

**TOYS “R” US, INC.**

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**Amended and Restated  
Compensation and Organizational Development Committee Charter**

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**Scope and Purpose**

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The primary purpose of the Compensation and Organizational Development Committee (the “Committee”) is to oversee and review the overall compensation and benefits policies of Toys “R” Us, Inc. (the “Company”) for, and to set compensation levels for, officers (as defined for purposes of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder) of the Company (“Executive Officers”), other specified key employees of the Company and its subsidiaries as determined by the Committee after consultation with the Chief Executive Officer (such key employees, the “Key Employees”) and members of the Board of Directors of the Company (“Directors”), to work with the Chief Executive Officer as he or she establishes and maintains the most efficient and desirable organizational structure for the Company and to assist the Chief Executive Officer in connection with organizational development and management succession planning.

**Committee Responsibilities**

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The Committee shall have specific policy responsibility for (i) establishing, and reviewing the interpretation, implementation and administration of (A) all aspects of remuneration, including compensation and benefits, of all Executive Officers of the Company, including that of the Chief Executive Officer, any other Key Employees, and all Directors and (B) all other compensation and benefit policies, plans (and related trusts) and practices of the Company that relate to the issuance of equity securities of the Company to Executive Officers, Key Employees, other employees of the Company or any of its subsidiaries, or Directors, (ii) working with the Chief Executive Officer as he or she establishes and maintains the most efficient and desirable organizational structure for the Company, and (iii) overseeing the Chief Executive Officer in connection with organizational development and management succession planning below the office of Chief Executive Officer. The Committee shall also make recommendations to the Board from time to time and, when appropriate recommend that the Board propose to the stockholders, incentive-compensation plans of the Company or any of its subsidiaries to the extent required by applicable law or regulation or by the terms of such plans.

The Committee’s responsibilities shall include, but not be limited to:

- Establishing and reviewing the administration of the compensation and benefits policies, plans (and related trusts) and practices for Executive Officers, Key Employees and Directors, and

determining eligible Executive Officers, Key Employees and Directors and the type, amount and timing of such compensation and benefits.

- Reviewing, on an on-going basis, such policies, plans (and related trusts) and practices described in the preceding paragraph, and adopting or, where required by applicable law, recommending for Board and stockholder approval, amendments to such policies, plans (and related trusts) and practices or new policies, plans (and related trusts) and practices.
- Reviewing and affirming all contractual employment and compensation arrangements for Executive Officers and Directors.
- Establishing annual and long-term performance criteria and goals at the beginning of each performance period, and reviewing results achieved at the end of each performance period for Executive Officers, including an assessment of the Company's compensation philosophy pursuant to provisions of the Internal Revenue Code governing the deductibility of certain compensation to highly compensated employees.
- Making individual compensation determinations, including, but not being limited to, salary, annual and long-term incentive awards of cash and stock, stock option grants, and the totals thereof, with respect to the Chief Executive Officer and Directors, and upon the recommendation of the Chief Executive Officer with respect to other Executive Officers and Key Employees.
- Annually determining the Chief Executive Officer's compensation in connection with the annual evaluation of the Chief Executive Officer described below.
- Overseeing and assisting the Chief Executive Officer in connection with organizational development and management succession planning to facilitate the continuance of management talent that allows the Company to fulfill its mission. The Committee shall periodically review the Company's plans for the development of the Company's management team. The Committee, along with the Chief Executive Officer, shall also review and analyze the Company's management and organizational structure, and review management's succession plan to ensure the orderly succession of senior and mid-level managers throughout the Company, which plan shall be reviewed by the Board and reviewed periodically thereafter by the Committee and the Chief Executive Officer.

