

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
)
JUSTICE CAVANAGH)

FRIDAY, THE 17TH
DAY OF SEPTEMBER, 2021

B E T W E E N:

Seal)



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 3113736 CANADA LTD., 4362063 CANADA LTD., and A-Z SPONGE &
FOAM PRODUCTS LTD.

(the “**Applicants**”)

ORDER
(Settlement Approval Order)

THIS MOTION by the Applicants for an order approving a settlement agreement between the Applicants and Domfoam Inc. (the “**Purchaser**”), was heard this day by videoconference.

ON READING the Motion Record, the Twenty-Fifth Report of Deloitte Restructuring Inc., (the “**Twenty-Fifth Report**”) in its capacity as Court-appointed monitor of the Applicants (the “**Monitor**”), and the Applicants’ Factum, and on hearing the submissions of the lawyers for the Applicants, no other party making submissions:

1. **THIS COURT ORDERS** that the time for service and manner of service of the Applicants' Motion Record and Factum are hereby abridged and validated, and any further service thereof is hereby dispensed with so that this motion was properly returnable September 17, 2021 in all proceedings set out in the styles of cause hereof.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings attributed to those terms in the minutes of settlement and mutual release between the Applicants and the Purchaser (together, the "**Settling Parties**"), dated as of September 14, 2021 (the "**Settlement Agreement**").
3. **THIS COURT ORDERS** that the Settlement Agreement is fair and reasonable and is hereby approved, and the parties thereto are hereby bound by this Order and by those terms of the Settlement Agreement that are conditional upon the granting of this Order, and the Applicants are authorized and directed to comply with their obligations thereunder.
4. **THIS COURT ORDERS** that the Monitor is directed and authorized to take any steps and perform any actions that are required to be taken or performed by the Monitor pursuant to the Settlement Agreement, including, without limiting the generality of the foregoing, to pay from funds held in the Domfoam Account (i) the Settlement Amount to the Purchaser; and (ii) the Domfoam Canadian Polyols Agent Fee (as defined in the Twenty-Fifth Report) to Lex Acquisition Group, LLC.
5. **THIS COURT ORDERS** that the Costs Reserve established pursuant to the endorsement of Justice Koehnen dated October 8, 2020 is hereby terminated and the Monitor is hereby directed and authorized to release the funds subject to the Cost Reserve to the estate of 3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.).

6. **THIS COURT ORDERS** that in accordance with the terms and conditions of the Settlement Agreement, as of the Settlement Date, the Settled Matters as defined in the Release appended to the Settlement Agreement are irrevocably, absolutely, and unconditionally fully, finally, and forever released, remised and discharged in accordance with the terms of said Release.

7. **THIS COURT ORDERS** that Confidential Exhibit “B” to the affidavit of Linc Rogers, sworn September 14, 2021, shall be and is hereby sealed, kept confidential and shall not form part of the public record pending the termination of this CCAA proceeding or further order of the Court.

8. **THIS COURT ORDERS** that the Twenty-Fifth Report, and the actions, decisions and conduct of the Monitor as set out in the Twenty-Fifth Report, are hereby authorized and approved.

9. **THIS COURT ORDERS** that, due to the COVID-19 pandemic, this Order is immediately effective and enforceable without any need for entry and filing.

Justice Peter Cavanagh

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 31133736 CANADA LTD., 4362063 CANADA LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

Applicants

Court File No. CV-12-9545-00CL

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PROCEEDING COMMENCED AT
TORONTO

ORDER

LAX O'SULLIVAN LISUS GOTTLIEB LLP

Counsel

Suite 2750, 145 King Street West
Toronto ON M5H 1J8

Matthew P. Gottlieb LSO#: 32268B

mgottlieb@lolg.ca

Tel: 416 644 5353

Jasmine K. Landau LSO#: 74316K

jlandau@lolg.ca

Tel: 416 956 0110

Lawyers for the Applicant, 4362063 Canada Ltd.