claims of the Holder will be aggregated into one Claim and one distribution will be made with respect to the aggregated Claim.

b. Quarterly Distribution Date

On each Quarterly Distribution Date or as soon thereafter as is reasonably practicable, but in any event, no later than 30 days after each Quarterly Distribution Date, the Distribution Agent shall make the distributions required to be made on account of Allowed Claims under the Plan on such date. No interest shall accrue or be paid on the unpaid amount of any distribution paid on a Quarterly Distribution Date in accordance with Article VI.A.

c. Delivery of Distributions on account of Prepetition ABL Claims

All distributions to Holders of Prepetition ABL Claims shall be deemed completed when made to (or at the direction of) the Prepetition ABL Agent, which shall be deemed to be the Holder of all Prepetition ABL Claims for purposes of distributions to be made hereunder. As soon as practicable in accordance with the requirements set forth in this Article VI, the Prepetition ABL Agent shall cause such distributions to be made to or on behalf of such Holders in accordance with the Prepetition ABL Credit Agreement and subject to the rights of the Prepetition ABL Agent to assert its Prepetition ABL Agent Charging Lien. If the Prepetition ABL Agent is unable to make, or consents to the Reorganized Debtors making, such distributions, the Reorganized Debtors, with the Prepetition ABL Agent's cooperation, shall make such distributions to the extent practicable to do so (provided that until such distributions are made, the Prepetition ABL Agent's Charging Lien shall attach to the property to be distributed in the same manner as if such distributions were made through the Prepetition ABL Agent). The Prepetition ABL Agent shall have no duties or responsibilities relating to any form of distribution that is not DTC eligible and the Debtors or the Reorganized Debtors, as applicable, shall seek the cooperation of the DTC so that any distribution on account of a Prepetition ABL Claim that is held in the name of, or by a nominee of, the DTC, shall be made through the facilities of the DTC on the Effective Date or as soon as practicable thereafter.

d. Delivery of Distributions on account of First Lien Debt Claims

- (i) All distributions to Holders of 6.125% First Lien Notes Claims shall be deemed completed when made to (or at the direction of) the 6.125% First Lien Notes Trustee, which shall be deemed to be the Holder of all 6.125% First Lien Notes Claims for purposes of distributions to be made hereunder; provided that non-Cash consideration shall not be distributed in the name of the 6.125% First Lien Notes Trustee. As soon as practicable in accordance with the requirements set forth in this Article VI, the 6.125% First Lien Notes Trustee shall cause such distributions to or on behalf of such Holders to be made in accordance with the 6.125% First Lien Notes Indenture and subject to the rights of the 6.125% First Lien Notes Trustee to assert its 6.125% First Lien Notes Trustee Charging Lien.
- (ii) All distributions to Holders of 9.00% First Lien Notes Claims shall be deemed completed when made to (or at the direction of) the 9.00% First Lien Notes Trustee, which shall be deemed to be the Holder of all 9.00% First Lien Notes Claims for purposes of distributions to be made hereunder; provided that non-Cash consideration shall not be distributed in the name of the 9.00% First Lien Notes Trustee. As soon as practicable in accordance with the requirements set forth in this Article VI, the 9.00% First Lien Notes Trustee shall cause such distributions to or on behalf of such Holders to be made in accordance with the 9.00% First Lien Notes Indenture and subject to the rights of the 9.00% First Lien Notes Trustee to assert its 9.00% First Lien Notes Trustee Charging Lien.
- (iii) If the 6.125% First Lien Notes Trustee or the 9.00% First Lien Notes Trustee, as applicable, is unable to make, or consents to the Reorganized Debtors making,

such distributions, the Reorganized Debtors, with the cooperation of the 6.125% First Lien Notes Trustee or the 9.00% First Lien Notes Trustee, as applicable, shall make such distributions to the extent practicable to do so (provided that until such distributions are made, the 6.125% First Lien Notes Trustee Charging Lien and the 9.00% First Lien Notes Trustee Charging Lien shall attach to the property to be distributed in the same manner as if such distributions were made through the 6.125% First Lien Notes Trustee or the 9.00% First Lien Notes Trustee, as applicable). The 6.125% First Lien Notes Trustee and the 9.00% First Lien Notes Trustee shall have no duties or responsibilities relating to any form of distribution that is not DTC eligible. The 6.125% First Lien Notes Trustee, the 9.00% First Lien Notes Trustee, and the Debtors or the Reorganized Debtors, as applicable, shall seek the cooperation of the DTC so that any distribution on account of a 6.125% First Lien Notes Claim or a 9.00% First Lien Notes Claim that is held in the name of, or by a nominee of, the DTC, shall be made through the facilities of the DTC on the Effective Date or as soon as practicable thereafter. The 6.125% First Lien Notes Trustee and 9.00% First Lien Notes Trustee may transfer or direct the transfer of such distributions directly through facilities of DTC (whether by means of book-entry exchange, free delivery, or otherwise) and will be entitled to recognize and deal for all purposes under the Plan with Holders of 6.125% First Lien Notes Claims and 9.00% First Lien Notes Claims to the extent consistent with the customary practices of DTC.

- (iv) All distributions to Holders of Prepetition First Lien Term Loan Claims shall be deemed completed when made to the Prepetition First Lien Term Loan Agent, which shall be deemed to be the Holder of all Prepetition First Lien Term Loan Claims for purposes of distributions to be made hereunder, for distribution to holders of Prepetition First Lien Term Loan Claims in accordance with the terms of the Prepetition First Lien Term Loan Documents. All distributions on account of Prepetition First Lien Term Loan Claims may, with the consent of the Prepetition First Lien Term Loan Agent, be made by the Distribution Agent directly to holders of Prepetition First Lien Term Loan Claims in accordance with the terms of the Plan and the Prepetition First Lien Term Loan Documents.