- Establishing and reviewing the administration of any compensation and benefit policies, plans (and related trusts) and practices of the Company that relate to the issuance of equity securities of the Company to Executive Officers, Key Employees, any other employees of the Company or any of its subsidiaries, or Directors, and determining eligible Executive Officers, Key Employees, other employees and Directors and the type, amount and timing of such compensation and benefits.
- Reviewing, on an on-going basis, such policies, plans (and related trusts) and practices described in the preceding paragraph, and adopting or, where required by applicable law, recommending for Board and stockholder approval, amendments to such policies, plans (and related trusts) and practices or new policies, plans (and related trusts) and practices.
- Making recommendations to the Board from time to time and, when appropriate recommend that the Board propose to the stockholders, incentive-compensation or equity- based plans of the Company or any of its subsidiaries to the extent required by applicable law or regulation or by the terms of such plans.
- Overseeing compliance with respect to compensation disclosure and reporting requirements under applicable laws, rules and regulations.
- Preparing such reports on executive compensation and on other activities of the Committee as may be required for inclusion in the Company's annual proxy statement or annual report on Form 10-K, or for filing with the exchanges on which the Company's shares are traded.
- Conducting an annual review of the Corporate Governance Guidelines of the Company and recommending to the Corporate Governance and Nominating Committee of the Board any changes it deems necessary.

In discharging these responsibilities for Executive Officers, Key Employees or, as the case may be, other employees of the Company and its subsidiaries, the Committee shall consider, among other factors, individual, business unit, subsidiary and Company strategic progress and performance relative to prior years' results, economic and business conditions, annual and long-term goals, comparative/competitive pay and performance levels, the importance of providing a carefully determined mix of long-term and short-term incentives that avoid undue emphasis on short-term market value changes, and the needs of the Company and its subsidiaries to attract and retain management and personnel talent.

At or near the beginning of each fiscal year, the Committee shall meet with the Chief Executive Officer to develop appropriate goals and objectives for such fiscal year, which goals shall then be discussed with and recommended to the entire Board. At year end, the Committee shall evaluate the performance of the Chief Executive Officer in meeting those goals and objectives. The Chair of the Committee, along with the Chair of the Corporate Governance and Nominating Committee, shall be responsible for ensuring that the Committee's evaluation of the Chief Executive Officer's performance is communicated to the Chief Executive Officer. The Committee shall use such evaluation in determining the Chief Executive Officer's compensation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers of comparable companies and the awards given to the Company's Chief Executive Officer in past years.

All of the Committee's compensation determinations shall be treated as confidential personnel matters except as the Committee or the Board deems appropriate to communicate to the stockholders of the Company, or as required by law or regulation. All of the Committee's compensation determinations with regard to the compensation of the Chief Executive Officer, and as the Committee deems appropriate with regard to the compensation of any other employees of the Company and its subsidiaries, shall be communicated to the Board.

The Committee shall annually review the appropriateness and competitiveness of the structure and level of the compensation of non-employee members of the Board. In discharging these responsibilities for non-employee members of the Board, the Committee shall consider, among other factors, board compensation policies of other corporations and "best practices" for such compensation, the responsibilities assumed by Board members and the commitment required of members of the Board in fulfilling their responsibilities to the stockholders. Based upon the Committee's recommendations or recommendations by outside executive compensation advisors, the Committee shall recommend compensation arrangements for non-employee Directors for approval by the full Board of Directors.

To the extent permitted by applicable law or regulation, the Chair of the Committee, after consultation with the Chief Executive Officer to the extent necessary and appropriate, may take actions related to the responsibilities of the Committee so long as such actions by the Chair are subject to obtaining the approval of the Committee.

The Committee may seek the assistance of, and shall have the sole authority to retain and terminate and to approve the fees and other retention terms of, outside executive compensation advisors and legal counsel to assist the Committee in performing its functions.

## **Composition and Membership**

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The Committee shall be comprised of at least three members elected by the Board. Each member of the Committee must (i) qualify as an “independent director” (as defined in the Corporate Governance Guidelines of the Company), (ii) satisfy the listing requirements of any exchange on which the shares of the Company are listed with respect to membership on the Committee, and (iii) qualify as a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. Any member of the Committee may be removed from the Committee, with or without cause, by resolution of the Board.

## **Meeting Schedule**

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The Committee shall schedule at least three meetings annually and otherwise, as circumstances require. The Secretary of the Company shall keep the minutes of all meetings. The Chair of the Committee shall report on the Committee’s activities and actions to the Board as considered necessary.

## **Maintenance of the Committee’s Charter**

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The Committee shall review the adequacy of this Charter on an annual basis and recommend to the Board any changes thereto that the Committee deems necessary. At least annually, the Committee shall also conduct a performance evaluation of the Committee and report the results of such evaluation to the Chair of the Corporate Governance and Nominating Committee.