

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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
KRAUS BRANDS INC., KRAUS CANADA LTD., KRAUS CARPET INC.,
KRAUS PROPERTIES INC., KRAUS USA INC., and STRUDEX INC.**

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice ("**Court**") dated September 11, 2018 ("**Initial Order**"), Deloitte Restructuring Inc. was appointed as the monitor ("**Monitor**") of the Applicants and the Partnerships listed on Schedule "A" to the Initial Order (collectively, the "**Kraus Group**").

B. Pursuant to an Order of the Court dated September 18, 2018 ("**Approval and Vesting Order**"), the Court approved the asset purchase agreement made as of September 10, 2018 ("**Purchase Agreement**") between Kraus Canada LP, Kraus Properties LP, Kraus USA Inc. and Kraus Carpet LP ("**Vendors**") and Q.E.P. Co., Inc. and Roberts Company Canada Ltd. ("**Purchasers**") and the purchase and sale agreement between Kraus USA Inc. and Q.E.P. Co., Inc. in respect of the sale of real property situated at 2216 Abutment Road, Dalton, Georgia ("**Land Purchase Agreement**") and provided for the vesting in the Purchasers of the Vendor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets pursuant to the Purchase Agreement; (ii) that the conditions to

Closing as set out in the Purchase Agreement have been satisfied or waived by the Vendors and the Purchasers; and (iii) the Transactions have been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement or the Approval and Vesting Order.

THE MONITOR CERTIFIES the following:

1. The Purchasers have paid the Purchase Price for the Purchased Assets pursuant to the Purchase Agreement and the Land Purchase Agreement, subject to the Holdbacks under the Purchase Agreement and the Escrow Agreement;
2. The conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Vendors and the Purchasers; and
3. The Transactions have been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at 4:59pm on October 5, 2018.

**DELOITTE RESTRUCTURING INC., in its
capacity as Monitor of the Applicants,
and not in its personal capacity**

Per: _____

Name: Paul M. Casey

Title: Senior Vice-President

Oct. 9/18.

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Court File No.: CV-18-604759-00CL

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Proceeding commenced in Toronto

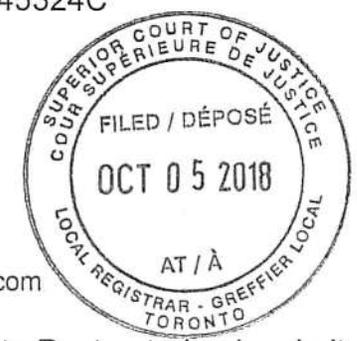
MONITOR'S CERTIFICATE

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Lawyers for the Deloitte Restructuring Inc. in its capacity as Monitor of the Kraus Group