e. Delivery of Distributions on Account of Second Lien Notes Claims

Subject to Article VII hereof, except as otherwise reasonably requested by the Second Lien Notes Trustee, all distributions to Holders of Second Lien Notes Claims shall be deemed completed when made to (or at the direction of) the Second Lien Notes Trustee, which shall be deemed to be the Holder of all Second Lien Notes Claims for purposes of distributions to be made hereunder, and the Second Lien Notes Trustee shall hold or direct such distributions for the benefit of the Holders of Second Lien Notes Claims. As soon as practicable in accordance with the requirements set forth in this Article VI, the Second Lien Notes Trustee shall arrange to deliver such distributions to be made to or on behalf of such Holders in accordance with the Second Lien Notes Indenture and subject to the rights of the Second Lien Notes Trustee to assert its Second Lien Notes Trustee Charging Lien. If the Second Lien Notes Trustee is unable to make, or consents to the Reorganized Debtors making, such distributions, the Reorganized Debtors, with the Second Lien Notes Trustee's cooperation, shall make such distributions to the extent practicable to do so (provided that until such distributions are made, the Second Lien Notes Trustee Charging Lien shall attach to the property to be distributed in the same manner as if such distributions were made through the Second Lien Notes Trustee). The Second Lien Notes Trustee shall have no duties or responsibilities relating to any form of distribution that is not DTC eligible and the Debtors or the Reorganized Debtors, as applicable, shall seek the cooperation of the DTC so that any distribution on account of a Second Lien Notes Claim that is held in the name of, or by a nominee of, the DTC, shall be made through the facilities of the DTC on the Effective Date or as soon as practicable thereafter, except with respect to distributions from the Contingent Value Rights Cash Pool, which shall be distributed at the time set forth by Exhibit B hereof.

f. Delivery of Distributions on Account of Unsecured Notes Claims

All distributions to Holders of Unsecured Notes Claims shall be deemed completed when made to (or at the direction of) the Unsecured Notes Trustee, which shall be deemed to be the Holder of all Unsecured Notes Claims for purposes of distributions to be made hereunder. As soon as practicable in accordance with the requirements set forth in this Article VI, distributions shall be made at the direction of the Unsecured Notes Trustee in accordance with the Unsecured Notes Indenture and subject to the rights of the Unsecured Notes Trustee to assert its Unsecured Notes Trustee Charging Lien. The Unsecured Notes Trustee may transfer or direct the transfer of such distributions directly through facilities of DTC (whether by means of book-entry exchange, free delivery, or otherwise) and will be entitled to recognize and deal for all purposes under the Plan with holders of Unsecured Notes Claims to the extent consistent with the customary practices of DTC. If the Unsecured Notes Trustee is unable to make, or consents to the Reorganized Debtors making, such distributions, the Reorganized Debtors, with the Unsecured Notes Trustee's cooperation, shall make such distributions to the extent practicable to do so (provided that until such distributions are made, the Unsecured Notes Trustee Charging Lien shall attach to the property to be distributed in the same manner as if such distributions were made through the Unsecured Notes Trustee). The Unsecured Notes Trustee shall have no duties or responsibilities relating to any form of distribution that is not DTC eligible and the Debtors or the Reorganized Debtors, as applicable, shall seek the cooperation of the DTC so that any distribution on account of an Unsecured Notes Claim that is held in the name of, or by a nominee of, the DTC, shall be made through the facilities of the DTC on the Effective Date or as soon as practicable thereafter (provided that until such distributions are made, the Unsecured Notes Trustee Charging Lien shall attach to the property to be distributed in the same manner as if such distributions were made through the Unsecured Notes Trustee). The Unsecured Notes Trustee shall not incur any liability whatsoever on account of any distributions under the Plan. The Reorganized Debtors shall reimburse the Unsecured Notes Trustee for any reasonable and documented fees and expenses incurred after the Effective Date in connection with making distributions pursuant to and in accordance with the Plan.

3. No Fractional Shares/Warrants

No fractional shares of Reorganized Claire's Parent Interests or New Preferred Equity Interests shall be distributed, and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Allowed Claim otherwise would result in the issuance of shares of Reorganized Claire's Parent Interests or New Preferred Equity Interests that is not a whole number, such Reorganized Claire's Parent Interests or New Preferred Equity Interests, as applicable, shall be rounded as follows: (i) fractions of greater than one-half shall be rounded to the next higher whole number, and (ii) fractions of one-half or less shall be rounded to the next lower whole number with no further payment on account thereof. The total number of authorized and/or issued shares of Reorganized Claire's Parent Interests and New Preferred Equity Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

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 Reorganized Debtors have determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the time of such distribution. After such date, all unclaimed property or interests in property shall be redistributed Pro Rata as provided under the Plan (it being understood that, for purposes of this Article VI.E.4, "Pro Rata" shall be determined as if the Claim underlying such unclaimed distribution had been Disallowed), except for such unclaimed Reorganized Claire's Parent Interests, which shall be cancelled, and all other unclaimed property or interests in property shall revert to the Reorganized Debtors without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

A distribution shall be deemed unclaimed if a Holder has not (i) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (ii) given notice to the Reorganized Debtors of an intent

to accept a particular distribution; (iii) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (iv) taken any other action necessary to facilitate such distribution.

F. *Securities Registration Exemption*

All shares of Reorganized Claire's Parent Interests issued under the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon section 1145 of the Bankruptcy Code. Shares of Reorganized Claire's Parent Interests issued under the Plan in reliance upon section 1145 of the Bankruptcy Code are exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable federal, state, or local law requiring registration prior to the offering, issuance, distribution, or sale of Securities. The Reorganized Claire's Parent Interests issued pursuant to section 1145 of the Bankruptcy Code (i) will not be a "restricted security" as defined in Rule 144(a)(3) under the Securities Act; and (ii) will, subject to the Shareholders Agreement and the Reorganized Claire's Parent Organizational Documents, be freely tradable and transferable by any holder thereof that (a) is not an "affiliate" of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (b) has not been such an "affiliate" within 90 days of such transfer, (c) has not acquired the Reorganized Claire's Parent Interests from an "affiliate" within one year of such transfer, and (d) is not an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code. Reorganized Claire's Parent Interests issued to Holders of First Lien Debt Secured Claims in exchange for such Claims, shall be issued in reliance on section 1145 of the Bankruptcy Code.

The availability of the exemption under section 1145 of the Bankruptcy Code or any other applicable securities laws shall not be a condition to the occurrence of the Effective Date.

The issuance and sale, as applicable, of the New Preferred Equity Interests pursuant to the New Money Backstop Commitment Agreement, the First Lien Rights Offering, the Shareholder Rights Offering, the Rights Offering Procedures and/or the Management Equity Incentive Plan are being made in reliance on the exemption from registration set forth in section 4(a)(2) of the Securities Act and Regulation D thereunder. Such Securities will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act, such as under certain conditions, the resale provisions of Rule 144 of the Securities Act.

Should the Reorganized Debtors elect, on or after the Effective Date, to reflect all or any portion of the ownership of the Reorganized Claire's Parent Interests or the New Preferred Equity Interests through the facilities of the DTC, the Reorganized Debtors shall not be required to provide any further evidence other than the Plan or Confirmation Order with respect to the treatment of such applicable portion of the Reorganized Claire's Parent Interests or the New Preferred Equity Interests, and such Plan or Confirmation Order shall be deemed to be legal and binding obligations of the Reorganized Debtors in all respects.

The DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the Reorganized Claire's Parent Interests or the New Preferred Equity Interests 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, the DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the Reorganized Claire's Parent Interests or the New Preferred Equity Interests are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

G. *Compliance with Tax Requirements*

In connection with the Plan, to the extent applicable, Reorganized Claire's Parent, the other Reorganized Debtors, and the Distribution Agent, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. The Debtors shall consult with the Requisite Consenting Creditors and use commercially reasonable efforts to structure the Restructuring Transactions in a manner that will mitigate or eliminate any withholding obligations. Notwithstanding any provision in the Plan to the contrary, the Reorganized

Debtors and the Distribution Agent, as applicable, 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 they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

H. *Allocations*

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 as Allowed herein.

I. *No Postpetition Interest on Claims*

Unless otherwise specifically provided for in the Plan, the Confirmation Order, or other order of the Bankruptcy Court, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Commencement Date on any such Claim, except, for the avoidance of doubt, the CLSIP Repayment, and the Gibraltar Repayment.

J. *Setoffs and Recoupment*

Except as otherwise expressly provided herein, the Debtors or the Reorganized Debtors, as applicable, may, but shall not be required to, set off against or recoup from any Claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the Holder, but neither the failure to do so nor the Allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claim they may have against the Holder of such Claim. In no event shall any Holder of Claims be entitled to set off any such Claim against any claim, right, or Cause of Action of the Debtor or Reorganized Debtor (as applicable), unless (i) the Debtors have consented (which consent shall not be unreasonably withheld); and (ii) such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

K. *Claims Paid or Payable by Third Parties*

1. Claims Paid by Third Parties

A Claim shall be reduced in full, and such Claim shall be Disallowed without an objection to such Claim 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 or Reorganized Debtor. 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 or a Reorganized Debtor on account of such Claim, such Holder shall repay, return or deliver any distribution held by or transferred to the Holder to the applicable Reorganized 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.

2. Claims Payable by Insurance Carriers

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, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims

Register by the Claims and Noticing Agent without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. 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.

L. *Oaktree Professional Fees & Second Lien Notes Trustee Fees*

1. Application of the Second Lien Notes Trustee Charging Lien

Distributions on the Effective Date from the Second Lien Notes Claims Recovery Cash Pool shall be subject to the Second Lien Notes Trustee Charging Lien on account of the Oaktree Professional Fees and the Second Lien Notes Trustee Fees.

On the Effective Date: (i) Oaktree shall cause Elliott to be paid the Elliott Reimbursement Amount on account of Second Lien Notes Claims held by Elliott from distributions received by Oaktree on account of Second Lien Notes Claims held by Oaktree; and (ii) the Second Lien Notes Trustee shall cause the Oaktree Professional Fees and the Second Lien Notes Trustee Fees to be paid to the applicable professionals or the Second Lien Notes Trustee, as applicable, in each case with proceeds from the exercise of the Second Lien Notes Trustee Charging Lien and prior to making any further distributions on account of Second Lien Notes Claims.

2. Acknowledgment of Second Lien Notes Trustee Charging Lien and Application; Reservation of Rights

It is acknowledged and agreed that the Oaktree Professional Fees and the Second Lien Notes Trustee Fees in an aggregate amount less than or equal to \$17,000,000 are reasonable and shall be subject to the application of the Second Lien Notes Trustee Charging Lien as provided herein; provided that if the aggregate Second Lien Notes Trustee Fees and Oaktree Professional Fees exceed \$17,000,000 in the aggregate, the Second Lien Notes Trustee shall provide notice of the proposed excess amount and Elliott reserves all rights to object to such excess amount on any grounds, including that the Second Lien Notes Trustee Charging Lien should not be applied to such excess.

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

A. *Allowance of Claims*

After the Effective Date, each of the Debtors or the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor had with respect to any Claim 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 pursuant to the Plan or a Final Order, including the Confirmation Order (when it becomes a Final Order), Allowing such Claim.

B. *Claims and Interests Administration Responsibilities*

Except as otherwise expressly provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Reorganized Debtors and, with respect to General Unsecured Claims and General Unsecured Elective Claims, the GUC Oversight Administrator shall have the authority (in consultation with the Debtors and Reorganized Debtors) (i) to File, withdraw, or litigate to

judgment objections to Claims; (ii) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (iii) 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. For the avoidance of doubt, except as otherwise provided herein, from and after the Effective Date, each Reorganized Debtor shall have and retain any and all rights and defenses such Debtor had immediately prior to the Effective Date with respect to any Disputed Claim or Interest, including the Causes of Action retained pursuant to Article IV.O.

C. *Estimation of Claims*

Before or after the Effective Date, the Debtors, the GUC Oversight Administrator, or the Reorganized Debtors may at any time request that the Bankruptcy Court estimate any Disputed Claim or Disputed Interest 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, including during the litigation of any objection to any Claim or during the appeal relating to such objection. In the event that the Bankruptcy Court estimates any Disputed, 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 Debtors or the Reorganized Debtors, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before 21 days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. *Adjustment to Claims Register Without Objection*

Any duplicate Claim or Interest or any Claim or Interest 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 or the Reorganized Debtors upon stipulation between the parties in interest 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 a Claim shall be Filed on or before the Claims Objection Deadline, as such deadline may be extended from time to time.

F. *Disallowance of Claims*

Any Claims 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 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 Debtors or the Reorganized Debtors.

G. *Amendments to Claims*

On or after the Effective Date, except as provided in the Plan or the Confirmation Order, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors.

H. *Distributions After Allowance*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of a court of competent jurisdiction allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date.

I. *Single Satisfaction of Claims*

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claims, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of such Claims. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed 100 percent of the underlying Allowed Claim plus applicable interest, if any.

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

A. *Compromise and Settlement of Claims, Interests, and Controversies*

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the Plan is and shall be deemed a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest, including with respect to the Committee Claims and Unsecured Notes Trustee Claims.

Upon and subject to the occurrence of the Effective Date, the Committee shall be deemed to have waived any right to assert or pursue any of the Committee Claims.

Upon and subject to the occurrence of the Effective Date, the Unsecured Notes Trustee shall be deemed to have waived any right to assert or pursue any of the Unsecured Notes Trustee Claims, except any right to otherwise enforce the terms and provisions of the Plan and Confirmation Order.

Upon and subject to the occurrence of the Effective Date, all of Oaktree's rights to assert or pursue any of the Oaktree Claims are waived, except with respect to any right to otherwise enforce the terms and provisions of the Plan and Confirmation Order.

The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. The compromises, settlements, and releases described herein shall be deemed nonseverable from each other and from all other terms of the Plan. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

B. *Discharge of Claims and Termination of Interests*

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in a contract, instrument, or other agreement or document executed 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 Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest

accrued on Claims or Interests from and after the Commencement 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 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 (i) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (ii) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (iii) the Holder of such a Claim or Interest has voted to accept the Plan. Any default or “*event of default*” by the Debtors or 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 with respect to a Claim that is Unimpaired by the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

C. *Releases by the Debtors*

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, as of the Effective Date, the Debtors and their Estates, the Reorganized Debtors and each of their respective current and former Affiliates (with respect to non-Debtors, to the extent permitted by applicable law), on behalf of themselves and their respective Estates, including, without limitation, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived and discharged the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever (including any derivative Claims asserted or that may be asserted on behalf of the Debtors or their Estates), whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, DIP Financing, the Restructuring Support Agreement, the New Money Backstop Commitment Agreement, the New Money Investment, the First Lien Rights Offering, the Shareholder Rights Offering, the Rights Offering Procedures, the Prepetition Debt Documents, the formulation, preparation, dissemination, negotiation of the Plan, the Disclosure Statement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the Disclosure Statement, 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, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth in this Article VIII.C (i) shall only be applicable to the maximum extent permitted by law; and (ii) shall not be construed as (a) releasing any Released Party from Claims or Causes of Action arising from an act or omission that is judicially determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence, or (b) releasing any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

D. *Releases by Holders of Claims and Interests*

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, each Releasing Party is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived and discharged each Debtor, Reorganized Debtor, and other Released Party from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims asserted or that may be asserted on behalf of the Debtors or their Estates, that such Entity 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, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the DIP Financing, the Restructuring Support Agreement, the New Money Backstop Commitment Agreement, the New Money Investment, the First Lien

Rights Offering, the Shareholder Rights Offering, the Rights Offering Procedures, the Prepetition Debt Documents, the formulation, preparation, dissemination, negotiation of the Plan, the Disclosure Statement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the Disclosure Statement, 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, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth in this Article VIII.D (i) shall only be applicable to the maximum extent permitted by law; and (ii) shall not be construed as (a) releasing any Released Party from Claims or Causes of Action arising from an act or omission that is judicially determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence, or (b) releasing any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

E. *Exculpation*

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur liability for, 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, in whole or in part, the Debtors, the formulation, preparation, dissemination, negotiation, of the Plan, the Disclosure Statement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the Disclosure Statement, 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, except for Claims or Causes of Action arising from an act or omission that is judicially determined in a Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects, such Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities. 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.

F. *Injunction*

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN OR FOR DISTRIBUTIONS REQUIRED TO BE PAID OR DELIVERED 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 ARTICLE VIII.C OR ARTICLE VIII.D, SHALL BE DISCHARGED PURSUANT TO ARTICLE VIII.B OF THE PLAN, OR ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE VIII.E, ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST, AS APPLICABLE, THE DEBTORS, THE REORGANIZED DEBTORS, THE RELEASED PARTIES, OR THE EXCULPATED PARTIES (TO THE EXTENT OF THE EXCULPATION PROVIDED PURSUANT TO ARTICLE VIII.E WITH RESPECT TO THE EXCULPATED 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.

G. *Subordination Rights*

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, any of the Intercreditor Agreements or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest Holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Section 4.2 of the Second Lien Intercreditor Agreement shall not apply to distributions under the Plan received by Holders of Second Lien Notes Claims on account of such Claims. Notwithstanding anything else herein to the contrary, all rights, Claims, and Causes of Action arising from or under the Intercreditor Agreements shall be waived, released, and discharged and deemed waived, released and discharged by and on behalf of each of parties thereto as of the Effective Date. For the avoidance of doubt, all Intercreditor Agreements shall terminate as of the Effective Date and shall be of no further force or effect.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Reorganized Debtors and their respective property and Claim and Interest Holders and is fair, equitable and reasonable.

H. *Release of Liens*

Except (i) with respect to the Liens securing (a) the New Reorganized Debt, and (b) to the extent elected by the Debtors, with the consent of the Requisite Consenting Creditors, with respect to an Allowed Other Secured Claim in accordance with Article III.B.2; or (ii) as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and the holders of such mortgages, deeds of trust, Liens, pledges, or other security interests shall execute such documents as may be reasonably requested by the Debtors or the Reorganized Debtors, as applicable, to reflect or effectuate such releases, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

**ARTICLE IX.
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN**

A. *Conditions Precedent to the Effective Date*

It shall be a condition to Consummation of the Plan that the following conditions shall have been satisfied or occur in conjunction with the occurrence of the Effective Date (or shall be waived pursuant to Article IX.B):

1. The Bankruptcy Court shall have entered the Disclosure Statement Order and approved the Rights Offering Procedures and solicitation procedures and other materials related to the Plan in form and substance consistent with the Restructuring Support Agreement and otherwise reasonably acceptable to the Debtors and the Requisite Consenting Creditors;

2. The Bankruptcy Court shall have entered the Confirmation Order, which order shall approve the assumption of the New Money Backstop Commitment Agreement, in form and substance materially consistent with the Plan and otherwise reasonably acceptable to the Debtors, the Committee, and the Requisite Consenting Creditors, and such order shall not have been stayed pending appeal;

3. The New Money Backstop Commitment Agreement shall not have been terminated and shall remain in full force and effect (with all conditions precedent thereto having been satisfied or waived) on terms reasonably acceptable to the Debtors and the Requisite Consenting Creditors;

4. The Restructuring Support Agreement shall not have been terminated and shall be in full force and effect, other than on account of a breach thereof by the Sponsor or one or more of the Consenting Creditors;

5. The Debtors shall not be in default under the DIP Credit Agreement or the DIP Order, which default results in an acceleration of the Debtors' obligations outstanding under the DIP Credit Agreement (or, to the extent that the Debtors have been in default or are in default under the DIP Credit Agreement or the DIP Order that results in the acceleration of outstanding obligations, on the Effective Date, such default shall have been waived by the DIP Agent or cure by the Debtors in a manner consistent with the DIP Credit Agreement and/or DIP Order);

6. The Professional Fee Escrow shall have been established and funded in Cash in accordance with Article II.C;

7. The Unsecured Recovery Cash Pool Account and the General Unsecured Elective Claim Recovery Cash Pool Account each shall have, as applicable, been established and funded in Cash in accordance with Article IV.F.2;

8. If Class 9 votes to accept the Plan, the Debtors shall make distributions on account of First Lien Debt Deficiency Claims pursuant to Article III.B.9.c(i) hereof in accordance with the Plan;

9. The Debtors shall make distributions on account of Second Lien Notes Claims pursuant to Article III.B.10.c(i) hereof in accordance with the Plan;

10. If Class 11 votes to accept the Plan, the Debtors shall make distributions on account of Unsecured Notes Claims pursuant to Article III.B.11.c(i) hereof in accordance with the Plan;

11. The conditions precedent to entry into the New Reorganized Debt shall have been satisfied, waived, or shall be satisfied contemporaneously with the occurrence of the Effective Date;

12. The New Reorganized Debt Documents shall have been executed and delivered by each Entity party thereto and the Debtors shall have issued the indebtedness contemplated thereby;

13. Reorganized Claire's Parent Organizational Documents and agreements providing for the terms of the Reorganized Claire's Parent Interests and New Preferred Equity Interests shall have been adopted, in each case, on terms consistent with the Plan and otherwise reasonably acceptable to the Debtors and the Requisite Consenting Creditors;

14. All conditions precedent to the issuance of the Reorganized Claire's Parent Interests and the New Preferred Equity Interests, other than any conditions related to the occurrence of the Effective Date, shall have occurred;

15. The DIP Claims shall have been indefeasibly paid in full in Cash in accordance with the terms of the DIP Documents and all undrawn letters of credit outstanding under the DIP Documents shall have been terminated or cash collateralized in accordance with the terms of the DIP Documents;

16. To the extent not otherwise paid prior to the Effective Date, all First Lien Fees and Expenses shall have been paid in Cash in full;

17. To the extent not otherwise paid prior to the Effective Date, all then-outstanding CLSIP Term Loan Obligations shall have been paid in Cash in full;

18. To the extent not otherwise paid prior to the Effective Date, all then-outstanding Gibraltar Obligations shall have been paid in Cash in full;

19. All First Lien Agents Professional Fees shall have been paid in Cash in full;

20. All Prepetition ABL Agent Professional Fees shall have been paid in Cash in full;

21. All DIP Agent Professional Fees shall have been paid in Cash in full;

22. All Unsecured Notes Trustee Fees shall have been paid in Cash in full;

23. The Company shall have generated consolidated adjusted EBITDA (which shall be calculated using the same methodology and definition used in the Company's financial reporting) of at least \$185,000,000.00, measured as of the last month for which internal financial statements are available, and adjusted for a 52-week year, if applicable;

24. The GUC Oversight Administrator shall have been appointed in accordance with Article IV.P;

25. The Debtors shall have assumed, rejected, and/or renegotiated their store leases in consultation with the Consenting Creditors and in a manner reasonably acceptable to each of the Debtors and the Requisite Consenting Creditors, as evaluated by reference to the Debtors' store portfolio as a whole;

26. The CVR Agreement shall have been executed and filed in form and substance satisfactory to Oaktree, the Debtors, and the Ad Hoc First Lien Group, each in their reasonable discretion;

27. The Preferred Investment Amount shall be \$250,000,000; and

28. The payments pursuant to Article V.L.1 shall have been made in accordance with the Plan.

B. *Waiver of Conditions*

The conditions to the Effective Date of the Plan set forth in this Article IX may be waived only by consent of the Debtors, with the consent of the Requisite Consenting Creditors and, (x) solely with respect to the conditions set forth in Article IX.A.15 and Article IX.A.21, with the consent of the DIP Agent, such consent not to be unreasonably withheld and (y) solely with respect to the conditions set forth at Article IX.A.9, IX.A.26, and IX.A.28 with the consent of Oaktree, such consent not to be unreasonably withheld, without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan, subject to the terms of the Bankruptcy Code and the Bankruptcy Rules.

C. *Substantial Consummation*

"Substantial consummation" of the Plan, as defined by section 1101(2) of the Bankruptcy Code, shall be deemed to occur on the Effective Date.

D. *Intercreditor Complaint and Standing Motion*

Upon entry of the Confirmation Order, the Intercreditor Complaint and Standing Motion shall be held in abeyance and all deadlines and hearings in respect thereof shall be tolled sine die pending the Effective Date. The tolling of all deadlines and hearings set out in the preceding sentence shall apply to any and all pending and contemplated actions involving Released Parties and Releasing Parties that would otherwise be released pursuant to the Plan on the Effective Date.

Upon entry of the occurrence of the Effective Date, (1) the Intercreditor Complaint shall be deemed voluntarily dismissed with prejudice and notice of said dismissal shall be filed on the docket of the adversary proceeding related thereto; and (2) the Standing Motion shall be deemed withdrawn with prejudice.

E. *Effect of Non-Occurrence of Conditions to the Effective Date*

If the Effective Date does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall (i) constitute a waiver or release of any Claims by or Claims against or Interests in the Debtors; (ii) prejudice in any manner the rights of the Debtors, any Holders of a Claim or Interest or any other Entity; or (iii) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect.

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

A. *Modification and Amendments*

The Debtors, with the consent of (i) the Committee and Requisite Consenting Creditors (which consent shall not be unreasonably withheld or delayed) (ii) solely with respect to matters affecting the DIP Agent and/or the DIP Lenders, the Required DIP Lenders (such consent not to be unreasonably withheld, conditioned, or delayed), and (iii) solely with respect to the provisions herein affecting the rights of Oaktree or the Second Lien Notes Trustee, Oaktree and/or the Second Lien Notes Trustee (such consent not to be unreasonably withheld, conditioned, or delayed), as applicable, reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and the Bankruptcy Rules and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019, and those restrictions on modifications set forth in the Plan, the Debtors, with the consent of (a) the Committee and Requisite Consenting Creditors (which consent shall not be unreasonably withheld or delayed) and (b) solely with respect to matters affecting the DIP Agent and/or the DIP Lenders, the Required DIP Lenders (such consent not to be unreasonably withheld, conditioned, or delayed), expressly reserve their rights to alter, amend, or modify materially the Plan 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.

B. *Effect of Confirmation on Modifications*

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof 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 applicable provisions of the Restructuring Support Agreement, the Debtors reserve the right, with consent of the Requisite Consenting Creditors (which consent shall not be unreasonably withheld or delayed), to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, in accordance with the preceding sentence, or if Confirmation and Consummation do not occur, then (i) the Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in the Plan (including the fixing or

limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (iii) nothing contained in the Plan 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, including the Holders of Claims or the non-Debtor subsidiaries, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity, including the non-Debtor subsidiaries.

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 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; provided that, for the avoidance of doubt, the Bankruptcy Court's retention of jurisdiction with respect to such matters shall not preclude the Debtors or the Reorganized Debtors, as applicable, from seeking relief from any other court, tribunal, or other legal forum of competent jurisdiction with respect to such matters;

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 (i) the assumption or assumption and assignment of any Executory Contract or Unexpired Lease to which a Debtor is a 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 costs pursuant to section 365 of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease; (ii) the Reorganized Debtors amending, modifying, or supplementing, after the Confirmation Date, pursuant to Article V, any Executory Contracts or Unexpired Leases to the schedule of Executory Contracts and Unexpired Leases to be assumed; and (iii) any dispute regarding whether a contract or lease is or was executory or unexpired;

4. adjudicate controversies, if any, with respect to distributions to Holders of Allowed Claims;

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 that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

8. 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;

9. enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

10. 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;

11. 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;
12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations, and other provisions contained in Article VIII and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;
13. 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.K.1;
14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
15. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement, including with respect to the New Money Backstop Commitment Agreement;
16. adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein;
17. 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;
18. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;
19. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of taxes under section 505(b) of the Bankruptcy Code);
20. hear and determine matters concerning exemptions from state and federal registration requirements in accordance with section 1145 of the Bankruptcy Code;
21. hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, 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 prior to or after the Effective Date;
22. enforce all orders previously entered by the Bankruptcy Court;
23. hear any other matter not inconsistent with the Bankruptcy Code;
24. enter an order concluding or closing the Chapter 11 Cases;
25. enforce the compromise, settlement, injunction, release, and exculpation provisions set forth in Article VIII;
26. hear and determine any objection to Oaktree Professional Fees and Second Lien Notes Trustee Fees in excess of \$17,000,000 in the aggregate; and
27. enforce the right to receive and/or compel distributions from the Contingent Value Rights Cash Pool.

Notwithstanding the foregoing, the Bankruptcy Court shall not retain jurisdiction over disputes concerning documents contained in the Plan Supplement that have a jurisdictional, forum selection, or dispute resolution clause that refers disputes to a different court and any disputes concerning documents contained in the Plan Supplement that contain such clauses shall be governed in accordance with the provisions of such documents.

**ARTICLE XII.
MISCELLANEOUS PROVISIONS**

A. *Immediate Binding Effect*

Subject to Article IX.A and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, on the Effective Date, upon the effectiveness of the Plan, the terms of the Plan, the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors and Reorganized Debtors, as applicable, and any and all Holders of Claims or Interests (regardless of whether the Holders of such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan, the Confirmation Order and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan.

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 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 due and payable pursuant to 28 U.S.C. § 1930(a) prior to the Effective Date shall be paid by the Debtors in full in Cash on the Effective Date. On and after the Effective Date, the Reorganized Debtors shall pay any and all such fees in full in Cash when due and payable, and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of that particular Debtor's case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code. Notwithstanding anything to the contrary herein, the U.S. Trustee shall not be required to file a Proof of Claim or any other request for payment of quarterly fees.

D. *Reservation of Rights*

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order in accordance with Article IX.A hereof. 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 prior to the Effective Date.

E. *Successors and Assigns*

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, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

F. *Service of Documents*

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Debtors or Reorganized Debtors, the Ad Hoc First Lien Group, Requisite Consenting Creditors, the Sponsor, and the Committee shall be served on:

Debtors:

Claire's Stores, Inc.
2400 West Central Road
Hoffman Estates, Illinois 60192
Attn.: Stephen E. Sernett, Esq.
Stephen.Sernett@claires.com

with copies to:

Counsel to Debtors

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn.: Ray C. Schrock, P.C.; Matt S. Barr;
Ryan Preston Dahl; and Alexander W. Welch
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Matt.Barr@weil.com
Ryan.Dahl@weil.com
Alexander.Welch@weil.com

- and -

Richards, Layton & Finger, PA
One Rodney Square
920 North King Street
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Attn: Daniel J. DeFranceschi; Zachary I. Shapiro;
Brendan J. Schlauch; and Brett M. Haywood
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Counsel to the Committee

Cooley LLP
1114 Avenue of the Americas
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Attn: Cathy Herschopf; Seth Van Aalten; Michael
Klein; and Robert Winning
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Counsel to the Ad Hoc First Lien Group
/Requisite Consenting Creditors

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mfeldman@willkie.com
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dforman@willkie.com

- and -

Morris, Nichols, Arsht & Tunnell, LLP
Rodney Square
1201 North Market Street
Wilmington, Delaware 19899
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rdehney@mnat.com

Counsel to the Sponsor:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attn: Jeffrey D. Saferstein
jsaferstein@paulweiss.com

- and -

Young, Conaway, Stargatt & Taylor, LLP
Rodney Square, 1000 North King Street
Wilmington, Delaware 19801
Attn: Pauline Morgan
pmorgan@ycst.com

Counsel to the DIP Agent:

Latham & Watkins LLP
330 North Wabash Avenue, Suite 2800
Chicago, Illinois 60611
Attn: Richard A. Levy
Richard.Levy@lw.com

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attn: Annemarie V. Reilly
Annemarie.Reilly@lw.com

- and -

Duane Morris LLP
222 Delaware Avenue, Suite 1600
Wilmington, Delaware 19801
Attn: Jarret P. Hitchings
jphitchings@duanemorris.com

G. *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 shall remain in full force and effect in accordance with their terms.

H. *Entire Agreement*

The Plan, Plan Supplement, Confirmation Order, the New Money Backstop Commitment Agreement and the Restructuring Support Agreement (assumption of which agreements is approved by the Confirmation Order) 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 and Confirmation Order.

I. *Nonseverability of Plan Provisions*

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall be prohibited from altering or interpreting such term or provision to make it valid or enforceable; provided that at the request of the Debtors, 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 terms or provision shall then be applicable as altered or interpreted provided that any such alteration or interpretation shall be acceptable to the Debtors. 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 (i) valid and enforceable pursuant to its terms; (ii) integral to the Plan and may not be deleted or modified without consent from the Debtors; and (iii) nonseverable and mutually dependent.

J. *Dissolution of Committee*

On the Effective Date, the Committee and any other official committees appointed in the Chapter 11 Cases will dissolve; provided that, following the Effective Date, the Committee shall continue in existence and have standing and a right to be heard for the following limited purposes: (i) Claims and/or applications, and any relief related thereto, for compensation by Professionals and requests for Allowance of Administrative Expense Claims for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; and (ii) any appeals of the Confirmation Order or other appeal to which the Committee is a party. Upon the dissolution of the Committee, the Committee Members and their respective Professionals will cease to have any duty, obligation or role arising from or related to the Chapter 11 Cases and shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases.

K. *Expedited Tax Determination*

The Debtors may request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for or on behalf of the Debtors for all taxable periods through the Effective Date.

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Respectfully submitted, as of September 21, 2018

BMS Distributing Corp.
CBI Distributing Corp.
Claire's Inc.
Claire's Boutiques, Inc.
Claire's Canada Corp.
Claire's Puerto Rico Corp.
Claire's Stores, Inc.
CSI Canada LLC

By: /s/ Scott E. Huckins
Name: Scott E. Huckins
Title: Authorized Officer

Exhibit A**Unsecured Recovery Cash Pool**

The following aggregate recoveries are set forth for purposes of Pro Rata disbursements to Holders of Allowed Unsecured Claims against Debtors other than Claire's Parent in accordance with Article III.B of the Plan; provided that, such recoveries may be reallocated among the Debtors, in their reasonable business judgment, to recalibrate for, among other things, the Claims asserted against the Debtors' Estates after the occurrence of the Claims Bar Date.

Debtor	Unsecured Recovery Cash Pool
BMS Distributing Corp.	\$20,000
CBI Distributing Corp.	\$50,000
Claire's Boutiques, Inc.	\$50,000
Claire's Canada Corp.	\$20,000
Claire's Puerto Rico Corp.	\$40,000
Claire's Stores, Inc.	\$3,700,000
CSI Canada LLC	\$20,000
TOTAL	\$3,900,000

Exhibit B**Contingent Value Right Cash Pool**

Subject to the terms set forth in Article III.B.10 of the Plan, the CVR Agreement and the CVR Certificates, each holder of a CVR Certificate as of the relevant CVR Record Date shall be entitled to its pro rata distribution of up to \$16,266,864.25, payable on a joint and several basis by all of the Reorganized Debtors under the following terms and the terms set forth in the CVR Agreement, on the date that is not later than the first Business Day that is 90 days after the end of the fiscal year noted below (the “CVR Distribution Date”):

Contingent Value Certificate Payout Thresholds & Potential Payout			
	Business Plan Adj. EBITDA	Pay-out Threshold 1 (BP + Payout)	Pay-out Threshold 2 (BP+10% + Payout)
2019			
Adj. EBITDA	\$276,042,090.31	\$280,108,806.37	\$307,713,015.40
Potential Payout		4,066,716.06	4,066,716.06
2020			
Adj. EBITDA	\$304,979,904.87	\$309,046,620.93	\$339,544,611.42
Potential Payout		4,066,716.06	4,066,716.06
Total Potential Payout			\$16,266,864.25

The Contingent Value Rights Cash Pool shall be memorialized in the CVR Agreement in accordance with the Plan and will include terms materially consistent with the terms set forth below:

- If Adj. EBITDA² is less than \$280,108,806.37 in FY2019, no payments shall be paid to the Contingent Value Rights Cash Pool for FY2019. If Adj. EBITDA exceeds \$280,108,806.37, a distribution of \$4,066,716.06 shall be paid out on account of the CVR. If Adj. EBITDA exceeds \$307,713,015.40 in FY2019, a further distribution of \$4,066,716.06 shall be paid out on account of the CVR.
- If Adj. EBITDA is less than \$309,046,620.93 in FY2020, no payments shall be paid to the Contingent Value Rights Cash Pool for FY2020. If Adj. EBITDA exceeds \$309,046,620.93, a distribution of \$4,066,716.06 shall be paid out on account of the CVR. If Adj. EBITDA exceeds \$339,544,611.42 in FY2020, a further distribution of \$4,066,716.06 shall be paid out on account of the CVR.
- If any Pay-out Threshold set forth above for any fiscal year is not achieved, then no payment shall be made to any Holder of a CVR Certificate in respect of such applicable Pay-out Threshold for such fiscal year irrespective of the achievement of one or more thresholds in any other fiscal year. Each Pay-out Threshold and entitlement to payment thereon shall be determined on a standalone basis irrespective of whether or not any other Pay-out Threshold is met.
- The CVR Agreement shall include covenants that protect the rights of Holders of CVR Certificates if a Reorganized Debtor engages in a transformative transaction. For instance the Reorganized Debtors shall cause any purchaser of all or substantially all of the Reorganized Debtors’ assets or an acquisition of all or substantially all of the Reorganized Claire’s Parent Interests, or a change of control, to assume the obligations of the Reorganized Debtors under the CVR Agreement and CVR Certificates.

² Adj. EBITDA represents net income (loss), adjusted to exclude income taxes, interest expense and income, depreciation and amortization, loss (gain) on early debt and preferred stock extinguishments, asset impairments, management fees, consulting fees, severance and transaction related costs, and certain non-cash and other items in accordance with historical practice as reflected in the Company’s Form 8-K dated as of April 17, 2018.

- For the avoidance of doubt, obligations outstanding with respect to the Contingent Value Right Cash Pool shall not accelerate upon the occurrence of any purchase of all or substantially all of the Reorganized Debtors' assets or an acquisition of all or substantially all of the Reorganized Claire's Parent Interests, or a change of control.
- In the sole discretion of the board of directors of the Reorganized Debtors, the Reorganized Debtors may prepay obligations owing on all CVR Certificates ratably among all holders of CVR Certificates.
- The Reorganized Debtors shall be required to provide periodic reporting to the CVR Agent for the benefit of holders of the CVR Certificate, to the extent provided for, as of the Effective Date, in the Exit Term Loan Documents, subject to the applicable Holder of a CVR Certificate signing an appropriate confidentiality agreement.
- The CVR Agent shall be entitled to reasonable and customary compensation, expense reimbursement and indemnities on terms and conditions set forth in the CVR Agreement and as reasonably agreeable to it, the Reorganized Debtors and Oaktree.
- CVR Certificates will be freely transferable subject to notice to the company of any transfer and reasonable consent rights over transfers to ensure the Reorganized Debtors are not required to become public filers.
- The CVR Agreement shall provide the CVR Agent with customary rights with respect to enforcement the CVR Agreement.
- The CVR Agreement shall be governed by New York law.

* * * * *

Exhibit B

Form of Notice of Confirmation Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	x	
	:	
In re	:	Chapter 11
	:	
CLAIRE’S STORES, INC., et al.,	:	Case No. 18-10584 (MFW)
	:	
Debtors.¹	:	Jointly Administered
	:	
	x	

**NOTICE OF ENTRY OF ORDER CONFIRMING
THE THIRD AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION CLAIRE’S STORES, INC. AND ITS DEBTOR AFFILIATES**

PLEASE TAKE NOTICE that on September 21, 2018, Claire’s Stores, Inc. (“**Claire’s**”) and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) filed the *Third Amended Joint Chapter 11 Plan of Reorganization of Claire’s Stores, Inc. and its Debtor Affiliates* [Docket No. 1034] (together with the plan supplement, all schedules, and exhibits thereto, and as may be modified, amended, or supplemented from time to time, the “**Plan**”).

PLEASE TAKE FURTHER NOTICE that a hearing to consider approval of the Plan commenced on September 17, 2018.

PLEASE TAKE FURTHER NOTICE that on September [DATE], 2018, the Court entered the *Order (I) Confirming Third Amended Joint Chapter 11 Plan of Reorganization of Claire’s Stores, Inc. and its Debtor Affiliates, and (II) Granting Related Relief* [Docket No. [●]] (the “**Confirmation Order**”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Claire’s Inc. (6919); Claire’s Stores, Inc. (0416); BMS Distributing Corp. (4117); CBI Distributing Corp. (5574); Claire’s Boutiques, Inc. (5307); Claire’s Canada Corp. (7936); Claire’s Puerto Rico Corp. (6113); and CSI Canada LLC. The Debtors’ corporate headquarters and service address is 2400 West Central Road, Hoffman Estates, Illinois 60192.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Confirmation Order, the Debtors hereby provide notice of entry of the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that, the Plan will become effective in accordance with its terms on the date on which all conditions precedent to the Effective Date (as defined in the Plan) set forth in Article IX Section A of the Plan have been satisfied or waived as provided in Article IX Section B of the Plan.

PLEASE TAKE FURTHER NOTICE that the Plan and Confirmation Order may be viewed for free at the website of the Debtors' claims and noticing agent, Prime Clerk LLC ("**Prime Clerk**") at <https://cases.primeclerk.com/claides> or for a fee on the Bankruptcy Court's website at <http://www.deb.uscourts.gov>.

Dated: _____, 2018
Wilmington, Delaware

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and Debtors in Possession